

CITY OF ROCKLIN, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2011



Prepared by:
Finance Division –
Kim Sarkovich, Chief Financial Officer
Mary Rister, Senior Finance and Budget Analyst

This page intentionally left blank.

**City of Rocklin, California
 Comprehensive Annual Financial Report
 For the year ended June 30, 2011**

Table of Contents

Page

INTRODUCTORY SECTION

Table of Contents i

Letter of Transmittal v

Organization Chart viii

List of Officials ix

FINANCIAL SECTION

Independent Auditor’s Report 1

Management’s Discussion and Analysis (Required Supplementary Information) 3

Basic Financial Statements:

Government-Wide Financial Statements:

 Statement of Net Assets 15

 Statement of Activities 16

Fund Financial Statements:

Governmental Funds:

 Balance Sheet 18

 Reconciliation of Governmental Funds Balance Sheet to the
 Statement of Net Assets 20

 Reconciliation of Fund Basis Balance Sheet to Government-wide
 Statement of Net Assets – Governmental Activities 21

 Statement of Revenues, Expenditures, and Changes
 in Fund Balances – Governmental Funds 22

 Reconciliation of Fund Basis Statements to Government-wide
 Statement of Activities 24

 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities 25

 Statement of Revenues, Expenditures, and Changes in
 Fund Balances - Budget and Actual – General Fund 26

City of Rocklin, California
Comprehensive Annual Financial Report
For the year ended June 30, 2011

Table of Contents, Continued

	<u>Page</u>
Basic Financial Statements: (Continued)	
<i>Fund Financial Statements, continued:</i>	
Fleet Management Internal Service Fund:	
Statement of Net Assets	27
Statement of Revenues, Expenses, and Changes in Fund Net Assets	28
Statement of Cash Flows	29
Agency Funds:	
Statement of Assets and Liabilities.....	30
Notes to Basic Financial Statements	33
Other Supplemental Information:	
Combining and Individual Fund Financial Statements and Schedules:	
Non-major Governmental Funds:	
Combining Balance Sheet	72
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	73
Non-major Special Revenue Funds:	
Combining Balance Sheet.....	76
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	80
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Gas Tax	84
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – SB325 Sales Tax	85
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Bicycle and Pedestrian Facilities	86
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – RDA Low/Moderate Housing.....	87
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – RDA Down Payment Assistance.....	88
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Lighting District #1.....	89
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Lighting District #2.....	90
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Community Facilities District #1.....	91
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Community Facilities District #6.....	92

City of Rocklin, California
Comprehensive Annual Financial Report
For the year ended June 30, 2011

Table of Contents, Continued

	<u>Page</u>
Combining and Individual Fund Financial Statements and Schedules: (Continued)	
Non-major Special Revenue Funds: (continued)	
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Housing Rehabilitation	93
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Asset Forfeiture	94
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Whitney Oaks Park Improvement	95
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Traffic Safety	96
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Traffic Congestion AB 2928	97
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – DOE Grants	98
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Supplemental Law Enforcement Grant	99
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Parks & Recreation Programs	100
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Park Improvement	101
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Explorer Post 150	102
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – ARRA	103
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Prop 1B	104
Non-major Capital Project, Permanent and Debt Service Funds:	
Combining Balance Sheet – Non-major Capital Project, Permanent and Debt Service Funds	106
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-major Capital Project, Permanent and Debt Service Funds	108
Agency Funds:	
Combining Statement of Assets and Liabilities – Agency Funds	112
Combining Statement of Changes in Assets and Liabilities – Agency Funds	115

**City of Rocklin, California
 Comprehensive Annual Financial Report
 For the year ended June 30, 2011**

Table of Contents, Continued

Page

STATISTICAL SECTION (unaudited)

Net Assets by Component122
 Changes in Net Assets124
 Fund Balances, Governmental Funds128
 Changes in Fund Balances, Governmental Funds130
 Assessed Value and Estimated Actual Value of Taxable Property132
 Direct and Overlapping Property Tax Rates.....134
 Principal Property Tax Payers136
 Property Tax Levies and Collections.....137
 Ratios of Outstanding Debt by Type138
 Direct and Overlapping Debt.....139
 Legal Debt Margin Information.....140
 Demographic and Economic Statistics142
 Principal Employers.....143

City of Rocklin

Finance & Budget Department



3970 Rocklin Road
Rocklin, California 95677-2720

O | 916.625.5000
F | 916.625.5095
TTY | 916.632.4013
www.rocklin.ca.us

March 19, 2012

Citizens of Rocklin
Honorable Mayor
And Members of the City Council

This Comprehensive Annual Financial Report for the City of Rocklin, California (the City), for the Fiscal Year ended June 30, 2011 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, 2011. 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.

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 57,901 at January 1, 2011.

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 34)

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 first 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 blue ink that reads "Mary Rister". The signature is written in a cursive style with a large initial "M".

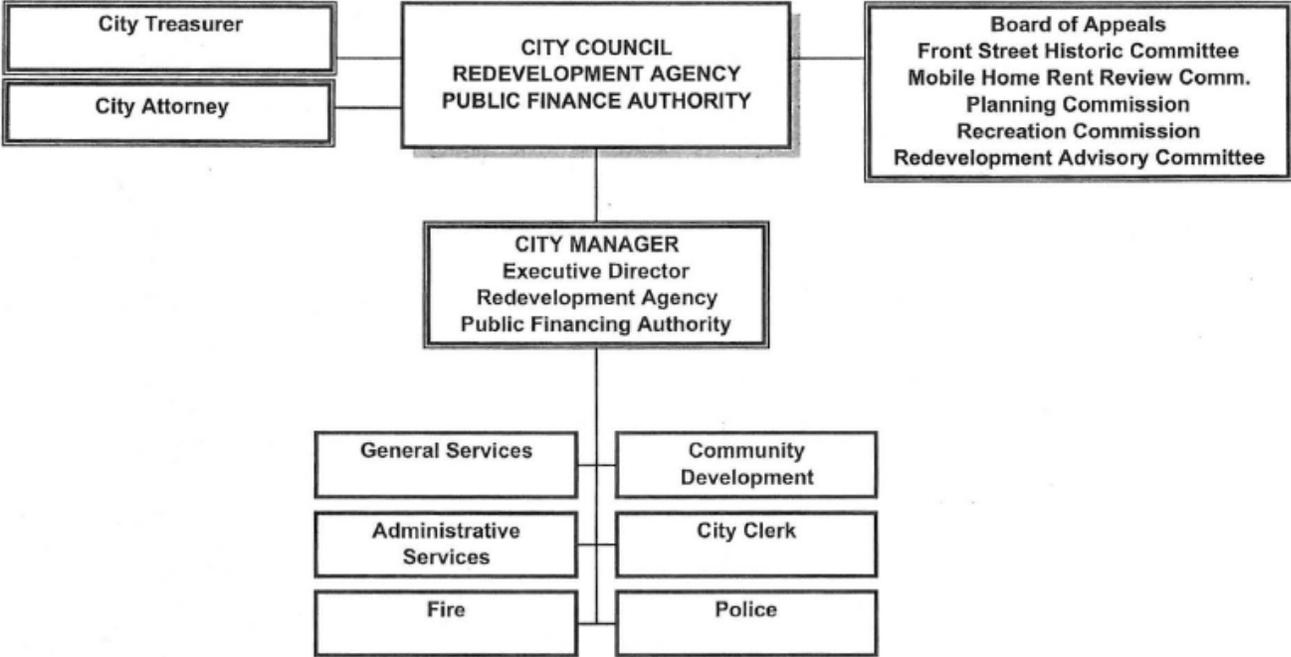
Mary Rister
Senior Finance and Budget Analyst

City of Rocklin, California
Basic Financial Statements
For the year ended June 30, 2011

Organization Chart

City of Rocklin

Organization Chart



City of Rocklin, California
Basic Financial Statements
For the year ended June 30, 2011

List of Officials

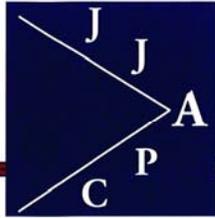
City Council

	<u>Term Expires</u>
➤ Brett Storey, Mayor	November 2012
➤ Peter Hill, Vice Mayor	November 2012
➤ George Magnunson, Councilmember	November 2012
➤ Scott Yuill, Councilmember	November 2014
➤ Diana Ruslin, Councilmember	November 2014

City Officials

	<u>Position</u>
➤ Ricky A. Horst	City Manager
➤ Ron Lawrence	Chief of Police
➤ Bill Mikesell	Fire Chief
➤ Kimberly Sarkovich	City Treasurer/Chief Financial Officer
➤ Russell E. Hildebrand	City Attorney
➤ Barbara Ivanusich	City Clerk

This page intentionally left blank.



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, 2011, 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, 2010, financial statements, and in our report dated March 25, 2011, 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, 2011, 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.

As discussed in the Notes to the basic financial statements, the accompanying financial statements reflect certain changes required as a result of implementation of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, for the year ended June 30, 2011.

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 19, 2012 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 19, 2012

JJACPA, Inc.

JJACPA, INC.

City of Rocklin, California
Basic Financial Statements
For the year ended June 30, 2011

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, 2011. 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 2010-11 by \$360,928,194 (*net assets*), of this amount, \$43,464,022 in *unrestricted net assets* is available to meet ongoing obligations to citizens and creditors, \$18,109,568 in *restricted net assets* must be used only for specific purposes and \$299,354,604 is *invested in capital assets, net of related debt*.
- The City's total net assets decreased by \$43,155,742 due to an increase in the OPEB obligation and a decrease of \$35,567,489 in capital assets, a result of the completion and release of the Sierra College I/80 interchange to the California Department of Transportation.
- During fiscal year 2011, the City of Rocklin implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54 *Fund Balance Reporting and Governmental Fund Balance Type Definitions*. For more information on GASB 54 see Note 1 of the notes to basic financial statements.

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.

City of Rocklin, California
Basic Financial Statements
For the year ended June 30, 2011

Management's Discussion and Analysis, Continued

OVERVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT, Continued

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.

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.

City of Rocklin, California
Basic Financial Statements
For the year ended June 30, 2011

Management's Discussion and Analysis, Continued

OVERVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT, Continued

Governmental funds, continued

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*.

The City maintains 48 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 42 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 13 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, 2011

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 31-70 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 71-119 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 \$360,928,194 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	
	2011	2010
Current and other assets	\$ 81,960,578	\$ 87,276,459
Noncurrent assets	342,995,301	382,190,382
Total assets	<u>424,955,879</u>	<u>469,466,841</u>
Current and other liabilities	4,545,937	7,694,944
Long-term liabilities	59,481,748	57,687,961
Total liabilities	<u>64,027,685</u>	<u>65,382,905</u>
Net assets:		
Invested in capital assets, net of related debt	299,354,604	336,857,846
Restricted	18,109,568	16,013,886
Unrestricted	43,464,022	51,212,204
Total net assets	<u><u>\$ 360,928,194</u></u>	<u><u>\$ 404,083,936</u></u>

City of Rocklin, California
Basic Financial Statements
For the year ended June 30, 2011

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

The remaining amount in *unrestricted net assets* \$43,464,022 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 \$95,165,656. However, as shown in the Statement of Activities on page 16, the amount that taxpayers ultimately financed for governmental activities was \$78,228,202. Those who directly benefited from city programs paid \$7,361,097. Other governments and organizations subsidized certain programs with grants and contributions in the amount of \$8,514,569 for operations and \$1,061,788 for capital. The City paid the remaining "public benefit" portion of government activities with \$13,935,181 in property taxes and \$21,137,279 in other general revenues.

Total resources available during the year to finance governmental operations were \$52,009,914. This consisted of \$16,937,454 in program revenues, \$35,072,460 in general revenues. Total governmental activities operating expenses during the year were \$95,165,656; thus net assets at July 1, 2010, of \$404,083,936 decreased by \$43,155,742 to \$360,928,194 due to an increase in the OPEB obligation and a decrease of \$35,567,489 in capital assets, a result of the completion and release of the Sierra College I/80 interchange to the California Department of Transportation.

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

Fund Balance to Net Assets Reconciliation

	Fund Balance	Adjustments				Net Assets
		Capital Assets	Internal Service Fund	Internal Restrictions	Long-term Liabilities	
Governmental activities:						
Nonspendable:						
Advances to other funds	\$ 2,308,708	\$ -	\$ -	\$ (2,308,708)	\$ -	\$ -
Loans/Notes receivable	16,119,315	-	-	(16,119,315)	-	-
Endowments	491,455	-	-	(491,455)	-	-
Restricted	17,618,113	-	-	(17,618,113)	-	-
Committed	14,161,064	-	-	(14,161,064)	-	-
Assigned	18,464,493	-	-	(18,464,493)	-	-
Unassigned	4,859,483	-	-	(4,859,483)	-	-
Invested in capital assets, net of related debt	-	295,181,084	4,173,520	-	-	299,354,604
Restricted	-	-	-	18,109,568	-	18,109,568
Unrestricted	-	-	3,900,595	55,913,063	(16,349,636)	43,464,022
Total governmental activities	\$ 74,022,631	\$ 295,181,084	\$ 8,074,115	\$ -	\$ (16,349,636)	\$ 360,928,194

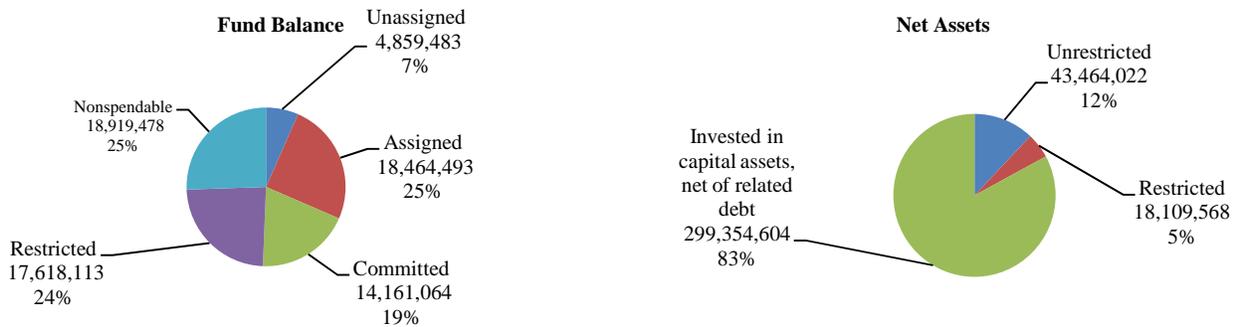
City of Rocklin, California
Basic Financial Statements
For the year ended June 30, 2011

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, general services 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	
	2011	2010	2011	2010	2011	2010
	Governmental activities:					
General government	\$ 5,072,665	\$ 2,212,049	\$ 12,368,561	\$ 11,502,017	\$ (7,295,896)	\$ (9,289,968)
Public safety	2,845,549	1,621,562	19,676,954	20,187,996	(16,831,405)	(18,566,434)
General services	4,319,116	3,534,129	21,459,947	21,833,875	(17,140,831)	(18,299,746)
Community development	4,700,124	5,010,577	39,474,367	6,975,124	(34,774,243)	(1,964,547)
Total governmental activities	\$ 16,937,454	\$ 12,378,317	\$ 92,979,829	\$ 60,499,012	\$ (76,042,375)	\$ (48,120,695)

City of Rocklin, California
Basic Financial Statements
For the year ended June 30, 2011

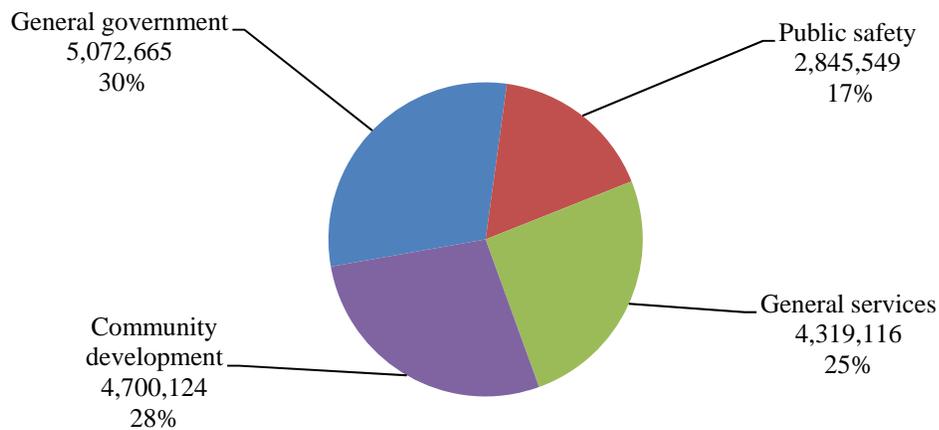
Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

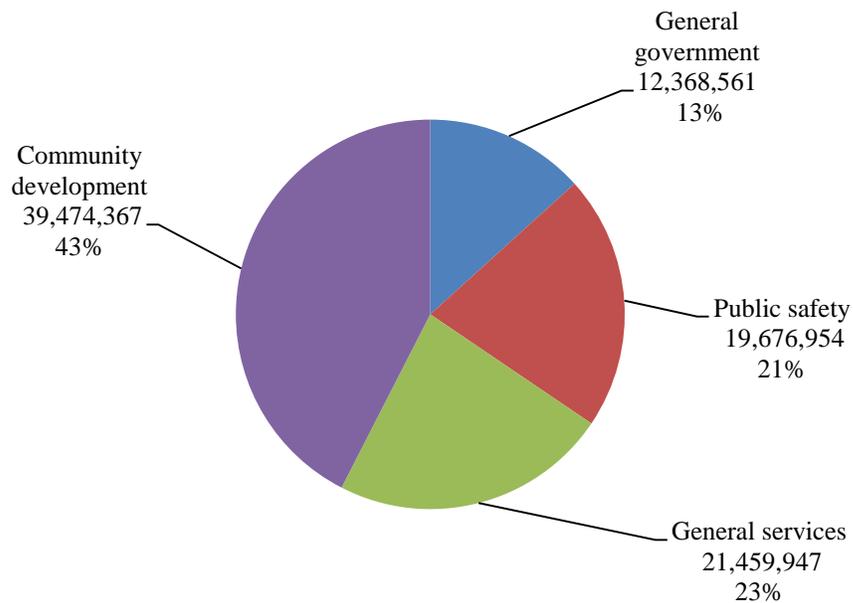
Governmental Activities, Continued

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

Operating Revenue



Operating Expenses



City of Rocklin, California
Basic Financial Statements
For the year ended June 30, 2011

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, 2011, net capital assets of the governmental activities totaled \$341,629,604. Depreciation on capital assets is recognized in the government-wide financial statements. The following table shows the City's Capital Assets net of depreciation:

	Governmental Activities	
	<u>2011</u>	<u>2010</u>
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	13,495,156	60,079,924
Total nondepreciable assets	<u>73,784,566</u>	<u>120,369,334</u>
Depreciable assets:		
Buildings	36,695,061	36,471,600
Facilities & other improvements	3,273,530	2,946,675
Machinery & equipment	2,919,806	2,760,001
Fleet machinery & equipment	9,398,761	9,209,111
Park buildings	676,835	600,783
Park equipment	1,623,319	1,542,666
Park improvements	14,584,717	14,524,791
Infrastructure	337,031,314	319,083,064
Total depreciable assets	<u>406,203,343</u>	<u>387,138,691</u>
Accumulated depreciation	<u>(138,358,305)</u>	<u>(126,760,179)</u>
Total	<u>\$ 341,629,604</u>	<u>\$ 380,747,846</u>

Additional information on the City's capital assets can be found in Note 6 on page 51 of this report.

