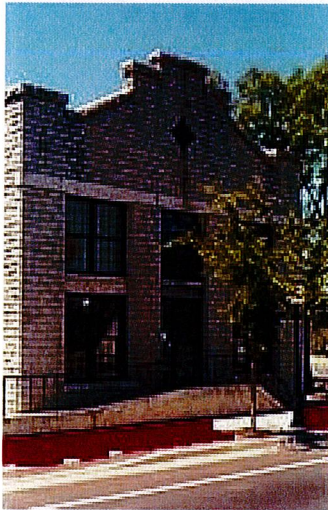


**CITY OF ROCKLIN, CALIFORNIA**  
**BASIC FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY SCHEDULES**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2009**



**City of Rocklin, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2009**

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**City of Rocklin, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2009**

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Rocklin, California (City), as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management; our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the City's June 30, 2008, financial statements, and in our report dated December 19, 2008, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2010 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

March 25, 2010

JJACPA, INC.

**City of Rocklin, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2009**

**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, 2009.

**FINANCIAL HIGHLIGHTS**

- The assets of the City exceeded liabilities at the close of fiscal year 2008-09 by \$418,643,277 (*net assets*). Of this amount, \$60,361,488 in *unrestricted net assets* is available to meet ongoing obligations to citizens and creditors, \$17,858,485 in *restricted net assets* must be used only for specific purposes and \$340,423,304 is *invested in capital assets, net of related debt*.
- The City's total net assets decreased by \$5,747,840 primarily due to the recording of a net Other Postemployment Benefits obligation of \$2,996,000 and a \$3,400,000 draw down on a Letter of Credit for assisting with rehabilitation and/or construction of affordable housing projects.
- At the close of the fiscal year, fund balance for the general fund was \$35,162,560 decreasing by \$1,070,043 as a result of constrictions on intergovernmental revenues.
- During Fiscal year 2009, the City of Rocklin implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 45 Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. For background information on GASB 45 and Other Postemployment Benefits (OPEB), see note 15 of the notes to basic financial statements.
- During the fiscal year, Standard & Poors increased the City's "Issuer Credit Rating" to AA from AA- and increased the rating on the City's Certificates of Participation to AA- from A+.

**OVERVIEW OF 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 comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) 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).

**City of Rocklin, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2009**

**Management's Discussion and Analysis, Continued**

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**OVERVIEW OF FINANCIAL STATEMENTS, Continued**

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

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

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

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

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

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

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

**City of Rocklin, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2009**

**Management's Discussion and Analysis, Continued**

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**OVERVIEW OF FINANCIAL STATEMENTS, Continued**

The City maintains 40 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, redevelopment agency capital projects and debt service, traffic circulation impact fee capital projects and community facilities district #11 capital projects fund, all of which are considered to be major funds. Data from the other 34 nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor 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 to demonstrate compliance with this budget.

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

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

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

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

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

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



**City of Rocklin, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2009**

**Management's Discussion and Analysis, Continued**

**OVERVIEW OF FINANCIAL STATEMENTS, Continued**

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 31-66 of this report.

**Other information.**

The combining statements referred to earlier in connection with nonmajor 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 68-88 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 \$418,643,277 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 82% 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**

	<b>Governmental Activities</b>	
	<b>2009</b>	<b>2008</b>
Current and other assets	\$ 95,131,508	\$ 106,004,533
Noncurrent assets	387,652,679	380,442,023
Total assets	<u>482,784,187</u>	<u>486,446,556</u>
Current and other liabilities	7,983,354	9,618,760
Long-term liabilities	56,157,556	52,436,679
Total liabilities	<u>64,140,910</u>	<u>62,055,439</u>
Net assets:		
Invested in capital assets, net of related debt	340,423,304	333,102,023
Restricted	17,858,485	23,677,671
Unrestricted	60,361,488	67,611,423
<b>Total net assets</b>	<u><u>\$ 418,643,277</u></u>	<u><u>\$ 424,391,117</u></u>

**City of Rocklin, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2009**

**Management's Discussion and Analysis, Continued**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

The remaining amount in *unrestricted net assets* \$60,361,488 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 \$63,030,340. However, as shown in the Statement of Activities on page 16, the amount that taxpayers ultimately financed for governmental activities was \$48,497,615. Those who directly benefited from city programs paid \$7,933,547. Other governments and organizations subsidized certain programs with grants and contributions in the amount of \$3,898,104 for operations and \$2,701,074 for capital. The City paid the remaining "public benefit" portion of government activities with \$16,384,305 in property taxes and \$26,365,470 in other general revenues.

Total resources available during the year to finance governmental operations were \$57,282,500. This consisted of \$14,532,725 in program revenues, \$42,749,775 in general revenues. Total governmental activities operating expenses during the year were \$63,030,340; thus net assets at July 1, 2008, of \$424,391,117 decreased by \$5,747,840 to \$418,643,277 primarily the result of a reduction in program and general revenues and the net OPEB obligation of \$2,996,000.

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

**Fund Balance to Net Assets Reconciliation**

	Fund Balance	Adjustments				Net Assets
		Capital Assets	Internal Service Fund	Internal Restrictions	Long-term Liabilities	
<b>Governmental activities:</b>						
Reserved:						
Encumbrances	\$ 194,912	\$ -	\$ -	\$ (194,912)	\$ -	\$ -
Low and moderate income housing	1,852,096	-	-	(1,852,096)	-	-
Advances to other funds	1,708,708	-	-	(1,708,708)	-	-
Loans/Notes receivable	9,808,996	-	-	(9,808,996)	-	-
Debt service	15,514,934	-	-	(15,514,934)	-	-
Capital projects	843,767	-	-	(843,767)	-	-
Endowments	491,455	-	-	(491,455)	-	-
Unreserved, designated	18,429,520	-	-	(18,429,520)	-	-
Invested in capital assets, net of related debt	-	382,430,549	3,702,755	-	(45,710,000)	340,423,304
Restricted	-	-	-	17,858,485	-	17,858,485
Unreserved, undesignated	34,036,468	-	4,898,985	31,873,591	(10,447,556)	60,361,488
<b>Total governmental activities</b>	<b>\$ 82,880,856</b>	<b>\$ 382,430,549</b>	<b>\$ 8,601,740</b>	<b>\$ 887,688</b>	<b>\$ (56,157,556)</b>	<b>\$ 418,643,277</b>

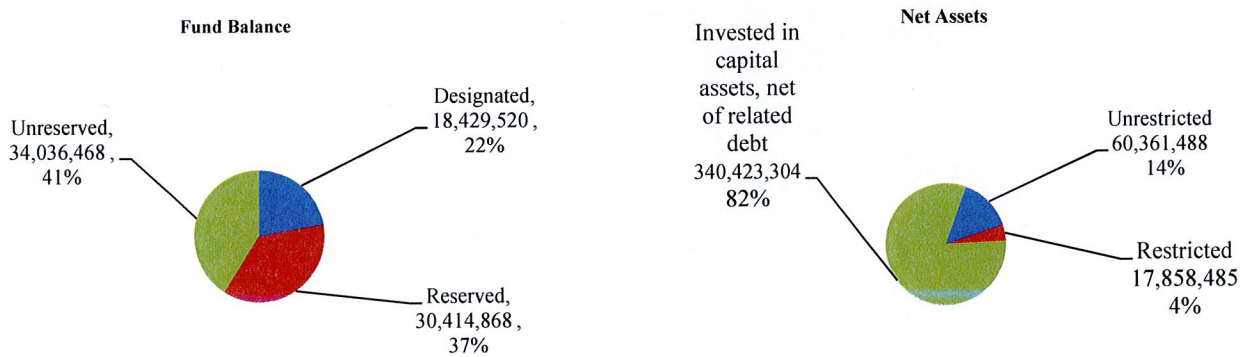
**City of Rocklin, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2009**

**Management's Discussion and Analysis, Continued**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

**Governmental Activities, Continued**

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



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

	Operating Revenue		Operating Expenses		Net (Expense) and Changes in Net Assets	
	2009	2008	2009	2008	2009	2008
<b>Governmental activities:</b>						
General government	\$ 5,409,343	\$ 2,590,269	\$ 12,168,677	\$ 9,384,763	\$ (6,759,334)	\$ (6,794,494)
Public safety	863,089	1,766,445	21,767,874	19,270,091	(20,904,785)	(17,503,646)
Public works	2,212,273	17,828,409	11,875,302	13,831,854	(9,663,029)	3,996,555
Culture and recreation	337,492	4,179,414	11,199,237	11,359,949	(10,861,745)	(7,180,535)
Community development	5,710,528	3,748,122	3,825,794	5,480,752	1,884,734	(1,732,630)
<b>Total governmental activities</b>	<b>\$ 14,532,725</b>	<b>\$ 30,112,659</b>	<b>\$ 60,836,884</b>	<b>\$ 59,327,409</b>	<b>\$ (46,304,159)</b>	<b>\$ (29,214,750)</b>

**City of Rocklin, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2009**

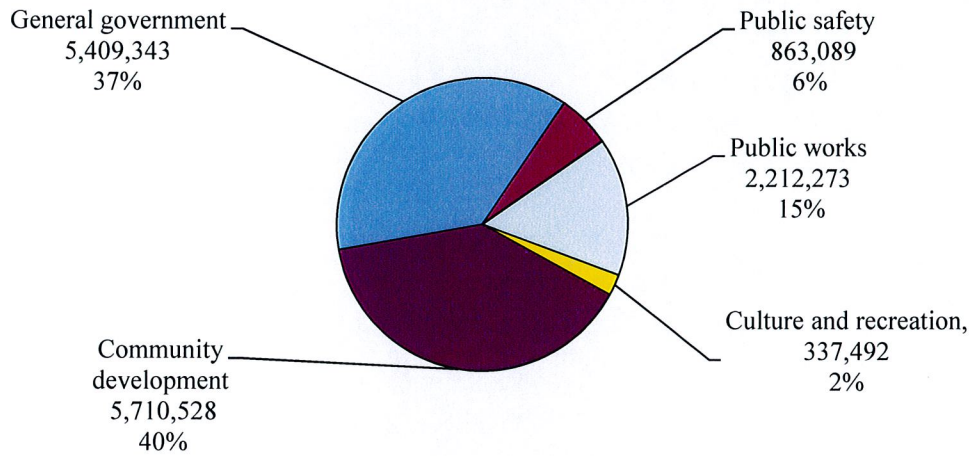
**Management's Discussion and Analysis, Continued**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

