

CITY OF ROCKLIN, CALIFORNIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2012



Prepared by:
Finance and Administrative Services Department –
Kim Sarkovich, Chief Financial Officer
Mary Rister, Finance Officer

City of Rocklin, California
Annual Financial Report
For the year ended June 30, 2012

Table of Contents

Page

INTRODUCTORY SECTION

Table of Contents.....i

Letter of Transmittal.....v

Organization Chartix

List of Officials.....x

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 Activities16

Fund Financial Statements:

Governmental Funds:

 Balance Sheet18

 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 Activities21

 Statement of Revenues, Expenditures, and Changes
 in Fund Balances – Governmental Funds22

 Reconciliation of Fund Basis Statements to Government-wide
 Statement of Activities24

 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 Fund26

City of Rocklin, California
Annual Financial Report
For the year ended June 30, 2012

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 Fiduciary Net Assets	30
Statement of Changes of Fiduciary Net Assets	31
Notes to Basic Financial Statements	33
Other Supplemental Information:	
Combining and Individual Fund Financial Statements and Schedules:	
Non-major Governmental Funds:	
Combining Balance Sheet	76
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	77
Non-major Special Revenue Funds:	
Combining Balance Sheet.....	80
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	84
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Gas Tax.....	88
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – SB325 Sales Tax	89
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Bicycle and Pedestrian Facilities.....	90
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Former RDA Low/Moderate Housing	91
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Former RDA Down Payment Assistance	92
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Lighting District #1	93
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Lighting District #2	94
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Community Facilities District #1	95
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Community Facilities District #6	96

City of Rocklin, California
Annual Financial Report
For the year ended June 30, 2012

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	97
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Asset Forfeiture	98
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Recreation Facilities Contribution.....	99
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Traffic Safety/PD Grants.....	100
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – DOE Grants	101
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Supplemental Law Enforcement Grant	102
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Parks & Recreation Programs	103
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Park Improvement	104
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Explorer Post 150	105
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Prop 1B.....	106
Non-major Capital Project, Permanent and Debt Service Funds:	
Combining Balance Sheet – Non-major Capital Project, Permanent and Debt Service Funds.....	108
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-major Capital Project, Permanent and Debt Service Funds.....	110
Agency Funds:	
Combining Statement of Net Assets – Private Purpose Trust Funds	114
Combining Statement of Changes in Fiduciary Net Assets – Private Purpose Trust Fund	115
Combining Statement of Assets and Liabilities – Agency Funds	116
Combining Statement of Changes in Assets and Liabilities – Agency Funds	119

City of Rocklin, California
Annual Financial Report
For the year ended June 30, 2012

Table of Contents, Continued

Page

STATISTICAL SECTION (unaudited)

Net Assets by Component	126
Changes in Net Assets	128
Fund Balances, Governmental Funds	132
Changes in Fund Balances, Governmental Funds	134
Assessed Value and Actual Value of Taxable Property	136
Direct and Overlapping Property Tax Rates.....	138
Principal Property Tax Payers	140
Property Tax Levies and Collections.....	141
Ratios of Outstanding Debt by Type	142
Direct and Overlapping Debt.....	143
Legal Debt Margin Information.....	144
Demographic and Economic Statistics	146
Principal Employers.....	147
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	149



City of Rocklin

3970 Rocklin Road
Rocklin, California 95677-2720
O | 916.625.5000
F | 916.625.5095
www.rocklin.ca.us

June 25, 2013

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, 2012 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, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

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 58,316 at January 1, 2012.

Information 916.625.5000

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



City of Rocklin

3970 Rocklin Road
Rocklin, California 95677-2720
O | 916.625.5000
F | 916.625.5095
www.rocklin.ca.us

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 Public Finance Authority. The Rocklin Public Finance Authority was formed as a joint powers authority between the City and the former Rocklin Redevelopment Agency to serve as a financing mechanism of various capital projects. For financial reporting purposes the Rocklin Public Finance Authority is considered a component unit of the City of Rocklin and is incorporated within this document. Additional information on this legally separate entity can be found in Note 1 of the notes to the financial statements. (Page 35).

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.

Information 916.625.5000

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



City of Rocklin

3970 Rocklin Road
Rocklin, California 95677-2720
O | 916.625.5000
F | 916.625.5095
www.rocklin.ca.us

The Local Economy

The City of Rocklin continues to be impacted by a struggling economy, but is beginning to see improvements. The City's unemployment rate has dropped from 7.8% for June, 2011 to 6.7% for June, 2012. The property taxes declined at a lower rate of 2.5% from the previous year's decline of 7%. Sales taxes have increased 15%, showing an increase in both the number of businesses in Rocklin and higher sales.

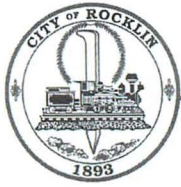
Change to City Financial Reporting

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26, which requires the dissolution of all redevelopment agencies within California. In prior years the former Rocklin Redevelopment Agency (RDA) Non Housing and Housing was reported as a component unit of the City of Rocklin. As a result of the dissolution on February 1, 2012, the City governmental financial statements only reflect seven months (July, 2011 – January, 2012) of activity for the former Rocklin RDA.

The City of Rocklin voted to be the Successor Agency for the former Rocklin RDA Non-Housing, all assets were transferred to a private purpose trust which is reported as a fiduciary fund and not consolidated as part of the City's financial statements.

The City of Rocklin, by resolution, chose to not be the Successor Agency for the former Rocklin RDA Housing. As of June 30, 2012, the State of California had not appointed a new Successor Agency for the former Rocklin RDA Housing and so for accountability and transparency in reporting only, the City of Rocklin has included the former Rocklin RDA Housing in the City financial statements as a private purpose trust reported as a fiduciary fund.

Additional information on the dissolution of the former Rocklin Redevelopment Agency can be found in Note 16 in the notes to the financial statements (page 65).



City of Rocklin

3970 Rocklin Road
Rocklin, California 95677-2720
O | 916.625.5000
F | 916.625.5095
www.rocklin.ca.us

Independent Audit

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, 2012. The independent auditor's report is located at the front of the financial section of this report (page 1).

Acknowledgements

The preparation of this 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, we would like to thank the City Council for their leadership and support in planning and conducting the financial operations of the City.

Respectfully submitted,

Kim Sarkovich
Chief Financial Officer

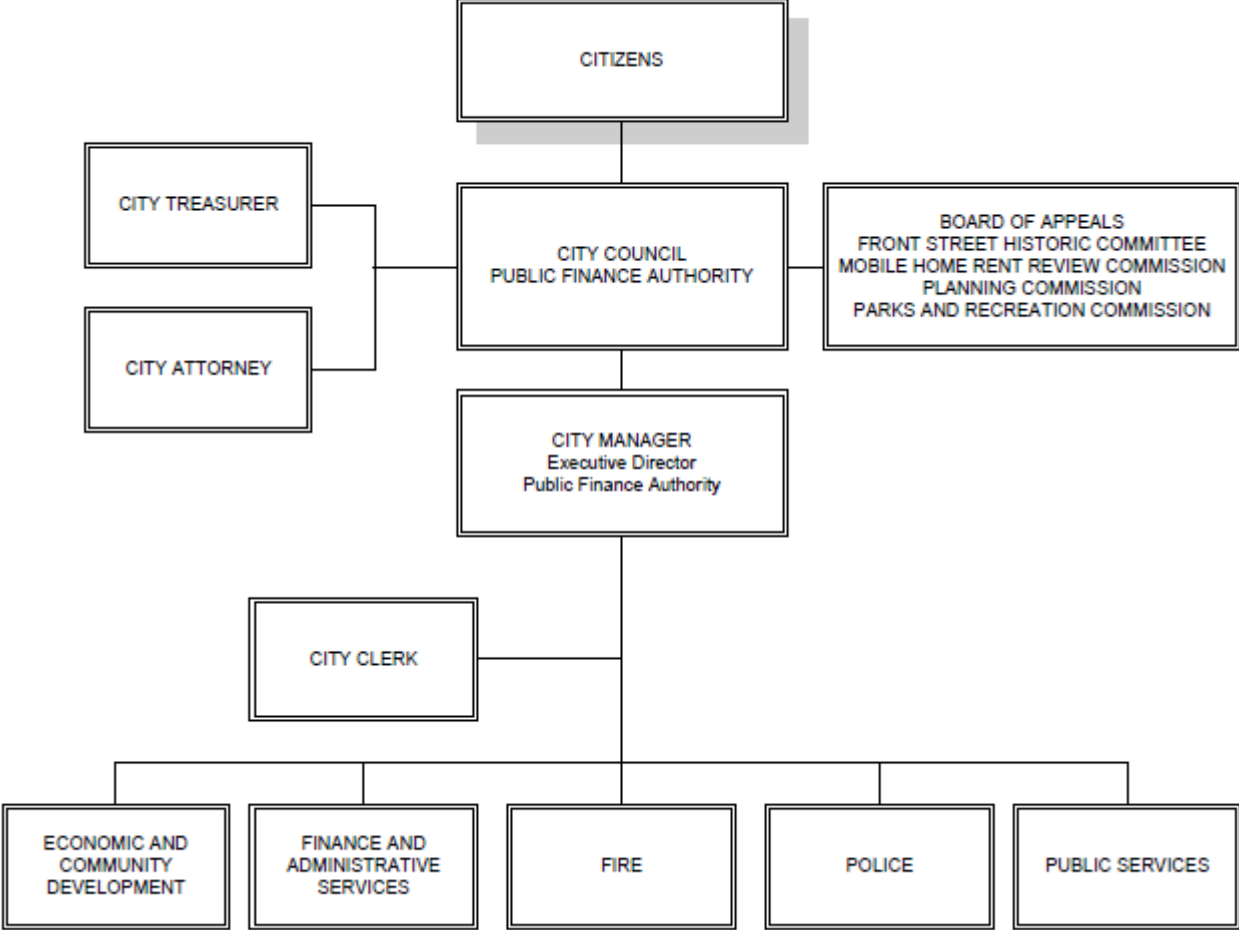
Mary Rister
Finance Officer

City of Rocklin, California
Basic Financial Statements
For the year ended June 30, 2012

Organization Chart - Current

City of Rocklin

Organization Chart



City of Rocklin, California
Basic Financial Statements
For the year ended June 30, 2012

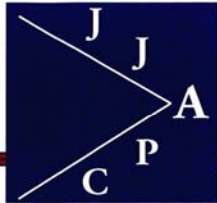
List of Officials - Current

City Council

	<u>Term Expires</u>
➤ Diana Ruslin, Mayor	November 2014
➤ Scott Yuill, Vice Mayor	November 2014
➤ Dave Butler, Councilmember	November 2016
➤ Greg Janda, Councilmember	November 2016
➤ George Magnuson, Councilmember	November 2016

City Officials

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



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, the business-type 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, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the 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 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 previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2013, 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.

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The *combining and individual nonmajor fund financial statements* are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *combining and individual nonmajor fund financial statements* are fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory and statistical sections are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

JJACPA, Inc.

January 23, 2013

JJACPA, INC.

City of Rocklin, California
Basic Financial Statements
For the year ended June 30, 2012

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, 2012. 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 2011-12 by \$354,359,151 (*net assets*), of this amount, \$26,938,604 in *unrestricted net assets* is available to meet ongoing obligations to citizens and creditors, \$15,572,366 in *restricted net assets* must be used only for specific purposes and \$311,848,181 is *invested in capital assets, net of related debt*.
- The City's total net assets decreased by \$6,569,043 primarily a result of an increase in the OPEB obligation of \$4,920,548, capital asset depreciation expense of \$11,804,030, and the dissolution of the former redevelopment agency which resulted in a capital gain of \$10,471,411.
- AB 1X26 and AB 1484 eliminated all redevelopment agencies in the State of California. Prior to the dissolution, the former Rocklin Redevelopment Agency was a blended component unit of the City. The former Rocklin Redevelopment Agency capital projects fund, debt service fund, low moderate income housing fund and down payment assistance fund were reported in prior year financial statements as major and non-major special revenue funds, respectively.
- The City of Rocklin voted to be the Successor Agency for the former Rocklin RDA Non-Housing, and at dissolution all assets were transferred to a private purpose trust which is reported as a fiduciary fund.
- The City of Rocklin, by resolution, chose to not be the Successor Agency for the former Rocklin RDA Housing. As of June 30, 2012, the State of California had not appointed a new Successor Agency for the former Rocklin RDA Housing and so for accountability and transparency in reporting only, the City of Rocklin has included the former Rocklin RDA Housing in the City financial statements as a private purpose trust reported as a fiduciary fund.

OVERVIEW OF THE ANNUAL FINANCIAL REPORT

This 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,

City of Rocklin, California
Basic Financial Statements
For the year ended June 30, 2012

Management's Discussion and Analysis, Continued

OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

- 3) **Statistical section**, which includes detailed information as a context for understanding what the information in the financial statements, and footnotes says about the City's overall financial health.

The Basic Financial Statements

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

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

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

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. Under California State Law all redevelopment agencies were dissolved as of January 31, 2012 and all assets and activities were transferred to a private purpose trust fund. As a result of the dissolution, the City's governmental financial statements only reflect seven months (July 2011 – January 2012) of activity for the former Rocklin Redevelopment Agency.

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-

City of Rocklin, California
Basic Financial Statements
For the year ended June 30, 2012

Management's Discussion and Analysis, Continued

OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

Governmental funds, continued

related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

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

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, former 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.

City of Rocklin, California
Basic Financial Statements
For the year ended June 30, 2012

Management's Discussion and Analysis, Continued

OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

Fiduciary funds. Fiduciary funds are used to account for assets held by the City in a purely custodial capacity. The reporting entity includes 13 agency funds and two private purpose trust fund for the former Rocklin Redevelopment Agency. Since agency funds are custodial in nature, (i.e. assets equal liabilities), they do not involve the measurement of results of the City's operations, they are not reflected in the government-wide financial statements.

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

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 33-74 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 76-123 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 \$354,359,151 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 88% 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	
	2012	2011
Current and other assets	\$ 64,812,531	\$ 81,960,578
Noncurrent assets	325,726,889	342,995,301
Total assets	<u>390,539,420</u>	<u>424,955,879</u>
Current and other liabilities	4,058,571	4,545,937
Long-term liabilities	32,121,698	59,481,748
Total liabilities	<u>36,180,269</u>	<u>64,027,685</u>
Net assets:		
Invested in capital assets, net of related debt	311,848,181	299,354,604
Restricted	15,572,366	18,109,568
Unrestricted	26,938,604	43,464,022
Total net assets	<u><u>\$ 354,359,151</u></u>	<u><u>\$ 360,928,194</u></u>

The Restricted Net Assets of \$15,572,366 will be used subject to the constraints put in place by external groups such as creditors, laws or regulations.

City of Rocklin, California
Basic Financial Statements
For the year ended June 30, 2012

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

The remaining amount in *unrestricted net assets* \$26,938,604 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 \$64,632,799. However, as shown in the Statement of Activities on page 16, the amount that taxpayers ultimately financed for governmental activities was \$49,455,328. Those who directly benefited from city programs paid \$7,191,232. Other governments and organizations subsidized certain programs with grants and contributions in the amount of \$7,875,912 for operations and \$110,327 for capital. The City paid the remaining "public benefit" portion of government activities with \$11,146,605 in property taxes and \$21,268,269 in other general revenues.

Total resources available during the year to finance governmental operations were \$47,592,345. This consisted of \$15,177,471 in program revenues, \$32,414,874 in general revenues. Total governmental activities operating expenses during the year were \$64,632,799; thus net assets at July 1, 2011, of \$360,928,194 decreased by \$6,569,043 to \$354,359,151 primarily a result of an increase in the OPEB obligation of \$4,920,548, capital asset depreciation expense of \$11,804,030, and the dissolution of the former redevelopment agency which resulted in a Capital gain of \$10,471,411.

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

Fund Balance to Net Assets Reconciliation

	<u>Adjustments</u>					<u>Net Assets</u>
	<u>Fund Balance</u>	<u>Capital Assets</u>	<u>Internal Service Fund</u>	<u>Internal Restrictions</u>	<u>Long-term Liabilities</u>	
Governmental activities:						
Nonspendable:						
Advances to other funds	\$ 948,708	\$ -	\$ -	\$ (948,708)	\$ -	\$ -
Loans/Notes receivable	511,559	-	-	(511,559)	-	-
Endowments	491,455	-	-	(491,455)	-	-
Restricted	15,080,911	-	-	(15,080,911)	-	-
Committed	12,982,200	-	-	(12,982,200)	-	-
Assigned	19,665,360	-	-	(19,665,360)	-	-
Unassigned	9,153,931	-	-	(9,153,931)	-	-
Invested in capital assets, net of related debt	-	321,365,514	3,872,667	-	(13,390,000)	311,848,181
Restricted	-	-	-	15,572,366	-	15,572,366
Unrestricted	-	-	2,442,995	43,261,758	(18,766,149)	26,938,604
Total governmental activities	<u>\$ 58,834,124</u>	<u>\$ 321,365,514</u>	<u>\$ 6,315,662</u>	<u>\$ -</u>	<u>\$ (32,156,149)</u>	<u>\$ 354,359,151</u>

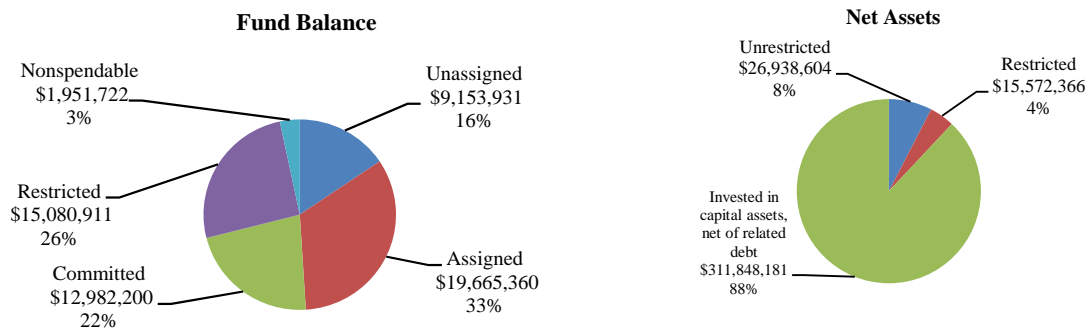
City of Rocklin, California
Basic Financial Statements
For the year ended June 30, 2012