City of Rocklin, California
Basic Financial Statements
For the year ended June 30, 2011

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Debt Administration

Debt, considered a liability of governmental activities, increased by \$2,406,443, primarily the result of an increase in the OPEB obligation, see Note 9 on page 53. Compensated absences increased by \$124,165 to \$3,694,119 of which \$1,229,623 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 2011-2012 was \$44,851,974 and is summarized as follows:

	FY 2010-11	FY 2011-12	Amount Change	Percentage Change
General fund	\$ 34,766,109	\$ 33,378,723	\$ (1,387,386)	(4.0)%
Special revenue funds	4,939,041	2,780,071	(2,158,970)	(43.7)%
Permanent funds	-	-	-	0.0%
Internal service funds	2,283,351	2,319,923	36,572	1.6%
Capital projects	6,049,606	5,833,257	(216,349)	(3.6)%
Total operations and projects	<u>48,038,107</u>	<u>44,311,974</u>	<u>(3,726,133)</u>	<u>(7.8)%</u>
Debt service	<u>634,000</u>	<u>540,000</u>	<u>(94,000)</u>	<u>(14.8)%</u>
Total budget	<u><u>\$ 48,672,107</u></u>	<u><u>\$ 44,851,974</u></u>	<u><u>\$ (3,820,133)</u></u>	<u><u>(7.8)%</u></u>

1. General Fund – Shows a decrease of \$1,387,386 or approximately 4.0%. The decrease is the result of operation and personnel reductions and reallocations.
2. Special Revenue Funds – Show a decrease of \$2,158,970 or approximately 43.7%. The decrease is the result of operation and personnel reductions and reallocations.
3. Internal Service Funds – Show an increase of \$36,572 or 1.6%, a result of fleet capital purchases.
4. Capital Projects – Show a decrease of \$216,349 or 3.6%, as a result of a decrease in capital projects and the overall capital improvement program.
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, 2011

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

This page intentionally left blank.

City of Rocklin, California

Statement of Net Assets

June 30, 2011

(With comparative totals for June 30, 2010)

	Governmental Activities	
	2011	2010
ASSETS		
Current assets:		
Cash and investments	\$ 43,409,834	\$ 52,036,761
Restricted cash and investments	14,535,252	14,856,010
Receivables, net	22,410,133	19,142,656
Inventory and prepaid items	104,836	87,901
Other assets	1,500,523	1,153,131
Total current assets	81,960,578	87,276,459
Noncurrent assets:		
Intangible assets, net	1,365,697	1,442,536
Capital assets, net	341,629,604	380,747,846
Total noncurrent assets	342,995,301	382,190,382
Total assets	\$ 424,955,879	\$ 469,466,841
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 2,507,841	\$ 3,310,263
Deposits payable	191,590	2,391,991
Interest payable	564,035	564,035
Compensated absences - current portion	1,282,471	1,290,110
Unearned revenue	-	138,545
Total current liabilities	4,545,937	7,694,944
Noncurrent liabilities:		
Long-term debt:		
Line of credit	3,399,968	4,282,837
Claims liabilities	875,748	1,092,007
Compensated absences	2,279,844	2,279,844
Net OPEB obligation	10,651,188	6,143,273
Due within one year	1,575,000	1,615,000
Due after one year	40,700,000	42,275,000
Total noncurrent liabilities	59,481,748	57,687,961
Total liabilities	64,027,685	65,382,905
NET ASSETS		
Invested in capital assets, net of related debt	299,354,604	336,857,846
Restricted	18,109,568	16,013,886
Unrestricted	43,464,022	51,212,204
Total net assets	360,928,194	404,083,936
Total liabilities and net assets	\$ 424,955,879	\$ 469,466,841

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, 2011

(With comparative totals for the year ended June 30, 2010)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	2011	2010
Governmental activities:						
General government	\$ 12,368,561	\$ 1,975,872	\$ 3,096,793	\$ -	\$ (7,295,896)	\$ (9,289,968)
Public safety	19,676,954	929,151	1,821,081	95,317	(16,831,405)	(18,566,434)
General services	21,459,947	3,096,172	1,222,944	-	(17,140,831)	(18,299,746)
Community development	39,474,367	1,359,902	2,373,751	966,471	(34,774,243)	(1,964,547)
Interest	2,185,827	-	-	-	(2,185,827)	(2,225,218)
Total governmental activities	\$ 95,165,656	\$ 7,361,097	\$ 8,514,569	\$ 1,061,788	(78,228,202)	(50,345,913)
General revenues:						
Taxes:						
Property taxes					13,935,181	14,743,382
Sales and use tax					5,040,007	6,378,150
Gas tax					4,292,227	1,449,281
Transient occupancy tax					383,641	344,792
Other taxes					3,215,335	4,201,280
Motor vehicle fees					3,760,265	3,935,363
Franchise fees					1,762,153	1,594,426
Impact fees					1,140,139	1,203,166
Interest and investment earnings					1,543,512	1,936,732
Total general revenues					<u>35,072,460</u>	<u>35,786,572</u>
Change in net assets					(43,155,742)	(14,559,341)
Net assets:						
Beginning - beginning					404,083,936	418,643,277
Net assets - ending					<u>\$ 360,928,194</u>	<u>\$ 404,083,936</u>

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

FUND FINANCIAL STATEMENTS

Fund	Description
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, 2011

(With comparative totals for June 30, 2010)

	Major Funds			
	General Fund	Public Financing Authority Debt Service	Redevelopment Agency Capital Projects	Redevelopment Agency Debt Service
ASSETS				
Cash and investments	\$ 18,327,130	\$ 445,921	\$ 657,434	\$ 1,347,778
Restricted cash and investments	-	12,685,605	-	1,811,264
Receivables:				
Taxes	1,580,467	-	-	27,458
Interest	52,277	-	-	-
Intergovernmental	96,236	-	412,647	-
Loans/Notes receivable	5,100,000	-	-	-
Other receivable	377,659	-	269,000	27,000
Due from other funds	8,631,658	-	-	-
Other assets	1,500,523	-	-	-
Advances to other funds	948,708	-	460,000	-
Total assets	\$ 36,614,658	\$ 13,131,526	\$ 1,799,081	\$ 3,213,500
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,394,198	\$ 750	\$ 395,145	\$ 54,675
Deposits payable	191,590	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	55,450	-	-	-
Compensated absences	1,229,623	-	-	-
Advances from other funds	-	460,000	-	1,848,708
Total liabilities	2,870,861	460,750	395,145	1,903,383
Fund balances:				
Nonspendable				
Advances to other funds	948,708	-	460,000	-
Loans/Notes receivable	5,100,000	-	-	-
Endowments	-	-	-	-
Restricted	-	12,670,776	943,936	1,310,117
Committed	14,161,064	-	-	-
Assigned	-	-	-	-
Unassigned (Deficit)	13,534,025	-	-	-
Total fund balances	33,743,797	12,670,776	1,403,936	1,310,117
Total liabilities and fund balances	\$ 36,614,658	\$ 13,131,526	\$ 1,799,081	\$ 3,213,500

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	2011	2010
\$ 5,326,804	\$ -	\$ 14,180,677	\$ 40,285,744	\$ 48,851,435
-	-	38,383	14,535,252	14,856,010
-	-	284,844	1,892,769	1,901,013
-	-	-	52,277	71,423
361,760	368,732	399,054	1,638,429	472,909
-	-	11,019,315	16,119,315	16,360,634
2,033,684	-	-	2,707,343	336,677
-	-	-	8,631,658	7,549,457
-	-	-	1,500,523	1,153,131
-	-	900,000	2,308,708	2,308,708
<u>\$ 7,722,248</u>	<u>\$ 368,732</u>	<u>\$ 26,822,273</u>	<u>\$ 89,672,018</u>	<u>\$ 93,861,397</u>
\$ 297,147	\$ 525	\$ 243,699	\$ 2,386,139	\$ 3,238,434
-	-	-	191,590	2,391,991
-	3,263,540	5,368,118	8,631,658	7,549,457
-	-	-	55,450	138,545
-	-	-	1,229,623	1,253,730
-	-	846,219	3,154,927	3,366,482
<u>297,147</u>	<u>3,264,065</u>	<u>6,458,036</u>	<u>15,649,387</u>	<u>17,938,639</u>
-	-	900,000	2,308,708	2,308,708
-	-	11,019,315	16,119,315	16,360,634
-	-	491,455	491,455	491,455
-	-	2,693,284	17,618,113	24,023,767
-	-	-	14,161,064	18,083,408
7,425,101	-	11,039,392	18,464,493	9,870,017
-	(2,895,333)	(5,779,209)	4,859,483	4,784,769
<u>7,425,101</u>	<u>(2,895,333)</u>	<u>20,364,237</u>	<u>74,022,631</u>	<u>75,922,758</u>
<u>\$ 7,722,248</u>	<u>\$ 368,732</u>	<u>\$ 26,822,273</u>	<u>\$ 89,672,018</u>	<u>\$ 93,861,397</u>

City of Rocklin, California
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2011

Total fund balances - total governmental funds \$ 74,022,631

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.		337,456,084
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet.		(59,481,748)
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.		1,365,697
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)
Deferred revenue is reported in governmental funds on the modified accrual basis and is recognized as revenue on the accrual basis in the government-wide statements.		55,450
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	\$ 3,228,926	
Noncurrent assets	5,019,739	
Accounts payable and accrued liabilities	(121,702)	
Compensated absences	(52,848)	8,074,115
		<u>8,074,115</u>
Net assets of governmental activities		<u><u>\$360,928,194</u></u>

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

City of Rocklin, California

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

Governmental Activities

June 30, 2011

	Governmental Funds Balance Sheet	Internal Service Balances	Reclassifications	Changes in GAAP	Statement of Net Assets
ASSETS					
Current assets:					
Cash and investments	\$ 40,285,744	\$ 3,124,090	\$ -	\$ -	\$ 43,409,834
Restricted cash and investments	14,535,252	-	-	-	14,535,252
Receivables (net)	22,410,133	-	-	-	22,410,133
Inventory and prepaid items	-	104,836	-	-	104,836
Due from other funds	8,631,658	-	(8,631,658)	-	-
Other assets	1,500,523	-	-	-	1,500,523
Total current assets	87,363,310	3,228,926	(8,631,658)	-	81,960,578
Noncurrent assets:					
Advances to other funds	2,308,708	846,219	(3,154,927)	-	-
Intangible assets, net	-	-	-	1,365,697	1,365,697
Capital assets, net	-	4,173,520	-	337,456,084	341,629,604
Total noncurrent assets	2,308,708	5,019,739	(3,154,927)	338,821,781	342,995,301
Total assets	\$ 89,672,018	\$ 8,248,665	\$ (11,786,585)	\$ 338,821,781	\$ 424,955,879
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 2,386,139	\$ 121,702	\$ -	\$ -	\$ 2,507,841
Deposits payable	191,590	-	-	-	191,590
Due to other funds	8,631,658	-	(8,631,658)	-	-
Interest payable	-	-	-	564,035	564,035
Compensated absences	1,229,623	52,848	-	-	1,282,471
Deferred revenue	55,450	-	-	(55,450)	-
Total current liabilities	12,494,460	174,550	(8,631,658)	508,585	4,545,937
Noncurrent liabilities:					
Long-term liabilities:					
Advances from other funds	3,154,927	-	(3,154,927)	-	-
Line of credit	-	-	-	3,399,968	3,399,968
Claims liabilities	-	-	-	875,748	875,748
Compensated absences	-	-	-	2,279,844	2,279,844
Net OPEB obligation	-	-	-	10,651,188	10,651,188
Due within one year	-	-	-	1,575,000	1,575,000
Due after one year	-	-	-	40,700,000	40,700,000
Total noncurrent liabilities	3,154,927	-	(3,154,927)	59,481,748	59,481,748
Total liabilities	15,649,387	174,550	(11,786,585)	59,990,333	64,027,685
FUND BALANCES/NET ASSETS					
Fund balances:					
Nonspendable					
Advances to other funds	2,308,708	-	(2,308,708)	-	-
Loans/Notes receivable	16,119,315	-	(16,119,315)	-	-
Endowments	491,455	-	(491,455)	-	-
Restricted	17,618,113	-	(17,618,113)	-	-
Committed	14,161,064	-	(14,161,064)	-	-
Assigned	18,464,493	-	(18,464,493)	-	-
Unassigned (Deficit)	4,859,483	-	(4,859,483)	-	-
Net assets:					
Invested in capital assets, net of related debt	-	4,173,520	-	295,181,084	299,354,604
Restricted	-	-	18,109,568	-	18,109,568
Unrestricted	-	3,900,595	55,913,063	(16,349,636)	43,464,022
Total fund balances/ net assets	74,022,631	8,074,115	-	278,831,448	360,928,194
Total liabilities and net assets	\$ 89,672,018	\$ 8,248,665	\$ (11,786,585)	\$ 338,821,781	\$ 424,955,879

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, 2011

(With comparative totals for the year ended June 30, 2010)

	Major Funds			
	General Fund	Public Financing Authority Debt Service	Redevelopment Agency Capital Projects	Redevelopment Agency Debt Service
REVENUES:				
Taxes and assessments	\$ 17,225,740	\$ -	\$ -	\$ 3,695,809
Licenses and permits	2,051,659	-	-	-
Fines and forfeitures	285,829	-	-	-
Intergovernmental	4,323,691	-	969,357	40,977
Use of money and property	1,105,479	683,290	22,670	19,584
Charges for services	3,647,824	-	-	-
Contributions from developers and homeowners	-	-	-	-
Other revenues	2,476,791	-	269,000	-
Total revenues	31,117,013	683,290	1,261,027	3,756,370
EXPENDITURES:				
Current:				
General government	6,447,642	20,276	16,454	478,261
Public safety	18,282,544	-	-	-
General services	7,075,584	-	191,089	17,081
Community development	1,322,420	-	21,044	1,329,603
Capital outlay	422,984	-	3,033,710	136,085
Debt service:				
Principal	-	545,000	-	585,000
Interest	52	459,063	-	1,279,454
Total expenditures	33,551,226	1,024,339	3,262,297	3,825,484
REVENUES OVER (UNDER) EXPENDITURES	(2,434,213)	(341,049)	(2,001,270)	(69,114)
OTHER FINANCING SOURCES (USES):				
Proceeds from line of credit	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Transfers in	3,125,365	-	-	558,571
Transfers out	(193,123)	-	(3,265,277)	(125,461)
Total other financing sources (uses)	2,932,242	-	(3,265,277)	433,110
Net change in fund balances	498,029	(341,049)	(5,266,547)	363,996
FUND BALANCES:				
Beginning of year	33,245,768	13,011,825	6,670,483	946,121
End of year	\$ 33,743,797	\$ 12,670,776	\$ 1,403,936	\$ 1,310,117

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	
			2011	2010
\$ 2,238,072	\$ -	\$ 8,035,102	\$ 31,194,723	\$ 28,990,898
-	-	-	2,051,659	1,877,390
-	-	4,473	290,302	322,076
-	391,233	2,287,333	8,012,591	7,330,605
21,779	-	86,731	1,939,533	1,937,512
-	-	23,000	3,670,824	3,763,720
-	-	391,375	391,375	867,288
2,486,610	-	68,212	5,300,613	3,073,887
<u>4,746,461</u>	<u>391,233</u>	<u>10,896,226</u>	<u>52,851,620</u>	<u>48,163,376</u>
600	-	444,024	7,407,257	7,250,768
-	-	39,924	18,322,468	18,833,510
-	-	4,889,440	12,173,194	12,256,700
364,855	14,309	765,743	3,817,974	6,975,124
2,812,633	110,927	1,831,562	8,347,901	6,736,882
-	-	1,367,869	2,497,869	2,020,000
-	93,217	354,041	2,185,827	2,292,870
<u>3,178,088</u>	<u>218,453</u>	<u>9,692,603</u>	<u>54,752,490</u>	<u>56,365,854</u>
<u>1,568,373</u>	<u>172,780</u>	<u>1,203,623</u>	<u>(1,900,870)</u>	<u>(8,202,478)</u>
-	-	-	-	1,000,000
-	-	750	750	1,513
-	-	3,123,089	6,807,025	5,502,937
<u>(659,183)</u>	<u>(23,299)</u>	<u>(2,540,690)</u>	<u>(6,807,033)</u>	<u>(5,260,070)</u>
<u>(659,183)</u>	<u>(23,299)</u>	<u>583,149</u>	<u>742</u>	<u>1,244,380</u>
909,190	149,481	1,786,772	(1,900,128)	(6,958,098)
<u>6,515,911</u>	<u>(3,044,814)</u>	<u>18,577,465</u>	<u>75,922,759</u>	<u>82,880,856</u>
<u>\$ 7,425,101</u>	<u>\$ (2,895,333)</u>	<u>\$ 20,364,237</u>	<u>\$ 74,022,631</u>	<u>\$ 75,922,758</u>

City of Rocklin, California

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

For the year ended June 30, 2011

Functions/Programs	Fund Based Totals	Debt Service	OPEB Obligation	Depreciation	Capital Asset (Additions)/ Retirements	Internal Service Fund	Government- wide Totals
Governmental activities:							
General government	\$ 7,407,257	\$ (139,420)	\$ 4,507,915	\$ 1,168,511	\$ -	\$ (575,702)	\$ 12,368,561
Public safety	18,322,468	-	-	1,354,486	-	-	19,676,954
General services	12,173,194	-	-	9,286,753	-	-	21,459,947
Community development	3,817,974	-	-	-	35,656,393	-	39,474,367
Capital outlay	8,347,901	-	-	-	(8,347,901)	-	-
Debt service/Interest	4,683,696	(2,497,869)	-	-	-	-	2,185,827
Total governmental activities	\$ 54,752,490	\$ (2,637,289)	\$ 4,507,915	\$ 11,809,750	\$ 27,308,492	\$ (575,702)	\$ 95,165,656

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, 2011

Net change in fund balances - total governmental funds		\$ (1,900,128)
---	--	----------------

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	\$ 8,347,901	
Capital asset retirements	(35,656,393)	
Depreciation expense	<u>(11,809,750)</u>	(39,118,242)

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	882,869	
Certificate of participation principal payments	485,000	
Public Financing Authority debt principal payments	545,000	
Redevelopment Agency debt principal payments	<u>585,000</u>	2,497,869

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 claim liabilities	216,259	
Change in Net OPEB obligation	<u>(4,507,915)</u>	(4,291,656)

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)

Some receivables are deferred in the governmental funds because the amounts do not represent current financial resources that are recognized under the accrual basis in the Statement of Activities.

55,450

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 (\$662,126), which includes transfers of \$8 is included in the governmental activities in the government-wide Statement of Net Assets less amounts due to changes in capital assets \$339,930 reported above for capital assets.