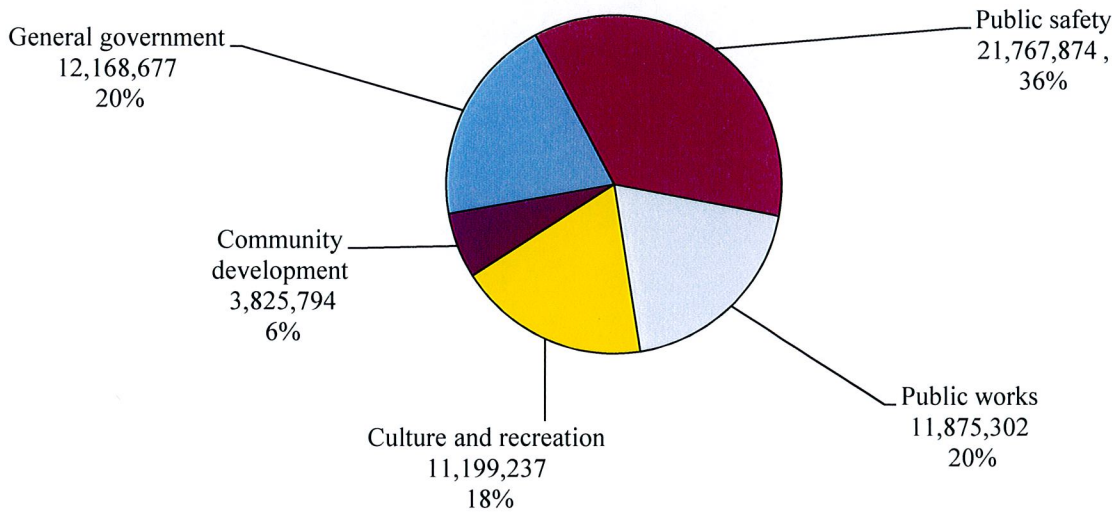
**Governmental Activities, Continued**

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, 2009**

**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, 2009, net capital assets of the governmental activities totaled \$386,133,304. 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>2009</u>	<u>2008</u>
<b>Nondepreciable assets:</b>		
Land	\$ 6,528,001	\$ 6,506,730
Land improvements	67,461	67,461
Park land	53,693,948	53,693,948
Construction in progress	56,193,469	42,554,892
<b>Total nondepreciable assets</b>	<u>116,482,879</u>	<u>102,823,031</u>
<b>Depreciable assets:</b>		
Buildings	36,380,497	36,083,949
Facilities & other improvements	2,946,675	2,785,354
Machinery & equipment	2,719,852	2,677,807
Fleet machinery & equipment	8,080,987	9,628,120
Park buildings	533,297	533,297
Park equipment	1,360,873	1,476,849
Park improvements	14,228,708	14,228,708
Infrastructure	319,023,972	314,479,061
<b>Total depreciable assets</b>	<u>385,274,861</u>	<u>381,893,145</u>
<b>Accumulated depreciation</b>	<u>(115,624,436)</u>	<u>(105,870,367)</u>
<b>Total</b>	<u>\$ 386,133,304</u>	<u>\$ 378,845,809</u>

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

**City of Rocklin, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2009**

**Management's Discussion and Analysis, Continued**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

**Debt Administration**

Debt, considered a liability of governmental activities, decreased by \$770,012, see Note 9 on page 52. Compensated absences increased by \$274,019 to \$4,242,027 of which \$1,697,781 is presented in the General Fund as a current liability.

**NEXT YEAR'S BUDGETED APPROPRIATIONS**

The adopted budget for all City funds for the new fiscal year of 2009-2010 was \$57,059,673 and is summarized as follows:

	FY 2008-09	FY 2009-10	Amount Change	Percentage Change
General fund	\$45,330,201	\$39,075,963	\$ (6,254,238)	(13.8)%
Special revenue funds	4,909,285	5,293,784	384,499	7.8%
Permanent funds	-	-	-	0.0%
Internal service funds	3,163,466	2,357,121	(806,345)	(25.5)%
Capital projects	8,853,409	9,700,505	847,096	9.6%
Total operations and projects	62,256,361	56,427,373	(5,828,988)	(9.4)%
Debt service	633,700	632,300	(1,400)	(0.2)%
<b>Total budget</b>	<b>\$62,890,061</b>	<b>\$57,059,673</b>	<b>\$ (5,830,388)</b>	<b>(9.3)%</b>

1. General Fund – Shows a decrease of \$6,254,238 or approximately 13.8%. The decrease is primarily the result of operation and personnel reductions and reallocations.
2. Special Revenue Funds – Show an increase of \$384,499 or approximately 7.8%. The increase is primarily the result of increased expenditures for certain engineering projects.
3. Internal Service Funds – Shows a decrease of \$806,345 or 25.5%, which is primarily a result of operation and personnel reductions.
4. Capital Projects – Shows an increase of \$847,096 or 9.6%, as a result of engineering projects.
5. Debt Service – Provides for the maintenance of the 2003 Certificates of Participation.

More detailed information about the City's current liabilities is presented in Note 7 to the financial statements.

**City of Rocklin, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2009**

**Management's Discussion and Analysis, Continued**

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**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

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

## **BASIC FINANCIAL STATEMENTS**



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# City of Rocklin, California

## Statement of Net Assets

June 30, 2009

(With comparative totals for June 30, 2008)

	Governmental Activities	
	2009	2008
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and investments	\$ 59,681,140	\$ 75,523,330
Restricted cash and investments	15,080,591	15,133,358
Receivables, net	19,362,151	14,102,555
Inventory and prepaid items	163,723	182,977
Internal balances	11,291	-
Other assets	832,612	1,062,313
<b>Total current assets</b>	<u>95,131,508</u>	<u>106,004,533</u>
<b>Noncurrent assets:</b>		
Intangible assets, net	1,519,375	1,596,214
Capital assets, net	386,133,304	378,845,809
<b>Total noncurrent assets</b>	<u>387,652,679</u>	<u>380,442,023</u>
<b>Total assets</b>	<u>\$ 482,784,187</u>	<u>\$ 486,446,556</u>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$ 3,033,619	\$ 4,734,226
Deposits payable	2,389,208	2,494,962
Interest payable	631,687	645,941
Compensated absences - current portion	1,742,914	1,697,780
Unearned revenue	185,926	45,851
<b>Total current liabilities</b>	<u>7,983,354</u>	<u>9,618,760</u>
<b>Noncurrent liabilities:</b>		
Long-term debt:		
Line of credit	3,482,837	-
Claims liabilities	1,469,607	2,826,451
Compensated absences	2,499,112	2,270,228
Net OPEB obligation	2,996,000	-
Due within one year	1,820,000	1,630,000
Due after one year	43,890,000	45,710,000
<b>Total noncurrent liabilities</b>	<u>56,157,556</u>	<u>52,436,679</u>
<b>Total liabilities</b>	<u>64,140,910</u>	<u>62,055,439</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	340,423,304	331,505,809
Restricted for:		
Debt service	15,514,934	15,713,860
Low and moderate income housing	1,852,096	7,472,811
Endowments	491,455	491,000
Unrestricted	60,361,488	69,207,637
<b>Total net assets</b>	<u>418,643,277</u>	<u>424,391,117</u>
<b>Total liabilities and net assets</b>	<u>\$ 482,784,187</u>	<u>\$ 486,446,556</u>

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, 2009

(With comparative totals for the year ended June 30, 2008)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	2009	2008
<b>Governmental activities:</b>						
General government	\$ 12,168,677	\$ 5,409,343	\$ -	\$ -	\$ (6,759,334)	\$ (6,794,494)
Public safety	21,767,874	598,746	264,343	-	(20,904,785)	(17,503,646)
Public works	11,875,302	262,526	781,269	1,168,478	(9,663,029)	3,996,555
Culture and recreation	11,199,237	211,128	126,364	-	(10,861,745)	(7,180,535)
Community development	3,825,794	1,451,804	2,726,128	1,532,596	1,884,734	(1,732,630)
Interest	2,193,456	-	-	-	(2,193,456)	(2,099,964)
<b>Total governmental activities</b>	<b>\$ 63,030,340</b>	<b>\$ 7,933,547</b>	<b>\$ 3,898,104</b>	<b>\$ 2,701,074</b>	<b>(48,497,615)</b>	<b>(31,314,714)</b>
General revenues:						
Taxes:						
Property taxes					16,384,305	17,521,701
Sales and use tax					8,071,160	8,813,096
Gas tax					907,958	1,807,144
Transient occupancy tax					362,686	489,747
Other taxes					4,972,089	4,054,247
Motor vehicle fees					3,953,712	3,855,901
Franchise fees					1,588,179	1,547,104
Impact fees					2,421,430	2,302,815
Interest and investment earnings					4,088,256	4,930,857
Total general revenues					42,749,775	45,322,612
Change in net assets					(5,747,840)	14,007,898
Net assets:						
Beginning - beginning					424,391,117	410,383,219
Net assets - ending					\$ 418,643,277	\$ 424,391,117

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

## FUND FINANCIAL STATEMENTS

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

# City of Rocklin, California

## Balance Sheet

Governmental Funds

June 30, 2009

(With comparative totals for June 30, 2008)

	Major Funds			
	General Fund	Public Financing Authority Debt Service	Redevelopment Agency Capital Projects	Redevelopment Agency Debt Service
<b>ASSETS</b>				
Cash and investments	\$ 23,734,930	\$ 24,842	\$ 6,281,046	\$ 2,031,228
Restricted cash and investments	-	13,306,198	-	1,774,392
Receivables:				
Taxes	1,725,619	-	-	205,399
Interest	184,654	-	26,645	-
Intergovernmental	158,920	-	198,201	-
Loans/Notes receivable	5,100,000	-	-	-
Other receivable	238,878	-	-	-
Due from other funds	7,984,734	-	-	-
Other assets	832,612	-	-	-
Advances to other funds	1,708,708	-	-	-
<b>Total assets</b>	<b>\$ 41,669,055</b>	<b>\$ 13,331,040</b>	<b>\$ 6,505,892</b>	<b>\$ 4,011,019</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 2,345,749	\$ -	\$ 11,517	\$ 118,418
Deposits payable	2,389,208	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	73,757	-	-	-
Compensated absences	1,697,781	-	-	-
Advances from other funds	-	-	-	1,708,708
<b>Total liabilities</b>	<b>6,506,495</b>	<b>-</b>	<b>11,517</b>	<b>1,827,126</b>
<b>Fund balances:</b>				
Reserved for:				
Encumbrances	194,912	-	-	-
Low and moderate income housing	-	-	-	-
Advances to other funds	1,708,708	-	-	-
Loans/Notes receivable	158,920	-	-	-
Debt service	-	13,331,040	-	2,183,893
Capital projects	-	-	-	-
Endowments	-	-	-	-
Unreserved, designated	18,381,646	-	-	-
Unreserved (deficit), reported in:				
General fund	14,718,374	-	-	-
Special revenue funds	-	-	-	-
Capital projects funds	-	-	6,494,375	-
<b>Total fund balances</b>	<b>35,162,560</b>	<b>13,331,040</b>	<b>6,494,375</b>	<b>2,183,893</b>
<b>Total liabilities and fund balances</b>	<b>\$ 41,669,055</b>	<b>\$ 13,331,040</b>	<b>\$ 6,505,892</b>	<b>\$ 4,011,019</b>