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	
	2012	2011	2012	2011	2012	2011
	Governmental activities:					
General government	\$ 2,363,839	\$ 5,072,665	\$ 19,941,499	\$ 12,368,561	\$ (17,577,660)	\$ (7,295,896)
Public safety	2,731,307	2,845,549	19,500,808	19,676,954	(16,769,501)	(16,831,405)
General services	6,094,997	4,319,116	21,000,764	21,459,947	(14,905,767)	(17,140,831)
Community development	3,987,328	4,700,124	2,388,154	39,474,367	1,599,174	(34,774,243)
Interest	-	-	1,801,574	2,185,827	(1,801,574)	(2,185,827)
Total governmental activities	\$ 15,177,471	\$ 16,937,454	\$ 64,632,799	\$ 95,165,656	\$ (49,455,328)	\$ (78,228,202)

City of Rocklin, California
Basic Financial Statements
For the year ended June 30, 2012

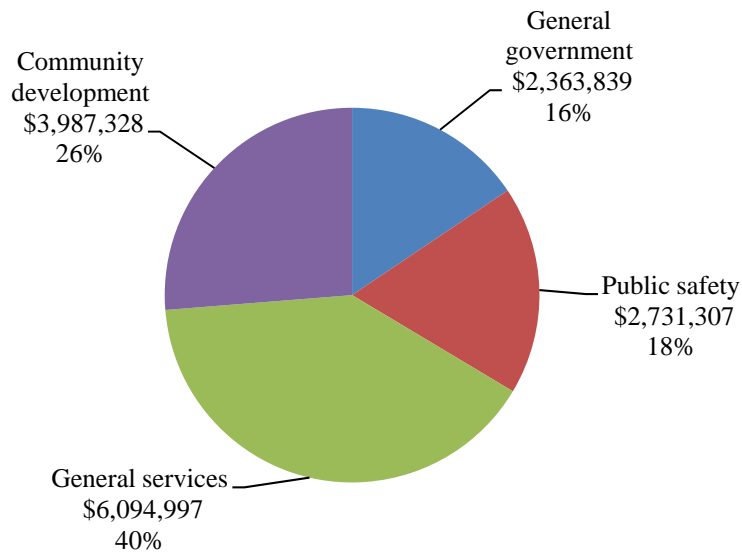
Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

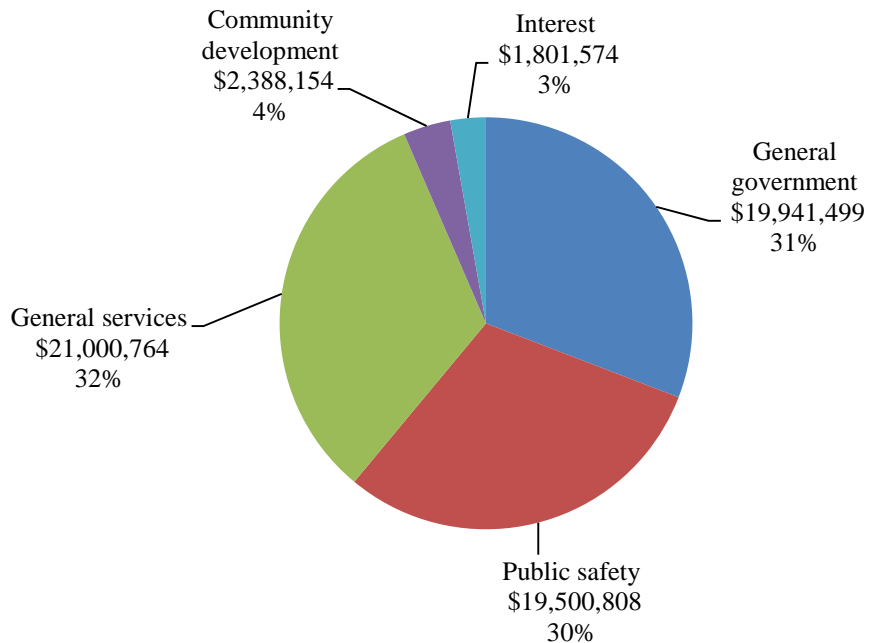
Governmental Activities, Continued

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, 2012

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, 2012, net capital assets of the governmental activities totaled \$325,238,181. 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>2012</u>	<u>2011</u>
Nondepreciable assets:		
Land	\$ 4,937,580	\$ 6,528,001
Land improvements	97,902	67,461
Park land	53,693,948	53,693,948
Construction in progress	4,139,862	13,495,156
Total nondepreciable assets	<u>62,869,292</u>	<u>73,784,566</u>
Depreciable assets:		
Buildings	33,851,346	36,695,061
Facilities & other improvements	3,595,517	3,273,530
Machinery & equipment	2,972,467	2,919,806
Fleet machinery & equipment	8,938,478	9,398,761
Park buildings	954,373	676,835
Park equipment	1,623,319	1,623,319
Park improvements	14,584,717	14,584,717
Infrastructure	344,726,039	337,031,314
Total depreciable assets	<u>411,246,256</u>	<u>406,203,343</u>
Accumulated depreciation	<u>(148,877,367)</u>	<u>(138,358,305)</u>
Total	<u>\$ 325,238,181</u>	<u>\$ 341,629,604</u>

Additional information on the City's capital assets can be found in Note 5 on page 49 of this report.

City of Rocklin, California
Basic Financial Statements
For the year ended June 30, 2012

Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Debt Administration

Debt, considered a liability of governmental activities, decreased by \$27,860,388, primarily a result of an increase in the OPEB obligation of \$4,920,548 and the dissolution of the former Rocklin Redevelopment Agency resulting in the transfer of \$30,696,696 in debt to the private purpose trust fund. Compensated absences increased by \$168,746 to \$3,731,061 of which \$1,270,624 is presented in the General Fund as a current liability. Additional information can be found in Note 8 on page 52 of this report.

NEXT YEAR’S BUDGETED APPROPRIATIONS

The adopted budget for all City funds for the new fiscal year of 2012-2013 is \$46,140,953 and is summarized as follows:

	FY 2012-13	FY 2011-12	Amount Change	Percentage Change
General fund	\$ 33,919,843	\$ 33,378,723	\$ 541,120	1.6%
Special revenue funds	4,419,914	2,780,071	1,639,843	59.0%
Permanent funds	-	-	-	0.0%
Internal service funds	2,433,435	2,319,923	113,512	4.9%
Capital projects	4,952,761	5,833,257	(880,496)	(15.1)%
Total operations and projects	<u>45,725,953</u>	<u>44,311,974</u>	<u>1,413,979</u>	<u>3.2%</u>
Debt service	<u>415,000</u>	<u>540,000</u>	<u>(125,000)</u>	<u>(23.1)%</u>
Total budget	<u><u>\$ 46,140,953</u></u>	<u><u>\$ 44,851,974</u></u>	<u><u>\$ 1,288,979</u></u>	<u><u>2.9%</u></u>

1. General Fund – Shows an increase of \$541,120 or approximately 1.6%.
2. Special Revenue Funds – Show an increase of \$1,639,843 or approximately 59.0%, a result of an increase in street maintenance and repair projects.
3. Internal Service Funds – Show an increase of \$113,512 or 4.9%, a result of fleet capital purchases.
4. Capital Projects – Show a decrease of \$880,496 or 15.1%, 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, 2012

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, 2012

(With comparative totals for June 30, 2011)

	Governmental Activities	
	2012	2011
ASSETS		
Current assets:		
Cash and investments	\$ 45,822,116	\$ 43,409,834
Restricted cash and investments	12,329,012	14,535,252
Receivables, net	5,137,957	22,410,133
Inventory and prepaid items	121,156	104,836
Other assets	1,402,290	1,500,523
Total current assets	64,812,531	81,960,578
Noncurrent assets:		
Intangible assets, net	-	1,365,697
Advances to fiduciary activities	488,708	-
Capital assets, net	325,238,181	341,629,604
Total noncurrent assets	325,726,889	342,995,301
Total assets	\$ 390,539,420	\$ 424,955,879
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 2,396,675	\$ 2,507,841
Deposits payable	203,457	191,590
Interest payable	187,815	564,035
Compensated absences - current portion	1,270,624	1,282,471
Total current liabilities	4,058,571	4,545,937
Noncurrent liabilities:		
Long-term debt:		
Line of credit	-	3,399,968
Claims liabilities	699,525	875,748
Compensated absences	2,460,437	2,279,844
Net OPEB obligation	15,571,736	10,651,188
Due within one year	1,000,000	1,575,000
Due after one year	12,390,000	40,700,000
Total noncurrent liabilities	32,121,698	59,481,748
Total liabilities	36,180,269	64,027,685
NET ASSETS		
Invested in capital assets, net of related debt	311,848,181	299,354,604
Restricted	15,572,366	18,109,568
Unrestricted	26,938,604	43,464,022
Total net assets	354,359,151	360,928,194
Total liabilities and net assets	\$ 390,539,420	\$ 424,955,879

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, 2012

(With comparative totals for the year ended June 30, 2011)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	2012	2011
Governmental activities:						
General government	\$ 19,941,499	\$ 1,936,755	\$ 427,084	\$ -	\$ (17,577,660)	\$ (7,345,557)
Public safety	19,500,808	918,751	1,812,556	-	(16,769,501)	(16,776,710)
General services	21,000,764	2,926,972	3,168,025	-	(14,905,767)	(16,892,978)
Community development	2,388,154	1,408,754	2,468,247	110,327	1,599,174	(35,366,057)
Interest	1,801,574	-	-	-	(1,801,574)	(2,185,827)
Total governmental activities	\$ 64,632,799	\$ 7,191,232	\$ 7,875,912	\$ 110,327	\$ (49,455,328)	\$ (78,567,129)
General revenues:						
Taxes:						
					11,146,605	13,935,181
					5,786,761	5,040,007
					3,210,518	4,292,227
					395,656	383,641
					4,792,682	4,248,516
					3,404,120	3,760,265
					1,887,441	1,762,153
					541,592	445,885
					1,249,499	1,543,512
					<u>32,414,874</u>	<u>35,411,387</u>
Extraordinary Item:						
					10,471,411	-
					<u>(6,569,043)</u>	<u>(43,155,742)</u>
Net assets:						
					360,928,194	404,083,936
					<u>\$ 354,359,151</u>	<u>\$ 360,928,194</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 Service	Accounts for the debt service for the Public Financing Authority.
Former Redevelopment Agency Capital Projects	Accounts for the administration and management of the Agency's capital projects (For July 2011 - January 2012).
Former Redevelopment Agency Debt Service	Accounts for operations and the Agency's issuance and administration of the 2002, 2005, and 2007 Refunding Tax Allocation Bonds (For July 2011 - January 2012).
Traffic Circulation Fee Capital Projects	Accounts for activities related to congestion management.
Community Facilities District #11 Capital Projects	Accounts for improvements and projects within the District boundaries.

City of Rocklin, California

Balance Sheet

Governmental Funds

June 30, 2012

(With comparative totals for June 30, 2011)

	Major Funds			
	General Fund	Public Financing Authority Debt Service	Former Redevelopment Agency Capital Projects	Former Redevelopment Agency Debt Service
ASSETS				
Cash and investments	\$ 22,080,374	\$ 467,210	\$ -	\$ -
Restricted cash and investments	-	12,290,629	-	-
Receivables:				
Taxes	1,764,751	-	-	-
Interest	31,636	-	-	-
Intergovernmental	158,890	-	-	-
Loans/Notes receivable	-	-	-	-
Other receivable	479,243	-	-	-
Due from other funds	5,383,540	-	-	-
Other assets	1,402,290	-	-	-
Advance to Private Purpose Trust Fund	948,708	-	-	-
Advances to other funds	-	-	-	-
Total assets	<u>\$ 32,249,432</u>	<u>\$ 12,757,839</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,725,825	\$ 600	\$ -	\$ -
Deposits payable	203,457	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	150,901	-	-	-
Compensated absences	1,219,190	-	-	-
Advances from Private Purpose Trust Fund	-	460,000	-	-
Advances from other funds	-	-	-	-
Total liabilities	<u>3,299,373</u>	<u>460,600</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable				
Advances to other funds	948,708	-	-	-
Loans/Notes receivable	-	-	-	-
Endowments	-	-	-	-
Restricted	-	12,297,239	-	-
Committed	12,982,200	-	-	-
Assigned	-	-	-	-
Unassigned (Deficit)	15,019,151	-	-	-
Total fund balances	<u>28,950,059</u>	<u>12,297,239</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 32,249,432</u>	<u>\$ 12,757,839</u>	<u>\$ -</u>	<u>\$ -</u>

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

Major Funds				
Traffic Circulation Impact Fee Capital Projects	Community Facilities District #11 Capital Projects	Nonmajor Governmental Funds	2012	2011
\$ 7,042,546	\$ -	\$ 14,409,830	\$ 43,999,960	\$ 40,285,744
-	-	38,383	12,329,012	14,535,252
-	-	268,428	2,033,179	1,892,769
-	-	-	31,636	52,277
2,463	-	238,712	400,065	1,638,429
-	-	511,559	511,559	16,119,315
1,671,370	-	10,905	2,161,518	2,707,343
-	-	-	5,383,540	8,631,658
-	-	-	1,402,290	1,500,523
-	-	-	948,708	-
-	-	-	-	2,308,708
<u>\$ 8,716,379</u>	<u>\$ -</u>	<u>\$ 15,477,817</u>	<u>\$ 69,201,467</u>	<u>\$ 89,672,018</u>
\$ 63,834	\$ -	\$ 522,868	\$ 2,313,127	\$ 2,386,139
-	-	-	203,457	191,590
-	-	5,383,540	5,383,540	8,631,658
2,463	-	-	153,364	55,450
-	-	-	1,219,190	1,229,623
-	-	-	460,000	-
-	-	634,665	634,665	3,154,927
<u>66,297</u>	<u>-</u>	<u>6,541,073</u>	<u>10,367,343</u>	<u>15,649,387</u>
-	-	-	948,708	2,308,708
-	-	511,559	511,559	16,119,315
-	-	491,455	491,455	491,455
-	-	2,783,672	15,080,911	17,618,113
-	-	-	12,982,200	14,161,064
8,650,082	-	11,015,278	19,665,360	18,464,493
-	-	(5,865,220)	9,153,931	4,859,483
<u>8,650,082</u>	<u>-</u>	<u>8,936,744</u>	<u>58,834,124</u>	<u>74,022,631</u>
<u>\$ 8,716,379</u>	<u>\$ -</u>	<u>\$ 15,477,817</u>	<u>\$ 69,201,467</u>	<u>\$ 89,672,018</u>

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

June 30, 2012

Total fund balances - total governmental funds \$ 58,834,124

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. 321,365,514

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet. (32,121,698)

Interest payable on long-term debt does not require the use of current financial resources and, therefore, is not reported in the governmental funds. (187,815)

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. 153,364

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	\$ 1,943,312	
Noncurrent assets	4,507,332	
Accounts payable and accrued liabilities	(83,548)	
Compensated absences	(51,434)	
	6,315,662	6,315,662

Net assets of governmental activities \$354,359,151

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, 2012

	Governmental Funds Balance Sheet	Internal Service Balances	Reclassifications	Changes in GAAP	Statement of Net Assets
ASSETS					
Current assets:					
Cash and investments	\$ 43,999,960	\$ 1,822,156	\$ -	\$ -	\$ 45,822,116
Restricted cash and investments	12,329,012	-	-	-	12,329,012
Receivables (net)	5,137,957	-	-	-	5,137,957
Inventory and prepaid items	-	121,156	-	-	121,156
Due from other funds	5,383,540	-	(5,383,540)	-	-
Other assets	1,402,290	-	-	-	1,402,290
Total current assets	68,252,759	1,943,312	(5,383,540)	-	64,812,531
Noncurrent assets:					
Advances to other funds	-	634,665	(634,665)	-	-
Advances to (from) fiduciary activities	488,708	-	-	-	488,708
Capital assets, net	-	3,872,667	-	321,365,514	325,238,181
Total noncurrent assets	488,708	4,507,332	(634,665)	321,365,514	325,726,889
Total assets	\$ 68,741,467	\$ 6,450,644	\$ (6,018,205)	\$ 321,365,514	\$ 390,539,420
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 2,313,127	\$ 83,548	\$ -	\$ -	\$ 2,396,675
Deposits payable	203,457	-	-	-	203,457
Due to other funds	5,383,540	-	(5,383,540)	-	-
Interest payable	-	-	-	187,815	187,815
Compensated absences	1,219,190	51,434	-	-	1,270,624
Deferred revenue	153,364	-	-	(153,364)	-
Total current liabilities	9,272,678	134,982	(5,383,540)	34,451	4,058,571
Noncurrent liabilities:					
Long-term liabilities:					
Advances from other funds	634,665	-	(634,665)	-	-
Line of credit	-	-	-	-	-
Claims liabilities	-	-	-	699,525	699,525
Compensated absences	-	-	-	2,460,437	2,460,437
Net OPEB obligation	-	-	-	15,571,736	15,571,736
Due within one year	-	-	-	1,000,000	1,000,000
Due after one year	-	-	-	12,390,000	12,390,000
Total noncurrent liabilities	634,665	-	(634,665)	32,121,698	32,121,698
Total liabilities	9,907,343	134,982	(6,018,205)	32,156,149	36,180,269
FUND BALANCES/NET ASSETS					
Fund balances:					
Nonspendable					
Advances to other funds	948,708	-	(948,708)	-	-
Loans/Notes receivable	511,559	-	(511,559)	-	-
Endowments	491,455	-	(491,455)	-	-
Restricted	15,080,911	-	(15,080,911)	-	-
Committed	12,982,200	-	(12,982,200)	-	-
Assigned	19,665,360	-	(19,665,360)	-	-
Unassigned (Deficit)	9,153,931	-	(9,153,931)	-	-
Net assets:					
Invested in capital assets, net of related debt	-	3,872,667	-	307,975,514	311,848,181
Restricted	-	-	15,572,366	-	15,572,366
Unrestricted	-	2,442,995	43,261,758	(18,766,149)	26,938,604
Total fund balances/ net assets	58,834,124	6,315,662	-	289,209,365	354,359,151
Total liabilities and net assets	\$ 68,741,467	\$ 6,450,644	\$ (6,018,205)	\$ 321,365,514	\$ 390,539,420

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, 2012

(With comparative totals for the year ended June 30, 2011)