(662,126)	
<u>339,930</u>	<u>(322,196)</u>

Change in net assets of governmental activities

\$ (43,155,742)

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, 2011

	General Fund			Variance w/Amended Positive (Negative)
	Original Budget	Amended Budget	Actual	
REVENUES:				
Taxes and assessments	\$ 16,748,400	\$ 16,748,400	\$ 17,225,740	\$ 477,340
Licenses and permits	1,824,945	1,824,945	2,051,659	226,714
Fines and forfeitures	206,000	206,000	285,829	79,829
Intergovernmental	4,174,000	4,174,000	4,323,691	149,691
Use of money and property	1,161,415	1,161,415	1,105,479	(55,936)
Charges for services	4,207,690	4,207,690	3,647,824	(559,866)
Other revenues	2,153,775	2,153,775	2,476,791	323,016
Total revenues	30,476,225	30,476,225	31,117,013	640,788
EXPENDITURES:				
Current:				
General government	6,780,421	6,835,073	6,447,642	387,431
Public safety	19,268,081	19,276,547	18,282,544	994,003
General services	7,581,024	7,608,024	7,075,584	532,440
Community development	1,320,013	1,324,933	1,322,420	2,513
Capital outlay	-	140,700	422,984	(282,284)
Debt service:				
Interest	-	-	52	(52)
Total expenditures	34,949,539	35,185,277	33,551,226	1,634,051
REVENUES OVER (UNDER) EXPENDITURES	(4,473,314)	(4,709,052)	(2,434,213)	2,274,839
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of assets	-	-	-	-
Transfers in	4,353,589	4,353,589	3,125,365	(1,228,224)
Transfers out	(242,524)	(242,524)	(193,123)	49,401
Total other financing sources (uses)	4,111,065	4,111,065	2,932,242	(1,178,823)
Net change in fund balances	(362,249)	(597,987)	498,029	1,096,016
FUND BALANCES:				
Beginning of year	33,245,768	33,245,768	33,245,768	-
End of year	<u>\$ 32,883,519</u>	<u>\$ 32,647,781</u>	<u>\$ 33,743,797</u>	<u>\$ 1,096,016</u>

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, 2011

(With comparative totals for June 30, 2010)

	Totals	
	2011	2010
ASSETS		
Current assets:		
Cash and investments	\$ 3,124,090	\$ 3,185,326
Inventory	104,836	87,901
Total current assets	3,228,926	3,273,227
Noncurrent assets:		
Advances to other funds	846,219	1,057,774
Capital assets, net	4,173,520	4,513,449
Total assets	\$ 8,248,665	\$ 8,844,450
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 121,702	\$ 71,829
Compensated absences	52,848	36,380
Total current liabilities	174,550	108,209
Total liabilities	174,550	108,209
Net Assets:		
Invested in capital assets	4,173,520	4,513,449
Unrestricted	3,900,595	4,222,792
Total net assets	8,074,115	8,736,241
Total liabilities and net assets	\$ 8,248,665	\$ 8,844,450

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, 2011

(With comparative totals for the year ended June 30, 2010)

	Totals	
	2011	2010
OPERATING REVENUES:		
Fleet management cost allocation	\$ 1,448,224	\$ 2,591,213
Other	-	396
Total operating revenues	<u>1,448,224</u>	<u>2,591,609</u>
OPERATING EXPENSES:		
Salaries and benefits	661,145	648,807
Services and supplies	774,898	817,386
Depreciation	741,203	861,643
Total operating expenses	<u>2,177,246</u>	<u>2,327,836</u>
OPERATING INCOME (LOSS)	<u>(729,022)</u>	<u>263,773</u>
NONOPERATING REVENUES (EXPENSES):		
Gain on sale of assets	45,717	42,697
Interest revenue	21,171	70,898
Total non-operating revenues (expenses), net	<u>66,888</u>	<u>113,595</u>
NET INCOME (LOSS) BEFORE TRANSFERS	<u>(662,134)</u>	<u>377,368</u>
Transfers in (out)	<u>8</u>	<u>(242,867)</u>
CHANGE IN NET ASSETS	<u>(662,126)</u>	<u>134,501</u>
NET ASSETS:		
Beginning of year	<u>8,736,241</u>	<u>8,601,740</u>
End of year	<u>\$ 8,074,115</u>	<u>\$ 8,736,241</u>

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, 2011

(With comparative amounts for the year ended June 30, 2010)

	Totals	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from interfund services provided	\$ 1,448,224	\$ 2,591,609
Cash payments to suppliers for goods and services	(741,960)	(737,146)
Cash payments to employees for services	(644,677)	(657,560)
Net cash used by operating activities	61,587	1,196,903
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers received (paid)	211,563	(1,300,641)
Net cash provided by noncapital financing activities	211,563	(1,300,641)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from sale of capital assets	45,717	111,578
Acquisition and construction of capital assets	(401,274)	(1,741,218)
Net cash (used) by capital and related financing activities	(355,557)	(1,629,640)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment income received	21,171	70,898
Net cash provided by investing activities	21,171	70,898
Net increase (decrease) in cash and cash equivalents	(61,236)	(1,662,480)
CASH AND CASH EQUIVALENTS:		
Beginning of year	3,185,326	4,847,806
End of year	<u>\$ 3,124,090</u>	<u>\$ 3,185,326</u>
Reconciliation of income (loss) from operations to net cash used by operating activities:		
Operating income (loss)	\$ (729,022)	\$ 263,773
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	741,203	861,643
(Increase) decrease in current assets:		
Inventory	(16,935)	75,822
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	49,873	4,418
Compensated absences	16,468	(8,753)
Net cash used by operating activities	\$ 61,587	\$ 1,196,903

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, 2011
(With comparative totals for June 30, 2010)

	Totals	
	2011	2010
ASSETS		
Cash and investments	\$ 4,118,543	\$ 3,584,965
Cash and investments held by trustees	11,367,988	10,654,203
Receivables:		
Accounts	-	4,889
Assessments	305,225	273,742
Total assets	\$ 15,791,756	\$ 14,517,799
LIABILITIES		
Accounts payable and accrued liabilities	\$ 89,667	\$ 106,392
Due to others	15,702,089	14,411,407
Total liabilities	\$ 15,791,756	\$ 14,517,799

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, 2011

Index to Notes to Basic Financial Statements

	<u>Page</u>
Note 1 – Summary of Significant Accounting Policies	33
Financial Reporting Entity.....	33
Basis of Presentation.....	35
Measurement Focus	37
Basis of Accounting.....	37
Assets, Liabilities, and Equity	38
Revenues, Expenditures, and Expenses.....	43
Stewardship, Compliance, and Accountability.....	43
Note 2 – Cash and Investments	45
Note 3 – Accounts Receivable	46
Note 4 – Loans and Notes Receivable	47
Note 5 – Intangible Assets	50
Note 6 – Capital Assets	51
Note 7 – Accounts Payable and Accrued Liabilities	52
Note 8 – Special Assessment Districts	52
Note 9 – Long-term Liabilities	53
Note 10 –Net Assets/ Fund Balances	58
Note 11 – Deficit Net Assets/Fund Balances	61
Note 12 – Interfund Transactions	62
Note 13 – Risk Management	64
Note 14 – Public Employees’ Retirement System	65
Plan Description.....	65
Funding Policy.....	65
Annual Pension Cost.....	66
Note 15 – Postemployment Healthcare Benefits	66
Plan Description.....	66
Funding Policy.....	68
Annual OPEB Cost and Net OPEB Obligation	68
Note 16 – Contingencies	69
Note 17 – Commitments	69
Note 18 – Litigation	70
Note 19 – Subsequent Events	70

City of Rocklin, California
Notes to Basic Financial Statements
For the year ended June 30, 2011

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.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2011

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, 2011

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.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Basis of Presentation, Continued

Governmental Funds

The funds of the financial reporting entity are described below:

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.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2011

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.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2011

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, 2011

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.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2011

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, 2011

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.”

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2011

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 nonspendable, restricted, committed, assigned or unassigned as provided in Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Proprietary fund equity is classified the same as in the government-wide statements. The classifications for governmental funds are defined as follows for the City:

Nonspendable Fund Balance –

- Assets that will never convert to cash (prepaid items, inventory)
- Assets that will not convert to cash soon enough to affect the current period (long-term notes or loans receivable)
- Resources that must be maintained intact pursuant to legal or contractual requirements (the principal of an endowment)

Restricted Fund Balance –

- Resources that are subject to externally enforceable legal restrictions imposed by parties altogether outside the government (Creditors, Grantors, Contributors and Other Governments).
- Resources that are subject to limitations imposed by law through constitutional provisions or enabling legislation (Gas Tax).

Committed Fund Balance –

- Self imposed limitations set in place prior to the end of the period. (Encumbrances, economic contingencies and uncertainties)
- Limitation at the highest level of decision-making (Council) that requires formal action at the same level to remove.

Assigned Fund Balance –

- Amounts in excess of nonspendable, restricted, and committed fund balance in funds other than the general fund automatically are reported as assigned fund balance.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Assets, Liabilities, and Equity, Continued

Equity Classification, Continued

Fund Financial Statements, continued

Unassigned Fund Balance –

- Residual net resources
- Total fund balance in the general fund in excess of nonspendable, restricted, committed and assigned fund balance (surplus).
- Excess of nonspendable, restricted, and committed fund balance over total fund balance (deficit).

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.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2011

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, 2011, 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, 2011

2. CASH AND INVESTMENTS

At June 30, 2011, 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	\$ -	\$ -	\$ -	\$ 1,003,287	\$ 1,003,287
Petty cash	-	-	-	2,575	2,575
Money market accounts	-	-	18,164	-	18,164
Certificates of deposit	-	-	-	-	-
Total pooled items	-	-	18,164	1,005,862	1,024,026
<u>Pooled investments, at fair value</u>					
<u>Interest obligations</u>					
<u>Par</u>	<u>Rate</u>				
\$ 20,000	6.875%	Corporate notes	-	37,466	37,466
6,162	9.50%	GNMA pool	-	6,624	6,624
		Investment in Special Assessment Bonds	11,080,000	-	11,080,000
Cash with fiscal agent - Union Bank money market			14,784,859	-	14,784,859
State of California Local Agency Investment Fund			46,498,642	-	46,498,642
Total pooled investments - interest obligations			72,363,501	44,090	72,407,591
Total cash equivalents and investments pooled			\$ 72,363,501	\$ 1,005,862	\$ 73,431,617
Amounts reported in:					
Governmental activities - Unrestricted					\$ 43,409,834
Governmental activities - Restricted					14,535,252
Fiduciary activities - Unrestricted					4,118,543
Fiduciary activities - Restricted					11,367,988
Total					<u>\$ 73,431,617</u>

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
US Government Securities	\$ 6,624	9.70
Local Agency Investment Fund	46,498,642	0.00
Money Market Mutual Funds	14,784,859	0.00
City Special Assessment Bonds	11,080,000	N/A
Corporate Notes	37,466	87.46
Total fair value	<u>\$ 72,407,591</u>	

Portfolio weighted average maturity ** 0.05

**Does not include City Special Assessment Bonds

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2011

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, 2011, the weighted average maturity was .05 years.

Credit risk – As of June 30, 2011, 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, 2011, 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, 2011:

	Governmental Activities	Fiduciary Activities	Total
Taxes	\$ 1,892,769	\$ -	\$ 1,892,769
Assessments	-	305,225	305,225
Interest	52,277	-	52,277
Intergovernmental	1,638,429	-	1,638,429
Loans/Notes receivable	16,119,315	-	16,119,315
Other receivables	2,707,343	-	2,707,343
Total accounts receivable	<u>\$ 22,410,133</u>	<u>\$ 305,225</u>	<u>\$ 22,715,358</u>

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2011

3. ACCOUNTS RECEIVABLE, Continued

These amounts resulted in the following concentrations in receivables:

Other Governments	6.7%	Financial	0.2%
Special Assessments	1.1%	Individuals/Businesses	89.1%
Other	2.9%		

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

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, 2011, consisted of the following:

	Beginning July 1, 2010	Additions	Deletions	Ending June 30, 2011
Private placement bonds and related issuance costs	\$ 5,100,000	\$ -	\$ -	\$ 5,100,000
Community Development Block Grant	550,938		(101,338)	449,600
First time home buyers	1,564,301	-	-	1,564,301
Down payment assistance	1,990,394	116,000	(56,367)	2,050,027
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		(199,613)	300,387
Total loans/notes receivable	<u>\$ 16,360,633</u>	<u>\$ 116,000</u>	<u>\$ (357,318)</u>	<u>\$ 16,119,315</u>

The following is a summary of the loans and notes receivable outstanding as of June 30, 2011:

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, 2011, was \$5,100,000.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2011

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, 2011, was \$449,600.

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, 2011, was \$1,551,572. For the RDA, the HOME notes receivable at June 30, 2011 was \$12,729.

Down Payment Assistance Loans – The Agency began a down payment assistance program in 2007 to help low and moderate income individuals with purchases of a home. Qualifying individuals receive down payment assistance with the loan deferred as long as it is an owner-occupied dwelling. Interest and/or principal may be waived if certain terms are met by the borrower. The Down Payment Assistance loans receivable at June 30, 2011 were \$2,050,027.

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, 2011, 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, 2011, a balance of \$650,000 is outstanding.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2011

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, 2011, 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, 2011, 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, 2011. 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, 2011 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, 2011, 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. At June 30, 2011 a balance of \$300,387 is outstanding.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2011

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:

	Original Amount	Accumulated Amortization	Amortization Expense	Balance June 30, 2011
Intangible assets:				
2005 Tax Allocation Bonds:				
Bond issuance costs	\$ 506,422	\$ (84,405)	\$ (16,881)	\$ 405,136
Bond discount	117,327	(19,555)	(3,911)	93,861
Totals	<u>623,749</u>	<u>(103,960)</u>	<u>(20,792)</u>	<u>498,997</u>
2007 Tax Allocation Bonds:				
Bond issuance costs	370,662	(45,791)	(12,495)	312,376
Bond discount	301,140	(40,152)	(10,038)	250,950
Totals	<u>671,802</u>	<u>(85,943)</u>	<u>(22,533)</u>	<u>563,326</u>
2003 Refunding Revenue Bonds:				
Bond issuance costs	282,336	(116,256)	(16,608)	149,472
Bond discount	289,152	(118,344)	(16,906)	153,902
Totals	<u>571,488</u>	<u>(234,600)</u>	<u>(33,514)</u>	<u>303,374</u>
Intangible assets totals				
Bond issuance costs	1,159,420	(246,452)	(45,984)	866,984
Bond discount	707,619	(178,051)	(30,855)	498,713
Intangible assets totals	<u>\$ 1,867,039</u>	<u>\$ (424,503)</u>	<u>\$ (76,839)</u>	<u>\$ 1,365,697</u>

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2011

6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011, was as follows:

	Balance June 30, 2010	Additions	Deletions	Transfers	Balance June 30, 2011
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	60,079,924	7,557,339	(35,567,489)	(18,574,618)	13,495,156
Total nondepreciable assets	120,369,334	7,557,339	(35,567,489)	(18,574,618)	73,784,566
Depreciable assets:					
Buildings	36,471,600	-	-	223,461	36,695,061
Facilities & other improvements	2,946,675	-	-	326,855	3,273,530
Machinery & equipment	2,760,001	159,805	-	-	2,919,806
Fleet machinery & equipment	9,209,111	490,178	(300,528)	-	9,398,761
Park Buildings	600,783	-	-	76,052	676,835
Park Equipment	1,542,666	80,653	-	-	1,623,319
Park Improvements	14,524,791	59,926	-	-	14,584,717
Infrastructure	319,083,064	-	-	17,948,250	337,031,314
Total depreciable assets	387,138,691	790,562	(300,528)	18,574,618	406,203,343
Total	507,508,025	8,347,901	(35,868,017)	-	479,987,909
Accumulated depreciation:					
Buildings	\$ 10,779,863	\$ 1,173,777	\$ -	\$ -	11,953,640
Facilities & other improvements	1,074,155	209,948	-	-	1,284,103
Machinery & equipment	2,421,254	287,473	-	-	2,708,727
Fleet machinery & equipment	4,695,661	741,203	(211,624)	-	5,225,240
Park Buildings	225,922	22,561	-	-	248,483
Park Equipment	1,239,461	146,288	-	-	1,385,749
Park Improvements	5,780,798	871,914	-	-	6,652,712
Infrastructure	100,543,065	8,356,586	-	-	108,899,651
Total accumulated depreciation	126,760,179	11,809,750	(211,624)	-	138,358,305
Total net capital assets	\$ 380,747,846	\$ (3,461,849)	\$ (35,656,393)	\$ -	\$ 341,629,604

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

General government	\$ 1,168,511
Public safety	1,354,486
General services	9,286,753
Total	\$ 11,809,750

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2011

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following at June 30, 2011:

	Governmental Activities	Fiduciary Activities	Total
Accounts payable	\$ 1,342,338	\$ 89,667	\$ 1,432,005
Accrued payroll and related liabilities	1,165,503	-	1,165,503
Total	<u>\$ 2,507,841</u>	<u>\$ 89,667</u>	<u>\$ 2,597,508</u>

These amounts resulted in the following concentrations in payables:

Vendors 55% Employees 45%

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, 2011:

Special Assessment District Bond	Balance June 30, 2011
Stanford Ranch CFD No. 2 Refunding Special Tax Bonds	\$ 1,750,000
Stanford Ranch CFD No. 3C (Stanford Ranch) Special Tax Bonds	4,145,000
Rocklin Southeast CFD No. 4 (Southeast Rocklin) Special Tax Bonds	340,000
Rocklin CFD No. 7 (Sunset West Interchange/Major Street) Special Tax Bonds	2,480,000
Rocklin CFD No. 6 (Sunset West Drainage) Special Tax Bonds	1,660,000
Rocklin CFD No. 8 (Sunset West Park Drive) Special Tax Bonds	4,300,000
Rocklin CFD No. 9 (Sunset West/Blue Oaks) Special Tax Bonds	5,120,000
Rocklin CFD No. 10 (Whitney Ranch) Special Tax Bonds	23,945,000
Rocklin CFD No. 3 Refunding Special Tax Bonds	3,045,000
Rocklin CFD No. 3 2005 Refunding Bond	7,510,000
Rocklin CFD No. 11 Private Placement Bonds	25,000,000
Total	<u>\$ 79,295,000</u>

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2011

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, 2011:

	Balance July 1, 2010	Additions	Retirements	Balance June 30, 2011	Due Within One Year
2003 Certificates of Participation	\$ 4,165,000	\$ -	\$ (485,000)	\$ 3,680,000	\$ 405,000
2003 Public Financing Authority (PFA)					
Refunding Revenue Bonds-Senior	10,100,000	-	(475,000)	9,625,000	490,000
2003 PFA Refunding Revenue					
Bonds - Subordinate	1,125,000	-	(70,000)	1,055,000	75,000
2002 Refunding Tax Allocation Bonds	2,275,000	-	(45,000)	2,230,000	45,000
2005 Refunding Tax Allocation Bonds	10,930,000	-	(265,000)	10,665,000	280,000
2007 Refunding Tax Allocation Bonds	15,295,000	-	(275,000)	15,020,000	280,000
Total debt issuances	43,890,000	-	(1,615,000)	42,275,000	1,575,000
Line of credit	4,282,837		(882,869)	3,399,968	-
Quarry loan payable	-	600,000	(111,509)	488,491	115,602
Claims payable	1,092,007	105,161	(321,420)	875,748	-
Compensated absences	3,569,954	1,282,471	(1,158,306)	3,694,119	1,282,471
Net OPEB obligation	6,143,273	5,205,000	(697,085)	10,651,188	-
Total	15,088,071	7,192,632	(3,171,189)	19,109,514	1,398,073
	<u>\$ 58,978,071</u>	<u>\$ 7,192,632</u>	<u>\$ (4,786,189)</u>	<u>\$ 61,384,514</u>	<u>\$ 2,973,073</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, 2011

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.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2011

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.

Quarry Loan Payable

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. The current balance on the note is \$488,491

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, 2012 at the Bank's prime rate minus 1.75%. There is an outstanding balance of \$3,399,968 as of June 30, 2011, 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, 2011, 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, 2011

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, 2011, the City had a Net OPEB Obligation of \$10,651,188. 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, 2011, there were no arbitrage liabilities.