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

<b>Major Funds</b>				
<b>Traffic Circulation Impact Fee Capital Projects</b>	<b>Community Facilities District #11 Capital Projects</b>	<b>Nonmajor Governmental Funds</b>	<b>2009</b>	<b>2008</b>
\$ 9,955,294	\$ -	\$ 12,805,994	\$ 54,833,334	\$ 70,469,884
-	-	1	15,080,591	15,133,358
-	-	242,632	2,173,650	3,066,452
-	-	-	211,299	351,211
-	1,195,779	205,815	1,758,715	221,694
-	-	9,650,076	14,750,076	9,756,599
180,668	-	48,865	468,411	706,599
-	-	-	7,984,734	5,723,944
-	-	-	832,612	1,062,313
-	-	-	1,708,708	2,000,150
<u>\$ 10,135,962</u>	<u>\$ 1,195,779</u>	<u>\$ 22,953,383</u>	<u>\$ 99,802,130</u>	<u>\$ 108,492,204</u>
\$ 30,677	\$ 29,179	\$ 430,668	\$ 2,966,208	\$ 4,581,520
-	-	-	2,389,208	2,494,962
-	3,539,954	4,433,489	7,973,443	5,723,944
112,169	-	-	185,926	45,851
-	-	-	1,697,781	1,641,527
-	-	-	1,708,708	2,000,150
<u>142,846</u>	<u>3,569,133</u>	<u>4,864,157</u>	<u>16,921,274</u>	<u>16,487,954</u>
-	-	-	194,912	3,938,840
-	-	1,852,096	1,852,096	2,816,212
-	-	-	1,708,708	2,000,150
-	-	9,650,076	9,808,996	4,717,704
-	-	1	15,514,934	15,713,860
-	-	843,767	843,767	4,710,596
-	-	491,455	491,455	491,000
-	-	47,874	18,429,520	17,928,163
-	-	-	14,718,374	20,170,526
-	-	7,630,636	7,630,636	8,120,003
9,993,116	(2,373,354)	(2,426,679)	11,687,458	11,397,196
<u>9,993,116</u>	<u>(2,373,354)</u>	<u>18,089,226</u>	<u>82,880,856</u>	<u>92,004,250</u>
<u>\$ 10,135,962</u>	<u>\$ 1,195,779</u>	<u>\$ 22,953,383</u>	<u>\$ 99,802,130</u>	<u>\$ 108,492,204</u>

**City of Rocklin, California**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Assets**  
June 30, 2009

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**Total fund balances - total governmental funds** \$ 82,880,856

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. 382,430,549

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet. (56,157,556)

Governmental funds report discounts on long-term bonds and debt issuance costs (deferred charges) as expenditures, whereas these amounts are capitalized and amortized in the government-wide Statement of Net Assets. 1,519,375

Interest payable on long-term debt does not require the use of current financial resources and, therefore, is not reported in the governmental funds. (631,687)

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	\$ 5,011,529	
Noncurrent assets	3,702,755	
Accounts payable and accrued liabilities	(67,411)	
Compensated absences	(45,133)	8,601,740

**Net assets of governmental activities** \$418,643,277

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, 2009

ASSETS	Governmental Funds Balance Sheet	Internal Service Balances	Reclassifications	Changes in GAAP	Statement of Net Assets
<b>Current assets:</b>					
Cash and investments	\$ 54,833,334	\$ 4,847,806	\$ -	\$ -	\$ 59,681,140
Restricted cash and investments	15,080,591	-	-	-	15,080,591
Receivables (net)	19,362,151	-	-	-	19,362,151
Inventory and prepaid items	-	163,723	-	-	163,723
Due from other funds	7,984,734	-	(7,984,734)	-	-
Internal balances	-	-	11,291	-	11,291
Other assets	832,612	-	-	-	832,612
<b>Total current assets</b>	<u>98,093,422</u>	<u>5,011,529</u>	<u>(7,973,443)</u>	<u>-</u>	<u>95,131,508</u>
<b>Noncurrent assets:</b>					
Advances to other funds	1,708,708	-	(1,708,708)	-	-
Intangible assets, net	-	-	-	1,519,375	1,519,375
Capital assets, net	-	3,702,755	-	382,430,549	386,133,304
<b>Total noncurrent assets</b>	<u>1,708,708</u>	<u>3,702,755</u>	<u>(1,708,708)</u>	<u>382,430,549</u>	<u>387,652,679</u>
<b>Total assets</b>	<u>\$ 99,802,130</u>	<u>\$ 8,714,284</u>	<u>\$ (9,682,151)</u>	<u>\$ 383,949,924</u>	<u>\$ 482,784,187</u>
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued liabilities	\$ 2,966,208	\$ 67,411	\$ -	\$ -	\$ 3,033,619
Deposits payable	2,389,208	-	-	-	2,389,208
Due to other funds	7,973,443	-	(7,973,443)	-	-
Interest payable	-	-	-	631,687	631,687
Compensated absences	1,697,781	45,133	-	-	1,742,914
Deferred revenue	185,926	-	-	-	185,926
<b>Total current liabilities</b>	<u>15,212,566</u>	<u>112,544</u>	<u>(7,973,443)</u>	<u>631,687</u>	<u>7,983,354</u>
<b>Noncurrent liabilities:</b>					
Long-term liabilities:					
Advances from other funds	1,708,708	-	(1,708,708)	-	-
Line of credit	-	-	-	3,482,837	3,482,837
Claims liabilities	-	-	-	1,469,607	1,469,607
Compensated absences	-	-	-	2,499,112	2,499,112
Net OPEB obligation	-	-	-	2,996,000	2,996,000
Due within one year	-	-	-	1,820,000	1,820,000
Due after one year	-	-	-	43,890,000	43,890,000
<b>Total noncurrent liabilities</b>	<u>1,708,708</u>	<u>-</u>	<u>(1,708,708)</u>	<u>56,157,556</u>	<u>56,157,556</u>
<b>Total liabilities</b>	<u>16,921,274</u>	<u>112,544</u>	<u>(9,682,151)</u>	<u>56,789,243</u>	<u>64,140,910</u>
<b>FUND BALANCES/NET ASSETS</b>					
<b>Fund balances:</b>					
Reserved for:					
Encumbrances	194,912	-	(194,912)	-	-
Low and moderate income housing	1,852,096	-	(1,852,096)	-	-
Advances to other funds	1,708,708	-	(1,708,708)	-	-
Loans/Notes receivable	9,808,996	-	(9,808,996)	-	-
Debt service	15,514,934	-	(15,514,934)	-	-
Capital projects	843,767	-	(843,767)	-	-
Endowments	491,455	-	(491,455)	-	-
Unreserved, designated	18,429,520	-	(18,429,520)	-	-
Unreserved, undesignated	34,036,468	-	(34,036,468)	-	-
<b>Net assets:</b>					
Invested in capital assets, net of related debt	-	3,702,755	-	336,720,549	340,423,304
Restricted for:					
Debt service	-	-	15,514,934	-	15,514,934
Low and moderate income housing	-	-	1,852,096	-	1,852,096
Endowments	-	-	491,455	-	491,455
Unrestricted	-	4,898,985	65,022,371	(9,559,868)	60,361,488
<b>Total fund balances/ net assets</b>	<u>82,880,856</u>	<u>8,601,740</u>	<u>-</u>	<u>327,160,681</u>	<u>418,643,277</u>
<b>Total liabilities and net assets</b>	<u>\$ 99,802,130</u>	<u>\$ 8,714,284</u>	<u>\$ (9,682,151)</u>	<u>\$ 383,949,924</u>	<u>\$ 482,784,187</u>

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, 2009

(With comparative totals for the year ended June 30, 2008)

	<b>Major Funds</b>			
	<b>General Fund</b>	<b>Public Financing Authority Debt Service</b>	<b>Redevelopment Agency Capital Projects</b>	<b>Redevelopment Agency Debt Service</b>
<b>REVENUES:</b>				
Taxes and assessments	\$ 24,113,800	\$ -	\$ -	\$ 4,402,040
Licenses and permits	1,988,941	-	-	-
Fines and forfeitures	355,926	-	-	-
Intergovernmental	744,613	-	999,616	-
Use of money and property	1,962,707	966,888	188,539	41,644
Charges for services	3,420,408	-	-	-
Contributions from developers and homeowners	-	-	-	-
Other revenues	1,825,947	-	945,970	33,573
<b>Total revenues</b>	<b>34,412,342</b>	<b>966,888</b>	<b>2,134,125</b>	<b>4,477,257</b>
<b>EXPENDITURES:</b>				
Current:				
General government	7,125,306	44,401	-	1,558,956
Public safety	20,049,657	-	-	-
Public works	338,367	-	-	12,063
Culture and recreation	9,334,245	-	-	249,769
Community development	3,083,775	-	3,391,585	224,412
Capital outlay	302,990	-	-	250,000
Debt service:				
Principal	-	625,000	-	545,000
Interest	21,298	491,863	-	1,367,041
<b>Total expenditures</b>	<b>40,255,638</b>	<b>1,161,264</b>	<b>3,391,585</b>	<b>4,207,241</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(5,843,296)</b>	<b>(194,376)</b>	<b>(1,257,460)</b>	<b>270,016</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from issuance of debt	-	-	-	-
Transfers in	5,034,179	105,000	-	-
Transfers out	(260,926)	-	(691,356)	(333,740)
<b>Total other financing sources (uses)</b>	<b>4,773,253</b>	<b>105,000</b>	<b>(691,356)</b>	<b>(333,740)</b>
<b>Net change in fund balances</b>	<b>(1,070,043)</b>	<b>(89,376)</b>	<b>(1,948,816)</b>	<b>(63,724)</b>
<b>FUND BALANCES:</b>				
Beginning of year	36,232,603	13,420,416	8,443,191	2,247,617
End of year	<b>\$ 35,162,560</b>	<b>\$ 13,331,040</b>	<b>\$ 6,494,375</b>	<b>\$ 2,183,893</b>

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

<b>Major Funds</b>					
<b>Traffic Circulation Impact Fee Capital Projects</b>	<b>Community Facilities District #11 Capital Projects</b>	<b>Other Governmental Funds</b>	<b>Totals</b>		
			<b>2009</b>	<b>2008</b>	
\$ 2,391,160	\$ -	\$ 7,754,519	\$ 38,661,519	\$ 40,391,755	
-	-	-	1,988,941	1,594,170	
-	-	-	355,926	255,774	
-	1,168,478	1,086,776	3,999,483	2,236,983	
176,395	265,666	486,417	4,088,256	4,930,857	
-	-	155,692	3,576,100	5,144,855	
-	-	1,532,596	1,532,596	18,426,520	
173,771	890	99,528	3,079,679	2,454,357	
<u>2,741,326</u>	<u>1,435,034</u>	<u>11,115,528</u>	<u>57,282,500</u>	<u>75,435,271</u>	
4,244	103,038	202,238	9,038,183	8,623,207	
-	-	143,877	20,193,534	19,463,346	
2,000	-	3,523,560	3,875,990	4,690,723	
-	-	271,450	9,855,464	10,393,591	
247,650	144,478	541,818	7,633,718	8,480,771	
1,962,141	9,645,151	3,293,850	15,454,132	23,484,206	
-	-	460,000	1,630,000	1,345,000	
-	-	327,508	2,207,710	2,104,788	
<u>2,216,035</u>	<u>9,892,667</u>	<u>8,764,301</u>	<u>69,888,731</u>	<u>78,585,632</u>	
<u>525,291</u>	<u>(8,457,633)</u>	<u>2,351,227</u>	<u>(12,606,231)</u>	<u>(3,150,361)</u>	
-	-	3,482,837	3,482,837	-	
618,711	685,655	1,470,222	7,913,767	6,327,108	
(1,108,856)	(2,112,262)	(3,406,627)	(7,913,767)	(6,327,108)	
<u>(490,145)</u>	<u>(1,426,607)</u>	<u>1,546,432</u>	<u>3,482,837</u>	<u>-</u>	
35,146	(9,884,240)	3,897,659	(9,123,394)	(3,150,361)	
<u>9,957,970</u>	<u>7,510,886</u>	<u>14,191,567</u>	<u>92,004,250</u>	<u>95,154,611</u>	
<u>\$ 9,993,116</u>	<u>\$ (2,373,354)</u>	<u>\$ 18,089,226</u>	<u>\$ 82,880,856</u>	<u>\$ 92,004,250</u>	