	Major Funds		
	General Fund	Public Financing Authority Debt Service	Former Redevelopment Agency Capital Projects
REVENUES:			
Taxes and assessments	\$ 18,778,525	\$ -	\$ -
Licenses and permits	978,892	-	-
Fines and forfeitures	199,697	-	-
Intergovernmental	4,019,470	-	78,324
Use of money and property	1,019,373	656,465	1,539
Charges for services	3,930,271	-	-
Contributions from developers and homeowners	-	-	-
Other revenues	1,797,509	-	-
Total revenues	30,723,737	656,465	79,863
EXPENDITURES:			
Current:			
General government	7,153,554	21,561	-
Public safety	18,110,966	-	-
General services	6,023,048	-	-
Community development	1,832,913	-	-
Capital outlay	82,805	-	468,520
Debt service:			
Principal	-	565,000	-
Interest	56	443,441	-
Total expenditures	33,203,342	1,030,002	468,520
REVENUES OVER (UNDER) EXPENDITURES	(2,479,605)	(373,537)	(388,657)
OTHER FINANCING SOURCES (USES):			
PERS side fund payoff	(4,517,258)	-	-
Extraordinary loss on dissolution of redevelopment	-	-	(903,188)
Proceeds from sale of assets	-	-	-
Transfers in	2,554,294	-	-
Transfers out	(351,169)	-	(112,091)
Total other financing sources (uses)	(2,314,133)	-	(1,015,279)
Net change in fund balances	(4,793,738)	(373,537)	(1,403,936)
FUND BALANCES:			
Beginning of year	33,743,797	12,670,776	1,403,936
End of year	\$ 28,950,059	\$ 12,297,239	\$ -

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

Major Funds						
Former Redevelopment Agency Debt Service	Traffic Circulation Impact Fee Capital Projects	Community Facilities District #11 Capital Projects	Other Governmental Funds	Totals		
				2012	2011	
\$ 1,740,152	\$ 2,887,150	\$ -	\$ 7,867,561	\$ 31,273,388	\$ 31,194,723	
-	-	-	-	978,892	2,051,659	
-	-	-	760	200,457	290,302	
5,651	-	-	391,612	4,495,057	8,012,591	
(332)	14,947	-	34,575	1,726,567	1,939,533	
-	-	-	41,036	3,971,307	3,670,824	
-	-	-	449,309	449,309	391,375	
-	4,877	2,788,083	4,813	4,595,282	5,300,613	
1,745,471	2,906,974	2,788,083	8,789,666	47,690,259	52,851,620	
279,721	33,848	-	393,801	7,882,485	7,407,257	
-	-	-	47,556	18,158,522	18,322,468	
3,487	-	-	4,048,704	10,075,239	12,173,194	
369,761	110,021	-	75,459	2,388,154	3,817,974	
-	1,162,992	-	1,042,775	2,757,092	8,347,901	
605,000	-	-	905,000	2,075,000	2,497,869	
602,320	-	59,750	352,929	1,458,496	2,185,827	
1,860,289	1,306,861	59,750	6,866,224	44,794,988	54,752,490	
(114,818)	1,600,113	2,728,333	1,923,442	2,895,271	(1,900,870)	
-	-	-	-	(4,517,258)	-	
(1,195,299)	-	-	(11,468,033)	(13,566,520)	-	
-	-	-	-	-	750	
-	-	167,000	924,445	3,645,739	6,807,025	
-	(375,132)	-	(2,807,347)	(3,645,739)	(6,807,033)	
(1,195,299)	(375,132)	167,000	(13,350,935)	(18,083,778)	742	
(1,310,117)	1,224,981	2,895,333	(11,427,493)	(15,188,507)	(1,900,128)	
1,310,117	7,425,101	(2,895,333)	20,364,237	74,022,631	75,922,759	
\$ -	\$ 8,650,082	\$ -	\$ 8,936,744	\$ 58,834,124	\$ 74,022,631	

City of Rocklin, California

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

For the year ended June 30, 2012

Functions/Programs	Fund Based Totals	Debt Service	PERS Side Fund/ OPEB Obligation	Depreciation	Capital Asset (Additions)/ Retirements	Internal Service Fund	Government- wide Totals
Governmental activities:							
General government	\$ 7,882,485	\$ 4,370	\$ 9,437,806	\$ 1,269,057	\$ (152,452)	\$ 1,500,233	\$ 19,941,499
Public safety	18,158,522	-	-	1,342,286	-	-	19,500,808
General services	10,075,239	-	-	9,192,687	1,732,838	-	21,000,764
Community development	2,388,154	-	-	-	-	-	2,388,154
Capital outlay	2,757,092	-	-	-	(2,757,092)	-	-
Debt service/Interest	3,533,496	(1,731,922)	-	-	-	-	1,801,574
Total governmental activities	\$ 44,794,988	\$ (1,727,552)	\$ 9,437,806	\$ 11,804,030	\$ (1,176,706)	\$ 1,500,233	\$ 64,632,799

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, 2012

Net change in fund balances - total governmental funds		\$ (15,188,507)
---	--	------------------------

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	\$ 2,909,544	
Capital asset retirements	(1,732,838)	
Depreciation expense	<u>(11,804,030)</u>	(10,627,324)

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	500,000	
Certificate of participation principal payments	405,000	
Tax Allocation Bonds debt principal payments	605,000	
Public Financing Authority debt principal payments	<u>565,000</u>	2,075,000

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

Change in interest payable	(343,078)	
Change in claim liabilities	176,223	
Attributable to redevelopment dissolution	24,037,931	
Change in long-term compensated absences	(180,593)	
Change in Net OPEB obligation	<u>(4,920,548)</u>	18,769,935

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.

(97,914)

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 (\$1,758,453), less amounts due to changes in capital assets \$258,220 reported above for capital assets.

(1,758,453)	
<u>258,220</u>	<u>(1,500,233)</u>

Change in net assets of governmental activities

\$ (6,569,043)

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, 2012

	General Fund			Variance w/Amended Positive (Negative)
	Original Budget	Amended Budget	Actual	
REVENUES:				
Taxes and assessments	\$ 17,998,700	\$ 17,998,700	\$ 18,778,525	\$ 779,825
Licenses and permits	817,140	817,140	978,892	161,752
Fines and forfeitures	195,900	195,900	199,697	3,797
Intergovernmental	3,905,300	3,905,300	4,019,470	114,170
Use of money and property	1,058,153	1,058,153	1,019,373	(38,780)
Charges for services	3,999,180	3,999,180	3,930,271	(68,909)
Other revenues	1,578,206	1,578,206	1,797,509	219,303
Total revenues	29,552,579	29,552,579	30,723,737	1,171,158
EXPENDITURES:				
Current:				
General government	6,871,055	6,871,055	7,153,554	(282,499)
Public safety	18,661,057	18,677,428	18,110,966	566,462
General services	5,952,398	5,952,398	6,023,048	(70,650)
Community development	1,862,479	1,862,479	1,832,913	29,566
Capital outlay	114,200	114,200	82,805	31,395
Debt service:				
Interest	-	-	56	(56)
Total expenditures	33,461,189	33,477,560	33,203,342	274,218
REVENUES OVER (UNDER) EXPENDITURES	(3,908,610)	(3,924,981)	(2,479,605)	1,445,376
OTHER FINANCING SOURCES (USES):				
PERS side fund payoff	-	-	(4,517,258)	(4,517,258)
Transfers in	2,960,677	2,960,677	2,554,294	(406,383)
Transfers out	(194,966)	(194,966)	(351,169)	(156,203)
Total other financing sources (uses)	2,765,711	2,765,711	(2,314,133)	(5,079,844)
Net change in fund balances	(1,142,899)	(1,159,270)	(4,793,738)	(3,634,468)
FUND BALANCES:				
Beginning of year	33,743,797	33,743,797	33,743,797	-
End of year	\$ 32,600,898	\$ 32,584,527	\$ 28,950,059	\$ (3,634,468)

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, 2012

(With comparative totals for June 30, 2011)

	Totals	
	2012	2011
ASSETS		
Current assets:		
Cash and investments	\$ 1,822,156	\$ 3,124,090
Inventory	121,156	104,836
Total current assets	1,943,312	3,228,926
Noncurrent assets:		
Advances to other funds	634,665	846,219
Capital assets, net	3,872,667	4,173,520
Total assets	\$ 6,450,644	\$ 8,248,665
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 83,548	\$ 121,702
Compensated absences	51,434	52,848
Total current liabilities	134,982	174,550
Total liabilities	134,982	174,550
Net Assets:		
Invested in capital assets	3,872,667	4,173,520
Unrestricted	2,442,995	3,900,595
Total net assets	6,315,662	8,074,115
Total liabilities and net assets	\$ 6,450,644	\$ 8,248,665

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, 2012

(With comparative totals for the year ended June 30, 2011)

	Totals	
	2012	2011
OPERATING REVENUES:		
Fleet management cost allocation	\$ 181,828	\$ 1,448,224
Total operating revenues	<u>181,828</u>	<u>1,448,224</u>
OPERATING EXPENSES:		
Salaries and benefits	515,465	661,145
Services and supplies	973,575	774,898
Depreciation	559,073	741,203
Total operating expenses	<u>2,048,113</u>	<u>2,177,246</u>
OPERATING INCOME (LOSS)	<u>(1,866,285)</u>	<u>(729,022)</u>
NONOPERATING REVENUES (EXPENSES):		
Gain on sale of assets	76,398	45,717
Interest revenue	31,434	21,171
Total non-operating revenues (expenses), net	<u>107,832</u>	<u>66,888</u>
NET INCOME (LOSS) BEFORE TRANSFERS	<u>(1,758,453)</u>	<u>(662,134)</u>
Transfers in (out)	<u>-</u>	<u>8</u>
CHANGE IN NET ASSETS	<u>(1,758,453)</u>	<u>(662,126)</u>
NET ASSETS:		
Beginning of year	<u>8,074,115</u>	<u>8,736,241</u>
End of year	<u>\$ 6,315,662</u>	<u>\$ 8,074,115</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, 2012

(With comparative amounts for the year ended June 30, 2011)

	Totals	
	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from interfund services provided	\$ 181,828	\$ 1,448,224
Cash payments to suppliers for goods and services	(1,028,049)	(741,960)
Cash payments to employees for services	(516,879)	(644,677)
Net cash used by operating activities	(1,363,100)	61,587
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers received (paid)	211,554	211,563
Net cash provided by noncapital financing activities	211,554	211,563
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from sale of capital assets	76,398	45,717
Acquisition and construction of capital assets	(258,220)	(401,274)
Net cash (used) by capital and related financing activities	(181,822)	(355,557)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment income received	31,434	21,171
Net cash provided by investing activities	31,434	21,171
Net increase (decrease) in cash and cash equivalents	(1,301,934)	(61,236)
CASH AND CASH EQUIVALENTS:		
Beginning of year	3,124,090	3,185,326
End of year	\$ 1,822,156	\$ 3,124,090
Reconciliation of income (loss) from operations to net cash used by operating activities:		
Operating income (loss)	\$ (1,866,285)	\$ (729,022)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	559,073	741,203
(Increase) decrease in current assets:		
Inventory	(16,320)	(16,935)
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	(38,154)	49,873
Compensated absences	(1,414)	16,468
Net cash used by operating activities	\$ (1,363,100)	\$ 61,587

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

City of Rocklin, California
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	Private Purpose Trust Funds	Agency Funds	Totals
ASSETS			
Current assets:			
Cash and investments	\$ 3,869,626	\$ 6,652,387	\$10,522,013
Cash and investments with trustee/fiscal agent	-	7,577,403	7,577,403
Accounts receivable	27,000	346	27,346
Loans receivable	10,510,655	-	10,510,655
Assessments	-	133,861	133,861
Total current assets	<u>14,407,281</u>	<u>14,363,997</u>	<u>28,771,278</u>
Non-Current assets:			
Intangible assets, net	1,288,858	-	1,288,858
Property, plant, and equipment, net	5,764,099	-	5,764,099
Property, plant, and equipment, net	<u>7,052,957</u>	<u>-</u>	<u>7,052,957</u>
Total assets	<u>\$21,460,238</u>	<u>\$ 14,363,997</u>	<u>\$35,824,235</u>
LIABILITIES AND NET ASSETS			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 93,205	\$ 88,604	\$ 181,809
Interest payable	394,192	-	394,192
Due to others	-	14,275,393	14,275,393
Total current liabilities	<u>487,397</u>	<u>14,363,997</u>	<u>14,851,394</u>
Long-term liabilities:			
Advances from Governmental Activities	488,708	-	488,708
Line of credit	2,898,205	-	2,898,205
Quarry loan payable	488,491	-	488,491
Due within one year	625,000	-	625,000
Due after one year	<u>26,685,000</u>	<u>-</u>	<u>26,685,000</u>
Total long-term liabilities	<u>31,185,404</u>	<u>-</u>	<u>31,185,404</u>
Total liabilities	<u>31,672,801</u>	<u>\$ 14,363,997</u>	<u>46,036,798</u>
Net Assets (Deficit):			
Net assets held in trust for Redevelopment Dissolution	<u>(10,212,563)</u>		<u>-</u> <u>(10,212,563)</u>
Total liabilities and net assets	<u>\$21,460,238</u>		<u>\$35,824,235</u>

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

City of Rocklin, California
Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Funds
For the year ended June 30, 2012

	Private Purpose Trust Funds
ADDITIONS:	
Property taxes	\$ 1,970,334
Investment earnings	738
Net assets received upon dissolution of redevelopment agency	(10,471,411)
Total additions	<u>(8,500,339)</u>
DEDUCTIONS:	
Community development	1,712,224
Total deductions	<u>1,712,224</u>
CHANGE IN FIDUCIARY NET ASSETS	(10,212,563)
NET ASSETS (DEFICIT):	
Beginning of year	-
End of year	<u>\$ (10,212,563)</u>

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, 2012

Index to Notes to Basic Financial Statements

	<u>Page</u>
Note 1 – Summary of Significant Accounting Policies	33
Financial Reporting Entity.....	34
Basis of Presentation.....	36
Measurement Focus	38
Basis of Accounting.....	39
Assets, Liabilities, and Equity	39
Revenues, Expenditures, and Expenses.....	44
Stewardship, Compliance, and Accountability.....	44
Note 2 – Cash and Investments	46
Note 3 – Accounts Receivable	47
Note 4 – Loans and Notes Receivable	48
Note 5 – Capital Assets	49
Note 6 – Accounts Payable and Accrued Liabilities	50
Note 7 – Special Assessment Districts	51
Note 8 – Long-term Liabilities	52
Note 9 – Net Assets/ Fund Balances	54
Note 10 – Interfund Transactions	57
Note 11 – Risk Management	59
Note 12 – Public Employees’ Retirement System	60
Plan Description.....	60
Funding Policy.....	60
Annual Pension Cost.....	61
Note 13 – Postemployment Healthcare Benefits	61
Plan Description.....	61
Funding Policy.....	63
Annual OPEB Cost and Net OPEB Obligation.....	63
Note 14 – Contingencies	64
Note 15 – Commitments	64
Note 16 – Successor Agency Trust for Assets of Former Redevelopment Agency	65
Note 17 – Litigation	73
Note 18 – New Accounting Pronouncements	73
Note 19 – Subsequent Events	74

City of Rocklin, California
Notes to Basic Financial Statements
For the year ended June 30, 2012

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 unit, for which the government is considered to be financially accountable. This component unit is reported on a blended basis. A blended component unit, although a legally separate entity, is, in substance, part of the government's operations and so data from this unit is combined with data of the primary government. The financial statements of the individual component unit may be obtained by written request to the Chief Financial Officer at the City of Rocklin, 3970 Rocklin Road, Rocklin, California 95677.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Financial Reporting Entity, Continued

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

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 former Redevelopment Agency to serve as a financing mechanism for various capital projects. Upon the dissolution of the Rocklin Redevelopment Agency on January 31, 2012, the City appointed itself successor agency governed by an oversight board consisting of members from all taxing authorities in the redevelopment area to wind up all redevelopment activities, which consisted primarily of debt. Because of the limited authority of the successor, their membership in the Authority is also limited as the successor cannot obligate the Authority or issue new debt on its own. 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 unit is 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, 2012

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, 2012

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, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Basis of Presentation, Continued

Fiduciary Funds

Private Purpose Trust Funds

Private Purpose Trust Funds account for resources held for other individuals and entities in a manner similar to private enterprise.

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 and private purpose trust 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 private purpose trust funds equity are classified as net assets.

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

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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.

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, private purpose trust 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, 2012

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 10 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, 2012

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, 2012

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), 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, 2012

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.
- Council Resolution is required to be taken to establish, modify, or rescind a fund balance commitment.

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, 2012

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, 2012

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, 2012, 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, 2012

2. CASH AND INVESTMENTS

At June 30, 2012, 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	\$ -	\$ -	\$ -	\$ 2,356,590	\$ 2,356,590
Petty cash	-	-	-	2,435	2,435
Money market accounts-Wells Fargo	56,681	-	-	-	56,681
Total pooled items	56,681	-	-	2,359,025	2,415,706
<u>Pooled investments, at fair value</u>					
<u>Interest obligations</u>					
<u>Par</u>	<u>Rate</u>				
\$ 20,000	6.875%	Corporate notes	-	20,765	20,765
6,162	9.50%	GNMA pool	-	3,104	3,104
		Investment in Special Assessment Bonds	9,555,000	-	9,555,000
Cash with fiscal agent - Union Bank money market	21,893,985	-	-	-	21,893,985
State of California Local Agency Investment Fund	42,361,984	-	-	-	42,361,984
Total pooled investments - interest obligations	73,810,969	-	23,869	-	73,834,838
Total cash equivalents and investments pooled	\$ 73,867,650	\$ -	\$ 23,869	\$ 2,359,025	\$ 76,250,544

Amounts reported in:

Governmental activities - Unrestricted	\$ 45,822,116
Governmental activities - Restricted	12,329,012
Fiduciary activities - Unrestricted	10,522,013
Fiduciary activities - Restricted	7,577,403
Total	\$ 76,250,544

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
US Government Securities	\$ 3,104	9
Local Agency Investment Fund	42,361,984	N/A
Money Market Mutual Funds	21,893,985	N/A
City Special Assessment Bonds	9,555,000	N/A
Corporate Notes	20,765	N/A
Total fair value	\$ 73,834,838	

Portfolio weighted average maturity ** 0.76

**Does not include City Special Assessment Bonds

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

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, 2012, the weighted average maturity was 0.76 years.

Credit risk – As of June 30, 2012, 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 any non-governmental investments 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, 2012, 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, 2012:

	Governmental Activities	Fiduciary Activities	Total
Taxes	\$ 2,033,179	\$ -	\$ 2,033,179
Interest	31,636	-	31,636
Accounts	-	27,346	27,346
Intergovernmental	400,065	-	400,065
Loans/Notes receivable	511,559	10,510,655	11,022,214
Assessments	-	133,861	133,861
Other receivables	2,161,518	-	2,161,518
Total accounts receivable	<u>\$ 5,137,957</u>	<u>\$ 10,671,862</u>	<u>\$ 15,809,819</u>

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

3. ACCOUNTS RECEIVABLE, Continued

These amounts resulted in the following concentrations in receivables:

Other Governments	15.4%	Financial	0.2%
Special Assessments	0.8%	Individuals/Businesses	69.9%
Other	13.7%		

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, 2012, consisted of the following:

	Beginning July 1, 2011	Additions	Deletions	Ending June 30, 2012
Private placement bonds and related issuance costs	\$ 5,100,000	\$ -	\$ (5,100,000)	\$ -
Community Development Block Grant	449,600	25,744	(4,785)	470,559
First time home buyers	1,564,301		(1,523,301)	41,000
Down payment assistance	2,050,027	-	(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	300,387	-	(300,387)	-
Total loans/notes receivable	<u>\$ 16,119,315</u>	<u>\$ 25,744</u>	<u>\$(15,633,500)</u>	<u>\$ 511,559</u>

The following is a summary of the loans and notes receivable outstanding as of June 30, 2012:

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, 2012, was \$470,559.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

4. LOANS AND NOTES RECEIVABLE, Continued

First Time Home Buyers – The City has 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, 2012, was \$41,000.