Future debt service at June 30, 2011 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
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	465,000	71,455	555,000	320,235	90,000	36,871
2017-2021	1,515,000	95,883	3,135,000	1,238,038	525,000	107,053
2022-2026	-	-	3,885,000	462,875	120,000	3,375
2027-2031	-	-	-	-	-	-
2032-2036	-	-	-	-	-	-
2037-2041	-	-	-	-	-	-
Total	\$ 3,680,000	\$ 618,454	\$ 9,625,000	\$ 3,489,598	\$ 1,055,000	\$ 334,334
Due within one year	\$ 405,000	\$ 134,973	\$ 490,000	\$ 391,429	\$ 75,000	\$ 52,012
Due after one year	3,275,000	483,481	9,135,000	3,098,169	980,000	282,322
Total	\$ 3,680,000	\$ 618,454	\$ 9,625,000	\$ 3,489,598	\$ 1,055,000	\$ 334,334

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2011

9. LONG-TERM LIABILITIES, Continued

Governmental activities					
		2002		2005	
		Refunding Tax Allocation		Refunding Tax Allocation	
		Bonds		Bonds	
		Principal	Interest	Principal	Interest
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		60,000	108,208	275,000	408,595
2017-2021		440,000	478,844	995,000	1,925,680
2022-2026		510,000	349,128	1,505,000	1,693,628
2027-2031		650,000	208,175	1,835,000	1,259,247
2032-2036		375,000	20,763	4,905,000	721,688
2037-2041		-	-	-	-
Total		<u>\$ 2,230,000</u>	<u>\$ 1,622,848</u>	<u>\$ 10,665,000</u>	<u>\$ 7,742,083</u>
Due within one year		\$ 45,000	\$ 117,875	\$ 280,000	\$ 447,301
Due after one year		2,185,000	1,504,973	10,385,000	7,294,782
Total		<u>\$ 2,230,000</u>	<u>\$ 1,622,848</u>	<u>\$ 10,665,000</u>	<u>\$ 7,742,083</u>
2007					
Tax Allocation					
		Bonds		Total	
		Principal	Interest	Principal	Interest
2012		\$ 280,000	\$ 628,431	\$ 1,575,000	\$ 1,772,021
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		365,000	578,331	1,810,000	1,523,695
2017-2021		2,505,000	2,612,656	9,115,000	6,458,154
2022-2026		2,825,000	2,056,844	8,845,000	4,565,850
2027-2031		3,495,000	1,449,922	5,980,000	2,917,344
2032-2036		2,190,000	659,531	7,470,000	1,401,982
2037-2041		2,430,000	85,094	2,430,000	85,094
Total		<u>\$ 15,020,000</u>	<u>\$ 9,884,903</u>	<u>\$ 42,275,000</u>	<u>\$ 23,692,220</u>
Due within one year		\$ 280,000	\$ 628,431	\$ 1,575,000	\$ 1,772,021
Due after one year		14,740,000	9,256,472	40,700,000	21,920,199
Total		<u>\$ 15,020,000</u>	<u>\$ 9,884,903</u>	<u>\$ 42,275,000</u>	<u>\$ 23,692,220</u>

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2011

10. NET ASSETS/ FUND BALANCES

Net Assets

		<u>Governmental Activities</u>
Invested in capital assets, net of related debt		\$ 299,354,604
Restricted:		
Fund Balance Restrictions	17,618,113	
Wetlands Maintenance	38,000	
Conservation Easement	<u>453,455</u>	
Total Restricted		18,109,568
Unrestricted		<u>43,464,022</u>
Total		<u><u>\$ 360,928,194</u></u>

- Restricted balances are for the same purposes as fund balance restrictions, except for the following balances.
 - **Wetlands Maintenance** includes the endowment to be used for maintenance of the wetlands.
 - **Conservation Easement** includes the endowment to be used for Preserve Area maintenance and operations.

All other descriptions of restrictions are included in the restricted fund balance section below.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2011

10. NET ASSETS/ FUND BALANCES, Continued

Fund Balances

Nonspendable fund balance consisted of the following at June 30, 2011:

Advances to other funds	\$ 2,308,708
Long-term loan/notes receivable	16,119,315
Endowments	<u>491,455</u>
Total	<u>\$ 18,919,478</u>

The following describes the purpose of each nonspendable amount:

- **Advances to other funds** include noncurrent portions of a long-term loan from one fund to another fund.
- **Long-term loans/notes receivable** includes noncurrent portions of loans and notes receivables.
- **Endowments** include \$491,455 from which income will fund initial Preserve Area maintenance and operations.

Restricted fund balance consisted of the following at June 30, 2011:

Low/moderate income housing	\$ 236,301
Redevelopment	2,471,853
Debt service	13,980,894
Gas Tax	<u>929,065</u>
Total	<u>\$ 17,618,113</u>

The following describes the purpose of each restricted amount:

- **Low/moderate income housing** includes tax increment revenues received and expended for low/moderate income housing purposes in accordance with the Health and Safety Code.
- **Redevelopment** includes tax increment revenues received and expended for redevelopment purposes in accordance with the Health and Safety Code.
- **Debt service** includes amounts used for the Redevelopment Agency's issuance and administration of 2002, 2005, and 2007 Refunding Tax Allocation Bonds and for the debt service for the Public Financing Authority.
- **Gas tax** includes amounts received and expended for street maintenance purposes as defined in Sections 2105, 2106, 2107, and 2107.5 of the Streets and Highway Code.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2011

10. NET ASSETS/ FUND BALANCES, Continued

Committed fund balance consisted of the following at June 30, 2011:

Retiree's health insurance premiums	\$ 10,016,359
Disaster contingency	2,000,000
Self-insured losses	1,000,000
Technology fee	278,589
Building repair	207,987
ADA improvements	195,726
Parks repair and maintenance	434,573
Swimming pool capital improvements	<u>27,830</u>
Total	<u>\$ 14,161,064</u>

The following describes the purpose of each commitment:

- **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.
- **ADA improvements** includes amounts set aside for ADA compliance.
- **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.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2011

11. DEFICIT NET ASSETS/ FUND BALANCES

There were no deficit net asset balances at June 30, 2011.

Deficit fund balances consisted of the following:

Major Funds:

Community Facilities District #11 Capital Projects Fund (\$2,895,333) to be funded through future assessments.

Nonmajor Funds:

Lighting District #1 Special Revenue Fund (\$283,690) to be funded through future assessments within the District's boundaries.

Park Development Capital Projects Fund (\$2,389,513) to be funded through future development fees.

Community Park Fees Capital Projects Fund (\$1,418,810) to be funded through future community park fees and reimbursable grants.

Capital Construction Projects Capital Projects Fund (\$1,687,196) to be funded through developer contributions.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2011

12. INTERFUND TRANSACTIONS

Due to and due from other funds consisted of the following as of June 30, 2011:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
<u>Governmental Activities</u>		
<u>Major Funds:</u>		
General Fund	\$ 8,631,658	\$ -
Community Facilities District #11	-	3,263,540
<u>Nonmajor Funds:</u>		
Lighting Maintenance District #1 Special Revenue	-	291,624
Community Facilities District #1 Special Revenue	-	21,565
Housing Rehabilitation Special Revenue	-	257,407
Traffic Safety Special Revenue	-	22,515
DOE Grants Special Revenue	-	32,408
Prop 1B Special Revenue	-	82,398
Park Development Fees Capital Projects	-	2,389,513
Community Park Fees Capital Projects	-	1,418,810
Capital Construction Impact Fees Capital Projects	-	851,878
Total	<u>\$ 8,631,658</u>	<u>\$ 8,631,658</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 \$1,408,708 with a payment during the year of \$460,000 and an advance to the Public Financing Authority of \$460,000 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 2010-11.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2011

12. INTERFUND TRANSACTIONS, Continued

Transfers consisted of the following at June 30, 2011:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Activities</u>		
<u>Major Funds:</u>		
General Fund	\$ 3,125,365	\$ 193,123
Redevelopment Agency Capital Projects	-	3,265,277
Redevelopment Agency Debt Service	558,571	125,461
Traffic Circulation Impact Fee Capital Projects	-	659,183
Community Facilities District #11 Capital Projects	-	23,299
Total Major Funds	<u>3,683,936</u>	<u>4,266,343</u>
<u>Non-major Funds:</u>		
<u>Special Revenue Funds:</u>		
Gas Tax	8,115	208,928
SB 325 Sales Tax	-	200,534
RDA Low/Moderate Housing	528	50,520
RDA Down Payment Assistance	2,535	-
Lighting District #1	195,091	-
Lighting District #2	8,974	-
Community Facilities District #1	-	1,143,799
Community Facilities District #6	640	-
Housing Rehabilitation	18,372	44,750
Traffic Congestion AB 2928	4,454	-
Supplemental Law Enforcement Grant	-	100,000
ARRA	-	28,958
Prop 1B	-	115,042
Total Non-major Special Revenue Funds	<u>238,709</u>	<u>1,892,531</u>
<u>Capital Projects Funds:</u>		
Capital Construction Projects	-	633,930
Oak Tree Mitigation	-	12,567
Public Improvement Agreement	2,250,450	-
Total Non-major Capital Projects Funds	<u>2,250,450</u>	<u>646,497</u>
<u>Permanent Funds:</u>		
Wetlands Maintenance	-	1,662
Total Non-major Permanent Funds	<u>-</u>	<u>1,662</u>
<u>Debt Service Funds:</u>		
Capital Construction Debt Service	633,930	-
Total Non-major Debt Service Funds	<u>633,930</u>	<u>-</u>
<u>Proprietary Activities</u>		
<u>Internal Service Fund:</u>		
Vehicle Fleet Maintenance	8	-
Total Non-major Internal Service Funds	<u>8</u>	<u>-</u>
Total Non-major Funds	<u>3,123,097</u>	<u>2,540,690</u>
Total Transfers	<u><u>\$ 6,807,033</u></u>	<u><u>\$ 6,807,033</u></u>

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, 2011

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 - \$950,000	NCCSIF	Shared risk
\$950,001 - \$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, 2011

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 \$1,500,523 is recorded in the general fund. The audited financial statements of the JPA are available at the NCCSIF's office.

	Beginning of Year Liability	Claims and Changes in Estimates	for Current and Prior Years	End of Year Liability
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
2010-2011	1,092,007	105,161	(321,420)	875,748

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, 2011, these contributions amounted to \$1,594,061. 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, 2011

14. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

Annual Pension Cost

For 2011, the City's annual pension cost of \$3,345,733 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, 2009	\$ 3,981,575	100%	-
June 30, 2010	3,577,004	100%	-
June 30, 2011	3,345,733	100%	-

15. POSTEMPLOYMENT HEALTH CARE BENEFITS

During fiscal year 2009, 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, 2011

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 (age 50 and 5 years, or disability) • Part-time employees are ineligible • Minimum 5 years of City service 																						
Medical	<u>Hired Before May 1, 2003</u> <ul style="list-style-type: none"> • City contributes 100% of premium up to the City cap: <table style="margin-left: 40px;"> <tr> <td>2010</td> <td>\$1,093</td> </tr> <tr> <td>2011</td> <td>1,093</td> </tr> </table>	2010	\$1,093	2011	1,093	<u>Hired on or after May 1, 2003</u> <ul style="list-style-type: none"> • Contribution equal greater of the City cap and the State 100/90 premium: <table style="margin-left: 40px;"> <tr> <td></td> <td><u>2010</u></td> <td><u>2011</u></td> </tr> <tr> <td>EE</td> <td>\$493</td> <td>\$542</td> </tr> <tr> <td>EE+1</td> <td>936</td> <td>1,030</td> </tr> <tr> <td>Family</td> <td>1,202</td> <td>1,326</td> </tr> </table>		<u>2010</u>	<u>2011</u>	EE	\$493	\$542	EE+1	936	1,030	Family	1,202	1,326	<u>Unrepresented/Hourly</u> <ul style="list-style-type: none"> • Unrepresented Hourly employees receive the PEMHCA minimum <table style="margin-left: 40px;"> <tr> <td>2010</td> <td>\$105</td> </tr> <tr> <td>2011</td> <td>108</td> </tr> </table> <ul style="list-style-type: none"> • Not included in last valuation 	2010	\$105	2011	108
2010	\$1,093																						
2011	1,093																						
	<u>2010</u>	<u>2011</u>																					
EE	\$493	\$542																					
EE+1	936	1,030																					
Family	1,202	1,326																					
2010	\$105																						
2011	108																						
Vesting Schedule	<ul style="list-style-type: none"> • % applies to City contribution as follows, based on CalPERS service: $< 10 \text{ yrs: } 0\%$ $\geq 10 \text{ yrs: } 50\% + 5\% \times \text{Service} > 10$ • Max 100 % • Disabled retirees 100% vested • Terminations with 20+ years of service 100% vested and receive benefit at retirement 																						
Surviving Spouse Benefit	<ul style="list-style-type: none"> • Surviving spouse coverage based on retirement plan election • Same benefit continues to surviving spouse 																						
Other	<ul style="list-style-type: none"> • No dental, vision, or life insurance benefits 																						
Pay as You Go Costs (,000s)	<u>Fiscal year</u> 2009/10 2008/09 2007/08	<u>Payments</u> \$578 483 454	as shown in June 30, 2009																				

There were 71 retirees enrolled in the plan at June 30, 2011.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2011

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 \$697,085 for the year ended June 30, 2011.

Annual OPEB Cost and Net OPEB Obligation

The annual required contribution (ARC) was determined as part of a June 30, 2010, 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 9.5% to 10.0% in 2012 to 5% in 2020. 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>2011</u>	<u>2010</u>	<u>2009</u>
Annual Required Contribution (ARC) and Annual OPEB Cost	\$ 5,205,000	\$ 3,725,000	\$ 3,479,000
Contributions made:			
City portion of current year premiums paid	<u>697,085</u>	<u>577,727</u>	<u>483,000</u>
Annual OPEB cost (expense)	4,507,915	3,147,273	2,996,000
Net OPEB Obligation - beginning of year	<u>6,143,273</u>	<u>2,996,000</u>	<u>-</u>
Net OPEB Obligation - end of year	<u>\$ 10,651,188</u>	<u>\$ 6,143,273</u>	<u>\$ 2,996,000</u>
Percentage of annual OPEB cost contributed	<u>13%</u>	<u>16%</u>	<u>14%</u>

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2011

15. POSTEMPLOYMENT HEALTH CARE BENEFITS, Continued

The City's annual OPEB cost (expense) is equal to the ARC, and the net OPEB obligation for 2011 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/2009	\$ 3,479,000	14%	\$ 2,996,000
6/30/2010	3,725,000	16%	6,143,273
6/30/2011	5,205,000	13%	10,651,188

The actuarial accrued liability (AAL) representing the present value of future benefits, included in the actuarial study dated June 30, 2010, amounted to \$41.87 million and was unfunded since no assets had been transferred into a trust as of that date. As of June 30, 2011, the City had set aside a total of \$10,016,359 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, 2011, 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, 2011:

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, 2011

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 June 29, 2011, the Governor signed an emergency measure (AB 26X) that eliminates Redevelopment Agencies in the State of California as they currently operate. The measure was challenged in the California Supreme Court with a decision issued on December 29, 2011 finding that the State has the authority to dissolve Redevelopment Agencies but does not have authority to condition their continued existence on required payments. The City has been appointed as the successor Agency to the Rocklin Redevelopment Agency.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

City of Rocklin, California

Combining Balance Sheet

Non-major Governmental Funds

June 30, 2011

(With comparative totals for June 30, 2010)

	Governmental Funds				Non-Major Funds Totals	
	Special Revenue	Capital Projects	Permanent	Debt Service	2011	2010
ASSETS						
Cash and investments	\$ 10,678,186	\$ 3,028,325	\$ 474,166	\$ -	\$ 14,180,677	\$ 12,186,795
Restricted cash and investments	-	-	38,382	1	38,383	38,382
Receivables:						
Taxes	284,844	-	-	-	284,844	336,884
Intergovernmental	387,737	11,317	-	-	399,054	30,665
Loans/Notes receivable	11,019,315	-	-	-	11,019,315	11,260,634
Other receivable	-	-	-	-	-	-
Advances to other funds	900,000	-	-	-	900,000	900,000
Total assets	\$ 23,270,082	\$ 3,039,642	\$ 512,548	\$ 1	\$ 26,822,273	\$ 24,753,360
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 171,010	\$ 72,689	\$ -	\$ -	\$ 243,699	\$ 612,959
Due to other funds	707,917	4,660,201	-	-	5,368,118	4,505,162
Advances from other funds	-	846,219	-	-	846,219	1,057,774
Total liabilities	878,927	5,579,109	-	-	6,458,036	6,175,895
Fund Balances (Deficits):						
Nonspendable						
Advances to other funds	900,000	-	-	-	900,000	900,000
Loans/Notes receivable	11,019,315	-	-	-	11,019,315	11,260,634
Endowments	-	-	491,455	-	491,455	491,455
Restricted	1,165,366	1,527,917	-	1	2,693,284	1,584,033
Assigned	9,590,164	1,428,135	21,093	-	11,039,392	9,870,017
Unassigned (Deficit)	(283,690)	(5,495,519)	-	-	(5,779,209)	(5,528,674)
Total fund balances (deficits)	22,391,155	(2,539,467)	512,548	1	20,364,237	18,577,465
Total liabilities and fund balances	\$ 23,270,082	\$ 3,039,642	\$ 512,548	\$ 1	\$ 26,822,273	\$ 24,753,360

City of Rocklin, California

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-major Governmental Funds

For the year ended June 30, 2011

(with comparative totals for the year ended June 30, 2010)

	Governmental Funds				Non-Major Funds Totals	
	Special Revenue	Capital Projects	Permanent	Debt Service	2011	2010
REVENUES:						
Taxes and assessments	\$ 7,884,945	\$ 150,157	\$ -	\$ -	\$ 8,035,102	\$ 6,926,377
Fines and forfeitures	4,473	-	-	-	4,473	1,209
Intergovernmental	2,192,016	95,317	-	-	2,287,333	2,077,965
Use of money and property	78,005	5,518	3,208	-	86,731	76,684
Charges for services	715	22,285	-	-	23,000	96,606
Contributions from developers and homeowners	-	391,375	-	-	391,375	867,288
Other revenues	68,212	-	-	-	68,212	582,456
Total revenues	10,228,366	664,652	3,208	-	10,896,226	10,628,585
EXPENDITURES:						
Current:						
General government	444,024	-	-	-	444,024	232,149
Public safety	39,924	-	-	-	39,924	4,616
General services	4,853,499	35,941	-	-	4,889,440	3,935,237
Community development	765,743	-	-	-	765,743	1,754,272
Capital outlay	965,061	866,501	-	-	1,831,562	1,808,741
Debt service:						
Principal	882,869	-	-	485,000	1,367,869	670,000
Interest and fiscal charges	65,940	139,171	-	148,930	354,041	365,630
Total expenditures	8,017,060	1,041,613	-	633,930	9,692,603	8,770,645
REVENUES OVER (UNDER) EXPENDITURES	2,211,306	(376,961)	3,208	(633,930)	1,203,623	1,857,940
OTHER FINANCING SOURCES (USES):						
Proceeds from issuance of debt	-	-	-	-	-	1,000,000
Proceeds from sale of assets	750	-	-	-	750	-
Transfers in	238,709	2,250,450	-	633,930	3,123,089	1,312,688
Transfers out	(1,892,531)	(646,497)	(1,662)	-	(2,540,690)	(3,682,389)
Total other financing sources (uses)	(1,653,072)	1,603,953	(1,662)	633,930	583,149	(1,369,701)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	558,234	1,226,992	1,546	-	1,786,772	488,239
FUND BALANCES (DEFICITS):						
Beginning of year	21,832,921	(3,766,459)	511,002	1	18,577,465	18,089,226
End of year	<u>\$ 22,391,155</u>	<u>\$ (2,539,467)</u>	<u>\$ 512,548</u>	<u>\$ 1</u>	<u>\$ 20,364,237</u>	<u>\$ 18,577,465</u>

This page intentionally left blank.