# City of Rocklin, California

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

For the year ended June 30, 2009

Functions/Programs	Fund Based Totals	Debt Service	OPEB Obligation	Depreciation	Capital Asset (Additions)/ Retirements	Internal Service Fund	Government- wide Totals
<b>Governmental activities:</b>							
General government	\$ 9,038,183	\$ (1,051,121)	\$ 2,996,000	\$ 877,376	\$ 179,760	\$ 128,479	\$ 12,168,677
Public safety	20,193,534	-	-	1,574,340	-	-	21,767,874
Public works	3,875,990	-	-	7,999,312	-	-	11,875,302
Culture and recreation	9,855,464	-	-	1,083,328	260,445	-	11,199,237
Community development	7,633,718	-	-	-	(3,807,924)	-	3,825,794
Capital outlay	15,454,132	-	-	-	(15,454,132)	-	-
Debt service/Interest	3,837,710	(1,644,254)	-	-	-	-	2,193,456
<b>Total governmental activities</b>	<b>\$ 69,888,731</b>	<b>\$ (2,695,375)</b>	<b>\$ 2,996,000</b>	<b>\$ 11,534,356</b>	<b>\$ (18,821,851)</b>	<b>\$ 128,479</b>	<b>\$ 63,030,340</b>

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, 2009

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**Net change in fund balances - total governmental funds** **\$ (9,123,394)**

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	\$ 19,262,056	
Capital asset retirements	(440,205)	
Depreciation expense	<u>(11,534,356)</u>	7,287,495

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

Certificate of participation principal payments	460,000	
Public Financing Authority debt principal payments	525,000	
Redevelopment Agency debt principal payments	<u>645,000</u>	1,630,000

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	14,254	
Change in claim liabilities	1,356,844	
Change in long-term compensated absences	(228,884)	
Change in Net OPEB obligation	<u>(2,996,000)</u>	(1,853,786)

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

Line of credit		(3,482,837)
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Governmental funds report debt issuance costs (deferred charges) as part of debt service expenditures, whereas these costs are deferred and amortized in the government-wide Statement of Activities.

(45,984)

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

(30,855)

Internal services funds are used by management to charge the vehicle fleet maintenance to individual funds. The change in net assets of the Internal Service Funds (938,527) is included in the governmental activities in the government-wide Statement of Net Assets less amounts due to changes in capital assets \$810,048 reported above for capital assets.

(938,527)	
<u>810,048</u>	<u>(128,479)</u>

**Change in net assets of governmental activities**

**\$ (5,747,840)**

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, 2009

	General Fund			Variance w/Amended Positive (Negative)
	Original Budget	Amended Budget	Actual	
<b>REVENUES:</b>				
Taxes and assessments	\$ 27,551,500	\$ 26,176,900	\$ 24,113,800	\$ (2,063,100)
Licenses and permits	4,341,186	2,720,026	1,988,941	(731,085)
Fines and forfeitures	304,600	203,000	355,926	152,926
Intergovernmental	692,245	955,632	744,613	(211,019)
Use of money and property	1,782,594	2,666,633	1,962,707	(703,926)
Charges for services	4,078,800	3,985,519	3,420,408	(565,111)
Other revenues	718,660	1,277,657	1,825,947	548,290
<b>Total revenues</b>	<b>39,469,585</b>	<b>37,985,367</b>	<b>34,412,342</b>	<b>(3,573,025)</b>
<b>EXPENDITURES:</b>				
Current:				
General government	8,118,983	7,893,531	7,125,306	768,225
Public safety	21,476,153	21,345,975	20,049,657	1,296,318
Public works	580,581	481,181	338,367	142,814
Culture and recreation	10,330,598	10,351,185	9,334,245	1,016,940
Community development	4,478,510	3,703,139	3,083,775	619,364
Capital outlay	345,376	662,281	302,990	359,291
Debt service:				
Interest	-	-	21,298	(21,298)
<b>Total expenditures</b>	<b>45,330,201</b>	<b>44,437,292</b>	<b>40,255,638</b>	<b>4,181,654</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(5,860,616)</b>	<b>(6,451,925)</b>	<b>(5,843,296)</b>	<b>608,629</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	2,674,896	3,102,527	5,034,179	1,931,652
Transfers out	(48,200)	(10,111,859)	(260,926)	9,850,933
<b>Total other financing sources (uses)</b>	<b>2,626,696</b>	<b>(7,009,332)</b>	<b>4,773,253</b>	<b>11,782,585</b>
<b>Net change in fund balances</b>	<b>(3,233,920)</b>	<b>(13,461,257)</b>	<b>(1,070,043)</b>	<b>12,391,214</b>
<b>FUND BALANCES:</b>				
Beginning of year	36,232,603	36,232,603	36,232,603	-
End of year	<b>\$ 32,998,683</b>	<b>\$ 22,771,346</b>	<b>\$ 35,162,560</b>	<b>\$ 12,391,214</b>

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, 2009

(With comparative totals for June 30, 2008)

	Totals	
	2009	2008
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and investments	\$ 4,847,806	\$ 5,053,446
Inventory	163,723	182,977
<b>Total current assets</b>	<b>5,011,529</b>	<b>5,236,423</b>
<b>Noncurrent assets:</b>		
Capital assets, net	3,702,755	4,512,803
<b>Total assets</b>	<b>\$ 8,714,284</b>	<b>\$ 9,749,226</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$ 67,411	\$ 152,706
Compensated absences	45,133	56,253
<b>Total current liabilities</b>	<b>112,544</b>	<b>208,959</b>
<b>Total liabilities</b>	<b>112,544</b>	<b>208,959</b>
<b>Net Assets:</b>		
Invested in capital assets	3,702,755	4,512,803
Unrestricted	4,898,985	5,027,464
<b>Total net assets</b>	<b>8,601,740</b>	<b>9,540,267</b>
<b>Total liabilities and net assets</b>	<b>\$ 8,714,284</b>	<b>\$ 9,749,226</b>

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, 2009

(With comparative totals for the year ended June 30, 2008)

	Totals	
	2009	2008
<b>OPERATING REVENUES:</b>		
Fleet management cost allocation	\$ 1,344,531	\$ 2,431,427
Other	39,195	653,102
<b>Total operating revenues</b>	<u>1,383,726</u>	<u>3,084,529</u>
<b>OPERATING EXPENSES:</b>		
Salaries and benefits	779,807	808,608
Services and supplies	978,856	1,122,399
Depreciation	654,755	656,139
<b>Total operating expenses</b>	<u>2,413,418</u>	<u>2,587,146</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(1,029,692)</u>	<u>497,383</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Gain on sale of assets	91,165	-
Interest revenue	-	2,371
<b>Total non-operating revenues (expenses), net</b>	<u>91,165</u>	<u>2,371</u>
<b>NET INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	<u>(938,527)</u>	<u>499,754</u>
Transfers in (out)	<u>-</u>	<u>-</u>
<b>CHANGE IN NET ASSETS</b>	<u>(938,527)</u>	<u>499,754</u>
<b>NET ASSETS:</b>		
Beginning of year	<u>9,540,267</u>	<u>9,040,513</u>
End of year	<u>\$ 8,601,740</u>	<u>\$ 9,540,267</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, 2009

(With comparative amounts for the year ended June 30, 2008)

	Totals	
	2009	2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from interfund services provided	\$ 1,383,726	\$ 3,084,529
Cash payments to suppliers for goods and services	(1,044,897)	(1,100,987)
Cash payments to employees for services	(790,927)	(813,088)
<b>Net cash used by operating activities</b>	<b>(452,098)</b>	<b>1,170,454</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds from sale of capital assets	309,288	-
Acquisition and construction of capital assets	(62,830)	(847,963)
<b>Net cash (used) by capital and related financing activities</b>	<b>246,458</b>	<b>(847,963)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Investment income received	-	2,371
<b>Net cash provided by investing activities</b>	<b>-</b>	<b>2,371</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(205,640)</b>	<b>324,862</b>
<b>CASH AND CASH EQUIVALENTS:</b>		
Beginning of year	5,053,446	4,728,584
End of year	<b>\$ 4,847,806</b>	<b>\$ 5,053,446</b>
<b>Reconciliation of income (loss) from operations to net cash used by operating activities:</b>		
Operating income (loss)	\$ (1,029,692)	\$ 497,383
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	654,755	656,139
(Increase) decrease in current assets:		
Inventory	19,254	(42,112)
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	(85,295)	63,524
Compensated absences	(11,120)	(4,480)
<b>Net cash used by operating activities</b>	<b>\$ (452,098)</b>	<b>\$ 1,170,454</b>

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



**City of Rocklin, California**  
**Statement of Assets and Liabilities**

Agency Funds

June 30, 2009

(With comparative totals for June 30, 2008)

	<b>Totals</b>	
	<b>2009</b>	<b>2008</b>
<b>ASSETS</b>		
Cash and investments	\$ 9,312,994	\$ 9,351,806
Cash and investments held by trustees	4,033,650	4,624,798
Receivables:		
Accounts	11,291	-
Assessments	381,286	286,590
Other	-	3,787
Internal balances - due to other funds	(11,291)	-
<b>Total assets</b>	<b>\$ 13,727,930</b>	<b>\$ 14,266,981</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 178,734	\$ 147,731
Due to others	13,549,196	14,119,150
<b>Total liabilities</b>	<b>\$ 13,727,930</b>	<b>\$ 14,266,881</b>

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, 2009**

**Index to Notes to Basic Financial Statements**

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**City of Rocklin, California**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2009**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

***Financial Reporting Entity***

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

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

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

**City of Rocklin, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***Financial Reporting Entity, Continued***

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

**Redevelopment Agency of the City of Rocklin**

The Redevelopment Agency of the City of Rocklin (Agency) was formed on August 5, 1964, as a separate legal entity under the Community Redevelopment Law. The City Council acts as the governing board of the Agency in concurrent session. The City Manager acts as the Agency's Executive Director. The annual budget is approved by the Agency's Board of Directors. The State's redevelopment process provides communities at a local level with a comprehensive tool for economic development. These tools are the powers of land assembly and site preparation for private development, the ability to finance necessary public improvements, the authority to impose conditions and restrictions for the quality of developments of an area, and the capability to broaden financing capabilities utilizing a variety of public and private sources. The major source of financing to undertake redevelopment is the "tax increment." Tax increment is the additional property taxes that are paid on the value increases of new development or refurbishments within the redevelopment project area. This increment can then be leveraged for financial investments to fund the identified projects. City staff provides management assistance to the Agency. The Agency provides services entirely for the benefit of the City and the governing board consists solely of the members of the City Council. The Agency is treated as a blended component unit. All funds of the Agency have been included in the governmental activities section in the fund financial statements.