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012, was as follows:

	Balance June 30, 2011	Additions	Deletions	Transfers	Balance June 30, 2012
Governmental activities:					
Nondepreciable assets:					
Land	\$ 6,528,001	\$ -	\$ -	\$ (1,590,421)	\$ 4,937,580
Land improvements	67,461	-	-	30,441	97,902
Park Land	53,693,948	-	-	-	53,693,948
Construction in Progress	13,495,156	2,586,352	(1,720,526)	(10,221,120)	4,139,862
Total nondepreciable assets	73,784,566	2,586,352	(1,720,526)	(11,781,100)	62,869,292
Depreciable assets:					
Buildings	36,695,061	-	-	(2,843,715)	33,851,346
Facilities & other improvements	3,273,530	-	-	321,987	3,595,517
Machinery & equipment	2,919,806	52,661	-	-	2,972,467
Fleet machinery & equipment	9,398,761	270,531	(730,814)	-	8,938,478
Park Buildings	676,835	-	-	277,538	954,373
Park Equipment	1,623,319	-	-	-	1,623,319
Park Improvements	14,584,717	-	-	-	14,584,717
Infrastructure	337,031,314	-	-	7,694,725	344,726,039
Total depreciable assets	406,203,343	323,192	(730,814)	5,450,535	411,246,256
Total	479,987,909	2,909,544	(2,451,340)	(6,330,565)	474,115,548
Accumulated depreciation:					
Buildings	\$ 11,953,640	\$ 1,191,200	\$ -	\$ (566,466)	12,578,374
Facilities & other improvements	1,284,103	230,923	-	-	1,515,026
Machinery & equipment	2,708,727	90,587	-	-	2,799,314
Fleet machinery & equipment	5,225,240	559,073	(718,502)	-	5,065,811
Park Buildings	248,483	31,812	-	-	280,295
Park Equipment	1,385,749	87,570	-	-	1,473,319
Park Improvements	6,652,712	871,270	-	-	7,523,982
Infrastructure	108,899,651	8,741,595	-	-	117,641,246
Total accumulated depreciation	138,358,305	11,804,030	(718,502)	(566,466)	148,877,367
Total net capital assets	\$ 341,629,604	\$ (8,894,486)	\$ (1,732,838)	\$ (5,764,099)	\$ 325,238,181

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

5. CAPITAL ASSETS, Continued

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

General government	\$ 1,269,057
Public safety	1,342,286
General services	<u>9,192,687</u>
Total	<u><u>\$ 11,804,030</u></u>

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following at June 30, 2012:

	<u>Governmental Activities</u>	<u>Fiduciary Activities</u>	<u>Total</u>
Accounts payable	\$ 1,367,011	\$ 181,809	\$ 1,548,820
Accrued payroll and related liabilities	<u>1,029,664</u>	<u>-</u>	<u>1,029,664</u>
Total	<u><u>\$ 2,396,675</u></u>	<u><u>\$ 181,809</u></u>	<u><u>\$ 2,578,484</u></u>

These amounts resulted in the following concentrations in payables:

Vendors 60% Employees 40%

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

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

7. 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, 2012:

Special Assessment District Bond	Balance June 30, 2012
CFD No. 3 2004 - Stanford Ranch Refunding	2,475,000
CFD No. 3 2005 - Stanford Ranch Refunding	6,120,000
CFD No. 3 2001C - Stanford Ranch	4,010,000
CFD No. 6 - Sunset West Drainage	1,590,000
CFD No. 7 - Sunset West Interchange/Major St	2,330,000
CFD No. 8 - Sunset West Park Drive	4,115,000
CFD No. 9 - Sunset West West/Blue Oaks	4,900,000
CFD No. 10 - Whitney Ranch	22,625,000
CFD No. 11 - Sierra College Interchange	9,555,000
Total	\$ 57,720,000

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.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

8. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2012:

	Balance July 1, 2011	Additions	Retirements	Transfers	Balance June 30, 2012	Due Within One Year
2003 Certificates of Participation	\$ 3,680,000	\$ -	\$ (405,000)	\$ -	\$ 3,275,000	\$ 415,000
2003 Public Financing Authority (PFA)						
Refunding Revenue Bonds-Senior	9,625,000	-	(490,000)	-	9,135,000	505,000
2003 PFA Refunding Revenue						
Bonds - Subordinate	1,055,000	-	(75,000)	-	980,000	80,000
2002 Refunding Tax Allocation Bonds	2,230,000	-	(45,000)	(2,185,000)	-	-
2005 Refunding Tax Allocation Bonds	10,665,000	-	(280,000)	(10,385,000)	-	-
2007 Refunding Tax Allocation Bonds	15,020,000	-	(280,000)	(14,740,000)	-	-
Total debt issuances	42,275,000	-	(1,575,000)	(27,310,000)	13,390,000	1,000,000
Line of credit	3,399,968		(501,763)	(2,898,205)	-	-
Quarry loan payable	488,491	-	-	(488,491)	-	-
Claims payable	875,748	173,578	(349,801)	-	699,525	-
Compensated absences	3,562,315	214,986	(46,240)	-	3,731,061	1,270,624
Net OPEB obligation	10,651,188	4,920,548	-	-	15,571,736	-
Total	18,977,710	5,309,112	(897,804)	(3,386,696)	20,002,322	1,270,624
	<u>\$ 61,252,710</u>	<u>\$ 5,309,112</u>	<u>\$ (2,472,804)</u>	<u>\$ (30,696,696)</u>	<u>\$ 33,392,322</u>	<u>\$ 2,270,624</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, 2012

8. 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 \$240,000 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 \$33,173 are payable on March 1 and September 1 through September 1, 2021, for the Subordinate issuance.

Claims Payable

The City has recorded a liability for potential claims in excess of amounts covered by the insurance pool. See Note 11 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 \$3,731,061 at June 30, 2012, of that amount, \$1,270,624 is expected to be paid within a year.

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, 2012, the City had a Net OPEB Obligation of \$15,571,736. See Note 13 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, 2012, there were no arbitrage liabilities.

Future debt service at June 30, 2012 is as follows for all debt except compensated absences and claims liabilities:

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

8. LONG-TERM LIABILITIES, Continued

Year Ending June 30,	Governmental activities					
	2003 Certificates of Participation		2003 Refunding Revenue Bonds - Senior		2003 Refunding Revenue Bonds - Subordinate	
	Principal	Interest	Principal	Interest	Principal	Interest
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	485,000	52,455	580,000	297,535	95,000	32,187
2018-2022	1,030,000	43,428	3,265,000	1,102,883	550,000	78,241
2023-2027	-	-	3,175,000	300,495	-	-
Total	<u>\$ 3,275,000</u>	<u>\$ 483,481</u>	<u>\$ 9,135,000</u>	<u>\$ 3,098,169</u>	<u>\$ 980,000</u>	<u>\$ 282,322</u>
Due within one year	\$ 415,000	\$ 121,028	\$ 505,000	\$ 376,485	\$ 80,000	\$ 48,715
Due after one year	2,860,000	362,453	8,630,000	2,721,684	900,000	233,607
Total	<u>\$ 3,275,000</u>	<u>\$ 483,481</u>	<u>\$ 9,135,000</u>	<u>\$ 3,098,169</u>	<u>\$ 980,000</u>	<u>\$ 282,322</u>

	Total	
	Principal	Interest
2013	\$ 1,000,000	\$ 546,228
2014	1,030,000	510,429
2015	1,070,000	471,530
2016	1,110,000	428,561
2017	1,160,000	382,177
2018-2022	4,845,000	1,224,552
2023-2027	3,175,000	300,495
Total	<u>\$ 13,390,000</u>	<u>\$ 3,863,972</u>
Due within one year	\$ 1,000,000	\$ 546,228
Due after one year	12,390,000	3,317,744
Total	<u>\$ 13,390,000</u>	<u>\$ 3,863,972</u>

9. NET ASSETS/ FUND BALANCES

Net Assets

	Governmental Activities
Invested in capital assets, net of related debt	\$ 311,848,181
Restricted:	
Fund Balance Restrictions	15,058,294
Wetlands Maintenance	59,875
Conservation Easement	454,197
Total Restricted	15,572,366
Unrestricted	26,938,604
Total	<u>\$ 354,359,151</u>

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

9. NET ASSETS/ FUND BALANCES, Continued

- 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.

Fund Balances

Nonspendable fund balance consisted of the following at June 30, 2012:

Advances to other funds	\$ 948,708
Long-term loan/notes receivable	511,559
Endowments	<u>491,455</u>
Total	<u><u>\$ 1,951,722</u></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 maintenance of wetlands and Preserve Area maintenance and operations

Restricted fund balance consisted of the following at June 30, 2012:

Debt service	\$ 12,297,242
Gas Tax	1,651,031
Public Improvement Agreement	<u>1,132,638</u>
Total	<u><u>\$ 15,080,911</u></u>

The following describes the purpose of each restricted amount:

- **Debt service** includes amounts used 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.
- **Public improvement agreement** includes amounts used for public improvements.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

9. NET ASSETS/ FUND BALANCES, Continued

Committed fund balance consisted of the following at June 30, 2012:

Retiree's health insurance premiums	\$ 10,000,543
Disaster contingency	1,000,000
Self-insured losses	1,000,000
Technology fee	124,485
Building repair	431,551
ADA improvements	67,841
Parks repair and maintenance	<u>357,780</u>
Total	<u><u>\$ 12,982,200</u></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 set aside for losses not covered under existing insurance programs.
- **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.

There were no deficit net asset balances at June 30, 2012.

Deficit fund balances consisted of the following:

Nonmajor Funds:

Lighting District #1 Special Revenue Fund (\$145,967) to be funded through future assessments within the District's boundaries.

Traffic Safety/PD Grants Special Revenue Fund (\$74) to be funded through US Department of Justice Grant Funds.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

9. NET ASSETS/ FUND BALANCES, Continued

Park Development Capital Projects Fund (\$2,461,199) to be funded through future development fees.

Community Park Fees Capital Projects Fund (\$1,420,738) to be funded through future community park fees and reimbursable grants.

Capital Construction Projects Capital Projects Fund (\$1,837,242) to be funded through developer contributions.

10. INTERFUND TRANSACTIONS

Due to and due from other funds consisted of the following as of June 30, 2012:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
<u>Governmental Activities</u>		
<u>Major Funds:</u>		
General Fund	\$ 5,383,540	\$ -
<u>Nonmajor Funds:</u>		
Lighting Maintenance District #1 Special Revenue	-	154,330
Community Facilities District #1 Special Revenue	-	13,902
Housing Rehabilitation Special Revenue	-	38,710
Traffic Safety Special Revenue	-	20,862
DOE Grants Special Revenue	-	32,154
Bicycle Pedestrian Facilities	-	16,068
Prop 1B Special Revenue	-	23,000
Park Development Fees Capital Projects	-	2,461,199
Community Park Fees Capital Projects	-	1,420,738
Capital Construction Impact Fees Capital Projects	-	1,202,577
Total	<u>\$ 5,383,540</u>	<u>\$ 5,383,540</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.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

10. INTERFUND TRANSACTIONS, Continued

Advances to/from other funds

The City advanced funds to the former Redevelopment Agency to assist with the purchase of land and building for the new Rocklin library. The remaining balance owed is \$948,708. In addition, the former Redevelopment Agency advance \$460,000 to the Rocklin Public Financing Authority with the balance owed of \$460,000. These amounts are reported broad in the respective fund financial statements and are reported as Advances to fiduciary activities in the government-wide financial statements in the amount of \$488,708.

Transfers consisted of the following at June 30, 2012:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Activities</u>		
<u>Major Funds:</u>		
General Fund	\$ 2,554,294	\$ 351,169
Former Redevelopment Agency Capital Projects	-	112,091
Traffic Circulation Impact Fee Capital Projects	-	375,132
Community Facilities District #11 Capital Projects	167,000	-
Total Major Funds	<u>2,721,294</u>	<u>838,392</u>
<u>Non-major Funds:</u>		
<u>Special Revenue Funds:</u>		
Gas Tax	-	182,916
SB 325 Sales Tax	-	201,872
Former RDA Low/Moderate Housing	196,278	13,544
Former RDA Down Payment Assistance	-	196,278
Lighting District #1	184,169	-
Community Facilities District #1	-	1,215,333
Housing Rehabilitation	4,025	34,544
Whitney Oaks Park Improvement	-	145,647
Supplemental Law Enforcement Grant	-	100,000
Total Non-major Special Revenue Funds	<u>384,472</u>	<u>2,090,134</u>
<u>Capital Projects Funds:</u>		
Capital Construction Projects	-	539,973
Oak Tree Mitigation	-	20,638
Public Improvement Agreement	-	154,882
Total Non-major Capital Projects Funds	<u>-</u>	<u>715,493</u>
<u>Permanent Funds:</u>		
Wetlands Maintenance	-	1,720
Total Non-major Permanent Funds	<u>-</u>	<u>1,720</u>
<u>Debt Service Funds:</u>		
Capital Construction Debt Service	539,973	-
Total Non-major Debt Service Funds	<u>539,973</u>	<u>-</u>
Total Non-major Funds	<u>924,445</u>	<u>2,807,347</u>
Total Transfers	<u>\$ 3,645,739</u>	<u>\$ 3,645,739</u>

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

10. INTERFUND TRANSACTIONS, Continued

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.

11. 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:

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

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

11. 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 \$1,402,290 is recorded in the general fund. The audited financial statements of the JPA are available at the NCCSIF's office.

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments for Current and Prior Years	End of Year Liability
2009-2010	\$ 1,469,607	\$ 39,040	\$ (416,640)	\$ 1,092,007
2010-2011	1,092,007	105,161	(321,420)	875,748
2011-2012	875,748	173,578	(349,801)	699,525

12. 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, 2012, these contributions amounted to \$1,268,042. 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, 2012

12. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

Annual Pension Cost

For 2012, the City's annual pension cost of \$3,617,734 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, 2010	\$ 3,577,004	100%	-
June 30, 2011	3,345,733	100%	-
June 30, 2012	3,617,734	100%	-

13. 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, 2012

13. 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	<p><u>Hired Before May 1, 2003</u></p> <ul style="list-style-type: none"> • City contributes 100% of premium up to the City cap: <table> <tr> <td>2011</td> <td>\$1,093</td> </tr> <tr> <td>2012</td> <td>1,093</td> </tr> </table>	2011	\$1,093	2012	1,093	<p><u>Hired on or after May 1, 2003</u></p> <ul style="list-style-type: none"> • Contribution equal greater of the City cap and the State 100/90 premium: <table> <tr> <td></td> <td><u>2011</u></td> <td><u>2012</u></td> </tr> <tr> <td>EE</td> <td>\$493</td> <td>\$566</td> </tr> <tr> <td>EE+1</td> <td>936</td> <td>1,074</td> </tr> <tr> <td>Family</td> <td>1,202</td> <td>1,382</td> </tr> </table>		<u>2011</u>	<u>2012</u>	EE	\$493	\$566	EE+1	936	1,074	Family	1,202	1,382	<p><u>Unrepresented/Hourly</u></p> <ul style="list-style-type: none"> • Unrepresented Hourly employees receive the PEMHCA minimum <table> <tr> <td>2011</td> <td>\$108</td> </tr> <tr> <td>2012</td> <td>113</td> </tr> </table> <ul style="list-style-type: none"> • Not included in last valuation 	2011	\$108	2012	113
2011	\$1,093																						
2012	1,093																						
	<u>2011</u>	<u>2012</u>																					
EE	\$493	\$566																					
EE+1	936	1,074																					
Family	1,202	1,382																					
2011	\$108																						
2012	113																						
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)	<p><u>Fiscal year</u></p> <table> <tr> <td>2011/12</td> <td>\$895</td> </tr> <tr> <td>2010/11</td> <td>728</td> </tr> <tr> <td>2009/10</td> <td>578</td> </tr> <tr> <td>2008/09</td> <td>483</td> </tr> </table>	2011/12	\$895	2010/11	728	2009/10	578	2008/09	483	<p><u>Payments</u></p> <p>as shown in June 30, 2009</p>													
2011/12	\$895																						
2010/11	728																						
2009/10	578																						
2008/09	483																						

There were 89 retirees enrolled in the plan at June 30, 2012.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

13. 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 \$806,452 for the year ended June 30, 2012.

Annual OPEB Cost and Net OPEB Obligation

The annual required contribution (ARC) was determined as part of a June 30, 2012, 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 8.5% to 8.9% in 2014 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>2012</u>	<u>2011</u>	<u>2010</u>
Annual Required Contribution (ARC) and Annual OPEB Cost	\$ 5,727,000	\$ 5,205,000	\$ 3,725,000
Contributions made:			
City portion of current year premiums paid	<u>806,452</u>	<u>697,085</u>	<u>577,727</u>
Annual OPEB cost (expense)	4,920,548	4,507,915	3,147,273
Net OPEB Obligation - beginning of year	<u>10,651,188</u>	<u>6,143,273</u>	<u>2,996,000</u>
Net OPEB Obligation - end of year	<u><u>\$ 15,571,736</u></u>	<u><u>\$ 10,651,188</u></u>	<u><u>\$ 6,143,273</u></u>
Percentage of annual OPEB cost contributed	<u>14%</u>	<u>13%</u>	<u>16%</u>

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

13. POSTEMPLOYMENT HEALTH CARE BENEFITS, Continued

The City's annual OPEB cost (expense) is equal to the ARC, and the net OPEB obligation for 2012 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/2010	3,725,000	16%	6,143,273
6/30/2011	5,205,000	13%	10,651,188
6/30/2012	5,727,000	14%	15,571,736

The actuarial accrued liability (AAL) representing the present value of future benefits, included in the actuarial study dated June 30, 2012, amounted to \$44.57 million and was unfunded since no assets had been transferred into a trust as of that date. As of June 30, 2012, the City had set aside a total of \$10,000,542 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.

14. 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, 2012, 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.