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
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.
Prop 1B	Accounts for revenues received through Proposition 1B for street programs

City of Rocklin, California

Combining Balance Sheet

Non-major Special Revenue Funds

June 30, 2011

(With comparative totals for June 30, 2010)

	Special Revenue Funds			
	Gas Tax	SB325 Sales Tax	Bicycle and Pedestrian Facilities	RDA Low/Moderate Housing
ASSETS				
Cash and investments	\$ 770,222	\$ 4,143,093	\$ -	\$ 53,249
Receivables:				
Taxes	175,020	-	-	-
Intergovernmental	15,224	24,000	-	-
Loans/Notes receivable	-	-	-	6,968,116
Other receivable	-	-	-	-
Due from other funds	-	-	-	-
Other assets	-	-	-	-
Advances to other funds	-	-	-	900,000
Total assets	\$ 960,466	\$ 4,167,093	\$ -	\$ 7,921,365
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 31,401	\$ 35,784	\$ -	\$ 6,675
Due to other funds	-	-	-	-
Total liabilities	31,401	35,784	-	6,675
Fund Balances:				
Nonspendable				
Advances to other funds	-	-	-	900,000
Loans/Notes receivable	-	-	-	6,968,116
Restricted	929,065	-	-	46,574
Assigned	-	4,131,309	-	-
Unassigned (Deficit)	-	-	-	-
Total fund balances	929,065	4,131,309	-	7,914,690
Total liabilities and fund balances	\$ 960,466	\$ 4,167,093	\$ -	\$ 7,921,365

Special Revenue Funds

RDA Down Payment Assistance	Lighting District #1	Lighting District #2	Community Facilities District #1	Community Facilities District #6	Housing Rehabilitation	Asset Forfeiture
\$ 192,300	\$ -	\$ 1,841,109	\$ -	\$ 364,806	\$ 363,900	\$ 94,195
-	12,530	72,890	21,565	2,839	-	-
-	-	-	-	-	199,284	-
2,050,027	-	-	-	-	2,001,172	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 2,242,327</u>	<u>\$ 12,530</u>	<u>\$ 1,913,999</u>	<u>\$ 21,565</u>	<u>\$ 367,645</u>	<u>\$ 2,564,356</u>	<u>\$ 94,195</u>
\$ 2,573	\$ 4,596	\$ 56,593	\$ -	\$ 5,060	\$ 14,677	\$ -
-	291,624	-	21,565	-	257,407	-
<u>2,573</u>	<u>296,220</u>	<u>56,593</u>	<u>21,565</u>	<u>5,060</u>	<u>272,084</u>	<u>-</u>
-	-	-	-	-	-	-
2,050,027	-	-	-	-	2,001,172	-
189,727	-	-	-	-	-	-
-	-	1,857,406	-	362,585	291,100	94,195
-	(283,690)	-	-	-	-	-
<u>2,239,754</u>	<u>(283,690)</u>	<u>1,857,406</u>	<u>-</u>	<u>362,585</u>	<u>2,292,272</u>	<u>94,195</u>
<u>\$ 2,242,327</u>	<u>\$ 12,530</u>	<u>\$ 1,913,999</u>	<u>\$ 21,565</u>	<u>\$ 367,645</u>	<u>\$ 2,564,356</u>	<u>\$ 94,195</u>

(continued)

City of Rocklin, California
Combining Balance Sheet, Continued
Non-major Special Revenue Funds
June 30, 2011
(With comparative totals for June 30, 2010)

	Special Revenue Funds			
	Whitney Oaks Park Improvement	Traffic Safety	Traffic Congestion AB 2928	DOE Grants
ASSETS				
Cash and investments	\$ 2,080,585	\$ -	\$ -	\$ -
Receivables:				
Taxes	-	-	-	-
Intergovernmental	-	22,515	-	33,000
Loans/Notes receivable	-	-	-	-
Other receivable	-	-	-	-
Due from other funds	-	-	-	-
Other assets	-	-	-	-
Advances to other funds	-	-	-	-
Total assets	\$ 2,080,585	\$ 22,515	\$ -	\$ 33,000
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 202	\$ -	\$ -	\$ 592
Due to other funds	-	22,515	-	32,408
Total liabilities	202	22,515	-	33,000
Fund Balances:				
Nonspendable				
Advances to other funds	-	-	-	-
Loans/Notes receivable	-	-	-	-
Restricted	-	-	-	-
Assigned	2,080,383	-	-	-
Unassigned (Deficit)	-	-	-	-
Total fund balances	2,080,383	-	-	-
Total liabilities and fund balances	\$ 2,080,585	\$ 22,515	\$ -	\$ 33,000

Special Revenue Funds						Non-Major Funds Totals	
Supplemental Law Enforcement Grant	Parks & Recreation Programs	Park Improvement	Explorer Post 150	ARRA	Prop 1B	2011	2010
\$ -	\$ 1,541	\$ -	\$ -	\$ -	\$ 773,186	\$ 10,678,186	\$ 10,360,703
-	-	-	-	-	-	284,844	336,884
11,316	-	-	-	-	82,398	387,737	30,665
-	-	-	-	-	-	11,019,315	11,260,634
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	900,000	900,000
<u>\$ 11,316</u>	<u>\$ 1,541</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 855,584</u>	<u>\$ 23,270,082</u>	<u>\$ 22,888,886</u>
\$ 11,316	\$ 1,541	\$ -	\$ -	\$ -	\$ -	\$ 171,010	\$ 592,139
-	-	-	-	-	82,398	707,917	463,826
<u>11,316</u>	<u>1,541</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>82,398</u>	<u>878,927</u>	<u>1,055,965</u>
-	-	-	-	-	-	900,000	900,000
-	-	-	-	-	-	11,019,315	11,260,634
-	-	-	-	-	-	1,165,366	1,564,486
-	-	-	-	-	773,186	9,590,164	8,520,616
-	-	-	-	-	-	(283,690)	(412,815)
-	-	-	-	-	773,186	22,391,155	21,832,921
<u>\$ 11,316</u>	<u>\$ 1,541</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 855,584</u>	<u>\$ 23,270,082</u>	<u>\$ 22,888,886</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, 2011

(With comparative totals for the year ended June 30, 2010)

	Special Revenue Funds			
	Gas Tax	SB325 Sales Tax	Bicycle and Pedestrian Facilities	RDA Low/Moderate Housing
REVENUES:				
Taxes and assessments	\$ 1,449,008	\$ 2,398,653	\$ -	\$ 923,952
Fines and forfeitures	-	-	-	-
Intergovernmental	-	24,000	494	-
Use of money and property	3,213	16,109	-	4,211
Charges for services	-	-	-	-
Other revenues	-	-	-	10,244
Total revenues	1,452,221	2,438,762	494	938,407
EXPENDITURES:				
Current:				
General government	-	-	-	132,113
Public safety	-	-	-	-
General services	1,155,484	1,822,344	-	-
Community development	-	-	-	55,860
Capital outlay	-	85,850	-	-
Debt service:				
Principal	-	-	-	882,869
Interest and fiscal charges	-	-	-	65,940
Total expenditures	1,155,484	1,908,194	-	1,136,782
REVENUES OVER (UNDER) EXPENDITURES	296,737	530,568	494	(198,375)
OTHER FINANCING SOURCES (USES):				
Proceeds from line of credit	-	-	-	-
Proceeds from sale of assets	750	-	-	-
Transfers in	8,115	-	-	528
Transfers out	(208,928)	(200,534)	-	(50,520)
Total other financing sources and uses	(200,063)	(200,534)	-	(49,992)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	96,674	330,034	494	(248,367)
FUND BALANCES (DEFICITS):				
Beginning of year	832,391	3,801,275	(494)	8,163,057
End of year	\$ 929,065	\$ 4,131,309	\$ -	\$ 7,914,690

Special Revenue Funds

RDA Down Payment Assistance	Lighting District #1	Lighting District #2	Community Facilities District #1	Community Facilities District #6	Housing Rehabilitation	Asset Forfeiture
\$ -	\$ 250,625	\$ 1,490,760	\$ 1,155,169	\$ 216,778	\$ -	\$ -
-	-	-	-	-	-	4,473
-	-	-	-	-	504,983	-
750	-	7,265	-	1,430	36,142	-
-	-	-	-	-	-	-
-	-	-	-	-	90	-
<u>750</u>	<u>250,625</u>	<u>1,498,025</u>	<u>1,155,169</u>	<u>218,208</u>	<u>541,215</u>	<u>4,473</u>
7,910	-	-	11,370	243,791	-	-
-	-	-	-	-	-	335
-	317,085	1,351,435	-	-	-	-
73,890	-	-	-	-	80,122	-
-	-	-	-	-	486,237	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>81,800</u>	<u>317,085</u>	<u>1,351,435</u>	<u>11,370</u>	<u>243,791</u>	<u>566,359</u>	<u>335</u>
(81,050)	(66,460)	146,590	1,143,799	(25,583)	(25,144)	4,138
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,535	195,091	8,974	-	640	18,372	-
-	-	-	(1,143,799)	-	(44,750)	-
<u>2,535</u>	<u>195,091</u>	<u>8,974</u>	<u>(1,143,799)</u>	<u>640</u>	<u>(26,378)</u>	<u>-</u>
(78,515)	128,631	155,564	-	(24,943)	(51,522)	4,138
<u>2,318,269</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>\$ 2,239,754</u>	<u>\$ (283,690)</u>	<u>\$ 1,857,406</u>	<u>\$ -</u>	<u>\$ 362,585</u>	<u>\$ 2,292,272</u>	<u>\$ 94,195</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, 2011

(With comparative totals for the year ended June 30, 2010\)

	Special Revenue Funds			
	Whitney Oaks Park Improvement	Traffic Safety	Traffic Congestion AB 2928	DOE Grants
REVENUES:				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Intergovernmental	-	23,027	-	67,320
Use of money and property	8,074	-	(54)	-
Charges for services	-	-	-	-
Other revenues	500	-	-	-
Total revenues	8,574	23,027	(54)	67,320
EXPENDITURES:				
Current:				
General government	-	-	-	48,840
Public safety	-	23,027	-	-
General services	202	-	-	18,480
Community development	-	-	-	-
Capital outlay	-	-	392,974	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	202	23,027	392,974	67,320
REVENUES OVER (UNDER) EXPENDITURES	8,372	-	(393,028)	-
OTHER FINANCING SOURCES (USES):				
Proceeds from line of credit	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Transfers in	-	-	4,454	-
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	4,454	-
SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	8,372	-	(388,574)	-
FUND BALANCES (DEFICITS):				
Beginning of year	2,072,011	-	388,574	-
End of year	\$ 2,080,383	\$ -	\$ -	\$ -

Special Revenue Funds						Non-Major Funds Totals	
Supplemental Law Enforcement Grant	Parks & Recreation Programs	Park Improvement	Explorer Post 150	ARRA	Prop 1B	2011	2010
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,884,945	\$ 6,910,023
-	-	-	-	-	-	4,473	1,209
100,000	-	-	-	496,818	975,374	2,192,016	2,077,965
-	-	-	-	-	865	78,005	59,165
-	715	-	-	-	-	715	9,754
-	31,808	15,753	9,817	-	-	68,212	582,456
100,000	32,523	15,753	9,817	496,818	976,239	10,228,366	9,640,572
-	-	-	-	-	-	444,024	232,149
-	-	-	16,562	-	-	39,924	4,616
-	160,723	27,746	-	-	-	4,853,499	3,935,237
-	-	-	-	467,860	88,011	765,743	1,718,859
-	-	-	-	-	-	965,061	591,818
-	-	-	-	-	-	882,869	200,000
-	-	-	-	-	-	65,940	61,987
-	160,723	27,746	16,562	467,860	88,011	8,017,060	6,744,666
100,000	(128,200)	(11,993)	(6,745)	28,958	888,228	2,211,306	2,895,906
-	-	-	-	-	-	-	1,000,000
-	-	-	-	-	-	750	-
-	-	-	-	-	-	238,709	680,280
(100,000)	-	-	-	(28,958)	(115,042)	(1,892,531)	(2,719,840)
(100,000)	-	-	-	(28,958)	(115,042)	(1,653,072)	(1,039,560)
-	(128,200)	(11,993)	(6,745)	-	773,186	558,234	1,856,346
-	128,200	11,993	6,745	-	-	21,832,921	19,976,575
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 773,186	\$ 22,391,155	\$ 21,832,921

(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, 2011

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 1,434,760	\$ 1,434,760	\$ 1,449,008	\$ 14,248
Use of money and property	3,900	3,900	3,213	(687)
Other revenues	-	-	-	-
Total revenues	1,438,660	1,438,660	1,452,221	13,561
EXPENDITURES:				
Current:				
General services	1,308,210	1,308,210	1,155,484	152,726
Total expenditures	1,308,210	1,308,210	1,155,484	152,726
REVENUES OVER (UNDER) EXPENDITURES	130,450	130,450	296,737	166,287
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of assets	-	-	750	750
Transfers in	-	-	8,115	8,115
Transfers out	(296,044)	(296,044)	(208,928)	87,116
Total other financing sources (uses)	(296,044)	(296,044)	(200,063)	95,981
Net change in fund balances	(165,594)	(165,594)	96,674	262,268
FUND BALANCES:				
Beginning of year	832,391	832,391	832,391	-
End of year	\$ 666,797	\$ 666,797	\$ 929,065	\$ 262,268

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, 2011

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 1,790,863	\$ 1,790,863	\$ 2,398,653	\$ 607,790
Intergovernmental	100,000	100,000	24,000	(76,000)
Use of money and property	22,200	22,200	16,109	(6,091)
Total revenues	1,913,063	1,913,063	2,438,762	525,699
EXPENDITURES:				
Current:				
General services	1,643,954	1,645,717	1,822,344	(176,627)
Capital outlay	175,000	175,000	85,850	89,150
Total expenditures	1,818,954	1,820,717	1,908,194	(87,477)
REVENUES OVER (UNDER) EXPENDITURES	94,109	92,346	530,568	438,222
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(242,000)	(242,000)	(200,534)	41,466
Total other financing sources (uses)	(242,000)	(242,000)	(200,534)	41,466
Net change in fund balances	(147,891)	(149,654)	330,034	479,688
FUND BALANCES:				
Beginning of year	3,801,275	3,801,275	3,801,275	-
End of year	\$ 3,653,384	\$ 3,651,621	\$ 4,131,309	\$ 479,688

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, 2011

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 494	\$ 494
Total revenues	<u>-</u>	<u>-</u>	<u>494</u>	<u>494</u>
EXPENDITURES:				
Current:				
Community Development	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>494</u>	<u>494</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>494</u>	<u>494</u>
FUND BALANCES (DEFICIT):				
Beginning of year	(494)	(494)	(494)	-
End of year	<u>\$ (494)</u>	<u>\$ (494)</u>	<u>\$ -</u>	<u>\$ 494</u>

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, 2011

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 1,029,300	\$ 1,029,300	\$ 923,952	\$ (105,348)
Use of money and property	15,300	15,300	4,211	(11,089)
Other revenues	10,000	10,000	10,244	244
Total revenues	1,054,600	1,054,600	938,407	(116,193)
EXPENDITURES:				
Current:				
General government	162,993	165,060	132,113	32,947
Community development	58,814	58,814	55,860	2,954
Debt service:				
Principal	800,000	800,000	882,869	(82,869)
Interest	68,200	68,200	65,940	2,260
Total expenditures	1,090,007	1,092,074	1,136,782	(44,708)
REVENUES OVER (UNDER) EXPENDITURES	(35,407)	(37,474)	(198,375)	(160,901)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	528	528
Transfers out	(55,795)	(55,795)	(50,520)	5,275
Total other financing sources (uses)	(55,795)	(55,795)	(49,992)	5,803
Net change in fund balances	(91,202)	(93,269)	(248,367)	(155,098)
FUND BALANCES:				
Beginning of year	8,163,057	8,163,057	8,163,057	-
End of year	\$ 8,071,855	\$ 8,069,788	\$ 7,914,690	\$ (155,098)

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, 2011

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 750	\$ 750
Total revenues	<u>-</u>	<u>-</u>	<u>750</u>	<u>750</u>
EXPENDITURES:				
Current:				
General government	8,116	8,116	7,910	206
Community development	65,744	74,880	73,890	990
Total expenditures	<u>73,860</u>	<u>82,996</u>	<u>81,800</u>	<u>1,196</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(73,860)</u>	<u>(82,996)</u>	<u>(81,050)</u>	<u>1,946</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	2,535	2,535
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>2,535</u>	<u>2,535</u>
Net change in fund balances	<u>(73,860)</u>	<u>(82,996)</u>	<u>(78,515)</u>	<u>4,481</u>
FUND BALANCES:				
Beginning of year	<u>2,318,269</u>	<u>2,318,269</u>	<u>2,318,269</u>	<u>-</u>
End of year	<u>\$ 2,244,409</u>	<u>\$ 2,235,273</u>	<u>\$ 2,239,754</u>	<u>\$ 4,481</u>

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, 2011

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 250,700	\$ 250,700	\$ 250,625	\$ (75)
Total revenues	<u>250,700</u>	<u>250,700</u>	<u>250,625</u>	<u>(75)</u>
EXPENDITURES:				
Current:				
General services	343,010	343,010	317,085	25,925
Total expenditures	<u>343,010</u>	<u>343,010</u>	<u>317,085</u>	<u>25,925</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(92,310)</u>	<u>(92,310)</u>	<u>(66,460)</u>	<u>25,850</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	242,524	242,524	195,091	(47,433)
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>242,524</u>	<u>242,524</u>	<u>195,091</u>	<u>(47,433)</u>
Net change in fund balances	<u>150,214</u>	<u>150,214</u>	<u>128,631</u>	<u>(21,583)</u>
FUND BALANCES (DEFICIT):				
Beginning of year	(412,321)	(412,321)	(412,321)	-
End of year	<u>\$ (262,107)</u>	<u>\$ (262,107)</u>	<u>\$ (283,690)</u>	<u>\$ (21,583)</u>

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, 2011

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 1,487,300	\$ 1,487,300	\$ 1,490,760	\$ 3,460
Use of money and property	10,200	10,200	7,265	(2,935)
Other revenues	-	-	-	-
Total revenues	1,497,500	1,497,500	1,498,025	525
EXPENDITURES:				
Current:				
General services	1,463,541	1,463,541	1,351,435	112,106
Total expenditures	1,463,541	1,463,541	1,351,435	112,106
REVENUES OVER (UNDER) EXPENDITURES	33,959	33,959	146,590	112,631
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	8,974	8,974
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	8,974	8,974
Net change in fund balances	33,959	33,959	155,564	121,605
FUND BALANCES:				
Beginning of year	1,701,842	1,701,842	1,701,842	-
End of year	\$ 1,735,801	\$ 1,735,801	\$ 1,857,406	\$ 121,605

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, 2011

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 1,080,100	\$ 1,080,100	\$ 1,155,169	\$ 75,069
Total revenues	<u>1,080,100</u>	<u>1,080,100</u>	<u>1,155,169</u>	<u>75,069</u>
EXPENDITURES:				
Current:				
General government	11,400	11,400	11,370	30
Total expenditures	<u>11,400</u>	<u>11,400</u>	<u>11,370</u>	<u>30</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,068,700</u>	<u>1,068,700</u>	<u>1,143,799</u>	<u>75,099</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,068,700)	(1,068,700)	(1,143,799)	(75,099)
Total other financing sources (uses)	<u>(1,068,700)</u>	<u>(1,068,700)</u>	<u>(1,143,799)</u>	<u>(75,099)</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, 2011