**Public Financing Authority of the City of Rocklin**

The Rocklin Public Financing Authority (Authority) was formed on June 21, 1989, as a joint powers authority between the City and the Redevelopment Agency to serve as a financing mechanism of various capital projects. The City Council acts as the governing board in a concurrent session. The Authority provides services solely for the benefit of the City and is presented in the governmental activities in the fund financial statements.

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

**City of Rocklin, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***Basis of Presentation***

*Government-Wide Financial Statements*

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

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

*Fund Financial Statements*

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

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

The City added the HUD Entitlement Grant Fund during the year. The funds of the financial reporting entity are described below:

**City of Rocklin, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*Basis of Presentation, Continued*

**Governmental Activities**

*General Fund*

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

*Special Revenue Funds*

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

*Capital Project Funds*

The Capital Projects 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, 2009**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***Basis of Presentation, Continued***

**Fiduciary Funds**

***Agency Funds***

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

***Measurement Focus***

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

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

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

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

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

***Basis of Accounting***

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



**City of Rocklin, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***Basis of Accounting, Continued***

In the fund financial statements, governmental funds and agency 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 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, 2009**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*Assets, Liabilities, and Equity, Continued*

**Interfund Receivables and Payables**

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

**Receivables**

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

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

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

**Inventories**

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

**Capital Assets**

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

**City of Rocklin, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

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**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, 2009**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*Assets, Liabilities, and Equity, Continued*

**Long-Term Debt, Continued**

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists of the 2003 Certificates of Participation (COP), Revenue Bonds, Tax Allocation Bonds, a promissory note, 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, 2009**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*Assets, Liabilities, and Equity, Continued*

**Equity Classification, Continued**

*Fund Financial Statements*

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

*Revenues, Expenditures, and Expenses*

**Property Tax**

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

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

**Interfund Transfers**

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

*Stewardship, Compliance, and Accountability*

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

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

**City of Rocklin, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

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**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 1<sup>st</sup>.
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, 2009, 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 1<sup>st</sup>.

**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, 2009**

**2. CASH AND INVESTMENTS**

At June 30, 2009, the City's pooled cash and investments, classified by maturity, consisted of the following stated at fair market value:

	Maturities (in years)			Deposits	Fair		
	<1	1 to 2	>2		Market Value		
<u>Cash equivalents and investments pooled</u>							
Pooled cash, at fair value							
Cash in bank	\$ -	\$ -	\$ -	\$ 1,781,092	\$ 1,781,092		
Petty cash	-	-	-	2,725	2,725		
Money market accounts	71,239	-	18,958	-	90,197		
Total pooled items	<u>71,239</u>	<u>-</u>	<u>18,958</u>	<u>1,783,817</u>	<u>1,874,014</u>		
Pooled investments, at fair value							
<u>Interest obligations</u>							
<u>Par</u>	<u>Rate</u>						
\$ 2,380,000	3.8%-6.875%	Corporate notes	2,420,607	-	14,689	-	2,435,296
16,546,000	0.60%-3.79%	US Treasury Notes	16,727,105	-	-	-	16,727,105
4,070,000	2.25%-6.5%	Federal Home Loan Bank	4,155,136	-	-	-	4,155,136
3,700,000	4.125%-5.25%	Federal Farm Credit Bank	3,786,863	-	-	-	3,786,863
2,000,000	2.62%-2.63%	Federal Home Loan Mortgage Corporation	2,038,075	-	-	-	2,038,075
1,700,000	2.91%-3.0%	Federal Natl. Mortgage Assoc.	1,746,309	-	-	-	1,746,309
8,021	9.50%	GNMA pool	-	-	8,442	-	8,442
		Investment in Special Assessment Bonds	-	-	11,965,000	-	11,965,000
Cash with fiscal agent - Union Bank money market			7,149,239	-	-	-	7,149,239
State of California Local Agency Investment Fund			36,222,896	-	-	-	36,222,896
Total pooled investments - interest obligations			<u>74,246,230</u>	<u>-</u>	<u>11,988,131</u>	<u>-</u>	<u>86,234,361</u>
Total cash equivalents and investments pooled			<u>\$ 74,317,469</u>	<u>\$ -</u>	<u>\$ 12,007,089</u>	<u>\$ 1,783,817</u>	<u>\$ 88,108,375</u>
<b>Amounts reported in:</b>							
Governmental activities - Unrestricted							\$ 59,681,143
Governmental activities - Restricted							15,080,588
Fiduciary activities - Unrestricted							9,312,994
Fiduciary activities - Restricted							4,033,650
<b>Total</b>							<u>\$ 88,108,375</u>

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (Years)</u>
US Government Securities	\$ 28,461,930	0.39
Local Agency Investment Fund	36,222,896	N/A
Money Market Mutual Funds	7,149,239	N/A
City Special Assessment Bonds	11,965,000	16.20
Corporate Notes	2,435,296	0.81
Total fair value	<u>\$ 86,234,361</u>	

Portfolio weighted average maturity \*\* 0.40

\*\*Does not include City Special Assessment Bonds

**City of Rocklin, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**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, 2009, the weighted average maturity was .40 years.

*Credit risk* – As of June 30, 2009, the City’s investments in money market funds were rated AAA by Standard & Poor’s and Fitch Ratings, and Aaa by Moody’s Investors Service. The State of California Local Agency Investment Fund is not rated.

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

*Custodial credit risk – deposits.* For deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City’s Investment Policy addresses custodial credit risk, which follows the Government Code. As of June 30, 2009, 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, 2009:

	Governmental Activities	Fiduciary Activities	Total
Taxes	\$ 2,173,650	\$ -	\$ 2,173,650
Assessments	-	381,286	381,286
Interest	211,299	-	211,299
Intergovernmental	1,758,715	-	1,758,715
Loans/Notes receivable	14,750,076	-	14,750,076
Other receivables	468,411	11,291	479,702
Total accounts receivable	<u>\$ 19,362,151</u>	<u>\$ 392,577</u>	<u>\$ 19,754,728</u>



**City of Rocklin, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**3. ACCOUNTS RECEIVABLE, Continued**

These amounts resulted in the following concentrations in receivables:

Other Governments	20%	Financial	1%
Special Assessments	2%	Individuals/Businesses	75%
Other	2%		

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, 2009, consisted of the following:

	Beginning July 1, 2008	Additions	Deletions	Ending June 30, 2009
Private placement bonds and related issuance costs	\$ 5,100,000	\$ -	\$ -	\$ 5,100,000
Community Development Block Grant	674,215	4,128	(105,000)	573,343
First time home buyers	1,582,320	-	(17,981)	1,564,339
Down payment assistance	850,064	553,030	(45,700)	1,357,394
Villa Serena II	1,100,000	-	-	1,100,000
College Manor	450,000	200,000	-	650,000
Sunset Blvd	-	575,000	-	575,000
St. Anton	-	1,730,000	-	1,730,000
Pacific Housing, Inc.	-	2,100,000	-	2,100,000
Total loans/notes receivable	<u>\$ 9,756,599</u>	<u>\$ 5,162,158</u>	<u>\$ (168,681)</u>	<u>\$ 14,750,076</u>

The following is a summary of the loans and notes receivable outstanding as of June 30, 2009:

**Private Placement Bonds and Related Issuance Costs** – The City loaned funds to the Community Facilities District #11 capital projects fund to be paid by the debt service fund (an Agency fund) for a major construction project within the City. This loan is anticipated to be paid off in the following years by the CFD #11 issuing special assessment bonds within the CFD #11 Agency fund. The City also loaned \$100,000 for costs incurred establishing CFD#11. The balance of this loan at June 30, 2009, was \$5,100,000.

**City of Rocklin, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

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**4. LOANS AND NOTES RECEIVABLE, Continued**

**Community Development Block Grant (CDBG) Revolving Loans** – The City participates in a CDBG Revolving loan program. The program is federally funded and provides housing rehabilitation loans to eligible applicants. The City makes loans to resident homeowners who qualify as low income, some of which are deferred and are not repaid until the title to the property changes. The balance of these loans at June 30, 2009, was \$573,343.

**First Time Home Buyers** – The City and the RDA have made various loans to qualifying participants within the City as part of the Federal First Time Home Buyers Program (HOME). Interest rates vary depending on the terms of the loan and interest is deferred until the loan is refinanced or title to the property changes and may be waived under certain conditions if the loan is carried to full term. The HOME notes receivable balance at June 30, 2009, was \$1,564,339, \$1,551,572 for the City, while the RDA notes receivable at June 30, 2009, were \$12,767.

**Down Payment Assistance Loans** – The City has made various loans to qualifying participants within the City. Interest rates vary depending on the terms of the loan and interest is deferred until the loan is refinanced or title to the property changes and may be waived under certain conditions if the loan is carried to full term. The Down Payment Assistance notes receivable at June 30, 2009, were, \$1,357,394.

**Villa Serena II Loan**- On July 24, 2001, the Redevelopment 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 finance the acquisition of real property located at Villa Serena Way and Park Drive. The loan rate is 3% simple interest and is to be repaid from residual receipts over a thirty year period with repayment deferred until the property is sold or the term expires. The loan is secured by a deed of trust covering the property, improvements, and fixtures and by all deposits of the borrower.

**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 of real property 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. The loan proceeds were distributed as follows: 1) \$450,000 disbursed immediately and 2) \$200,000 to be disbursed upon completion of landscaping as agreed to in the Landscaping Plans submitted to the Agency. At June 30, 2009, the balance of the loan was \$650,000.

**City of Rocklin, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

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**4. LOANS AND NOTES RECEIVABLE, Continued**

**Sunset Blvd.** – On June 24, 2008, the Agency Board authorized a loan in the amount of \$575,000 to Sunset Street Housing Partners for an existing apartment complex located at 3655 Sunset Blvd. The loan provides for 3% simple interest for 30 years with payments to begin after the second anniversary of the loan document execution date. Associated with this project, the Agency also approved Conduit Debt issuance in the maximum amount of \$10,000,000 in multifamily revenue bonds by the California Statewide Communities Development Authority. At June 30, 2009, the balance of the loan was \$575,000.

**St Anton** - 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 St. Anton Partners for a 156 unit multi-family housing project referred to as the Whitney Ranch Apartments. The loan provides for 3% simple interest for 30 years with amounts disbursed over a 3 year period to coincide with project construction. 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, 2009, the balance of the loan was \$1,730,000.

**Shannon Bay** - On September 9, 2008, the Agency Board authorized a housing rehabilitation loan in the amount of \$500,000 with Highland Property Development, LLC 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. 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. No funds were disbursed for fiscal year ended June 30, 2009.

**Pacific Housing, Inc.** - On December 9, 2008, the Agency Board authorized a housing rehabilitation loan in the amount of \$2,100,000 with Pacific Housing, Inc. to subsidize very low income housing referred to as the Whitney Ranch Apartments. At June 30, 2009, the balance of the loan was \$2,100,000.