15. COMMITMENTS

The City had the following significant unexpended contractual commitments as of June 30, 2012:

Grove Steet Roundabout	\$ 209,530
I/80 Rocklin Road Project	538,225
Whitney Ranch Interchange	324,569
Central Rocklin Drainage Improvement	<u>132,295</u>
Total commitments	<u>\$ 1,204,619</u>

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

16. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Rocklin that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 1, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill. On January 24, 2012, the City Council elected not to become the Successor Agency for the former Rocklin Redevelopment Agency Housing in accordance with the Bill.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill. Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City’s position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012. Prior to that date, the final seven months of the activity of the redevelopment agency continued to be reported in the governmental funds of the City. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City. The transfer of the assets and liabilities of the former redevelopment agency as of February 1, 2012 (effectively the same date as January 31, 2012) from governmental funds of the City to fiduciary funds was reported in the

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

16. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

governmental funds as an extraordinary loss (or gain) in the governmental fund financial statements. The receipt of these assets and liabilities as of January 31, 2012 was reported in the private-purpose trust fund as an extraordinary gain (or loss). Because of the different measurement focus of the governmental funds (*current financial resources measurement focus*) and the measurement focus of the trust funds (*economic resources measurement focus*), the extraordinary loss (gain) recognized in the governmental funds was not the same amount as the extraordinary gain (loss) that was recognized in the fiduciary fund financial statements. The difference between the extraordinary loss recognized in the fund financial statements and the extraordinary gain recognized in the fiduciary fund financial statements is reconciled as follows:

Total extraordinary loss reported in governmental funds – increase to net assets of the Successor Agency Trust Fund	\$13,566,520
Capital assets recorded in the government-wide financial statements – increase to net assets of the Successor Agency Trust Fund	5,764,099
Intangible assets recorded in the government-wide financial statements – increase to net assets of the Successor Agency Trust Fund	1,288,858
Accrued bond interest reported in the government-wide financial statements – decrease to net assets of the Successor Agency Trust Fund	(394,192)
Long-term debt reported in the government-wide financial Statements – decrease to net assets of the Successor Agency Trust Fund	(30,696,696)
Net decrease to net assets of the Successor Agency Trust Fund as a result of initial transfers (equal to amount of extraordinary gain reported in the government-wide financial statements of the City)	(\$10,471,411)

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

16. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

Loans and Notes Receivable

Loans and notes receivable for the year ended June 30, 2012, consisted of the following:

	Beginning July 1, 2011	Additions	Deletions	Ending June 30, 2012
First time home buyers	-	1,523,301	-	1,523,301
Down payment assistance	-	2,050,027	(18,060)	2,031,967
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	-	300,387	-	300,387
Total loans/notes receivable	\$ -	\$ 10,528,715	\$ (18,060)	\$ 10,510,655

The following is a summary of the loans and notes receivable outstanding as of June 30, 2012:

First Time Home Buyers – The RDA 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. The HOME notes receivable at June 30, 2012 was \$1,523,301.

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, 2012 were \$2,031,967.

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, 2012, 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, 2012, a balance of \$650,000 is outstanding.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

16. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

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, 2012, 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, 2012, 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, 2012. 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. At June 30, 2012, a balance of \$500,000 is 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, 2012, 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, 2012 a balance of \$300,387 is outstanding.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

16. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

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, 2012
Intangible assets:				
2005 Tax Allocation Bonds:				
Bond issuance costs	\$ 506,422	\$ (101,286)	\$ (16,881)	\$ 388,255
Bond discount	117,327	(23,466)	(3,911)	89,950
Totals	<u>623,749</u>	<u>(124,752)</u>	<u>(20,792)</u>	<u>478,205</u>
2007 Tax Allocation Bonds:				
Bond issuance costs	370,662	(58,286)	(12,495)	299,881
Bond discount	301,140	(50,190)	(10,038)	240,912
Totals	<u>671,802</u>	<u>(108,476)</u>	<u>(22,533)</u>	<u>540,793</u>
2003 Refunding Revenue Bonds:				
Bond issuance costs	282,336	(132,864)	(16,608)	132,864
Bond discount	289,152	(135,250)	(16,906)	136,996
Totals	<u>571,488</u>	<u>(268,114)</u>	<u>(33,514)</u>	<u>269,860</u>
Intangible assets totals				
Bond issuance costs	1,159,420	(292,436)	(45,984)	821,000
Bond discount	707,619	(208,906)	(30,855)	467,858
Intangible assets totals	<u>\$ 1,867,039</u>	<u>\$ (501,342)</u>	<u>\$ (76,839)</u>	<u>\$ 1,288,858</u>

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

16. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2012:

	Balance July 1, 2011	Additions	Retirements	Balance June 30, 2012	Due Within One Year
2002 Refunding Tax Allocation Bonds	-	2,185,000	-	2,185,000	50,000
2005 Refunding Tax Allocation Bonds	-	10,385,000	-	10,385,000	285,000
2007 Refunding Tax Allocation Bonds	-	14,740,000	-	14,740,000	290,000
Total debt issuances	-	27,310,000	-	27,310,000	625,000
Line of credit	-	2,898,205	-	2,898,205	2,898,205
Quarry loan payable	-	488,491	-	488,491	-
Total	-	3,386,696	-	3,386,696	2,898,205
	\$ -	\$ 30,696,696	\$ -	\$ 30,696,696	\$ 3,523,205

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, 2012

16. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

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, 2011, the Redevelopment Agency 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 payments 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, 2013 at the Bank's prime rate minus 1.75%. There is an outstanding balance of \$2,989,205 as of June 30, 2012.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

16. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

LONG-TERM LIABILITIES, Continued

Year Ending June 30,	2002 Tax Allocation		2005 Tax Allocation	
	Bonds		Bonds	
	Principal	Interest	Principal	Interest
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	80,000	104,710	180,000	400,270
2018-2022	460,000	455,369	1,045,000	1,885,341
2023-2027	485,000	322,205	1,845,000	1,622,522
2028-2032	760,000	169,400	1,505,000	1,185,747
2033-2037	190,000	5,225	-	-
2038-2041	-	-	4,665,000	506,363
Total	<u>\$ 2,185,000</u>	<u>\$ 1,504,972</u>	<u>\$ 10,385,000</u>	<u>\$ 7,294,782</u>
Due within one year	\$ 50,000	\$ 115,645	\$ 285,000	\$ 438,295
Due after one year	2,135,000	1,389,327	10,100,000	6,856,487
Total	<u>\$ 2,185,000</u>	<u>\$ 1,504,972</u>	<u>\$ 10,385,000</u>	<u>\$ 7,294,782</u>
	2007 Tax Allocation		Total	
	Bonds			
	Principal	Interest	Principal	Interest
2013	\$ 290,000	\$ 617,031	\$ 625,000	\$ 1,170,971
2014	315,000	617,031	650,000	1,159,185
2015	325,000	592,131	675,000	1,121,836
2016	365,000	578,331	700,000	1,095,134
2017	465,000	561,731	725,000	1,066,711
2018-2022	2,600,000	2,510,556	4,105,000	4,851,266
2023-2027	2,715,000	1,942,119	5,045,000	3,886,846
2028-2032	3,985,000	1,286,578	6,250,000	2,641,725
2033-2037	2,950,000	547,094	3,140,000	552,319
2038-2041	730,000	15,963	5,395,000	522,326
Total	<u>\$ 14,740,000</u>	<u>\$ 9,268,565</u>	<u>\$ 27,310,000</u>	<u>\$ 18,068,319</u>
Due within one year	\$ 290,000	\$ 617,031	\$ 625,000	\$ 1,170,971
Due after one year	14,450,000	8,651,534	26,685,000	16,897,348
Total	<u>\$ 14,740,000</u>	<u>\$ 9,268,565</u>	<u>\$ 27,310,000</u>	<u>\$ 18,068,319</u>

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

17. 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.

18. NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements." The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. The implementation of this Statement did not have an effect on these financial statements.

The GASB has issued Statement No. 61, "The Financial Reporting Entity: Omnibus." The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. The City will implement this Statement in fiscal year 2012-13.

The GASB has issued Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements." The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in FASB and AICPA pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. The implementation of this Statement did not have an effect on these financial statements.

The GASB has issued Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. The City will implement this Statement in Fiscal year 2012-13.

The GASB has issued Statement No. 64, "Derivative Instruments: Application of Hedge Accounting Termination Provisions." The objective of this Statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The implementation of this Statement did not have an effect on these financial statements.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

18. NEW ACCOUNTING PRONOUNCEMENTS, Continued

The GASB has issued Statement No. 65, “Item Previously Reported as Assets and Liabilities.” This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The City will implement this Statement in Fiscal year 2012-13.

The GASB has issued Statement No. 66, “Technical Corrections – 2012”. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The implementation of this Statement did not have an effect on these financial statements.

19. SUBSEQUENT EVENTS

The former Rocklin Redevelopment Agency entered into a Line of Credit with Bank of America on June 24, 2008. The balance of the Line of Credit was due July 31, 2011. With the dissolution of redevelopment agencies the City of Rocklin Acting as Successor Agency for the former Rocklin Redevelopment Agency has been working with Bank of America, within the confines of the AB 1X 26 legislation to pay the balance owed on the Line of Credit.

The Placer County Treasurer has the authority to purchase bonds for the Placer County Treasurer’s Investment Pool and is willing to purchase the Line of Credit debt as an investment. This investment will be a bond that matures in 5 years, carrying a 1.75% interest rate and the principal of the bond will not exceed \$2,528,000. The Oversight Board of the Successor Agency has approved the bond financing agreement with the County. The City is currently waiting for a response from the California Department of Finance which is required by AB 1X 26 to review and approve all debt financing transactions before they become effective. It is anticipated that a response from the Department of Finance will be received by June 30, 2013.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

City of Rocklin, California

Combining Balance Sheet

Non-major Governmental Funds

June 30, 2012

(With comparative totals for June 30, 2011)

	Governmental Funds				Non-Major Funds Totals	
	Special Revenue	Capital Projects	Permanent	Debt Service	2012	2011
ASSETS						
Cash and investments	\$ 11,461,478	\$ 2,472,849	\$ 475,501	\$ 2	\$ 14,409,830	\$ 14,180,677
Restricted cash and investments	-	-	38,382	1	38,383	38,383
Receivables:						
Taxes	268,428	-	-	-	268,428	284,844
Intergovernmental	238,712	-	-	-	238,712	399,054
Loans/Notes receivable	511,559	-	-	-	511,559	11,019,315
Other receivable	10,905	-	-	-	10,905	-
Advances to other funds	-	-	-	-	-	900,000
Total assets	\$ 12,491,082	\$ 2,472,849	\$ 513,883	\$ 3	\$ 15,477,817	\$ 26,822,273
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 511,696	\$ 11,172	\$ -	\$ -	\$ 522,868	\$ 243,699
Due to other funds	299,026	5,084,514	-	-	5,383,540	5,368,118
Advances from other funds	-	634,665	-	-	634,665	846,219
Total liabilities	810,722	5,730,351	-	-	6,541,073	6,458,036
Fund Balances (Deficits):						
Nonspendable						
Advances to other funds	-	-	-	-	-	900,000
Loans/Notes receivable	511,559	-	-	-	511,559	11,019,315
Endowments	-	-	491,455	-	491,455	491,455
Restricted	1,651,031	1,132,638	-	3	2,783,672	2,693,284
Assigned	9,663,811	1,329,039	22,428	-	11,015,278	11,039,392
Unassigned (Deficit)	(146,041)	(5,719,179)	-	-	(5,865,220)	(5,779,209)
Total fund balances (deficits)	11,680,360	(3,257,502)	513,883	3	8,936,744	20,364,237
Total liabilities and fund balances	\$ 12,491,082	\$ 2,472,849	\$ 513,883	\$ 3	\$ 15,477,817	\$ 26,822,273

City of Rocklin, California

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-major Governmental Funds

For the year ended June 30, 2012

(with comparative totals for the year ended June 30, 2011)

	Governmental Funds				Non-Major Funds	
	Special Revenue	Capital Projects	Permanent	Debt Service	Totals	
					2012	2011
REVENUES:						
Taxes and assessments	\$ 7,866,199	\$ 1,362	\$ -	\$ -	\$ 7,867,561	\$ 8,035,102
Fines and forfeitures	760	-	-	-	760	4,473
Intergovernmental	391,612	-	-	-	391,612	2,287,333
Use of money and property	25,538	5,980	3,055	2	34,575	86,731
Charges for services	1,000	40,036	-	-	41,036	23,000
Contributions from developers and homeowners	-	449,309	-	-	449,309	391,375
Other revenues	4,813	-	-	-	4,813	68,212
Total revenues	8,289,922	496,687	3,055	2	8,789,666	10,896,226
EXPENDITURES:						
Current:						
General government	393,801	-	-	-	393,801	444,024
Public safety	47,556	-	-	-	47,556	39,924
General services	3,966,244	82,460	-	-	4,048,704	4,889,440
Community development	71,825	3,634	-	-	75,459	765,743
Capital outlay	799,038	243,737	-	-	1,042,775	1,831,562
Debt service:						
Principal	500,000	-	-	405,000	905,000	1,367,869
Interest and fiscal charges	48,558	169,398	-	134,973	352,929	354,041
Total expenditures	5,827,022	499,229	-	539,973	6,866,224	9,692,603
REVENUES OVER (UNDER) EXPENDITURES	2,462,900	(2,542)	3,055	(539,971)	1,923,442	1,203,623
OTHER FINANCING SOURCES (USES):						
Proceeds from sale of assets	-	-	-	-	-	750
Extraordinary loss on dissolution of redevelopment	(11,468,033)	-	-	-	(11,468,033)	-
Transfers in	384,472	-	-	539,973	924,445	3,123,089
Transfers out	(2,090,134)	(715,493)	(1,720)	-	(2,807,347)	(2,540,690)
Total other financing sources (uses)	(13,173,695)	(715,493)	(1,720)	539,973	(13,350,935)	583,149
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	(10,710,795)	(718,035)	1,335	2	(11,427,493)	1,786,772
FUND BALANCES (DEFICITS):						
Beginning of year	22,391,155	(2,539,467)	512,548	1	20,364,237	18,577,465
End of year	<u>\$11,680,360</u>	<u>\$(3,257,502)</u>	<u>\$ 513,883</u>	<u>\$ 3</u>	<u>\$ 8,936,744</u>	<u>\$20,364,237</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.
Former RDA Low/Moderate Housing	Accounts for tax increment revenues received and expended for low/moderate income housing purposes.
Former 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.
Recreation Facilities Contributions	Accounts for revenues received for recreation facilities construction and improvements.
Traffic Safety/PD Grants	Accounts for funds received for traffic safety programs and police grants.
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.
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, 2012

(With comparative totals for June 30, 2011)

	Special Revenue Funds			
	Gas Tax	SB325 Sales Tax	Bicycle and Pedestrian Facilities	Former RDA Low/Moderate Housing
ASSETS				
Cash and investments	\$ 1,513,911	\$ 5,093,938	\$ -	\$ -
Receivables:				
Taxes	166,741	-	-	-
Intergovernmental	-	127,880	17,106	-
Loans/Notes receivable	-	-	-	-
Other receivable	-	-	-	-
Due from other funds	-	-	-	-
Other assets	-	-	-	-
Advances to other funds	-	-	-	-
Total assets	\$ 1,680,652	\$ 5,221,818	\$ 17,106	\$ -
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 29,621	\$ 231,688	\$ 1,038	\$ -
Due to other funds	-	-	16,068	-
Total liabilities	29,621	231,688	17,106	-
Fund Balances:				
Nonspendable				
Advances to other funds	-	-	-	-
Loans/Notes receivable	-	-	-	-
Restricted	1,651,031	-	-	-
Assigned	-	4,990,130	-	-
Unassigned (Deficit)	-	-	-	-
Total fund balances	1,651,031	4,990,130	-	-
Total liabilities and fund balances	\$ 1,680,652	\$ 5,221,818	\$ 17,106	\$ -

Special Revenue Funds

Former RDA Down Payment Assistance	Lighting District #1	Lighting District #2	Community Facilities District #1	Community Facilities District #6	Housing Rehabilitation	Asset Forfeiture
\$ -	\$ -	\$ 1,951,514	\$ -	\$ 318,976	\$ 313,213	\$ 94,955
-	12,407	67,479	13,902	7,899	-	-
-	-	-	-	-	40,377	-
-	-	-	-	-	511,559	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 12,407</u>	<u>\$ 2,018,993</u>	<u>\$ 13,902</u>	<u>\$ 326,875</u>	<u>\$ 865,149</u>	<u>\$ 94,955</u>
\$ -	\$ 4,044	\$ 34,628	\$ -	\$ 20,536	\$ 2,343	\$ -
-	154,330	-	13,902	-	38,710	-
-	158,374	34,628	13,902	20,536	41,053	-
-	-	-	-	-	-	-
-	-	-	-	-	511,559	-
-	-	-	-	-	-	-
-	-	1,984,365	-	306,339	312,537	94,955
-	(145,967)	-	-	-	-	-
-	(145,967)	1,984,365	-	306,339	824,096	94,955
<u>\$ -</u>	<u>\$ 12,407</u>	<u>\$ 2,018,993</u>	<u>\$ 13,902</u>	<u>\$ 326,875</u>	<u>\$ 865,149</u>	<u>\$ 94,955</u>

(continued)

City of Rocklin, California
Combining Balance Sheet, Continued
Non-major Special Revenue Funds
June 30, 2012
(With comparative totals for June 30, 2011)

	Special Revenue Funds			
	Recreation Facilities Contributions	Traffic Safety/PD Grants	DOE Grants	Supplemental Law Enforcement Grant
ASSETS				
Cash and investments	\$ 1,397,116	\$ -	\$ -	\$ -
Receivables:				
Taxes	-	-	-	-
Intergovernmental	-	20,581	32,768	-
Loans/Notes receivable	-	-	-	-
Other receivable	-	10,905	-	-
Due from other funds	-	-	-	-
Other assets	-	-	-	-
Advances to other funds	-	-	-	-
Total assets	\$ 1,397,116	\$ 31,486	\$ 32,768	\$ -
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 28,514	\$ 10,698	\$ 614	\$ -
Due to other funds	-	20,862	32,154	-
Total liabilities	28,514	31,560	32,768	-
Fund Balances:				
Nonspendable				
Advances to other funds	-	-	-	-
Loans/Notes receivable	-	-	-	-
Restricted	-	-	-	-
Assigned	1,368,602	-	-	-
Unassigned (Deficit)	-	(74)	-	-
Total fund balances	1,368,602	(74)	-	-
Total liabilities and fund balances	\$ 1,397,116	\$ 31,486	\$ 32,768	\$ -