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 316,000	\$ 316,000	\$ 216,778	\$ (99,222)
Use of money and property	2,400	2,400	1,430	(970)
Total revenues	318,400	318,400	218,208	(100,192)
EXPENDITURES:				
Current:				
General government	305,687	305,687	243,791	61,896
General services	-	-	-	-
Total expenditures	305,687	305,687	243,791	61,896
REVENUES OVER (UNDER) EXPENDITURES	12,713	12,713	(25,583)	(38,296)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	640	640
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	640	640
Net change in fund balances	12,713	12,713	(24,943)	(37,656)
FUND BALANCES:				
Beginning of year	387,528	387,528	387,528	-
End of year	\$ 400,241	\$ 400,241	\$ 362,585	\$ (37,656)

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, 2011

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 491,421	\$ 491,421	\$ 504,983	\$ 13,562
Use of money and property	770	770	36,142	35,372
Other revenues	-	-	90	90
Total revenues	492,191	492,191	541,215	49,024
EXPENDITURES:				
Current:				
Community development	48,070	48,070	80,122	(32,052)
Capital outlay	400,989	400,989	486,237	(85,248)
Total expenditures	449,059	449,059	566,359	(117,300)
REVENUES OVER (UNDER) EXPENDITURES	43,132	43,132	(25,144)	(68,276)
OTHER FINANCING SOURCES (USES):				
Transfers in	21,395	21,395	18,372	(3,023)
Transfers out	(70,832)	(70,832)	(44,750)	26,082
Total other financing sources (uses)	(49,437)	(49,437)	(26,378)	23,059
Net change in fund balances	(6,305)	(6,305)	(51,522)	(45,217)
FUND BALANCES:				
Beginning of year	2,343,794	2,343,794	2,343,794	-
End of year	\$ 2,337,489	\$ 2,337,489	\$ 2,292,272	\$ (45,217)

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, 2011

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Fines and forfeitures	\$ -	\$ -	\$ 4,473	\$ 4,473
Total revenues	<u>-</u>	<u>-</u>	<u>4,473</u>	<u>4,473</u>
EXPENDITURES:				
Current:				
Public safety	35,000	35,000	335	34,665
Total expenditures	<u>35,000</u>	<u>35,000</u>	<u>335</u>	<u>34,665</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(35,000)</u>	<u>(35,000)</u>	<u>4,138</u>	<u>39,138</u>
Net change in fund balances	<u>(35,000)</u>	<u>(35,000)</u>	<u>4,138</u>	<u>39,138</u>
FUND BALANCES:				
Beginning of year	90,057	90,057	90,057	-
End of year	<u>\$ 55,057</u>	<u>\$ 55,057</u>	<u>\$ 94,195</u>	<u>\$ 39,138</u>

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, 2011

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 13,100	\$ 13,100	\$ 8,074	\$ (5,026)
Other revenues	-	-	500	500
Total revenues	13,100	13,100	8,574	(4,526)
EXPENDITURES:				
Current:				
General services	-	-	202	(202)
Capital outlay	-	-	-	-
Total expenditures	-	-	202	(202)
REVENUES OVER (UNDER)				
EXPENDITURES	13,100	13,100	8,372	(4,728)
Net change in fund balances	13,100	13,100	8,372	(4,728)
FUND BALANCES:				
Beginning of year	2,072,011	2,072,011	2,072,011	-
End of year	\$ 2,085,111	\$ 2,085,111	\$ 2,080,383	\$ (4,728)

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, 2011

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 6,100	\$ 6,100	\$ 23,027	\$ 16,927
Total revenues	<u>6,100</u>	<u>6,100</u>	<u>23,027</u>	<u>16,927</u>
EXPENDITURES:				
Current:				
Public safety	6,100	6,100	23,027	(16,927)
Capital outlay	-	-	-	-
Total expenditures	<u>6,100</u>	<u>6,100</u>	<u>23,027</u>	<u>(16,927)</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

Traffic Congestion AB 2928 Special Revenue Fund

For the year ended June 30, 2011

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 80,000	\$ 80,000	\$ -	\$ (80,000)
Intergovernmental	110,000	110,000	-	(110,000)
Use of money and property	1,200	1,200	(54)	(1,254)
Other revenues	-	-	-	-
Total revenues	191,200	191,200	(54)	(191,254)
EXPENDITURES:				
Capital outlay	574,803	666,710	392,974	273,736
Total expenditures	574,803	666,710	392,974	273,736
REVENUES OVER (UNDER) EXPENDITURES	(383,603)	(475,510)	(393,028)	82,482
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	4,454	4,454
Transfers out	(28,356)	(28,356)	-	28,356
Total other financing sources (uses)	(28,356)	(28,356)	4,454	32,810
Net change in fund balances	(411,959)	(503,866)	(388,574)	115,292
FUND BALANCES:				
Beginning of year	388,574	388,574	388,574	-
End of year	\$ (23,385)	\$ (115,292)	\$ -	\$ 115,292

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, 2011

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 20,000	\$ 20,000	\$ 67,320	\$ 47,320
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>67,320</u>	<u>47,320</u>
EXPENDITURES:				
Current:				
General government	20,000	20,000	48,840	(28,840)
General services	-	-	18,480	(18,480)
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>67,320</u>	<u>(47,320)</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, 2011

	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, 2011

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 800	\$ 800	\$ 715	\$ (85)
Other revenues	43,800	43,800	31,808	(11,992)
Total revenues	44,600	44,600	32,523	(12,077)
EXPENDITURES:				
Current:				
General services	55,300	55,300	160,723	(105,423)
Total expenditures	55,300	55,300	160,723	(105,423)
REVENUES OVER (UNDER) EXPENDITURES	(10,700)	(10,700)	(128,200)	(117,500)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(10,700)	(10,700)	(128,200)	(117,500)
FUND BALANCES:				
Beginning of year	128,200	128,200	128,200	-
End of year	\$ 117,500	\$ 117,500	\$ -	\$ (117,500)

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, 2011

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
REVENUES:				
Other revenues	\$ 2,000	\$ 2,000	\$ 15,753	\$ 13,753
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>15,753</u>	<u>13,753</u>
EXPENDITURES:				
Current:				
General services	2,000	2,000	27,746	(25,746)
Total expenditures	<u>2,000</u>	<u>2,000</u>	<u>27,746</u>	<u>(25,746)</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>-</u>	<u>-</u>	<u>(11,993)</u>	<u>(11,993)</u>
Net change in fund balances	-	-	(11,993)	(11,993)
FUND BALANCES:				
Beginning of year	11,993	11,993	11,993	-
End of year	<u>\$ 11,993</u>	<u>\$ 11,993</u>	<u>\$ -</u>	<u>\$ (11,993)</u>

City of Rocklin, California

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

Explorer Post 150 Special Revenue Fund

For the year ended June 30, 2011

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Other revenues	\$ -	\$ -	\$ 9,817	\$ 9,817
Total revenues	<u>-</u>	<u>-</u>	<u>9,817</u>	<u>9,817</u>
EXPENDITURES:				
Current:				
Public safety		-	16,562	(16,562)
Total expenditures	<u>-</u>	<u>-</u>	<u>16,562</u>	<u>(16,562)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(6,745)</u>	<u>(6,745)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>(6,745)</u>	<u>(6,745)</u>
FUND BALANCES:				
Beginning of year	<u>6,745</u>	<u>6,745</u>	<u>6,745</u>	<u>-</u>
End of year	<u>\$ 6,745</u>	<u>\$ 6,745</u>	<u>\$ -</u>	<u>\$ (6,745)</u>

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, 2011

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 493,960	\$ 493,960	\$ 496,818	\$ 2,858
Total revenues	<u>493,960</u>	<u>493,960</u>	<u>496,818</u>	<u>2,858</u>
EXPENDITURES:				
Current:				
Community development	448,565	448,565	467,860	(19,295)
Total expenditures	<u>448,565</u>	<u>448,565</u>	<u>467,860</u>	<u>(19,295)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>45,395</u>	<u>45,395</u>	<u>28,958</u>	<u>(16,437)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(45,395)	(45,395)	(28,958)	16,437
Total other financing sources (uses)	<u>(45,395)</u>	<u>(45,395)</u>	<u>(28,958)</u>	<u>16,437</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

Prop 1B Special Revenue Fund

For the year ended June 30, 2011

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 975,374	\$ 975,374
Use of money and property	-	-	865	865
Total revenues	-	-	976,239	976,239
EXPENDITURES:				
Current:				
Community development	-	-	88,011	(88,011)
Total expenditures	-	-	88,011	(88,011)
REVENUES OVER (UNDER)				
EXPENDITURES	-	-	888,228	888,228
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	(115,042)	(115,042)
Total other financing sources (uses)	-	-	(115,042)	(115,042)
Net change in fund balances	-	-	773,186	773,186
FUND BALANCES:				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ 773,186	\$ 773,186

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

Fund	Description
<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, 2011

(With comparative totals for June 30, 2010)

	Capital Projects Funds				
	Park Development	Community Park Fees	Capital Construction Projects	Oak Tree Mitigation	Public Improvement Agreement
ASSETS					
Cash and investments	\$ -	\$ -	\$ -	\$ 1,432,753	\$ 1,595,572
Restricted cash and investments	-	-	-	-	-
Receivables:					
Intergovernmental	-	-	11,317	-	-
Total assets	\$ -	\$ -	\$ 11,317	\$ 1,432,753	\$ 1,595,572
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 416	\$ 4,618	\$ 67,655
Due to other funds	2,389,513	1,418,810	851,878	-	-
Deferred revenue	-	-	-	-	-
Advances from other funds	-	-	846,219	-	-
Total liabilities	2,389,513	1,418,810	1,698,513	4,618	67,655
Fund Balances:					
Nonspendable					
Advances to other funds	-	-	-	-	-
Loans/Notes receivable	-	-	-	-	-
Endowments	-	-	-	-	-
Restricted	-	-	-	-	1,527,917
Assigned	-	-	-	1,428,135	-
Unassigned (Deficit)	(2,389,513)	(1,418,810)	(1,687,196)	-	-
Total fund balances	(2,389,513)	(1,418,810)	(1,687,196)	1,428,135	1,527,917
Total liabilities and fund balances	\$ -	\$ -	\$ 11,317	\$ 1,432,753	\$ 1,595,572

Permanent Funds		Debt Service Fund	Non-Major Funds Totals	
Wetlands Maintenance	Conservation Easement Endowment	Capital Construction Debt Service	2011	2010
\$ 19,969	\$ 454,197	\$ -	\$ 3,502,491	\$ 1,826,092
38,382	-	1	38,383	38,382
-	-	-	11,317	-
<u>\$ 58,351</u>	<u>\$ 454,197</u>	<u>\$ 1</u>	<u>\$ 3,552,191</u>	<u>\$ 1,864,474</u>
\$ -	\$ -	\$ -	\$ 72,689	\$ 20,820
-	-	-	4,660,201	4,041,336
-	-	-	-	-
-	-	-	846,219	1,057,774
-	-	-	5,579,109	5,119,930
-	-	-	-	-
-	-	-	-	-
38,000	453,455	-	491,455	491,455
-	-	1	1,527,918	19,547
20,351	742	-	1,449,228	1,349,401
-	-	-	(5,495,519)	(5,115,859)
<u>58,351</u>	<u>454,197</u>	<u>1</u>	<u>(2,026,918)</u>	<u>(3,255,456)</u>
<u>\$ 58,351</u>	<u>\$ 454,197</u>	<u>\$ 1</u>	<u>\$ 3,552,191</u>	<u>\$ 1,864,474</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, 2011

(With comparative totals for the year ended June 30, 2010)

	Capital Projects Funds				
	Park Development	Community Park Fees	Capital Construction Projects	Oak Tree Mitigation	Public Improvement Agreement
REVENUES:					
Taxes and assessments	\$ -	\$ -	\$ -	\$ 150,157	\$ -
Intergovernmental	-	-	95,317	-	-
Use of money and property	-	-	-	5,518	-
Charges for services	-	22,285	-	-	-
Contributions from developers and homeowners	-	-	391,375	-	-
Other revenues	-	-	-	-	-
Total revenues	-	22,285	486,692	155,675	-
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
General services	-	-	-	35,941	-
Community development	-	-	-	-	-
Capital outlay	-	-	115,535	28,433	722,533
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	69,597	41,649	27,925	-	-
Total expenditures	69,597	41,649	143,460	64,374	722,533
REVENUES OVER (UNDER) EXPENDITURES	(69,597)	(19,364)	343,232	91,301	(722,533)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	2,250,450
Transfers out	-	-	(633,930)	(12,567)	-
Total other financing sources and (uses)	-	-	(633,930)	(12,567)	2,250,450
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	(69,597)	(19,364)	(290,698)	78,734	1,527,917
FUND BALANCES (DEFICITS):					
Beginning of year	(2,319,916)	(1,399,446)	(1,396,498)	1,349,401	-
End of year	<u>\$ (2,389,513)</u>	<u>\$ (1,418,810)</u>	<u>\$ (1,687,196)</u>	<u>\$ 1,428,135</u>	<u>\$ 1,527,917</u>

Permanent Funds		Debt Service Fund	Non-Major Funds Totals	
Wetlands Maintenance	Conservation Easement Endowment	Capital Construction Debt Service	2011	2010
\$ -	\$ -	\$ -	\$ 150,157	\$ 16,354
-	-	-	95,317	-
2,965	243	-	8,726	17,519
-	-	-	22,285	86,852
-	-	-	391,375	867,288
-	-	-	-	-
2,965	243	-	667,860	988,013
-	-	-	-	-
-	-	-	-	-
-	-	-	35,941	-
-	-	-	-	35,413
-	-	-	866,501	1,216,923
-	-	485,000	485,000	470,000
-	-	148,930	288,101	303,643
-	-	633,930	1,675,543	2,025,979
2,965	243	(633,930)	(1,007,683)	(1,037,966)
-	-	633,930	2,884,380	632,408
(1,662)	-	-	(648,159)	(962,549)
(1,662)	-	633,930	2,236,221	(330,141)
1,303	243	-	1,228,538	(1,368,107)
57,048	453,954	1	(3,255,456)	(1,887,349)
\$ 58,351	\$ 454,197	\$ 1	\$ (2,026,918)	\$ (3,255,456)

This page intentionally left blank.

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 Environmental 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, 2011

(With comparative totals for June 30, 2010)

	Community Facilities District #2	Community Facilities District #3	Community Facilities District #4	Community Facilities District #5	Community Facilities District #6
ASSETS					
Cash and investments	\$ 625	\$ 524	\$ 50,444	\$ 3,573,850	\$ 138
Cash and investments held by trustees	1,952,703	3,400,647	-	-	162,582
Receivables:					
Accounts	-	-	-	-	-
Assessments	12,774	42,301	1,372	52,056	1,639
Other	-	-	-	-	-
Total assets	\$ 1,966,102	\$ 3,443,472	\$ 51,816	\$ 3,625,906	\$ 164,359
LIABILITIES					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 89,510	\$ -
Due to others	1,966,102	3,443,472	51,816	3,536,396	164,359
Total liabilities	\$ 1,966,102	\$ 3,443,472	\$ 51,816	\$ 3,625,906	\$ 164,359

Community Facilities District #7	Community Facilities District #8	Community Facilities District #9	Community Facilities District #10	Community Facilities District #11	EIR Consultant's Trust
\$ 113	\$ 723	\$ 635	\$ 632	\$ 480,700	\$ 10,002
625,464	377,390	629,800	3,951,369	268,033	-
-	-	-	-	-	-
5,676	5,777	6,193	19,292	158,145	-
-	-	-	-	-	-
<u>\$ 631,253</u>	<u>\$ 383,890</u>	<u>\$ 636,628</u>	<u>\$ 3,971,293</u>	<u>\$ 906,878</u>	<u>\$ 10,002</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
631,253	383,890	636,628	3,971,293	906,878	10,002
<u>\$ 631,253</u>	<u>\$ 383,890</u>	<u>\$ 636,628</u>	<u>\$ 3,971,293</u>	<u>\$ 906,878</u>	<u>\$ 10,002</u>

(continued)

City of Rocklin, California

Combining Statement of Assets and Liabilities, Continued

Agency Funds

June 30, 2011

(With comparative totals for June 30, 2010)

	Boroski Landfill		Totals	
	Monitoring Trust	Fire Comm/ Assoc Emergency	2011	2010
ASSETS				
Cash and investments	\$ -	\$ 157	\$ 4,118,543	\$ 3,584,965
Cash and investments held by trustees	-	-	11,367,988	10,654,203
Receivables:				
Accounts	-	-	-	4,889
Assessments	-	-	305,225	273,742
Other	-	-	-	-
Total assets	\$ -	\$ 157	\$ 15,791,756	\$ 14,517,799
LIABILITIES				
Accounts payable and accrued liabilities	\$ -	\$ 157	\$ 89,667	\$ 106,392
Due to others	-	-	15,702,089	14,411,407
Total liabilities	\$ -	\$ 157	\$ 15,791,756	\$ 14,517,799

(concluded)

City of Rocklin, California
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2011

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
COMMUNITY FACILITIES DISTRICT #2				
ASSETS				
Cash and investments	\$ 108	\$ 625	\$ (108)	\$ 625
Cash and investments held by trustees	1,956,503	1,952,703	(1,956,503)	1,952,703
Receivables:				
Assessments	24,225	12,774	(24,225)	12,774
Total assets	<u>\$ 1,980,836</u>	<u>\$ 1,966,102</u>	<u>\$ (1,980,836)</u>	<u>\$ 1,966,102</u>
LIABILITIES				
Due to (from) others	\$ 1,980,836	\$ 1,966,102	\$ (1,980,836)	\$ 1,966,102
Total liabilities	<u>\$ 1,980,836</u>	<u>\$ 1,966,102</u>	<u>\$ (1,980,836)</u>	<u>\$ 1,966,102</u>
COMMUNITY FACILITIES DISTRICT #3				
ASSETS				
Cash and investments	\$ 12,625	\$ 524	\$ (12,625)	\$ 524
Cash and investments held by trustees	3,272,005	3,400,647	(3,272,005)	3,400,647
Receivables:				
Assessments	64,472	42,301	(64,472)	42,301
Total assets	<u>\$ 3,349,102</u>	<u>\$ 3,443,472</u>	<u>\$ (3,349,102)</u>	<u>\$ 3,443,472</u>
LIABILITIES				
Due to (from) others	\$ 3,349,102	\$ 3,443,472	\$ (3,349,102)	\$ 3,443,472
Total liabilities	<u>\$ 3,349,102</u>	<u>\$ 3,443,472</u>	<u>\$ (3,349,102)</u>	<u>\$ 3,443,472</u>
COMMUNITY FACILITIES DISTRICT #4				
ASSETS				
Cash and investments	\$ 437	\$ 50,444	\$ (437)	\$ 50,444
Cash and investments held by trustees	785,504	-	(785,504)	-
Receivables:				
Assessments	6,036	1,372	(6,036)	1,372
Total assets	<u>\$ 791,977</u>	<u>\$ 51,816</u>	<u>\$ (791,977)</u>	<u>\$ 51,816</u>
LIABILITIES				
Due to (from) others	\$ 791,977	\$ 51,816	\$ (791,977)	\$ 51,816
Total liabilities	<u>\$ 791,977</u>	<u>\$ 51,816</u>	<u>\$ (791,977)</u>	<u>\$ 51,816</u>

(continued)

City of Rocklin, California
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2011