**City of Rocklin, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**5. INTANGIBLE ASSETS**

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

	Original Amount	Accumulated Amortization	Amortization Expense	Balance June 30, 2009
<b>Intangible assets:</b>				
2005 Tax Allocation Bonds:				
Bond issuance costs	\$ 506,422	\$ (50,643)	\$ (16,881)	\$ 438,898
Bond discount	117,327	(11,733)	(3,911)	101,683
Totals	<u>623,749</u>	<u>(62,376)</u>	<u>(20,792)</u>	<u>540,581</u>
2007 Tax Allocation Bonds:				
Bond issuance costs	370,662	(20,801)	(12,495)	337,366
Bond discount	301,140	(20,076)	(10,038)	271,026
Totals	<u>671,802</u>	<u>(40,877)</u>	<u>(22,533)</u>	<u>608,392</u>
2003 Refunding Revenue Bonds:				
Bond issuance costs	282,336	(83,040)	(16,608)	182,688
Bond discount	289,152	(84,532)	(16,906)	187,714
Totals	<u>571,488</u>	<u>(167,572)</u>	<u>(33,514)</u>	<u>370,402</u>
Intangible assets totals				
Bond issuance costs	1,159,420	(154,484)	(45,984)	958,952
Bond discount	707,619	(116,341)	(30,855)	560,423
Intangible assets totals	<u>\$ 1,867,039</u>	<u>\$ (270,825)</u>	<u>\$ (76,839)</u>	<u>\$ 1,519,375</u>

**City of Rocklin, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**6. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2009, was as follows:

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
<b>Governmental activities:</b>				
<b>Nondepreciable assets:</b>				
Land	\$ 6,506,730	\$ 232,331	\$ (211,060)	\$ 6,528,001
Land improvements	67,461	-	-	67,461
Park Land	53,693,948	-	-	53,693,948
Construction in Progress	42,554,892	13,638,577	-	56,193,469
<b>Total nondepreciable assets</b>	<b>\$ 102,823,031</b>	<b>13,870,908</b>	<b>(211,060)</b>	<b>116,482,879</b>
<b>Depreciable assets:</b>				
Buildings	36,083,949	296,548	-	36,380,497
Facilities & other improvements	2,785,354	161,321	-	2,946,675
Machinery & equipment	2,677,807	181,069	(139,024)	2,719,852
Fleet machinery & equipment	9,628,120	62,830	(1,609,963)	8,080,987
Park Buildings	533,297	-	-	533,297
Park Equipment	1,476,849	144,469	(260,445)	1,360,873
Park Improvements	14,228,708	-	-	14,228,708
Infrastructure	314,479,061	4,544,911	-	319,023,972
<b>Total depreciable assets</b>	<b>381,893,145</b>	<b>5,391,148</b>	<b>(2,009,432)</b>	<b>385,274,861</b>
<b>Total</b>	<b>484,716,176</b>	<b>19,262,056</b>	<b>(2,220,492)</b>	<b>501,757,740</b>
<b>Accumulated depreciation:</b>				
Buildings	\$ 8,431,546	\$ 1,181,989	\$ -	9,613,535
Facilities & other improvements	695,984	190,013	-	885,997
Machinery & equipment	1,817,429	424,959	(128,002)	2,114,386
Fleet machinery & equipment	5,115,317	654,755	(1,391,840)	4,378,232
Park Buildings	188,119	17,777	-	205,896
Park Equipment	1,235,795	116,970	(260,445)	1,092,320
Park Improvements	3,926,686	948,581	-	4,875,267
Infrastructure	84,459,491	7,999,312	-	92,458,803
<b>Total accumulated depreciation</b>	<b>105,870,367</b>	<b>11,534,356</b>	<b>(1,780,287)</b>	<b>115,624,436</b>
<b>Total net capital assets</b>	<b>\$ 378,845,809</b>	<b>\$ 7,727,700</b>	<b>\$ (440,205)</b>	<b>\$ 386,133,304</b>

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

General government	\$ 877,376
Public safety	1,574,340
Public works	7,999,312
Culture and recreation	1,083,328
<b>Total</b>	<b>\$ 11,534,356</b>

**City of Rocklin, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities consisted of the following at June 30, 2009:

	Governmental Activities	Fiduciary Activities	Total
Accounts payable	\$ 2,061,498	\$ 143,974	\$ 2,205,472
Accrued payroll and related liabilities	972,121	34,760	1,006,881
Total	<u>\$ 3,033,619</u>	<u>\$ 178,734</u>	<u>\$ 3,212,353</u>

These amounts resulted in the following concentrations in payables:

Vendors 68%                      Employees 32%

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

**8. SPECIAL ASSESSMENT DISTRICTS**

Special Assessment bonds have been issued under the 1915 Bond Act and the Mello-Roos Community Facilities Act of 1982. The City is in no way liable for repayment of any bonds of the funds reflected in the Agency funds, according to bond counsel, but is acting only as an agent for the property owners/bond holders in collecting and forwarding the special assessments. Balances of the various assessment district bonds were as follows as of June 30, 2009:

Special Assessment District Bond	Balance June 30, 2009
Stanford Ranch CFD No. 2 Refunding Special Tax Bonds	\$ 3,350,000
Stanford Ranch CFD No. 3C (Stanford Ranch) Special Tax Bonds	4,410,000
Rocklin Southeast CFD No. 4 (Southeast Rocklin) Special Tax Bonds	965,000
Rocklin CFD No. 7 (Sunset West Interchange/Major Street) Special Tax Bonds	2,755,000
Rocklin CFD No. 6 (Sunset West Drainage) Special Tax Bonds	1,795,000
Rocklin CFD No. 8 (Sunset West Park Drive) Special Tax Bonds	4,640,000
Rocklin CFD No. 9 (Sunset West/Blue Oaks) Special Tax Bonds	5,530,000
Rocklin CFD No. 10 (Whitney Ranch) Special Tax Bonds	24,430,000
Rocklin CFD No. 3 Refunding Special Tax Bonds	4,130,000
Rocklin CFD No. 3 2005 Refunding Bond	10,120,000
Rocklin CFD No. 11 Private Placement Bonds	25,000,000
Total	<u>\$ 87,125,000</u>

**City of Rocklin, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**8. SPECIAL ASSESSMENT DISTRICTS, Continued**

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

**9. LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2009:

	Balance July 1, 2008	Additions	Retirements	Balance June 30, 2009	Due Within One Year
2003 Certificates of Participation	\$ 5,095,000	\$ -	\$ (460,000)	\$ 4,635,000	\$ 470,000
2003 Public Financing Authority (PFA)					
Refunding Revenue Bonds-Senior	11,020,000	-	(455,000)	10,565,000	465,000
2003 PFA Refunding Revenue					
Bonds - Subordinate	1,265,000	-	(70,000)	1,195,000	70,000
2002 Refunding Tax Allocation Bonds	2,360,000	-	(40,000)	2,320,000	45,000
2005 Refunding Tax Allocation Bonds	11,435,000	-	(250,000)	11,185,000	255,000
2007 Refunding Tax Allocation Bonds	15,815,000	-	(255,000)	15,560,000	265,000
Ganiats promissory note	350,000	-	(100,000)	250,000	250,000
Total debt issuances	47,340,000	-	(1,630,000)	45,710,000	1,820,000
Line of credit	-	-	3,482,837	3,482,837	-
Claims payable	2,826,451	281,292	(1,638,136)	1,469,607	-
Compensated absences	3,968,008	475,827	(201,809)	4,242,026	1,742,914
Net OPEB obligation	-	2,996,000	-	2,996,000	-
Total	6,794,459	3,753,119	1,642,892	12,190,470	1,742,914
	<u>\$54,134,459</u>	<u>\$3,753,119</u>	<u>\$ 12,892</u>	<u>\$57,900,470</u>	<u>\$ 3,562,914</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 defeased 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.

**9. LONG-TERM LIABILITIES, Continued**

**2003 Senior and Subordinate Refunding Revenue Bonds**

In January 2004, the Rocklin Public Financing Authority issued \$12,575,000 of Senior Refunding Revenue Bonds and \$1,455,000 of Subordinate Refunding Revenue Bonds. Proceeds from these bonds were used to refund the outstanding 1999 Public Financing Authority Revenue Bonds. The Bonds are secured by revenues from specific assessment districts. Interest rates range from 2% to 4.6% for the Senior issue and 3.125% to 5.625% for the Subordinate issue. Principal payments ranging from \$455,000 to \$850,000 are payable annually on September 1 and interest payments ranging from \$19,550 to \$215,952 are payable semi-annually on March 1 and September 1 through September 1, 2025, for the Senior issue. Principal payments ranging from \$70,000 to \$120,000 are payable annually on September 1 and interest payments ranging from \$3,375 to \$30,629 are payable on March 1 and September 1 through September 1, 2021, for the Subordinate issuance.

**2002 Refunding Tax Allocation Bonds**

On February 1, 2002, tax allocation bonds were issued, in the amount of \$13,730,000, to defease the 1994 tax allocation bonds of the Redevelopment Agency. The proceeds of the tax allocation bonds are being used to finance certain capital improvements within the Redevelopment Agency's project area. On February 23, 2008, \$10,535,000 of principal was defeased from the issuance of the 2008 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 \$62,524 are payable semi-annually on March 1 and September 1 through September 1, 2032.

**2005 Refunding 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 \$250,000 to \$1,530,000 are payable annually on September 1 and interest payments ranging from \$34,425 to \$237,388 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, 2009**

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**9. LONG-TERM LIABILITIES, Continued**

**2007 Refunding 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 \$255,000 to \$1,700,000 are payable annually on September 1 and interest payments ranging from \$15,969 to \$332,916 are payable semi-annually on March 1 and September 1, through September 1, 2037.

**Ganiats Promissory Note**

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

**Line of Credit**

On June 24, 2008, the Agency Board authorized a line of credit in the amount of \$5,000,000 with Bank of America, N.A. (Bank) to assist rehabilitation of existing affordable housing projects and construction of new affordable housing projects in the Agency's Project Area. The line will be available for the period August 1, 2008 through July 31, 2011 at the Bank's prime rate minus 1.75%. There is an outstanding balance of \$3,482,837 as of June 30, 2009 on this debt, which can be repaid at any time.