Special Revenue Funds				Non-Major Funds Totals	
Parks & Recreation Programs	Park Improvement	Explorer Post 150	Prop 1B	2012	2011
\$ -	\$ -	\$ -	\$ 777,855	\$ 11,461,478	\$ 10,678,186
-	-	-	-	268,428	284,844
-	-	-	-	238,712	387,737
-	-	-	-	511,559	11,019,315
-	-	-	-	10,905	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	900,000
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 777,855</u>	<u>\$ 12,491,082</u>	<u>\$ 23,270,082</u>
\$ -	\$ -	\$ -	\$ 147,972	\$ 511,696	\$ 171,010
-	-	-	23,000	299,026	707,917
-	-	-	170,972	810,722	878,927
-	-	-	-	-	900,000
-	-	-	-	511,559	11,019,315
-	-	-	-	1,651,031	1,165,366
-	-	-	606,883	9,663,811	9,590,164
-	-	-	-	(146,041)	(283,690)
-	-	-	606,883	11,680,360	22,391,155
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 777,855</u>	<u>\$ 12,491,082</u>	<u>\$ 23,270,082</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, 2012

(With comparative totals for the year ended June 30, 2011)

	Special Revenue Funds			
	Gas Tax	SB325 Sales Tax	Bicycle and Pedestrian Facilities	Former RDA Low/Moderate Housing
REVENUES:				
Taxes and assessments	\$ 1,638,575	\$ 2,604,160	\$ -	\$ 434,914
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	17,106	-
Use of money and property	3,302	10,671	-	170
Charges for services	-	-	-	-
Other revenues	-	-	-	1,413
Total revenues	1,641,877	2,614,831	17,106	436,497
EXPENDITURES:				
Current:				
General government	-	-	-	65,271
Public safety	-	-	-	-
General services	736,995	1,406,558	-	-
Community development	-	-	-	4,313
Capital outlay	-	147,580	17,106	-
Debt service:				
Principal	-	-	-	500,000
Interest and fiscal charges	-	-	-	48,558
Total expenditures	736,995	1,554,138	17,106	618,142
REVENUES OVER (UNDER) EXPENDITURES	904,882	1,060,693	-	(181,645)
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of assets	-	-	-	-
Extraordinary loss on dissolution of redevelopment	-	-	-	(7,915,779)
Transfers in	-	-	-	196,278
Transfers out	(182,916)	(201,872)	-	(13,544)
Total other financing sources and uses	(182,916)	(201,872)	-	(7,733,045)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	721,966	858,821	-	(7,914,690)
FUND BALANCES (DEFICITS):				
Beginning of year	929,065	4,131,309	-	7,914,690
End of year	<u>\$ 1,651,031</u>	<u>\$ 4,990,130</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue Funds

Former RDA Down Payment Assistance	Lighting District #1	Lighting District #2	Community Facilities District #1	Community Facilities District #6	Housing Rehabilitation	Asset Forfeiture
\$ -	\$ 250,173	\$ 1,487,034	\$ 1,227,593	\$ 223,750	\$ -	\$ -
-	-	-	-	-	-	760
-	-	-	-	-	135,226	-
2,519	-	3,927	-	636	(112)	-
-	-	-	-	-	-	-
-	2,400	-	-	-	1,000	-
2,519	252,573	1,490,961	1,227,593	224,386	136,114	760
-	35,638	-	12,260	280,632	-	-
-	-	-	-	-	-	-
-	263,381	1,364,002	-	-	-	-
8,338	-	-	-	-	59,174	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
8,338	299,019	1,364,002	12,260	280,632	59,174	-
(5,819)	(46,446)	126,959	1,215,333	(56,246)	76,940	760
-	-	-	-	-	-	-
(3,552,254)	-	-	-	-	-	-
4,025	184,169	-	-	-	-	-
(196,278)	-	-	(1,215,333)	-	(34,544)	-
(3,744,507)	184,169	-	(1,215,333)	-	(34,544)	-
(3,750,326)	137,723	126,959	-	(56,246)	42,396	760
3,750,326	(283,690)	1,857,406	-	362,585	781,700	94,195
\$ -	\$ (145,967)	\$ 1,984,365	\$ -	\$ 306,339	\$ 824,096	\$ 94,955

(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, 2012

(With comparative totals for the year ended June 30, 2011\)

	Special Revenue Funds			
	Recreation Facilities Contributions	Traffic Safety/PD Grants	DOE Grants	Supplemental Law Enforcement Grant
REVENUES:				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Intergovernmental	-	56,491	80,008	100,000
Use of money and property	2,537	-	-	-
Charges for services	1,000	-	-	-
Other revenues	-	-	-	-
Total revenues	<u>3,537</u>	<u>56,491</u>	<u>80,008</u>	<u>100,000</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	47,556	-	-
General services	115,300	-	80,008	-
Community development	-	-	-	-
Capital outlay	454,371	9,009	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>569,671</u>	<u>56,565</u>	<u>80,008</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(566,134)</u>	<u>(74)</u>	<u>-</u>	<u>100,000</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of assets	-	-	-	-
Extraordinary loss on dissolution of redevelopment	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(145,647)	-	-	(100,000)
Total other financing sources and uses	<u>(145,647)</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>
SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	<u>(711,781)</u>	<u>(74)</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS):				
Beginning of year	2,080,383	-	-	-
End of year	<u>\$ 1,368,602</u>	<u>\$ (74)</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue Funds				Non-Major Funds Totals	
Parks & Recreation Programs	Park Improvement	Explorer Post 150	Prop 1B	2012	2011
\$ -	\$ -	\$ -	\$ -	\$ 7,866,199	\$ 7,884,945
-	-	-	-	760	4,473
-	-	-	2,781	391,612	2,192,016
-	-	-	1,888	25,538	78,005
-	-	-	-	1,000	715
-	-	-	-	4,813	68,212
-	-	-	4,669	8,289,922	10,228,366
-	-	-	-	393,801	444,024
-	-	-	-	47,556	39,924
-	-	-	-	3,966,244	4,853,499
-	-	-	-	71,825	765,743
-	-	-	170,972	799,038	965,061
-	-	-	-	500,000	882,869
-	-	-	-	48,558	65,940
-	-	-	170,972	5,827,022	8,017,060
-	-	-	(166,303)	2,462,900	2,211,306
-	-	-	-	-	750
-	-	-	-	(11,468,033)	-
-	-	-	-	384,472	238,709
-	-	-	-	(2,090,134)	(1,892,531)
-	-	-	-	(13,173,695)	(1,653,072)
-	-	-	(166,303)	(10,710,795)	558,234
-	-	-	773,186	22,391,155	21,832,921
\$ -	\$ -	\$ -	\$ 606,883	\$ 11,680,360	\$ 22,391,155

(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, 2012

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 1,539,100	\$ 1,539,100	\$ 1,638,575	\$ 99,475
Use of money and property	4,600	4,600	3,302	(1,298)
Total revenues	<u>1,543,700</u>	<u>1,543,700</u>	<u>1,641,877</u>	<u>98,177</u>
EXPENDITURES:				
Current:				
General services	756,968	756,968	736,995	19,973
Total expenditures	<u>756,968</u>	<u>756,968</u>	<u>736,995</u>	<u>19,973</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>786,732</u>	<u>786,732</u>	<u>904,882</u>	<u>118,150</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(153,300)	(153,300)	(182,916)	(29,616)
Total other financing sources (uses)	<u>(153,300)</u>	<u>(153,300)</u>	<u>(182,916)</u>	<u>(29,616)</u>
Net change in fund balances	633,432	633,432	721,966	88,534
FUND BALANCES:				
Beginning of year	929,065	929,065	929,065	-
End of year	<u>\$ 1,562,497</u>	<u>\$ 1,562,497</u>	<u>\$ 1,651,031</u>	<u>\$ 88,534</u>

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, 2012

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 2,461,000	\$ 2,461,000	\$ 2,604,160	\$ 143,160
Use of money and property	14,700	14,700	10,671	(4,029)
Total revenues	2,475,700	2,475,700	2,614,831	139,131
EXPENDITURES:				
Current:				
General services	1,417,036	1,417,036	1,406,558	10,478
Capital outlay	1,666,747	1,666,747	147,580	1,519,167
Total expenditures	3,083,783	3,083,783	1,554,138	1,529,645
REVENUES OVER (UNDER) EXPENDITURES	(608,083)	(608,083)	1,060,693	1,668,776
OTHER FINANCING SOURCES (USES):				
Transfers out	(495,500)	(495,500)	(201,872)	293,628
Total other financing sources (uses)	(495,500)	(495,500)	(201,872)	293,628
Net change in fund balances	(1,103,583)	(1,103,583)	858,821	1,962,404
FUND BALANCES:				
Beginning of year	4,131,309	4,131,309	4,131,309	-
End of year	\$ 3,027,726	\$ 3,027,726	\$ 4,990,130	\$ 1,962,404

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, 2012

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 14,900	\$ 14,900	\$ 17,106	\$ 2,206
Total revenues	<u>14,900</u>	<u>14,900</u>	<u>17,106</u>	<u>2,206</u>
EXPENDITURES:				
Capital outlay	14,900	14,900	17,106	(2,206)
Total expenditures	<u>14,900</u>	<u>14,900</u>	<u>17,106</u>	<u>(2,206)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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>-</u>	<u>-</u>
FUND BALANCES (DEFICIT):				
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

Former RDA Low/Moderate Housing Special Revenue Fund

For the year ended June 30, 2012

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
REVENUES:				
Taxes and assessments	\$ 934,526	\$ 934,526	\$ 434,914	\$ (499,612)
Use of money and property	-	-	170	170
Other revenues	9,937	9,937	1,413	(8,524)
Total revenues	944,463	944,463	436,497	(507,966)
EXPENDITURES:				
Current:				
General government	119,058	119,058	65,271	53,787
Community development	6,665	6,665	4,313	2,352
Debt service:				
Principal	-	-	500,000	(500,000)
Interest	255,000	255,000	48,558	206,442
Total expenditures	380,723	380,723	618,142	(237,419)
REVENUES OVER (UNDER) EXPENDITURES	563,740	563,740	(181,645)	(745,385)
OTHER FINANCING SOURCES (USES):				
Proceeds from line of credit	-	-	-	-
Extraordinary loss on dissolution of redevelopment	-	-	(7,915,779)	(7,915,779)
Transfers in	-	-	196,278	196,278
Transfers out	(30,965)	(30,965)	(13,544)	17,421
Total other financing sources (uses)	(30,965)	(30,965)	(7,733,045)	(7,702,080)
Net change in fund balances	532,775	532,775	(7,914,690)	(8,447,465)
FUND BALANCES:				
Beginning of year	7,914,690	7,914,690	7,914,690	-
End of year	\$ 8,447,465	\$ 8,447,465	\$ -	\$ (8,447,465)

City of Rocklin, California

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

Former RDA Down Payment Assistance Special Revenue Fund

For the year ended June 30, 2012

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 1,000	\$ 1,000	\$ 2,519	\$ 1,519
Total revenues	1,000	1,000	2,519	1,519
EXPENDITURES:				
Current:				
Community development	13,530	13,530	8,338	5,192
Total expenditures	13,530	13,530	8,338	5,192
REVENUES OVER (UNDER) EXPENDITURES				
	(12,530)	(12,530)	(5,819)	6,711
OTHER FINANCING SOURCES (USES):				
Extraordinary loss on dissolution of redevelopment	-	-	(3,552,254)	(3,552,254)
Transfers in	6,865	6,865	4,025	(2,840)
Transfers out	-	-	(196,278)	(196,278)
Total other financing sources (uses)	6,865	6,865	(3,744,507)	(3,751,372)
Net change in fund balances	(5,665)	(5,665)	(3,750,326)	(3,744,661)
FUND BALANCES:				
Beginning of year	3,750,326	3,750,326	3,750,326	-
End of year	\$ 3,744,661	\$ 3,744,661	\$ -	\$ (3,744,661)

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, 2012

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 250,700	\$ 250,700	\$ 250,173	\$ (527)
Other revenues	-	-	2,400	2,400
Total revenues	250,700	250,700	252,573	1,873
EXPENDITURES:				
Current:				
General government	35,500	35,500	35,638	(138)
General services	272,353	272,353	263,381	8,972
Total expenditures	307,853	307,853	299,019	8,834
REVENUES OVER (UNDER) EXPENDITURES	(57,153)	(57,153)	(46,446)	10,707
OTHER FINANCING SOURCES (USES):				
Transfers in	194,966	194,966	184,169	(10,797)
Total other financing sources (uses)	194,966	194,966	184,169	(10,797)
Net change in fund balances	137,813	137,813	137,723	(90)
FUND BALANCES (DEFICIT):				
Beginning of year	(283,690)	(283,690)	(283,690)	-
End of year	\$ (145,877)	\$ (145,877)	\$ (145,967)	\$ (90)

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, 2012

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 1,495,715	\$ 1,495,715	\$ 1,487,034	\$ (8,681)
Use of money and property	7,000	7,000	3,927	(3,073)
Total revenues	1,502,715	1,502,715	1,490,961	(11,754)
EXPENDITURES:				
Current:				
General services	1,486,587	1,486,587	1,364,002	122,585
Total expenditures	1,486,587	1,486,587	1,364,002	122,585
REVENUES OVER (UNDER) EXPENDITURES	16,128	16,128	126,959	110,831
OTHER FINANCING SOURCES (USES):				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	16,128	16,128	126,959	110,831
FUND BALANCES:				
Beginning of year	1,857,406	1,857,406	1,857,406	-
End of year	<u>\$ 1,873,534</u>	<u>\$ 1,873,534</u>	<u>\$ 1,984,365</u>	<u>\$ 110,831</u>

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, 2012

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 1,146,323	\$ 1,146,323	\$ 1,227,593	\$ 81,270
Total revenues	<u>1,146,323</u>	<u>1,146,323</u>	<u>1,227,593</u>	<u>81,270</u>
EXPENDITURES:				
Current:				
General government	11,500	11,500	12,260	(760)
Total expenditures	<u>11,500</u>	<u>11,500</u>	<u>12,260</u>	<u>(760)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,134,823</u>	<u>1,134,823</u>	<u>1,215,333</u>	<u>80,510</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,134,823)	(1,134,823)	(1,215,333)	(80,510)
Total other financing sources (uses)	<u>(1,134,823)</u>	<u>(1,134,823)</u>	<u>(1,215,333)</u>	<u>(80,510)</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, 2012

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 222,000	\$ 222,000	\$ 223,750	\$ 1,750
Use of money and property	1,200	1,200	636	(564)
Total revenues	223,200	223,200	224,386	1,186
EXPENDITURES:				
Current:				
General government	248,578	248,578	280,632	(32,054)
Capital outlay	50,000	50,000	-	50,000
Total expenditures	298,578	298,578	280,632	17,946
REVENUES OVER (UNDER) EXPENDITURES	(75,378)	(75,378)	(56,246)	19,132
Net change in fund balances	(75,378)	(75,378)	(56,246)	19,132
FUND BALANCES:				
Beginning of year	362,585	362,585	362,585	-
End of year	\$ 287,207	\$ 287,207	\$ 306,339	\$ 19,132

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, 2012

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 157,128	\$ 157,128	\$ 135,226	\$ (21,902)
Use of money and property	1,000	1,000	(112)	(1,112)
Other revenues	-	-	1,000	1,000
Total revenues	158,128	158,128	136,114	(22,014)
EXPENDITURES:				
Current:				
Community development	104,175	104,175	59,174	45,001
Capital outlay	38,084	38,084	-	38,084
Total expenditures	142,259	142,259	59,174	83,085
REVENUES OVER (UNDER) EXPENDITURES	15,869	15,869	76,940	61,071
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(34,544)	(34,544)	(34,544)	-
Total other financing sources (uses)	(34,544)	(34,544)	(34,544)	-
Net change in fund balances	(18,675)	(18,675)	42,396	61,071
FUND BALANCES:				
Beginning of year	781,700	781,700	781,700	-
End of year	\$ 763,025	\$ 763,025	\$ 824,096	\$ 61,071

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, 2012

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
REVENUES:				
Fines and forfeitures	\$ -	\$ -	\$ 760	\$ 760
Total revenues	<u>-</u>	<u>-</u>	<u>760</u>	<u>760</u>
EXPENDITURES:				
Current:				
Public safety	35,000	35,000	-	35,000
Total expenditures	<u>35,000</u>	<u>35,000</u>	<u>-</u>	<u>35,000</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(35,000)</u>	<u>(35,000)</u>	<u>760</u>	<u>35,760</u>
OTHER FINANCING SOURCES (USES):				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(35,000)</u>	<u>(35,000)</u>	<u>760</u>	<u>35,760</u>
FUND BALANCES:				
Beginning of year	94,195	94,195	94,195	-
End of year	<u>\$ 59,195</u>	<u>\$ 59,195</u>	<u>\$ 94,955</u>	<u>\$ 35,760</u>

City of Rocklin, California

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

Recreation Facilities Contribution Special Revenue Fund

For the year ended June 30, 2012

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 6,400	\$ 6,400	\$ 2,537	\$ (3,863)
Charges for services	-	-	1,000	1,000
Total revenues	6,400	6,400	3,537	(2,863)
EXPENDITURES:				
Current:				
General services	-	-	115,300	(115,300)
Capital outlay	685,050	685,050	454,371	230,679
Total expenditures	685,050	685,050	569,671	115,379
REVENUES OVER (UNDER) EXPENDITURES	(678,650)	(678,650)	(566,134)	112,516
OTHER FINANCING SOURCES (USES):				
Transfers out	(140,800)	(140,800)	(145,647)	(4,847)
Total other financing sources (uses)	(140,800)	(140,800)	(145,647)	(4,847)
Net change in fund balances	(819,450)	(819,450)	(711,781)	107,669
FUND BALANCES:				
Beginning of year	2,080,383	2,080,383	2,080,383	-
End of year	<u>\$ 1,260,933</u>	<u>\$ 1,260,933</u>	<u>\$ 1,368,602</u>	<u>\$ 107,669</u>

City of Rocklin, California

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

Traffic Safety/PD Grants Special Revenue Fund

For the year ended June 30, 2012

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
REVENUES:				
Intergovernmental	\$ 6,100	\$ 6,100	\$ 56,491	\$ 50,391
Total revenues	<u>6,100</u>	<u>6,100</u>	<u>56,491</u>	<u>50,391</u>
EXPENDITURES:				
Current:				
Public safety	-	-	47,556	(47,556)
Capital outlay	-	-	9,009	(9,009)
Total expenditures	<u>-</u>	<u>-</u>	<u>56,565</u>	<u>(56,565)</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>6,100</u>	<u>6,100</u>	<u>(74)</u>	<u>(6,174)</u>
Net change in fund balances	<u>6,100</u>	<u>6,100</u>	<u>(74)</u>	<u>(6,174)</u>
FUND BALANCES:				
Beginning of year	-	-	-	-
End of year	<u>\$ 6,100</u>	<u>\$ 6,100</u>	<u>\$ (74)</u>	<u>\$ (6,174)</u>