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
COMMUNITY FACILITIES DISTRICT #5				
ASSETS				
Cash and investments	\$ 3,065,608	\$ 3,573,850	\$ (3,065,608)	\$ 3,573,850
Receivables:				
Accounts	4,889	-	(4,889)	-
Assessments	65,838	52,056	(65,838)	52,056
Total assets	<u>\$ 3,136,335</u>	<u>\$ 3,625,906</u>	<u>\$ (3,136,335)</u>	<u>\$ 3,625,906</u>
LIABILITIES				
Accounts payable	\$ 103,098	\$ 89,510	\$ (103,098)	\$ 89,510
Due to (from) others	3,033,237	3,536,396	(3,033,237)	3,536,396
Total liabilities	<u>\$ 3,136,335</u>	<u>\$ 3,625,906</u>	<u>\$ (3,136,335)</u>	<u>\$ 3,625,906</u>
COMMUNITY FACILITIES DISTRICT #6				
ASSETS				
Cash and investments	\$ 23,472	\$ 138	\$ (23,472)	\$ 138
Cash and investments held by trustees	145,000	162,582	(145,000)	162,582
Receivables:				
Assessments	7,309	1,639	(7,309)	1,639
Total assets	<u>\$ 175,781</u>	<u>\$ 164,359</u>	<u>\$ (175,781)</u>	<u>\$ 164,359</u>
LIABILITIES				
Due to (from) others	\$ 175,781	\$ 164,359	\$ (175,781)	\$ 164,359
Total liabilities	<u>\$ 175,781</u>	<u>\$ 164,359</u>	<u>\$ (175,781)</u>	<u>\$ 164,359</u>
COMMUNITY FACILITIES DISTRICT #7				
ASSETS				
Cash and investments	\$ 901	\$ 113	\$ (901)	\$ 113
Cash and investments held by trustees	657,168	625,464	(657,168)	625,464
Receivables:				
Assessments	6,519	5,676	(6,519)	5,676
Total assets	<u>\$ 664,588</u>	<u>\$ 631,253</u>	<u>\$ (664,588)</u>	<u>\$ 631,253</u>
LIABILITIES				
Due to (from) others	\$ 664,588	\$ 631,253	\$ (664,588)	\$ 631,253
Total liabilities	<u>\$ 664,588</u>	<u>\$ 631,253</u>	<u>\$ (664,588)</u>	<u>\$ 631,253</u>

(continued)

City of Rocklin, California
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2011

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
COMMUNITY FACILITIES DISTRICT #8				
ASSETS				
Cash and investments	\$ 809	\$ 723	\$ (809)	\$ 723
Cash and investments held by trustees	346,500	377,390	(346,500)	377,390
Receivables:				
Assessments	14,976	5,777	(14,976)	5,777
Total assets	<u>\$ 362,285</u>	<u>\$ 383,890</u>	<u>\$ (362,285)</u>	<u>\$ 383,890</u>
LIABILITIES				
Due to (from) others	\$ 362,285	\$ 383,890	\$ (362,285)	\$ 383,890
Total liabilities	<u>\$ 362,285</u>	<u>\$ 383,890</u>	<u>\$ (362,285)</u>	<u>\$ 383,890</u>
COMMUNITY FACILITIES DISTRICT #9				
ASSETS				
Cash and investments	\$ 223	\$ 635	\$ (223)	\$ 635
Cash and investments held by trustees	575,500	629,800	(575,500)	629,800
Receivables:				
Assessments	26,494	6,193	(26,494)	6,193
Total assets	<u>\$ 602,217</u>	<u>\$ 636,628</u>	<u>\$ (602,217)</u>	<u>\$ 636,628</u>
LIABILITIES				
Due to (from) others	\$ 602,217	\$ 636,628	\$ (602,217)	\$ 636,628
Total liabilities	<u>\$ 602,217</u>	<u>\$ 636,628</u>	<u>\$ (602,217)</u>	<u>\$ 636,628</u>
COMMUNITY FACILITIES DISTRICT #10				
ASSETS				
Cash and investments	\$ 521	\$ 632	\$ (521)	\$ 632
Cash and investments held by trustees	2,916,019	3,951,369	(2,916,019)	3,951,369
Receivables:				
Assessments	57,873	19,292	(57,873)	19,292
Total assets	<u>\$ 2,974,413</u>	<u>\$ 3,971,293</u>	<u>\$ (2,974,413)</u>	<u>\$ 3,971,293</u>
LIABILITIES				
Due to (from) others	\$ 2,974,413	\$ 3,971,293	\$ (2,974,413)	\$ 3,971,293
Total liabilities	<u>\$ 2,974,413</u>	<u>\$ 3,971,293</u>	<u>\$ (2,974,413)</u>	<u>\$ 3,971,293</u>

(continued)

City of Rocklin, California
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2011

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
COMMUNITY FACILITIES DISTRICT #11				
ASSETS				
Cash and investments	\$ 379,177	\$ 480,700	\$ (379,177)	\$ 480,700
Cash and investments held by trustees	4	268,033	(4)	268,033
Receivables:				
Assessments	-	158,145	-	158,145
Total assets	<u>\$ 379,181</u>	<u>\$ 906,878</u>	<u>\$ (379,181)</u>	<u>\$ 906,878</u>
LIABILITIES				
Due to (from) others	\$ 379,181	\$ 906,878	\$ (379,181)	\$ 906,878
Total liabilities	<u>\$ 379,181</u>	<u>\$ 906,878</u>	<u>\$ (379,181)</u>	<u>\$ 906,878</u>
EIR CONSULTANT'S TRUST				
ASSETS				
Cash and investments	\$ 40,330	\$ 10,002	\$ (40,330)	\$ 10,002
Total assets	<u>\$ 40,330</u>	<u>\$ 10,002</u>	<u>\$ (40,330)</u>	<u>\$ 10,002</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to (from) others	40,330	10,002	(40,330)	10,002
Total liabilities	<u>\$ 40,330</u>	<u>\$ 10,002</u>	<u>\$ (40,330)</u>	<u>\$ 10,002</u>
BOROWSKI LANDFILL MONITORING TRUST				
ASSETS				
Cash and investments	\$ 7,235	\$ -	\$ (7,235)	\$ -
Receivables:				
Accounts	-	-	-	-
Total assets	<u>\$ 7,235</u>	<u>\$ -</u>	<u>\$ (7,235)</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ 3,294	\$ -	\$ (3,294)	\$ -
Due to other funds	-	-	-	-
Due to (from) others	3,941	-	(3,941)	-
Total liabilities	<u>\$ 7,235</u>	<u>\$ -</u>	<u>\$ (7,235)</u>	<u>\$ -</u>

(continued)

City of Rocklin, California
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2011

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
FIRE COMM/ASSOC EMERGENCY				
ASSETS				
Cash and investments	\$ 53,519	\$ 157	\$ (53,519)	\$ 157
Total assets	\$ 53,519	\$ 157	\$ (53,519)	\$ 157
LIABILITIES				
Due to (from) others	\$ 53,519	\$ -	\$ (53,519)	\$ -
Total liabilities	\$ 53,519	\$ 157	\$ (53,519)	\$ 157
TOTAL OF ALL AGENCY FUNDS				
ASSETS				
Cash and investments	\$ 3,584,965	\$ 4,118,543	\$ (3,584,965)	\$ 4,118,543
Cash and investments held by trustees	10,654,203	11,367,988	(10,654,203)	11,367,988
Receivables:				
Accounts	4,889	-	(4,889)	-
Assessments	273,742	305,225	(273,742)	305,225
Total assets	\$ 14,517,799	\$ 15,791,756	\$ (14,517,799)	\$ 15,791,756
LIABILITIES				
Accounts payable	\$ 106,392	\$ 89,667	\$ (106,392)	\$ 89,667
Due to other funds	-	-	-	-
Due to (from) others	14,411,407	15,702,089	(14,411,407)	15,702,089
Total liabilities	\$ 14,517,799	\$ 15,791,756	\$ (14,517,799)	\$ 15,791,756

(concluded)

This page intentionally left blank.

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.	122-131
Revenue Capacity	
These schedules contain information to help the reader assess the City's property tax.	132-137
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.	138-141
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	142-143

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>2004</u>	<u>2005</u>	<u>2006</u>
Governmental activities:			
Invested in capital assets, net of related debt	\$ 221,459,502	\$ 258,716,605	\$ 301,542,340
Restricted	64,972,457	73,109,220	55,165,034
Unrestricted	<u>29,427,071</u>	<u>30,625,389</u>	<u>33,780,126</u>
Total governmental activities net assets	<u><u>\$ 315,859,030</u></u>	<u><u>\$ 362,451,214</u></u>	<u><u>\$ 390,487,500</u></u>
Primary government:			
Invested in capital assets, net of related debt	\$ 221,459,502	\$ 258,716,605	\$ 301,542,340
Restricted	64,972,457	73,109,220	55,165,034
Unrestricted	<u>29,427,071</u>	<u>30,625,389</u>	<u>33,780,126</u>
Total primary government net assets	<u><u>\$ 315,859,030</u></u>	<u><u>\$ 362,451,214</u></u>	<u><u>\$ 390,487,500</u></u>

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 314,002,830	\$ 333,102,023	\$ 340,423,304	\$ 336,857,846	\$ 299,354,604
60,900,601	23,677,671	17,858,485	16,013,886	18,109,568
<u>35,479,788</u>	<u>67,611,423</u>	<u>60,361,488</u>	<u>51,212,204</u>	<u>43,464,022</u>
<u>\$ 410,383,219</u>	<u>\$ 424,391,117</u>	<u>\$ 418,643,277</u>	<u>\$ 404,083,936</u>	<u>\$ 360,928,194</u>
\$ 314,002,830	\$ 333,102,023	\$ 340,423,304	\$ 336,857,846	\$ 299,354,604
60,900,601	23,677,671	17,858,485	16,013,886	18,109,568
<u>35,479,788</u>	<u>67,611,423</u>	<u>60,361,488</u>	<u>51,212,204</u>	<u>43,464,022</u>
<u>\$ 410,383,219</u>	<u>\$ 424,391,117</u>	<u>\$ 418,643,277</u>	<u>\$ 404,083,936</u>	<u>\$ 360,928,194</u>

City of Rocklin, California

Changes in Net Assets

Last Eight Fiscal Years

(Fiscal year ended June 30)

(Accrual basis of accounting)

	2004	2005	2006
Expenses:			
Governmental activities:			
General government	\$ 6,709,784	\$ 6,614,335	\$ 8,752,178
Public safety	10,415,163	13,373,870	15,388,277
Public works	9,174,823	10,472,840	10,418,079
General services	-	-	-
Culture and recreation	7,946,700	8,483,351	11,070,914
Community development	3,657,170	4,979,356	4,769,873
Depreciation expense	-	-	-
Interest expense	994,662	1,258,812	1,400,509
Total governmental activities expenses	<u>38,898,302</u>	<u>45,182,564</u>	<u>51,799,830</u>
Total primary government expenses	<u>\$ 38,898,302</u>	<u>\$ 45,182,564</u>	<u>\$ 51,799,830</u>
Program revenues:			
Governmental activities:			
Charges for services:			
General government	\$ 471,039	\$ 450,316	\$ 501,652
Public safety	1,019,992	1,066,612	1,122,727
Public works	20,014	25,324	29,270
General services	-	-	-
Culture and recreation	3,322,390	2,638,833	3,342,358
Community development	4,905,305	4,636,463	5,536,884
Operating grants and contributions	416,730	563,811	2,548,421
Capital grants and contributions	542,282	45,048,679	24,891,312
Total governmental activities program revenues	<u>10,697,752</u>	<u>54,430,038</u>	<u>37,972,624</u>
Total primary government program revenues	<u>\$ 10,697,752</u>	<u>\$ 54,430,038</u>	<u>\$ 37,972,624</u>
Net (Expense)/Revenue			
Governmental activities	<u>\$ (28,200,550)</u>	<u>\$ 9,247,474</u>	<u>\$ (13,827,206)</u>
Total primary government net expense	<u>\$ (28,200,550)</u>	<u>\$ 9,247,474</u>	<u>\$ (13,827,206)</u>

Note: In 2010-11 the City combined Culture and Recreation and Public Works into General Services.

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 9,741,574	\$ 9,384,763	\$ 12,168,677	\$ 11,502,017	\$ 12,368,561
19,083,423	19,270,091	21,767,874	20,187,996	19,676,954
11,290,399	13,831,854	11,875,302	13,203,578	-
-	-	-	-	21,459,947
11,054,035	11,359,949	11,199,237	8,630,297	-
4,711,041	5,480,752	3,825,794	6,975,124	39,474,367
-	-	-	-	-
<u>1,679,110</u>	<u>2,099,964</u>	<u>2,193,456</u>	<u>2,225,218</u>	<u>2,185,827</u>
<u>57,559,582</u>	<u>61,427,373</u>	<u>63,030,340</u>	<u>62,724,230</u>	<u>95,165,656</u>
<u>\$ 57,559,582</u>	<u>\$ 61,427,373</u>	<u>\$ 63,030,340</u>	<u>\$ 62,724,230</u>	<u>\$ 95,165,656</u>
\$ 482,992	\$ 2,196,509	\$ 5,409,343	\$ 878,576	\$ 1,975,872
1,316,682	967,850	598,746	698,784	929,151
23,643	678,409	262,526	27,097	-
-	-	-	-	3,096,172
3,863,001	4,179,414	211,128	2,974,885	-
5,017,222	1,426,974	1,451,804	1,061,768	1,359,902
510,641	1,192,355	3,898,104	2,891,635	8,514,569
<u>16,291,432</u>	<u>19,471,148</u>	<u>2,701,074</u>	<u>3,845,572</u>	<u>1,061,788</u>
<u>27,505,613</u>	<u>30,112,659</u>	<u>14,532,725</u>	<u>12,378,317</u>	<u>16,937,454</u>
<u>\$ 27,505,613</u>	<u>\$ 30,112,659</u>	<u>\$ 14,532,725</u>	<u>\$ 12,378,317</u>	<u>\$ 16,937,454</u>
<u>\$ (30,053,969)</u>	<u>\$ (31,314,714)</u>	<u>\$ (48,497,615)</u>	<u>\$ (50,345,913)</u>	<u>\$ (78,228,202)</u>
<u>\$ (30,053,969)</u>	<u>\$ (31,314,714)</u>	<u>\$ (48,497,615)</u>	<u>\$ (50,345,913)</u>	<u>\$ (78,228,202)</u>

(continued)

City of Rocklin, California

Changes in Net Assets

Last Eight Fiscal Years

(Fiscal year ended June 30)

(Accrual basis of accounting)

	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Revenues and Other Changes in Net Assets:			
Governmental activities:			
Taxes:			
Property taxes, levied for general purposes	\$ 8,374,684	\$ 11,930,652	\$ 13,077,447
Sales and use tax	6,484,553	5,611,018	5,032,904
Gas tax	3,038,425	3,431,137	4,048,413
Transient occupancy taxes	-	1,017,429	604,642
Other	1,822,047	1,552,253	1,592,552
Motor vehicle fees	2,003,039	3,566,850	3,755,883
Franchise fees	1,261,835	1,376,480	1,457,402
Impact fees	4,432,850	3,855,636	7,469,174
Investment earnings	1,586,360	3,818,710	3,152,136
Miscellaneous	823,886	1,111,581	1,687,041
Gain (loss) on sale of assets	-	-	(14,102)
Total governmental activities	<u>29,827,679</u>	<u>37,271,746</u>	<u>41,863,492</u>
Total primary government	<u>\$ 29,827,679</u>	<u>\$ 37,271,746</u>	<u>\$ 41,863,492</u>
Changes in Net Assets			
Governmental activities	\$ 1,627,129	\$ 46,519,220	\$ 28,036,286
Total primary government	<u>\$ 1,627,129</u>	<u>\$ 46,519,220</u>	<u>\$ 28,036,286</u>

Note: In 2010-11 the City combined Culture and Recreation and Public Works into General Services.

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 15,143,507	\$ 17,521,701	\$ 16,384,305	\$ 14,743,382	\$ 13,935,181
6,505,180	8,813,096	8,071,160	6,378,150	5,040,007
1,735,645	1,807,144	907,958	1,449,281	4,292,227
565,606	489,747	362,686	344,792	383,641
4,876,889	4,054,247	4,972,089	4,201,280	3,215,335
3,841,341	3,855,901	3,953,712	3,935,363	3,760,265
1,514,343	1,547,104	1,588,179	1,594,426	1,762,153
8,827,938	2,302,815	2,421,430	1,203,166	1,140,139
5,749,228	4,930,857	4,088,256	1,936,732	1,543,512
1,155,580	-	-	-	-
34,431	-	-	-	-
<u>49,949,688</u>	<u>45,322,612</u>	<u>42,749,775</u>	<u>35,786,572</u>	<u>35,072,460</u>
<u>\$ 49,949,688</u>	<u>\$ 45,322,612</u>	<u>\$ 42,749,775</u>	<u>\$ 35,786,572</u>	<u>\$ 35,072,460</u>
\$ 19,895,719	\$ 14,007,898	\$ (5,747,840)	\$ (14,559,341)	\$ (43,155,742)
<u>\$ 19,895,719</u>	<u>\$ 14,007,898</u>	<u>\$ (5,747,840)</u>	<u>\$ (14,559,341)</u>	<u>\$ (43,155,742)</u>

(concluded)

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund			
Nonspendable	\$ 202,126	\$ 222,338	\$ 244,572
Committed	6,518,097	9,122,917	11,300,720
Unassigned	19,260,657	21,108,235	20,084,521
Total general fund	<u>25,980,880</u>	<u>30,453,490</u>	<u>31,629,813</u>
All Other Governmental Funds			
Nonspendable	\$ 2,622,843	\$ 2,758,352	\$ 2,960,864
Restricted	57,364,554	69,041,506	51,437,156
Assigned	6,482,459	4,032,095	5,757,378
Unassigned (deficit)	(263,578)	(2,702,088)	(3,909,280)
Total all other governmental funds	<u>66,206,278</u>	<u>73,129,865</u>	<u>56,246,118</u>
Total all governmental funds	<u>\$ 92,187,158</u>	<u>\$ 103,583,355</u>	<u>\$ 87,875,931</u>

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 5,369,029	\$ 2,061,255	\$ 1,867,628	\$ 1,823,650	\$ 6,048,708
13,814,541	14,000,822	18,576,558	18,063,861	14,161,064
<u>15,215,200</u>	<u>20,170,526</u>	<u>14,718,374</u>	<u>13,358,257</u>	<u>13,534,025</u>
<u>34,398,770</u>	<u>36,232,603</u>	<u>35,162,560</u>	<u>33,245,768</u>	<u>33,743,797</u>
\$ 3,132,866	\$ 491,000	\$ 10,141,531	\$ 11,752,089	\$ 12,870,770
57,362,464	56,637,710	40,652,117	35,839,982	17,618,113
4,055,406	3,610,834	3,674,164	3,658,407	18,464,493
<u>(3,794,895)</u>	<u>(4,967,897)</u>	<u>(6,749,516)</u>	<u>(8,573,488)</u>	<u>(8,674,542)</u>
<u>60,755,841</u>	<u>55,771,647</u>	<u>47,718,296</u>	<u>42,676,990</u>	<u>40,278,834</u>
<u>\$ 95,154,611</u>	<u>\$ 92,004,250</u>	<u>\$ 82,880,856</u>	<u>\$ 75,922,758</u>	<u>\$ 74,022,631</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)

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

2005	2006	2007	2008	2009	2010	2011
\$ 25,174,353	\$ 29,103,934	\$ 34,163,786	\$ 40,391,755	\$ 38,661,519	\$ 28,990,898	\$ 31,194,723
2,763,428	3,907,127	3,011,762	1,594,170	1,988,941	1,877,390	2,051,659
214,119	205,709	343,526	255,774	355,926	322,076	290,302
3,818,710	2,875,891	5,651,430	2,236,983	3,999,483	7,330,605	8,012,591
7,931,410	9,498,950	12,460,523	4,930,857	4,088,256	1,937,512	1,939,533
28,971,348	6,250,237	7,078,697	5,144,855	3,576,100	3,763,720	3,670,824
21,716,831	25,272,727	13,096,873	18,426,520	1,532,596	867,288	391,375
1,111,585	1,803,980	2,029,872	2,454,357	3,079,679	3,073,887	5,300,613
<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>	<u>\$ 52,851,620</u>
\$ 6,261,000	\$ 8,255,800	\$ 9,342,700	\$ 8,623,207	\$ 9,038,183	\$ 7,250,768	\$ 7,407,257
13,440,469	15,366,655	17,862,380	19,463,346	20,193,534	18,833,510	18,322,468
2,793,855	3,633,435	3,680,194	4,690,723	3,875,990	4,699,101	-
-	-	-	-	-	-	12,173,194
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	3,817,974
42,697,281	58,344,090	26,546,570	23,484,206	15,454,132	6,736,882	8,347,901
859,849	3,961,813	1,313,686	1,345,000	1,630,000	2,020,000	2,497,869
1,681,075	1,914,971	2,451,779	2,104,788	2,207,710	2,292,870	2,185,827
<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>	<u>\$ 54,752,490</u>
\$ 11,327,233	\$ (27,607,424)	\$ 2,069,795	\$ (3,150,361)	\$ (12,606,231)	\$ (8,202,478)	\$ (1,900,870)
-	-	-	-	-	1,513	750
-	-	78,885	-	-	242,867	(8)
-	-	-	-	-	-	-
(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	742
<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>\$ (1,900,128)</u>
<u>7%</u>	<u>14%</u>	<u>8%</u>	<u>7%</u>	<u>8%</u>	<u>10%</u>	<u>11%</u>

City of Rocklin, California

Assessed Value and Actual Value of Taxable Property

For the last ten fiscal years

City of Rocklin:	<u>Secured</u>	<u>Public Utility</u>	<u>Unsecured</u>	<u>Total</u>	<u>Total Direct Tax Rate</u>
FY 01-02	\$ 3,163,252,217	\$ 4,669,526	\$ 64,755,141	\$ 3,232,676,884	1.0000
FY 02-03	3,712,891,330	4,650,817	82,527,141	3,800,069,288	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	5,881,267,000	6,994,849	135,840,714	6,024,102,563	1.0000
FY 06-07	6,518,268,942	6,880,459	147,020,654	6,672,170,055	1.0000
FY 07-08	7,086,920,204	6,351,556	153,871,342	7,247,143,102	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
FY 10-11	6,437,055,124	8,476,688	149,331,796	6,594,863,608	1.0000

All above are Full Value (100%)

Source: Placer County

This page intentionally left blank.