**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, 2009, there were no arbitrage liabilities.

**City of Rocklin, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**9. LONG-TERM LIABILITIES, Continued**

Future debt service at June 30, 2009, is as follows for all debt except the line of credit, compensated absences and claims liabilities:

Year Ending June 30,	Governmental activities					
	2003		2003		2003	
	Certificates of Participation		Refunding Revenue Bonds - Senior		Refunding Revenue Bonds - Subordinate	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 470,000	\$ 162,315	\$ 465,000	\$ 415,854	\$ 70,000	\$ 57,628
2011	485,000	148,930	475,000	404,104	70,000	54,959
2012	405,000	134,973	490,000	391,429	75,000	52,012
2013	415,000	121,028	505,000	376,485	80,000	48,715
2014	430,000	105,810	520,000	359,504	80,000	45,115
2015-2019	2,430,000	256,643	2,895,000	1,482,172	475,000	159,174
2020-2024	-	-	3,555,000	802,728	345,000	29,319
2025-2029	-	-	1,660,000	77,280	-	-
2030-2034	-	-	-	-	-	-
2035-2038	-	-	-	-	-	-
Total	<u>\$ 4,635,000</u>	<u>\$ 929,699</u>	<u>\$ 10,565,000</u>	<u>\$ 4,309,556</u>	<u>\$ 1,195,000</u>	<u>\$ 446,922</u>
Due within one year	\$ 470,000	\$ 162,315	\$ 465,000	\$ 415,854	\$ 70,000	\$ 57,628
Due after one year	4,165,000	767,384	10,100,000	3,893,702	1,125,000	389,294
Total	<u>\$ 4,635,000</u>	<u>\$ 929,699</u>	<u>\$ 10,565,000</u>	<u>\$ 4,309,556</u>	<u>\$ 1,195,000</u>	<u>\$ 446,922</u>

**City of Rocklin, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**9. LONG-TERM LIABILITIES, Continued**

	Governmental Activities					
	Ganiats		2002		2005	
	Promissory Note		Tax Allocation		Tax Allocation	
	Principal	Interest	Bonds		Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 250,000	\$ 50,000	\$ 45,000	\$ 122,105	\$ 255,000	\$ 463,451
2011	-	-	45,000	119,990	265,000	455,651
2012	-	-	45,000	117,875	280,000	447,301
2013	-	-	50,000	115,645	285,000	438,295
2014	-	-	50,000	113,300	285,000	428,854
2015-2019	-	-	365,000	520,312	1,145,000	2,006,620
2020-2024	-	-	500,000	404,596	1,130,000	1,797,116
2025-2029	-	-	505,000	270,130	2,185,000	1,440,422
2030-2034	-	-	715,000	80,988	2,360,000	1,047,238
2035-2038	-	-	-	-	2,995,000	136,238
Total	\$ 250,000	\$ 50,000	\$ 2,320,000	\$ 1,864,941	\$ 11,185,000	\$ 8,661,186
Due within one year	\$ 250,000	\$ 50,000	\$ 45,000	\$ 122,105	\$ 255,000	\$ 463,451
Due after one year	-	-	2,275,000	1,742,836	10,930,000	8,197,735
Total	\$ 250,000	\$ 50,000	\$ 2,320,000	\$ 1,864,941	\$ 11,185,000	\$ 8,661,186
	2007					
	Tax Allocation		Totals			
	Bonds		Totals			
	Principal	Interest	Principal	Interest		
2010	\$ 265,000	\$ 650,331	\$ 1,820,000	\$ 1,921,684		
2011	275,000	639,531	1,615,000	1,823,165		
2012	280,000	628,431	1,575,000	1,772,021		
2013	290,000	617,031	1,625,000	1,717,199		
2014	315,000	604,931	1,680,000	1,657,514		
2015-2019	2,130,000	2,798,356	9,440,000	7,223,277		
2020-2024	2,825,000	2,292,375	8,355,000	5,326,134		
2025-2029	2,795,000	1,716,919	7,145,000	3,504,751		
2030-2034	3,760,000	920,500	6,835,000	2,048,726		
2035-2038	2,625,000	306,359	5,620,000	442,597		
Total	\$ 15,560,000	\$ 11,174,764	\$ 45,710,000	\$ 27,437,068		
Due within one year	\$ 265,000	\$ 650,331	\$ 1,820,000	\$ 1,921,684		
Due after one year	15,295,000	10,524,433	43,890,000	25,515,384		
Total	\$ 15,560,000	\$ 11,174,764	\$ 45,710,000	\$ 27,437,068		

**City of Rocklin, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

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**10. FUND BALANCES/NET ASSETS**

Designated fund balance consisted of the following at June 30, 2009:

Retiree's health insurance premiums	\$ 10,060,248
Disaster contingency	2,000,000
Self-insured losses	1,000,000
Technology fee	510,938
Building repair	137,804
Sunset Blvd Interchange	3,073,232
Whitney Ranch Interchange	587,519
Wetlands Maintenance	14,142
Conservation Easement	33,732
ADA improvements	338,359
Parks repair and maintenance	645,716
Swimming pool capital improvements	<u>27,830</u>
Total	<u><u>\$ 18,429,520</u></u>

The following describe the purpose of each designation:

- **Retiree's health insurance premiums** represents amounts set aside to fund future retiree health premiums.
- **Disaster contingency** includes amounts set aside in the event a major disaster emergency occurs.
- **Self-insured losses** includes amounts for self insured vision and dental payments.
- **Technology fee** includes 6% fee assessed on certain program revenues to fund the cost of technology systems.
- **Building repair** includes amounts set aside for public building repairs and maintenance.
- **Sunset Blvd Interchange** includes amounts set aside for the Sunset Blvd Interchange capital project.
- **Whitney Ranch Interchange** includes amounts set aside for the Whitney Ranch Interchange capital project.
- **Wetlands Maintenance** includes excess earnings on the endowment to be used for maintenance of the wetlands.
- **Conservation Easement** includes excess earnings on the endowment to be used for Preserve Area maintenance and operations.
- **ADA improvements** includes 2% of Culture and Recreation program revenue set aside for ADA compliance.

**City of Rocklin, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

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**10. FUND BALANCES/NET ASSETS, Continued**

- **Park repair and maintenance** includes 3% of Culture and Recreation program revenue set aside for park repair and maintenance.
- **Swimming pool capital improvements** include amounts set aside for the Rocklin High pool capital improvements.

**11. DEFICIT NET ASSETS/ FUND BALANCES**

There were no deficit net asset balances at June 30, 2009.

Deficit fund balances consisted of the following:

**Nonmajor Funds:**

Lighting District #1 Special Revenue Fund (\$550,891) to be funded through future assessments within the District's boundaries.

Park Development Capital Projects Fund (\$2,285,503) to be funded through future development fees.

Community Park Fees Capital Projects Fund (\$1,411,116) to be funded through future community park fees and grants.

Capital Construction Projects Capital Projects Fund (\$128,652) to be funded through developer contributions.

**City of Rocklin, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**12. INTERFUND TRANSACTIONS**

Due to and due from other funds consisted of the following as of June 30, 2009:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
<b><u>Governmental Activities</u></b>		
<b><u>Major Funds:</u></b>		
General Fund	\$ 7,984,734	\$ -
Community Facilities District #11	-	3,539,954
<b><u>Nonmajor Funds:</u></b>		
Lighting Maintenance District #1 Special Revenue	-	560,998
Community Facilities District #1 Special Revenue	-	27,279
Supplemental Law Enforcement Special Revenue	-	42,205
Park Development Capital Projects	-	2,285,503
Community Park Fees Capital Projects	-	1,411,116
Capital Construction Projects Capital Projects	-	106,388
<b><u>Fiduciary Activities</u></b>		
Boroski Landfill Monitoring Trust	-	11,291
<b>Total</b>	<b><u>\$ 7,984,734</u></b>	<b><u>\$ 7,984,734</u></b>

**Due to/from other funds**

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

**Advances to/from other funds**

In order for the Agency to carry out certain redevelopment activities, the City agreed to make advances to the Agency. The advances beginning balance was \$2,000,150 with no additions and payments of \$291,442 during the year leaving the remaining balance of \$1,708,708. The advances were for purchases of property for redevelopment purposes. It is the intention of the Agency to repay such amounts out of tax increment revenues or other available funding sources. Interest in the amount of \$93,961 has been charged related to these advances in 2008-09.

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

**City of Rocklin, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**12. INTERFUND TRANSACTIONS, Continued**

Transfers consisted of the following at June 30, 2009:

	<u>Transfers In</u>	<u>Transfers Out</u>
<b><u>Governmental Activities</u></b>		
<b><u>Major Funds:</u></b>		
General Fund	\$ 5,034,179	\$ 260,926
Public Financing Authority Debt Service	105,000	-
Redevelopment Agency Capital Projects	-	691,356
Redevelopment Agency Debt Service	-	333,740
Traffic Circulation Impact Fee Capital Projects	618,711	1,108,856
Community Facilities District #11 Capital Projects	685,655	2,112,262
Total Major Funds	<u>6,443,545</u>	<u>4,507,140</u>
<b><u>Non-major Funds:</u></b>		
<b><u>Special Revenue Funds:</u></b>		
Gas Tax	-	128,442
SB 325 Sales Tax	-	446,470
Bicycle and Pedestrian Facilities	-	4,068
RDA Low/Moderate Housing	347,163	317,529
Affordable Housing	-	347,163
Lighting District #1	219,054	32,900
Lighting District #2	-	70,900
Community Facilities District #1	-	1,100,952
Housing Rehabilitation	271,893	5,673
Traffic Congestion AB 2928	-	119,521
Supplemental Law Enforcement Grant	-	100,063
Rocklin Jubilee	6,057	-
Total Non-major Special Revenue Funds	<u>844,167</u>	<u>2,673,681</u>
<b><u>Capital Projects Funds:</u></b>		
Park Development	-	4,399
Community Park Fees	35,815	-
Capital Construction Projects	6,262	719,453
Oak Tree Mitigation	-	1,245
2003 Certificate of Participation	-	6,262
Community Facilities District #8	-	35
Total Non-major Capital Projects Funds	<u>42,077</u>	<u>731,394</u>
<b><u>Permanent Funds:</u></b>		
Wetlands Maintenance	-	1,552
Total Non-major Permanent Funds	<u>-</u>	<u>1,552</u>
Capital Construction Debt Service	583,978	-
Total Non-major Funds	<u>1,470,222</u>	<u>3,406,627</u>
<b>Total Transfers</b>	<u>\$ 7,913,767</u>	<u>\$ 7,913,767</u>

**City of Rocklin, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

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**13. RISK MANAGEMENT**

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

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

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

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

<u>Amount</u>	<u>Coverage Provider</u>	<u>Payment Source</u>
Liability Claim:		
\$0 - \$50,000	Self-insured	Banking layer
\$50,001 - \$500,000	NCCSIF	Shared risk
\$500,001 - \$40,000,000	Excess coverage	CJPRM
Workers' Compensation:		
\$0 - \$100,000	Self-insured	Banking layer
\$100,001 - \$500,000	NCCSIF	Shared risk
\$500,001 - Statutory	Excess coverage	CSAC EIA



**City of Rocklin, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**13. RISK MANAGEMENT, Continued**

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

The City's equity investment in the NCCSIF of \$832,612 is recorded in the general fund. The audited financial statements of the JPA are available at the NCCSIF's office.

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

**14. PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

***Plan Description***

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

***Funding Policy***

Participants are required to contribute 7% (9% for safety employees) of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. For June 30, 2009, these contributions amounted to \$1,871,832. The City is required to contribute at an actuarially determined rate; the current rate is 11.380% for miscellaneous employees, 25.017% for fire safety employees and 25.841% 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, 2009**

**14. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued**

*Annual Pension Cost*

For 2009, the City's annual pension cost of \$3,981,575 for CALPERS was equal to the City's required and actual contribution. The required contribution was determined as part of the June 30, 2006 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, 2007	\$ 3,175,652	100%	-
June 30, 2008	3,645,974	100%	-
June 30, 2009	3,981,575	100%	-

**15. POSTEMPLOYMENT HEALTH CARE BENEFITS**

During fiscal year 2009, the City implemented the provisions of Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. This statement establishes uniform financial reporting standards for employers providing postemployment benefits other than pensions (OPEB). The provisions of this statement are applied prospectively and do not affect prior years financial statements. Required disclosures are presented below.