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, 2012

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 81,043	\$ 81,043	\$ 80,008	\$ (1,035)
Total revenues	<u>81,043</u>	<u>81,043</u>	<u>80,008</u>	<u>(1,035)</u>
EXPENDITURES:				
Current:				
General services	81,043	81,043	80,008	1,035
Total expenditures	<u>81,043</u>	<u>81,043</u>	<u>80,008</u>	<u>1,035</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, 2012

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

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, 2012

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Current:				
General services	-	-	-	-
Total expenditures	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
FUND BALANCES:				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

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, 2012

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Other revenues	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Current:				
General services	-	-	-	-
Total expenditures	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
Net change in fund balances	-	-	-	-
FUND BALANCES:				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

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, 2012

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

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, 2012

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 2,781	\$ 2,781
Use of money and property	100	100	1,888	1,788
Total revenues	100	100	4,669	4,569
EXPENDITURES:				
Current:				
Capital outlay	773,221	778,946	170,972	607,974
Total expenditures	773,221	778,946	170,972	607,974
REVENUES OVER (UNDER) EXPENDITURES	(773,121)	(778,846)	(166,303)	612,543
OTHER FINANCING SOURCES (USES):				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(773,121)	(778,846)	(166,303)	612,543
FUND BALANCES:				
Beginning of year	773,186	773,186	773,186	-
End of year	\$ 65	\$ (5,660)	\$ 606,883	\$ 612,543

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
<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, 2012

(With comparative totals for June 30, 2011)

	Capital Projects Funds				
	Park Development	Community Park Fees	Capital Construction Projects	Oak Tree Mitigation	Public Improvement Agreement
ASSETS					
Cash and investments	\$ -	\$ -	\$ -	\$ 1,329,039	\$ 1,143,810
Restricted cash and investments	-	-	-	-	-
Receivables:					
Intergovernmental	-	-	-	-	-
Total assets	\$ -	\$ -	\$ -	\$ 1,329,039	\$ 1,143,810
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ 11,172
Due to other funds	2,461,199	1,420,738	1,202,577	-	-
Deferred revenue	-	-	-	-	-
Advances from other funds	-	-	634,665	-	-
Total liabilities	2,461,199	1,420,738	1,837,242	-	11,172
Fund Balances:					
Nonspendable					
Advances to other funds	-	-	-	-	-
Loans/Notes receivable	-	-	-	-	-
Endowments	-	-	-	-	-
Restricted	-	-	-	-	1,132,638
Assigned	-	-	-	1,329,039	-
Unassigned (Deficit)	(2,461,199)	(1,420,738)	(1,837,242)	-	-
Total fund balances	(2,461,199)	(1,420,738)	(1,837,242)	1,329,039	1,132,638
Total liabilities and fund balances	\$ -	\$ -	\$ -	\$ 1,329,039	\$ 1,143,810

Permanent Funds		Debt Service Fund	Non-Major Funds Totals	
Wetlands Maintenance	Conservation Easement Endowment	Capital Construction Debt Service	2012	2011
\$ 21,493	\$ 454,008	\$ 2	\$ 2,948,352	\$ 3,502,491
38,382	-	1	38,383	38,383
-	-	-	-	11,317
<u>\$ 59,875</u>	<u>\$ 454,008</u>	<u>\$ 3</u>	<u>\$ 2,986,735</u>	<u>\$ 3,552,191</u>
\$ -	\$ -	\$ -	\$ 11,172	\$ 72,689
-	-	-	5,084,514	4,660,201
-	-	-	-	-
-	-	-	634,665	846,219
-	-	-	<u>5,730,351</u>	<u>5,579,109</u>
-	-	-	-	-
-	-	-	-	-
38,000	453,455	-	491,455	491,455
-	-	3	1,132,641	1,527,918
21,875	553	-	1,351,467	1,449,228
-	-	-	(5,719,179)	(5,495,519)
<u>59,875</u>	<u>454,008</u>	<u>3</u>	<u>(2,743,616)</u>	<u>(2,026,918)</u>
<u>\$ 59,875</u>	<u>\$ 454,008</u>	<u>\$ 3</u>	<u>\$ 2,986,735</u>	<u>\$ 3,552,191</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, 2012

(With comparative totals for the year ended June 30, 2011)

	Capital Projects Funds				
	Park Development	Community Park Fees	Capital Construction Projects	Oak Tree Mitigation	Public Improvement Agreement
REVENUES:					
Taxes and assessments	\$ -	\$ -	\$ -	\$ 1,362	\$ -
Intergovernmental	-	-	-	-	-
Use of money and property	-	-	-	2,640	3,340
Charges for services	-	40,036	-	-	-
Contributions from developers and homeowners	-	-	449,309	-	-
Other revenues	-	-	-	-	-
Total revenues	-	40,036	449,309	4,002	3,340
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
General services	-	-	-	82,460	-
Community development	-	-	3,634	-	-
Capital outlay	-	-	-	-	243,737
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	71,686	41,964	55,748	-	-
Total expenditures	71,686	41,964	59,382	82,460	243,737
REVENUES OVER (UNDER) EXPENDITURES	(71,686)	(1,928)	389,927	(78,458)	(240,397)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	(539,973)	(20,638)	(154,882)
Total other financing sources and (uses)	-	-	(539,973)	(20,638)	(154,882)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	(71,686)	(1,928)	(150,046)	(99,096)	(395,279)
FUND BALANCES (DEFICITS):					
Beginning of year	(2,389,513)	(1,418,810)	(1,687,196)	1,428,135	1,527,917
End of year	<u>\$ (2,461,199)</u>	<u>\$ (1,420,738)</u>	<u>\$ (1,837,242)</u>	<u>\$ 1,329,039</u>	<u>\$ 1,132,638</u>

Permanent Funds		Debt Service Fund	Non-Major Funds Totals	
Wetlands Maintenance	Conservation Easement Endowment	Capital Construction Debt Service	2012	2011
\$ -	\$ -	\$ -	\$ 1,362	\$ 150,157
-	-	-	-	95,317
3,244	(189)	2	9,037	8,726
-	-	-	40,036	22,285
-	-	-	449,309	391,375
-	-	-	-	-
3,244	(189)	2	499,744	667,860
-	-	-	-	-
-	-	-	-	-
-	-	-	82,460	35,941
-	-	-	3,634	-
-	-	-	243,737	866,501
-	-	405,000	405,000	485,000
-	-	134,973	304,371	288,101
-	-	539,973	1,039,202	1,675,543
3,244	(189)	(539,971)	(539,458)	(1,007,683)
-	-	539,973	539,973	2,884,380
(1,720)	-	-	(717,213)	(648,159)
(1,720)	-	539,973	(177,240)	2,236,221
1,524	(189)	2	(716,698)	1,228,538
58,351	454,197	1	(2,026,918)	(3,255,456)
\$ 59,875	\$ 454,008	\$ 3	\$ (2,743,616)	\$ (2,026,918)

This page intentionally left blank.

AGENCY FUNDS

Fund	Description
Private Purpose Trust Funds	
Successor Agency - Non Housing	Accounts for activities related to the Former Redevelopment Agency's non-housing funds.
Housing	Accounts for activities related to the Former Redevelopment Agency's low and moderate income housing funds. On January 24, 2012, the City Council elected not to become the Successor Agency for the former Rocklin Redevelopment Agency Housing in accordance with the Bill.
Agency Funds	
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 Net Assets
Private Purpose Trust Funds
June 30, 2012

	<u>Successor Agency</u>		
	<u>Non-Housing</u>	<u>Housing</u>	<u>Totals</u>
ASSETS			
Current assets:			
Cash and investments	\$ 3,812,249	\$ 57,377	\$ 3,869,626
Accounts receivable	27,000	-	27,000
Loans receivable	-	10,510,655	10,510,655
Total current assets	<u>3,839,249</u>	<u>10,568,032</u>	<u>14,407,281</u>
Non-Current assets:			
Advances to other funds	-	900,000	900,000
Intangible assets, net	1,288,858	-	1,288,858
Property, plant, and equipment, net	5,764,099	-	5,764,099
Advances to Public Financing Authority	460,000	-	460,000
Total Non-current assets	<u>7,512,957</u>	<u>900,000</u>	<u>8,412,957</u>
Total assets	<u><u>\$11,352,206</u></u>	<u><u>\$11,468,032</u></u>	<u><u>\$22,820,238</u></u>
LIABILITIES AND NET ASSETS			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 93,205	\$ -	\$ 93,205
Interest payable	394,192	-	394,192
Total current liabilities	<u>487,397</u>	<u>-</u>	<u>487,397</u>
Long-term liabilities:			
Advances from other funds	900,000	-	900,000
Advances from City of Rocklin General Fund	948,708	-	948,708
Line of credit	2,898,205	-	2,898,205
Quarry loan payable	488,491	-	488,491
Due within one year	625,000	-	625,000
Due after one year	26,685,000	-	26,685,000
Total long-term liabilities	<u>32,545,404</u>	<u>-</u>	<u>32,545,404</u>
Total liabilities	<u>33,032,801</u>	<u>-</u>	<u>33,032,801</u>
Net Assets (Deficit):			
Net assets held in trust for Redevelopment Dissolution	(21,680,595)	11,468,032	-
Total liabilities and net assets	<u><u>\$11,352,206</u></u>	<u><u>\$11,468,032</u></u>	<u><u>\$22,820,238</u></u>

City of Rocklin, California
Combining Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Funds
For the year ended June 30, 2012

	<u>Successor Agency</u>		<u>Totals</u>
	<u>Non-Housing</u>	<u>Housing</u>	
ADDITIONS:			
Property taxes	\$ 1,534,419	\$ 435,915	\$ 1,970,334
Investment earnings	-	738	738
Net assets received upon dissolution of redevelopment agency	(21,939,444)	11,468,033	(10,471,411)
Total additions	<u>(20,405,025)</u>	<u>11,904,686</u>	<u>(8,500,339)</u>
DEDUCTIONS:			
Community development	1,275,570	436,654	1,712,224
Total deductions	<u>1,275,570</u>	<u>436,654</u>	<u>1,712,224</u>
CHANGE IN FIDUCIARY NET ASSETS	(21,680,595)	11,468,032	(10,212,563)
NET ASSETS (DEFICIT):			
Beginning of year	-	-	-
End of year	<u>\$ (21,680,595)</u>	<u>\$ 11,468,032</u>	<u>\$ (10,212,563)</u>

City of Rocklin, California
Combining Statement of Assets and Liabilities

Agency Funds

June 30, 2012

(With comparative totals for June 30, 2011)

	Community Facilities District #2	Community Facilities District #3	Community Facilities District #4	Community Facilities District #5	Community Facilities District #6
ASSETS					
Cash and investments	\$ 158,359	\$ 259	\$ 54,690	\$ 3,775,497	\$ 891
Cash and investments held by trustees	-	3,263,988	-	-	125,746
Receivables:					
Accounts	-	-	-	-	-
Assessments	953	38,979	296	37,848	5,839
Other	-	-	-	-	-
Total assets	\$ 159,312	\$ 3,303,226	\$ 54,986	\$ 3,813,345	\$ 132,476
LIABILITIES					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 88,258	\$ -
Due to others	159,312	3,303,226	54,986	3,725,087	132,476
Total liabilities	\$ 159,312	\$ 3,303,226	\$ 54,986	\$ 3,813,345	\$ 132,476

Community Facilities District #7	Community Facilities District #8	Community Facilities District #9	Community Facilities District #10	Community Facilities District #11	EIR Consultant's Trust
\$ 15	\$ 285	\$ 368	\$ 642	\$ 2,661,381	\$ -
381,760	348,568	565,562	2,891,779	-	-
-	-	-	-	-	-
6,364	9,601	22,455	11,526	-	-
-	-	-	-	-	-
<u>\$ 388,139</u>	<u>\$ 358,454</u>	<u>\$ 588,385</u>	<u>\$ 2,903,947</u>	<u>\$ 2,661,381</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
388,139	358,454	588,385	2,903,947	2,661,381	-
<u>\$ 388,139</u>	<u>\$ 358,454</u>	<u>\$ 588,385</u>	<u>\$ 2,903,947</u>	<u>\$ 2,661,381</u>	<u>\$ -</u>

(continued)

City of Rocklin, California
Combining Statement of Assets and Liabilities, Continued

Agency Funds

June 30, 2012

(With comparative totals for June 30, 2011)

	Boroski Landfill		Totals	
	Monitoring Trust	Fire Comm/ Assoc Emergency	2012	2011
ASSETS				
Cash and investments	\$ -	\$ -	\$ 6,652,387	\$ 4,118,543
Cash and investments held by trustees	-	-	7,577,403	11,367,988
Receivables:				
Accounts	346	-	346	-
Assessments	-	-	133,861	305,225
Other	-	-	-	-
Total assets	\$ 346	\$ -	\$ 14,363,997	\$ 15,791,756
LIABILITIES				
Accounts payable and accrued liabilities	\$ 346	\$ -	\$ 88,604	\$ 89,667
Due to others	-	-	14,275,393	15,702,089
Total liabilities	\$ 346	\$ -	\$ 14,363,997	\$ 15,791,756

(concluded)

City of Rocklin, California
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2012

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
COMMUNITY FACILITIES DISTRICT #2				
ASSETS				
Cash and investments	\$ 625	\$ 158,359	\$ (625)	\$ 158,359
Cash and investments held by trustees	1,952,703	-	(1,952,703)	-
Receivables:				
Assessments	12,774	953	(12,774)	953
Total assets	<u>\$ 1,966,102</u>	<u>\$ 159,312</u>	<u>\$ (1,966,102)</u>	<u>\$ 159,312</u>
LIABILITIES				
Due to (from) others	\$ 1,966,102	\$ 159,312	\$ (1,966,102)	\$ 159,312
Total liabilities	<u>\$ 1,966,102</u>	<u>\$ 159,312</u>	<u>\$ (1,966,102)</u>	<u>\$ 159,312</u>
COMMUNITY FACILITIES DISTRICT #3				
ASSETS				
Cash and investments	\$ 524	\$ 259	\$ (524)	\$ 259
Cash and investments held by trustees	3,400,647	3,263,988	(3,400,647)	3,263,988
Receivables:				
Assessments	42,301	38,979	(42,301)	38,979
Total assets	<u>\$ 3,443,472</u>	<u>\$ 3,303,226</u>	<u>\$ (3,443,472)</u>	<u>\$ 3,303,226</u>
LIABILITIES				
Due to (from) others	\$ 3,443,472	\$ 3,303,226	\$ (3,443,472)	\$ 3,303,226
Total liabilities	<u>\$ 3,443,472</u>	<u>\$ 3,303,226</u>	<u>\$ (3,443,472)</u>	<u>\$ 3,303,226</u>
COMMUNITY FACILITIES DISTRICT #4				
ASSETS				
Cash and investments	\$ 50,444	\$ 54,690	\$ (50,444)	\$ 54,690
Receivables:				
Assessments	1,372	296	(1,372)	296
Total assets	<u>\$ 51,816</u>	<u>\$ 54,986</u>	<u>\$ (51,816)</u>	<u>\$ 54,986</u>
LIABILITIES				
Due to (from) others	\$ 51,816	\$ 54,986	\$ (51,816)	\$ 54,986
Total liabilities	<u>\$ 51,816</u>	<u>\$ 54,986</u>	<u>\$ (51,816)</u>	<u>\$ 54,986</u>

(continued)

City of Rocklin, California
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2012

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
COMMUNITY FACILITIES DISTRICT #5				
ASSETS				
Cash and investments	\$ 3,573,850	\$ 3,775,497	\$ (3,573,850)	\$ 3,775,497
Receivables:				
Assessments	52,056	37,848	(52,056)	37,848
Total assets	<u>\$ 3,625,906</u>	<u>\$ 3,813,345</u>	<u>\$ (3,625,906)</u>	<u>\$ 3,813,345</u>
LIABILITIES				
Accounts payable	\$ 89,510	\$ 88,258	\$ (89,510)	\$ 88,258
Due to (from) others	3,536,396	3,725,087	(3,536,396)	3,725,087
Total liabilities	<u>\$ 3,625,906</u>	<u>\$ 3,813,345</u>	<u>\$ (3,625,906)</u>	<u>\$ 3,813,345</u>
COMMUNITY FACILITIES DISTRICT #6				
ASSETS				
Cash and investments	\$ 138	\$ 891	\$ (138)	\$ 891
Cash and investments held by trustees	162,582	125,746	(162,582)	125,746
Receivables:				
Assessments	1,639	5,839	(1,639)	5,839
Total assets	<u>\$ 164,359</u>	<u>\$ 132,476</u>	<u>\$ (164,359)</u>	<u>\$ 132,476</u>
LIABILITIES				
Due to (from) others	\$ 164,359	\$ 132,476	\$ (164,359)	\$ 132,476
Total liabilities	<u>\$ 164,359</u>	<u>\$ 132,476</u>	<u>\$ (164,359)</u>	<u>\$ 132,476</u>
COMMUNITY FACILITIES DISTRICT #7				
ASSETS				
Cash and investments	\$ 113	\$ 15	\$ (113)	\$ 15
Cash and investments held by trustees	625,464	381,760	(625,464)	381,760
Receivables:				
Assessments	5,676	6,364	(5,676)	6,364
Total assets	<u>\$ 631,253</u>	<u>\$ 388,139</u>	<u>\$ (631,253)</u>	<u>\$ 388,139</u>
LIABILITIES				
Due to (from) others	\$ 631,253	\$ 388,139	\$ (631,253)	\$ 388,139
Total liabilities	<u>\$ 631,253</u>	<u>\$ 388,139</u>	<u>\$ (631,253)</u>	<u>\$ 388,139</u>

(continued)

City of Rocklin, California
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2012