City of Rocklin, California

Direct and Overlapping Property Tax Rates

For the last ten fiscal years

(Rate per \$100 of assessed value)

	Direct Rates		Overlapping Rates		
	Basic Rate	Total Direct	Loomis Elementary	Placer County	Placer
				Water Agency	Union High
FY 01-02	1.0000	1.0000	0.0393	0.0044	0.0137
FY 02-03	1.0000	1.0000	0.0354	0.0038	0.0126
FY 03-04	1.0000	1.0000	0.0345	0.0041	0.0148
FY 04-05	1.0000	1.0000	0.0303	0.0034	0.0146
FY 05-06	1.0000	1.0000	0.0264	0.0010	0.0142
FY 06-07	1.0000	1.0000	0.0211	0.0000	0.0223
FY 07-08	1.0000	1.0000	0.0189	0.0000	0.0200
FY 08-09	1.0000	1.0000	0.0209	0.0000	0.0201
FY 09-10	1.0000	1.0000	0.0209	0.0000	0.0218
FY 10-11	1.0000	1.0000	0.0273	0.0000	0.0265

Source: Placer County Assessor 2001/02 - 2010/11 Tax Rate Table

Overlapping Rates

Rocklin Unified School District	Roseville Elementary	Roseville High	Total Tax Rate
0.0914	0.0198	0.0253	1.1939
0.0803	0.0178	0.0223	1.1722
0.0828	0.0362	0.0218	1.1942
0.0815	0.0306	0.0201	1.1805
0.0688	0.0359	0.0384	1.1847
0.0000	0.0236	0.0272	1.0942
0.0750	0.0285	0.0294	1.1718
0.0754	0.0290	0.0321	1.1775
0.0843	0.0325	0.0359	1.1954
0.1113	0.0418	0.0431	1.2500

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

Property Owner	Primary Land Use	2010-11			2001-02		
		Assessed Valuation ¹	Rank	% of Total	Assessed Valuation	Rank	% of Total
Demmon Meridian Partners LP	Residential	\$ 89,504,543	1	1.36%	\$ 57,504,495	1	1.78%
Rocklin Retail LLC	Commercial	42,154,526	2	0.64			
Sierrapine	Industrial	41,040,031	3	0.62			
Williams Portfolio 8	Residential	31,539,738	4	0.48			
Sunset Court at Stanford Ranch LLC	Residential	30,536,156	5	0.46	26,469,210	5	0.82
Rocklin MSL LLC	Institutional	27,649,686	6	0.42			
Montessa Attached Homes LP	Residential	25,091,029	7	0.38			
United Natural Foods Inc	Industrial	24,906,370	8	0.38			
Winsted Partners LLC	Residential	24,903,298	9	0.38			
Oracle Systems Corporation	Commercial	24,374,940	10	0.37			
Stanford Meridian Apartments LLC	Residential				41,100,330	2	1.27
California Stanford Oaks LLC	Recreational				33,043,504	3	1.02
Douglas M Hanzlick	Residential				26,560,498	4	0.82
UBS Lease Finance LLC	Commercial				24,699,995	6	0.76
Ace Hardware Corporation	Industrial				17,733,722	7	0.55
BRE Properties	Residential				16,104,563	8	0.50
John W. Heckenlively, et. al.	Residential				15,759,000	9	0.49
Stanford Heights - 170 LLC	Residential				14,913,830	10	0.46
		<u>\$ 361,700,317</u>		<u>5.48%</u>	<u>\$ 273,889,147</u>		<u>8.47%</u>

Source(s): HdL Coren and Cone and Placer County Assessor 2001/02 Combined Tax Rolls and the SBE Non Unitary Tax Roll

1) Estimated calculations are performed on a parcel level, county/controllers' office neither calculates nor apportions 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
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%
2011	31,194,723	31,194,723	100%	-	31,194,723	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.

City of Rocklin, California
Ratios of Outstanding Debt by Type
For the last ten fiscal years

Fiscal Year Ended June 30,	Governmental Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	Capital Leases	Promissory Notes	Certificates of Participation	Refunding Revenue Bonds	Tax Allocation Bonds			
2002	\$ 134,041	\$ 950,000	\$ 2,160,000	\$ 14,400,000	\$ 16,790,000	\$ 34,434,041	N/A	\$ 796.97
2003	71,871	850,000	1,935,000	14,100,000	16,375,000	33,331,871	3%	722.22
2004	39,837	750,000	6,650,000	14,030,000	16,180,000	37,649,837	3%	756.70
2005	-	650,000	6,420,000	13,790,000	15,975,000	36,835,000	4%	722.58
2006	-	550,000	5,985,000	13,300,000	24,985,000	44,820,000	3%	873.65
2007	-	450,000	5,545,000	12,795,000	29,610,000	48,400,000	3%	924.41
2008	-	350,000	5,095,000	11,760,000	29,065,000	46,270,000	4%	855.63
2009	-	250,000	4,635,000	11,760,000	29,065,000	45,710,000	4%	831.23
2010	-	-	4,165,000	11,225,000	28,500,000	43,890,000	5%	783.48
2011	-	-	3,680,000	10,680,000	27,915,000	42,275,000	5%	768.76

Source: City financial records

City of Rocklin, California

Direct and Overlapping Debt

6/30/2010 *

2009-10 Assessed Valuation:	\$ 7,098,318,638		
Redevelopment Incremental Valuation:	560,247,353		
Adjusted Assessed Valuation:	<u>\$ 6,538,071,285</u>		
			City's Share
Overlapping Tax and Assessment Debt:	<u>Total Debt</u>	<u>% Applicable ⁽¹⁾</u>	<u>of Debt</u>
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			<u>\$ 232,845,658</u>
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			<u>32,481,012</u>
Combined Total Debt			<u>\$ 265,326,670 ⁽²⁾</u>
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			<u>\$ -</u>

⁽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.

*Note: Schedule is for 2009-10 fiscal year (most current available)

Source: California Municipal Statistics, Inc.

City of Rocklin, California
Legal Debt Margin Information
 Last Ten Fiscal Years
 (Dollars in thousands)

	2002	2003	2004	2005
Debt limit	\$ 474,487,833	\$ 556,933,700	\$ 649,711,955	\$ 758,211,165
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 474,487,833</u>	<u>\$ 556,933,700</u>	<u>\$ 649,711,955</u>	<u>\$ 758,211,165</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 2011

Assessed value - based on secured roll	\$ 6,437,055,124
Debt limit (15% of assessed value)	965,558,269
Debt applicable to limit:	
None	-
Legal debt margin	<u>\$ 965,558,269</u>

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 882,190,050	\$ 977,740,341	\$ 1,063,038,031	\$ 1,089,346,864	\$ 1,040,678,333	\$ 965,558,269
-	-	-	-	-	-
<u>\$ 882,190,050</u>	<u>\$ 977,740,341</u>	<u>\$ 1,063,038,031</u>	<u>\$ 1,089,346,864</u>	<u>\$ 1,040,678,333</u>	<u>\$ 965,558,269</u>
0%	0%	0%	0%	0%	0%

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

Calendar Year	Population	Per Capita Personal Income	Personal Income (In Thousands)	Unemployment Rate
2001	39,576	\$ 26,923	\$ 1,065,516	2.7%
2002	43,206	27,096	1,170,716	3.3
2003	46,152	28,252	1,303,879	3.5
2004	49,755	30,659	1,525,444	3.3
2005	50,977	32,981	1,681,251	3.1
2006	51,302	36,430	1,868,932	2.9
2007	52,358	38,722	2,027,431	3.4
2008	54,077	39,252	2,122,650	4.6
2009	54,991	37,592	2,067,201	7.6
2010	56,019	30,865	1,729,026	8.3

Source: Population: California State Department of Finance. Unemployment Data: California Employment Development Department 2000-2009 Income, Age, and Education Data: ESRI - Demographic Estimates are based on the last available Census. Projections are developed by incorporating all of the prior census data released to date. Demographic Data is totaled from Census Block Groups that overlap the City's boundaries 2010 - Income, Age and Education Data - US Census Bureau, most recent American Community Survey.

City of Rocklin, California

Principal Employers

Current Year and Prior Year

Employer	2010- 2011			2009- 2010		
	Employees	Rank	Percentage of Top 10 Employment	Employees	Rank	Percentage of Top 11 Employment
Rocklin Unified School District	861	1	23.31%	861	1	23.02%
Oracle	636	2	17.22%	622	2	16.63%
United Natural Foods	555	3	15.03%	555	3	14.84%
Sierra College	481	4	13.02%	481	4	12.86%
UPS	276	5	7.47%	276	5	7.38%
Educational Media Foundation	275	6	7.45%	275	6	7.35%
City of Rocklin	241	7	6.53%	241	7	6.44%
RC Willey	140	8	3.79%	133	8	3.56%
Verifone	115	9	3.11%	112	10	2.99%
Financial Pacific Insurance	113	10	3.06%	113	9	3.02%
Sierra Pine	-		0.00%	72	11	1.92%
Total	<u>3,693</u>			<u>3,741</u>		

Source: City Business License records

This page intentionally left blank.

City of Rocklin

Finance & Budget Department



3970 Rocklin Road
Rocklin, California 95677-2720

O | 916.625.5000
F | 916.625.5095
TTY | 916.632.4013
www.rocklin.ca.us

March 29, 2012

JJACPA
349 Main Street
Suite 204
Pleasanton, CA 94566-6663

Dear Sirs:

We are providing this letter in connection with your audit of the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Rocklin and the component unit financial statements of the Rocklin Redevelopment Agency and the Rocklin Public Financing Authority as of June 30, 2011 and for the year then ended, for the purpose of expressing opinions as to whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of the City of Rocklin in conformity with accounting principles generally accepted in the United States of America; and for the purpose of expressing an opinion on compliance for major federal award programs pursuant to Circular A-133. We confirm that we are responsible for the fair presentation in the basic financial statements of financial position, results of operations, and cash flows, where applicable, in conformity with generally accepted accounting principles. We acknowledge our responsibility for the design and implementation of effective internal control over financial reporting, and programs and controls to prevent and detect fraud. We also confirm that we are responsible for the identification of and compliance with laws, regulations, and provisions of contracts and grant agreements applicable to us.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of March 19, 2012, the following representations made to you during your audit:

1. The financial statements of the various opinion units referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America.

2. We have made available to you all:
 - a. Financial records and related data.
 - b. Minutes of the meetings of the elected body and other relevant committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
3. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
5. We have no knowledge of any fraud or suspected fraud affecting the entity involving
 - a. management,
 - b. employees who have significant roles in internal controls, or
 - c. others where the fraud could have a material effect on the financial statements.
6. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, vendors, regulators, or others.
7. The City has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
8. The following have been properly recorded or disclosed in the financial statements:
 - a. Related-party transactions, including sales or charges for services provided, purchases, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b. Guarantees, whether written or oral, under which the City is contingently liable.
 - c. Significant estimates and material concentrations known to management that are required to be disclosed in accordance with the FASB Accounting Standards Codification (ASC) 275, *Risks and Uncertainties* (SOP 94-6, *Disclosure of Certain Significant Risks and Uncertainties*). Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
9. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.

10. There are no:
 - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with ASC 450, *Contingencies* (FAS-5, Accounting for Contingencies).
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by ASC 450 (FAS-5).
11. The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
12. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
13. As part of your audit, you prepared the draft financial statements and related notes and schedules. We have designated a competent management-level individual to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedules.
14. We represent to you the following regarding the financial statements for the City:
 - a. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
 - b. All funds and activities are properly classified.
 - c. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
 - d. All net assets components and fund balance reserves and designations have been properly reported.
 - e. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

- f. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- g. All interfund and intra-entity transactions and balances have been properly classified and reported.
- h. Special items and extraordinary items have been properly classified and reported.
- i. Deposit and investment risks have been properly and fully disclosed.
- j. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- k. All required supplementary information is measured and presented within the prescribed guidelines.
- l. With regard to investments and other instruments reported at fair value:
 - (1) The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - (2) The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - (3) The disclosures related to fair values are complete, adequate, and in conformity with GAAP.
 - (4) There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

15. With respect to the federal awards, we represent the following to you:

- a. We are responsible for complying with and have complied with the requirements of Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.
- b. We have, in accordance with Circular A-133, identified in the schedule of expenditures of federal awards, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, and other assistance.
- c. We are responsible for complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal program; and we have complied, in all material respects, with these requirements.

- d. We have provided to you our interpretations of any compliance requirements that have varying interpretations.
- e. We are responsible for establishing and maintaining effective internal control over compliance requirements applicable to federal programs that provide reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. Also, no changes have been made in the internal control system to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to significant deficiencies, including material weaknesses, reported in the schedule of findings and questioned costs.
- f. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relating to federal programs.
- g. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- h. We have identified and disclosed to you all amounts questioned and any known noncompliance with the requirements of federal awards, including the results of other audits or program reviews. We also know of no instances of noncompliance occurring subsequent to the end of the period audited.
- i. We have charged costs to federal awards in accordance with applicable cost principles, including amounts claimed or used for matching determined in accordance with relevant guidelines in the U.S. Office of Management and Budget Circular A-87, *Cost Principles for State, Local, and Tribal Governments*, and the U.S. Office of Management and Budget's, *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*.
- j. We have made available to you all documentation related to the compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- k. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared (and are prepared on a basis consistent with the schedule of expenditures of federal awards).
- l. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- m. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by Circular A-133, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.

- n. We are responsible for and have accurately completed the appropriate sections of the Data Collection Form as required by Circular A-133, and we are responsible for preparing and implementing a correction action plan for each audit finding.
- o. We have disclosed all contracts or other agreements with service organizations and disclosed to you all communications from these service organizations relating to noncompliance at the organizations.
- p. We have reviewed, approved, and taken responsibility for the financial statements and related notes and an acknowledgment of the auditor's role in the preparation of this information.

To the best of our knowledge and belief, no events, including instances of noncompliance, have occurred subsequent to the financial statements date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.



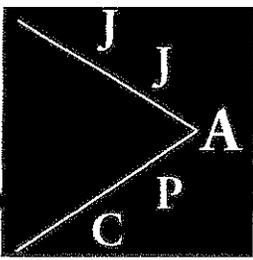
Mary Rister
Senior Finance and Budget Analyst

CITY OF ROCKLIN
GANN APPROPRIATIONS LIMIT SCHEDULE
FOR THE YEAR ENDED
JUNE 30, 2011

City of Rocklin
Gann Appropriations Limit Schedule
For the year ended June 30, 2011

Table of Contents

	<u>Page</u>
Independent Accountants' Report on Applying Agreed-Upon Procedures	1-2
Gann Appropriations Limit Schedule.....	3



JJACPA, Inc.

A Professional Accounting Services Corp.

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

The Honorable City Council
City of Rocklin
Rocklin, California

We have applied the procedures enumerated below to the accompanying Appropriations Limit Schedule of the City of Rocklin (the "City") for the fiscal year ended June 30, 2011. These procedures, which were agreed to by the City and the League of California Cities (as presented in the publication entitled *Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution*), were performed solely to assist the City in meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution. The City's management is responsible for the Appropriations Limit Schedule. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and our findings were as follows:

1. We obtained the completed worksheets used by the City to calculate its Appropriations Limit for the fiscal year ended June 30, 2011 and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by Resolution of the City Council. We also compared the population and inflation options in the aforementioned worksheets to those that were selected by a recorded vote of the City Council.

Finding: No exceptions were noted as a result of our procedures.

2. For the accompanying Appropriations Limit Schedule, we added line A, last year's limit, as adjusted, to line E, total adjustments and compared the resulting amount to line F, this year's limit.

Finding: No exceptions were noted as a result of our procedures.

3. We compared the current year information presented in the accompanying Appropriations Limit Schedule to the other worksheets described in No. 1 above.

Finding: No exceptions were noted as a result of our procedures.

4. We compared the prior year appropriations limit, as adjusted presented in the accompanying Appropriations Limit Schedule, to the prior year appropriations limit adopted by the City Council for the prior year.

Finding: No exceptions were noted as a result of our procedures.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the accompanying Appropriations Limit Schedule. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by Article XIII-B of the California Constitution.

This report is intended solely for the information and use of the City Council and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

June 30, 2010


JJACPA, Inc.

CITY OF ROCKLINGann Appropriations Limit Schedule
For the year ended June 30, 2011

	<u>Amount</u>	<u>Source</u>
A. Appropriations limit for the year ended June 30, 2010	\$28,662,431	Prior year schedule
	<u>123,715</u>	Population adjustments
1. Appropriations limit for the year ended June 30, 2010, as adjusted	\$28,786,146	
B. Calculation Factors:		
1. Population Increase %	1.0187	State Department of Finance
2. Inflation Increase %	<u>0.9746</u>	State Department of Finance
3. Total adjustment factor	0.9928	B1 * B2
C. Annual Adjustment Increase	(207,261)	[(B3-1)A1]
D. Other Adjustments		
Lost responsibility (-)	N/A	
Transfers to private (-)	N/A	
Transfers to fees (-)	N/A	
Assumed responsibility (+)	N/A	
E. Total Adjustments	<u>(\$207,261)</u>	(C+D)
F. Appropriations limit for the year ended June 30, 2011	<u>\$28,578,885</u>	(A+E)

Note: The beginning appropriations limit was adjusted for a change in prior year population estimates.
The effects of this change increased the prior year appropriations limit by \$123,715