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
COMMUNITY FACILITIES DISTRICT #8				
ASSETS				
Cash and investments	\$ 723	\$ 285	\$ (723)	\$ 285
Cash and investments held by trustees	377,390	348,568	(377,390)	348,568
Receivables:				
Assessments	5,777	9,601	(5,777)	9,601
Total assets	<u>\$ 383,890</u>	<u>\$ 358,454</u>	<u>\$ (383,890)</u>	<u>\$ 358,454</u>
LIABILITIES				
Due to (from) others	\$ 383,890	\$ 358,454	\$ (383,890)	\$ 358,454
Total liabilities	<u>\$ 383,890</u>	<u>\$ 358,454</u>	<u>\$ (383,890)</u>	<u>\$ 358,454</u>
COMMUNITY FACILITIES DISTRICT #9				
ASSETS				
Cash and investments	\$ 635	\$ 368	\$ (635)	\$ 368
Cash and investments held by trustees	629,800	565,562	(629,800)	565,562
Receivables:				
Assessments	6,193	22,455	(6,193)	22,455
Total assets	<u>\$ 636,628</u>	<u>\$ 588,385</u>	<u>\$ (636,628)</u>	<u>\$ 588,385</u>
LIABILITIES				
Due to (from) others	\$ 636,628	\$ 588,385	\$ (636,628)	\$ 588,385
Total liabilities	<u>\$ 636,628</u>	<u>\$ 588,385</u>	<u>\$ (636,628)</u>	<u>\$ 588,385</u>
COMMUNITY FACILITIES DISTRICT #10				
ASSETS				
Cash and investments	\$ 632	\$ 642	\$ (632)	\$ 642
Cash and investments held by trustees	3,951,369	2,891,779	(3,951,369)	2,891,779
Receivables:				
Assessments	19,292	11,526	(19,292)	11,526
Total assets	<u>\$ 3,971,293</u>	<u>\$ 2,903,947</u>	<u>\$ (3,971,293)</u>	<u>\$ 2,903,947</u>
LIABILITIES				
Due to (from) others	\$ 3,971,293	\$ 2,903,947	\$ (3,971,293)	\$ 2,903,947
Total liabilities	<u>\$ 3,971,293</u>	<u>\$ 2,903,947</u>	<u>\$ (3,971,293)</u>	<u>\$ 2,903,947</u>

(continued)

City of Rocklin, California
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2012

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
COMMUNITY FACILITIES DISTRICT #11				
ASSETS				
Cash and investments	\$ 480,700	\$ 2,661,381	\$ (480,700)	\$ 2,661,381
Cash and investments held by trustees	268,033	-	(268,033)	-
Receivables:				
Assessments	158,145	-	(158,145)	-
Total assets	<u>\$ 906,878</u>	<u>\$ 2,661,381</u>	<u>\$ (906,878)</u>	<u>\$ 2,661,381</u>
LIABILITIES				
Due to (from) others	\$ 906,878	\$ 2,661,381	\$ (906,878)	\$ 2,661,381
Total liabilities	<u>\$ 906,878</u>	<u>\$ 2,661,381</u>	<u>\$ (906,878)</u>	<u>\$ 2,661,381</u>
EIR CONSULTANT'S TRUST				
ASSETS				
Cash and investments	\$ 10,002	\$ -	\$ (10,002)	\$ -
Total assets	<u>\$ 10,002</u>	<u>\$ -</u>	<u>\$ (10,002)</u>	<u>\$ -</u>
LIABILITIES				
Due to (from) others	10,002	-	(10,002)	-
Total liabilities	<u>\$ 10,002</u>	<u>\$ -</u>	<u>\$ (10,002)</u>	<u>\$ -</u>
BOROWSKI LANDFILL MONITORING TRUST				
ASSETS				
Receivables:				
Accounts	\$ -	\$ 346	\$ -	\$ 346
Total assets	<u>\$ -</u>	<u>\$ 346</u>	<u>\$ -</u>	<u>\$ 346</u>
LIABILITIES				
Accounts payable	\$ -	\$ 346	\$ -	\$ 346
Total liabilities	<u>\$ -</u>	<u>\$ 346</u>	<u>\$ -</u>	<u>\$ 346</u>

(continued)

City of Rocklin, California
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2012

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
FIRE COMM/ASSOC EMERGENCY				
ASSETS				
Cash and investments	\$ 157	\$ -	\$ (157)	\$ -
Total assets	<u>\$ 157</u>	<u>\$ -</u>	<u>\$ (157)</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ 157	\$ -	\$ (157)	\$ -
Total liabilities	<u>\$ 157</u>	<u>\$ -</u>	<u>\$ (157)</u>	<u>\$ -</u>
TOTAL OF ALL AGENCY FUNDS				
ASSETS				
Cash and investments	\$ 4,118,543	\$ 6,652,387	\$ (4,118,543)	\$ 6,652,387
Cash and investments held by trustees	11,367,988	7,577,403	(11,367,988)	7,577,403
Receivables:				
Assessments	305,225	133,861	(305,225)	133,861
Total assets	<u>\$ 15,791,756</u>	<u>\$ 14,363,997</u>	<u>\$ (15,791,756)</u>	<u>\$ 14,363,997</u>
LIABILITIES				
Accounts payable	\$ 89,667	\$ 88,604	\$ (89,667)	\$ 88,604
Due to (from) others	15,702,089	14,275,393	(15,702,089)	14,275,393
Total liabilities	<u>\$ 15,791,756</u>	<u>\$ 14,363,997</u>	<u>\$ (15,791,756)</u>	<u>\$ 14,363,997</u>

(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.

Contents	Page(s)
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.	126-135
Revenue Capacity	
These schedules contain information to help the reader assess the City's property tax.	136-141
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.	142-145
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	146-147

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 Nine 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>\$ 315,859,030</u>	<u>\$ 362,451,214</u>	<u>\$ 390,487,500</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>\$ 315,859,030</u>	<u>\$ 362,451,214</u>	<u>\$ 390,487,500</u>

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 314,002,830	\$ 333,102,023	\$ 340,423,304	\$ 336,857,846	\$ 299,354,604	\$ 311,848,181
60,900,601	23,677,671	17,858,485	16,013,886	18,109,568	15,572,366
<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>26,938,604</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>	<u>\$ 354,359,151</u>
\$ 314,002,830	\$ 333,102,023	\$ 340,423,304	\$ 336,857,846	\$ 299,354,604	\$ 311,848,181
60,900,601	23,677,671	17,858,485	16,013,886	18,109,568	15,572,366
<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>26,938,604</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>	<u>\$ 354,359,151</u>

City of Rocklin, California

Changes in Net Assets

Last Nine 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.

2007	2008	2009	2010	2011	2012
\$ 9,741,574	\$ 9,384,763	\$ 12,168,677	\$ 11,502,017	\$ 12,368,561	\$ 19,941,499
19,083,423	19,270,091	21,767,874	20,187,996	19,676,954	19,500,808
11,290,399	13,831,854	11,875,302	13,203,578	-	-
-	-	-	-	21,459,947	21,000,764
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	2,388,154
-	-	-	-	-	-
1,679,110	2,099,964	2,193,456	2,225,218	2,185,827	1,801,574
<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>64,632,799</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>\$ 64,632,799</u>
\$ 482,992	\$ 2,196,509	\$ 5,409,343	\$ 878,576	\$ 1,975,872	\$ 1,936,755
1,316,682	967,850	598,746	698,784	929,151	918,751
23,643	678,409	262,526	27,097	-	-
-	-	-	-	3,096,172	2,926,972
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	1,408,754
510,641	1,192,355	3,898,104	2,891,635	8,514,569	7,875,912
16,291,432	19,471,148	2,701,074	3,845,572	1,061,788	110,327
<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>15,177,471</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>\$ 15,177,471</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>\$ (49,455,328)</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>\$ (49,455,328)</u>

(continued)

City of Rocklin, California

Changes in Net Assets

Last Nine 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)
Extraordinary gain on dissolution of redevelopment agency	-	-	-
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	<u>\$ 1,627,129</u>	<u>\$ 46,519,220</u>	<u>\$ 28,036,286</u>
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.

2007	2008	2009	2010	2011	2012
\$ 15,143,507	\$ 17,521,701	\$ 16,384,305	\$ 14,743,382	\$ 13,935,181	\$ 11,146,605
6,505,180	8,813,096	8,071,160	6,378,150	5,040,007	5,786,761
1,735,645	1,807,144	907,958	1,449,281	4,292,227	3,210,518
565,606	489,747	362,686	344,792	383,641	395,656
4,876,889	4,054,247	4,972,089	4,201,280	3,215,335	4,792,682
3,841,341	3,855,901	3,953,712	3,935,363	3,760,265	3,404,120
1,514,343	1,547,104	1,588,179	1,594,426	1,762,153	1,887,441
8,827,938	2,302,815	2,421,430	1,203,166	1,140,139	541,592
5,749,228	4,930,857	4,088,256	1,936,732	1,543,512	1,249,499
1,155,580	-	-	-	-	0
34,431	-	-	-	-	-
-	-	-	-	-	10,471,411
<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>42,886,285</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>	<u>\$ 42,886,285</u>
<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>	<u>\$ (6,569,043)</u>
<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>	<u>\$ (6,569,043)</u>

(concluded)

City of Rocklin, California
Fund Balances, Governmental Funds
 Last Nine 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	<u>19,260,657</u>	<u>21,108,235</u>	<u>20,084,521</u>
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)	<u>(263,578)</u>	<u>(2,702,088)</u>	<u>(3,909,280)</u>
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>

2007	2008	2009	2010	2011	2012
\$ 5,369,029	\$ 2,061,255	\$ 1,867,628	\$ 1,823,650	\$ 6,048,708	\$ 948,708
13,814,541	14,000,822	18,576,558	18,063,861	14,161,064	12,982,200
15,215,200	20,170,526	14,718,374	13,358,257	13,534,025	15,019,151
<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>	<u>28,950,059</u>
\$ 3,132,866	\$ 491,000	\$ 10,141,531	\$ 11,752,089	\$ 12,870,770	\$ 1,003,014
57,362,464	56,637,710	40,652,117	35,839,982	17,618,113	15,080,911
4,055,406	3,610,834	3,674,164	3,658,407	18,464,493	19,665,360
(3,794,895)	(4,967,897)	(6,749,516)	(8,573,488)	(8,674,542)	(5,865,220)
<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>29,884,065</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>	<u>\$ 58,834,124</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)

	2003	2004	2005	2006
Revenues:				
Taxes and assessments	\$ 20,279,133	\$ 22,268,208	\$ 25,174,353	\$ 29,103,934
Licenses and permits	2,974,277	3,323,649	2,763,428	3,907,127
Fines, forfeitures and penalties	114,139	212,659	214,119	205,709
Intergovernmental	6,478,454	1,586,363	3,818,710	2,875,891
Use of money and property	5,047,275	6,122,756	7,931,410	9,498,950
Charges for services	4,618,090	6,187,910	28,971,348	6,250,237
Contributions from developers and homeowners	-	-	21,716,831	25,272,727
Other revenues	3,875,989	823,886	1,111,585	1,803,980
Total revenues	\$ 43,387,357	\$ 40,525,431	\$ 91,701,784	\$ 78,918,555
Expenditures:				
General government	\$ 5,570,452	\$ 6,764,267	\$ 6,261,000	\$ 8,255,800
Public safety	9,420,221	10,419,285	13,440,469	15,366,655
Public works	2,843,223	2,794,755	2,793,855	3,633,435
General services	-	-	-	-
Culture and recreation	6,597,622	7,197,243	8,005,293	10,545,557
Community development	3,859,698	3,466,691	4,635,729	4,503,658
Capital outlay	8,665,705	14,356,753	42,697,281	58,344,090
Debt service:				
Principal	1,102,170	920,315	859,849	3,961,813
Interest and fiscal charges	1,955,509	1,444,546	1,681,075	1,914,971
Total expenditures	\$ 40,014,600	\$ 47,363,855	\$ 80,374,551	\$ 106,525,979
Reconciliation of Governmental Revenues				
Less Expenditures to Fund Equity:				
Revenues over (under) expenditures	\$ 3,372,757	\$ (6,838,424)	\$ 11,327,233	\$ (27,607,424)
Other financing sources (uses):				
PERS side fund payoff	-	-	-	-
Extraordinary loss on dissolution of redevelopment	-	-	-	-
Gain (loss) on sale of assets	-	-	-	-
Transfers to Internal Service Funds	15,773	59,773	-	-
Residual equity transfers	-	-	-	-
Proceeds of debt issued (refunds)	-	4,739,176	(4,000)	11,900,000
Total other financing sources (uses)	15,773	4,798,949	(4,000)	11,900,000
Net change in fund balances	\$ 3,388,530	\$ (2,039,475)	\$ 11,323,233	\$ (15,707,424)
Debt service as a percentage of noncapital expenditures	11%	8%	7%	14%

2007	2008	2009	2010	2011	2012
\$ 34,163,786	\$ 40,391,755	\$ 38,661,519	\$ 28,990,898	\$ 31,194,723	\$ 31,273,388
3,011,762	1,594,170	1,988,941	1,877,390	2,051,659	978,892
343,526	255,774	355,926	322,076	290,302	200,457
5,651,430	2,236,983	3,999,483	7,330,605	8,012,591	4,495,057
12,460,523	4,930,857	4,088,256	1,937,512	1,939,533	1,726,567
7,078,697	5,144,855	3,576,100	3,763,720	3,670,824	3,971,307
13,096,873	18,426,520	1,532,596	867,288	391,375	449,309
2,029,872	2,454,357	3,079,679	3,073,887	5,300,613	4,595,282
<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>	<u>\$ 47,690,259</u>
\$ 9,342,700	\$ 8,623,207	\$ 9,038,183	\$ 7,250,768	\$ 7,407,257	\$ 7,882,485
17,862,380	19,463,346	20,193,534	18,833,510	18,322,468	18,158,522
3,680,194	4,690,723	3,875,990	4,699,101	-	-
-	-	-	-	12,173,194	10,075,239
10,169,630	10,393,591	9,855,464	7,557,599	-	-
4,399,735	8,480,771	7,633,718	6,975,124	3,817,974	2,388,154
26,546,570	23,484,206	15,454,132	6,736,882	8,347,901	2,757,092
1,313,686	1,345,000	1,630,000	2,020,000	2,497,869	2,075,000
2,451,779	2,104,788	2,207,710	2,292,870	2,185,827	1,458,496
<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>	<u>\$ 44,794,988</u>
\$ 2,069,795	\$ (3,150,361)	\$ (12,606,231)	\$ (8,202,478)	\$ (1,900,870)	\$ 2,895,271
-	-	-	-	-	(4,517,258)
-	-	-	-	-	(13,566,520)
-	-	-	1,513	750	-
78,885	-	-	242,867	(8)	-
-	-	-	-	-	-
5,130,000	-	3,482,837	1,000,000	-	-
<u>5,208,885</u>	<u>-</u>	<u>3,482,837</u>	<u>1,244,380</u>	<u>742</u>	<u>(18,083,778)</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>\$ (15,188,507)</u>
<u>8%</u>	<u>7%</u>	<u>8%</u>	<u>10%</u>	<u>11%</u>	<u>9%</u>

City of Rocklin, California

Assessed Value and Actual Value of Taxable Property

For the last ten fiscal years

City of Rocklin:	Secured	Public Utility	Unsecured	Total	Total Direct Tax Rate
FY 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
FY 11-12	6,213,199,580	8,476,688	124,161,157	6,345,837,425	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 Union
				Water Agency	High
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
FY 11-12	1.0000	1.0000	0.0184	0.0000	0.0263

Source: Placer County Assessor 2001/02 - 2011/11 Tax Rate Table

Overlapping Rates

Rocklin Unified School District	Roseville Elementary	Roseville High	Total Tax Rate
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
0.1293	0.0467	0.0420	1.2627

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

Property Owner	Primary Land Use	2011-12			2001-02		
		Assessed Valuation ¹	Rank	% of Total	Assessed Valuation	Rank	% of Total
FAOF Meridian LLC	Residential	\$ 48,382,770	1	0.76%			
MGP X Properties LLC	Commercial	46,415,493	2	0.73			
Demmon Rocklin Ranch Partners LP	Residential	33,310,839	3	0.52			
Sunset Court at Stanford Ranch LLC	Residential	30,739,518	4	0.48	\$ 26,469,210	5	0.82%
Evergreen SR 1011 LP	Commercial	30,270,000	5	0.48			
Rocklin MSL LLC	Institutional	27,895,529	6	0.44			
Oracle Systems Corporation	Commercial	26,469,820	7	0.42			
United Natural Foods Inc	Industrial	26,016,750	8	0.41			
Gap Inc.	Industrial	25,230,540	9	0.40			
Opus Real Estate California VII Rocklin LP	Commercial	23,810,342	10	0.38			
Demmon Meridian Partners LP	Residential				57,504,495	1	0.02
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>\$ 318,541,601</u>		<u>5.02%</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
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%
2012	31,273,388	31,273,388	100%	-	31,273,388	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			
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%	725.19
2012	-	-	3,275,000	10,115,000	-	13,390,000		

Source: City financial records

City of Rocklin, California

Direct and Overlapping Debt

6/30/2011 *

2009-10 Assessed Valuation:	\$ 7,098,318,638		
Redevelopment Incremental Valuation:	560,247,353		
Adjusted Assessed Valuation:	<u>\$ 6,538,071,285</u>		
Overlapping Tax and Assessment Debt:	<u>Total Debt</u>	<u>% Applicable⁽¹⁾</u>	<u>City's Share 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)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Debt limit	\$ 556,933,700	\$ 649,711,955	\$ 758,211,165	\$ 882,190,050
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 556,933,700</u>	<u>\$ 649,711,955</u>	<u>\$ 758,211,165</u>	<u>\$ 882,190,050</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 2012

Assessed value - based on secured roll	\$ 6,213,199,580
Debt limit (15% of assessed value)	\$ 931,979,937
Debt applicable to limit:	
None	<u>-</u>
Legal debt margin	<u>\$ 931,979,937</u>

2007	2008	2009	2010	2011	2012
\$ 977,740,341	\$ 1,063,038,031	\$ 1,089,346,864	\$ 1,040,678,333	\$ 965,558,269	\$ 931,979,937
-	-	-	-	-	-
<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>	<u>\$ 931,979,937</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
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
2011	58,295	31,842	1,856,229	7.8

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 2011 - Income, Age and Education Data - US Census Bureau, most recent American Community Survey.

City of Rocklin, California

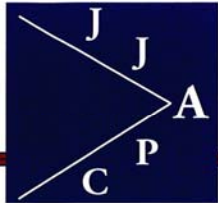
Principal Employers

Current Year and Two Years Ago

Employer	2011- 2012			2009- 2010		
	Employees	Rank	Percentage of Top 10 Employment	Employees	Rank	Percentage of Top 11 Employment
Rocklin Unified School District	861	1	23.43%	861	1	23.47%
Oracle	622	2	16.93%	622	2	16.95%
United Natural Foods	555	3	15.11%	555	3	15.13%
Sierra College	481	4	13.09%	481	4	13.11%
Educational Media Foundation	290	5	7.89%	275	6	7.50%
UPS	276	6	7.51%	276	5	7.52%
City of Rocklin	226	7	6.15%	241	7	6.57%
RC Willey	133	8	3.62%	133	8	3.62%
Verifone	118	9	3.21%	112	10	3.05%
Financial Pacific Insurance	112	10	3.05%	113	9	3.08%
Total	<u>3,674</u>			<u>3,669</u>		

Source: City Business License records

This page intentionally left blank.



JJACPA, Inc.

A Professional Accounting Services Corp.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

The Honorable City Council
City of Rocklin
Rocklin, California

We have audited the 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, 2012, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 23, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

January 23, 2013

JJACPA, Inc.

JJACPA, Inc.