**Plan Description**

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

**City of Rocklin, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**15. POSTEMPLOYMENT HEALTH CARE BENEFITS, Continued**

**Plan Description, Continued**

The plan provisions and benefits are summarized below:

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

There were 54 retirees enrolled in the plan at June 30, 2009.

**City of Rocklin, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

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**15. POSTEMPLOYMENT HEALTH CARE BENEFITS, Continued**

**Funding Policy**

By Council resolution and through agreements with its labor units, the City contributes a fixed amount towards the CalPERS medical plan premium for all eligible retirees with retirees contributing any premium amounts in excess of the City Contribution. The City funds the OPEB on a pay-as-you-go basis. The City recognizes its cost by budgeting for and expensing the premiums, which amounted to \$483,000 for the year ended June 30, 2009.

**Annual OPEB Cost and Net OPEB Obligation**

The annual required contribution (ARC) was determined as part of a June 30, 2008, actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included (a) 4.5% return, (b) 3.25% projected annual salary increase, (c) 3.00% of general inflation increase, and (d) a healthcare trend of declining annual increases ranging from 9.05% to 10.10% in 2010 to 4.5% in 2017. The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biannually as results are compared to past expectations and new estimates are made about the future.

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

Annual Required Contribution (ARC) and Annual OPEB Cost	\$3,479,000
Contributions made:	
City portion of current year premiums paid	<u>483,000</u>
<b>Net OPEB Obligation at June 30, 2009</b>	<u><u>\$2,996,000</u></u>
Percentage of annual OPEB cost contributed	<u><u>14%</u></u>

Since fiscal year 2009 is the first year of implementation there is no prior year comparative data. In future years, three-year trend information will be presented.

**City of Rocklin, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

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**15. POSTEMPLOYMENT HEALTH CARE BENEFITS, Continued**

The actuarial accrued liability (AAL) representing the present value of future benefits, included in the actuarial study dated June 30, 2008, amounted to \$31.94 million and was unfunded since no assets had been transferred into a trust as of that date. As of June 30, 2009, the City had set aside a total of \$10,000,000 in a City Retirees Health Fund. The City is reviewing options to manage its OPEB liability and reduce its ARC. If the City does set up an irrevocable trust or participates in the California Employers Retirees Benefit Trust (CERBT), it will transfer some or all of the assets out of the Retirees Health Fund.

**16. CONTINGENCIES**

The City participates in a number of Federal, State and County programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grantor program regulations, the City may be required to reimburse the grantor government. As of June 30, 2009, some amounts of grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any individual governmental funds or the overall financial condition of the City.

**17. COMMITMENTS**

The City had the following significant unexpended contractual commitments as of June 30, 2009:

Sierra College Blvd. widening	\$ 2,887,515
Lonetree Blvd widening project	283,485
Whitney Ranch interchange	261,201
Granite Drive overlay	217,204
Farron Street crossing	209,008
Safe School Route	<u>636,193</u>
Total commitments	<u>\$ 4,494,606</u>

**18. LITIGATION**

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

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

# City of Rocklin, California

## Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2009

(With comparative totals for June 30, 2008)

	Governmental Funds				Non-Major Funds	
	Special Revenue	Capital Projects	Permanent	Debt Service	Totals 2009	Totals 2008
<b>ASSETS</b>						
Cash and investments	\$ 10,866,748	\$ 1,399,917	\$ 539,329	\$ -	\$ 12,805,994	\$ 14,397,032
Restricted cash and investments	-	-	-	1	1	569
Receivables:						
Taxes	242,632	-	-	-	242,632	1,246,769
Intergovernmental	205,815	-	-	-	205,815	160,589
Loans/Notes receivable	9,650,076	-	-	-	9,650,076	4,656,599
Other receivable	48,865	-	-	-	48,865	12,248
<b>Total assets</b>	<b>\$21,014,136</b>	<b>\$ 1,399,917</b>	<b>\$ 539,329</b>	<b>\$ 1</b>	<b>\$22,953,383</b>	<b>\$20,473,806</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable and accrued liabilities	\$ 407,079	\$ 23,589	\$ -	\$ -	430,668	\$ 558,295
Due to other funds	630,482	3,803,007	-	-	4,433,489	5,723,944
<b>Total liabilities</b>	<b>1,037,561</b>	<b>3,826,596</b>	<b>-</b>	<b>-</b>	<b>4,864,157</b>	<b>6,282,239</b>
<b>Fund Balances:</b>						
Reserved for:						
Low and moderate income housing	1,852,096	-	-	-	1,852,096	2,816,212
Loans/Notes receivable	9,650,076	-	-	-	9,650,076	4,656,599
Debt service	-	-	-	1	1	49,643
Capital projects	843,767	-	-	-	843,767	909,851
Endowments	-	-	491,455	-	491,455	491,000
Unreserved, designated	-	-	47,874	-	47,874	49,752
Unreserved, reported in:						
Special revenue funds	7,630,636	-	-	-	7,630,636	8,120,003
Capital projects funds	-	(2,426,679)	-	-	(2,426,679)	(2,901,493)
<b>Total fund balances</b>	<b>19,976,575</b>	<b>(2,426,679)</b>	<b>539,329</b>	<b>1</b>	<b>18,089,226</b>	<b>14,191,567</b>
<b>Total liabilities and fund balances</b>	<b>\$21,014,136</b>	<b>\$ 1,399,917</b>	<b>\$ 539,329</b>	<b>\$ 1</b>	<b>\$22,953,383</b>	<b>\$20,473,806</b>

# City of Rocklin, California

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

Nonmajor Governmental Funds

For the year ended June 30, 2009

(with comparative totals for the year ended June 30, 2008)

	Governmental Funds				Non-Major Funds Totals	
	Special Revenue	Capital Projects	Permanent	Debt Service	2009	2008
<b>REVENUES:</b>						
Taxes and assessments	\$ 7,739,046	\$ 15,473	\$ -	\$ -	\$ 7,754,519	\$ 8,434,900
Licenses and permits	-	-	-	-	-	8,688
Fines and forfeitures	-	-	-	-	-	33,366
Intergovernmental	1,086,776	-	-	-	1,086,776	798,595
Use of money and property	436,290	49,903	129	95	486,417	562,137
Charges for services	17,433	138,259	-	-	155,692	469,222
Contributions from developers and homeowners	300,000	1,232,596	-	-	1,532,596	1,276,520
Other revenues	99,528	-	-	-	99,528	578,094
<b>Total revenues</b>	<b>9,679,073</b>	<b>1,436,231</b>	<b>129</b>	<b>95</b>	<b>11,115,528</b>	<b>12,161,522</b>
<b>EXPENDITURES:</b>						
Current:						
General government	202,238	-	-	-	202,238	184,207
Public safety	143,877	-	-	-	143,877	187,810
Public works	3,523,560	-	-	-	3,523,560	3,739,637
Culture and recreation	241,257	30,193	-	-	271,450	587,434
Community development	443,866	97,952	-	-	541,818	539,339
Capital outlay	3,267,665	26,185	-	-	3,293,850	6,643,025
Debt service:						
Principal	-	-	-	460,000	460,000	450,000
Interest and fiscal charges	36,023	117,770	-	173,715	327,508	308,072
<b>Total expenditures</b>	<b>7,858,486</b>	<b>272,100</b>	<b>-</b>	<b>633,715</b>	<b>8,764,301</b>	<b>12,639,524</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>						
	1,820,587	1,164,131	129	(633,620)	2,351,227	(478,002)
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds from issuance of debt	3,482,837	-	-	-	3,482,837	-
Transfers in	844,167	42,077	-	583,978	1,470,222	722,894
Transfers out	(2,673,681)	(731,394)	(1,552)	-	(3,406,627)	(2,767,557)
<b>Total other financing sources and uses</b>	<b>1,653,323</b>	<b>(689,317)</b>	<b>(1,552)</b>	<b>583,978</b>	<b>1,546,432</b>	<b>(2,044,663)</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>						
	3,473,910	474,814	(1,423)	(49,642)	3,897,659	(2,522,665)
<b>FUND BALANCES:</b>						
Beginning of year	16,502,665	(2,901,493)	540,752	49,643	14,191,567	16,714,232
End of year	\$ 19,976,575	\$ (2,426,679)	\$ 539,329	\$ 1	\$ 18,089,226	\$ 14,191,567



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## NON-MAJOR SPECIAL REVENUE FUNDS

Fund	Description
Gas Tax	Accounts for funds received and expended for street maintenance purposes as defined in Sections 2105,2106, 2107, and 2107.5 of the Streets and Highway Code.
SB325 Sales Tax	Accounts for sales tax revenue collected in accordance with Senate Bill 325 to be used for repair and maintenance of streets.
Bicycle and Pedestrian Facilities	Accounts for grants received for bicycle and pedestrian facility purposes.
RDA Low/Moderate Housing	Accounts for tax increment revenues received and expended for low/moderate income housing purposes.
RDA Down Payment Assistance	Accounts for loans to low/moderate income individuals for down payments on homes.
Affordable Housing	Accounts for revenue received for the City's programs to promote affordable housing.
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.
Atherton Technical Center	Accounts for funds to be used on property annexed from the County.
Housing Rehabilitation	Accounts for funds received for the City's housing rehabilitation programs.
Asset Forfeiture	Accounts for funds received on forfeited assets to be used for Police services.
Whitney Oaks Improvement	Accounts for revenues received for Whitney Oaks improvements.
Traffic Safety	Accounts for funds received for traffic safety programs.
Traffic Congestion AB 2928	Accounts for traffic congestion relief funds received for street purposes.
DOE Grants	Accounts for Department of Education grants received for culture and recreation purposes.
Vehicle Theft Task Force	Accounts for revenues received to sponsor specific public safety programs.
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.
Rocklin Jubilee	Accounts for funds collected for the annual Jubilee celebration.
Park Improvement	Accounts for activities to improve and beautify City parks.
DARE Program	Accounts for funds collected for drug abuse resistance education.
Explorer Post 150	Accounts for funds collected for the explorer post 150 program.

**City of Rocklin, California**  
**Combining Balance Sheet**  
Nonmajor Special Revenue Funds  
June 30, 2009  
(With comparative totals for June 30, 2008)

**Special Revenue Funds**

	<b>Special Revenue Funds</b>				
	<b>Gas Tax</b>	<b>SB325 Sales Tax</b>	<b>Bicycle and Pedestrian Facilities</b>	<b>RDA Low/Moderate Housing</b>	<b>RDA Down Payment Assistance</b>
<b>ASSETS</b>					
Cash and investments	\$ 790,573	\$ 3,918,740	\$ 35,615	\$ 579,975	\$ 1,042,196
Receivables:					
Taxes	76,478	-	-	-	-
Intergovernmental	-	139,801	17,324	26,836	-
Loans/Notes receivable	-	-	-	6,167,767	1,357,394
Other receivable	-	-	-	-	-
<b>Total assets</b>	<b>\$ 867,051</b>	<b>\$ 4,058,541</b>	<b>\$ 52,939</b>	<b>\$ 6,774,578</b>	<b>\$ 2,399,590</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 23,284	\$ 208,446	\$ 4,294	\$ 22,204	\$ 5,100
Due to other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>23,284</b>	<b>208,446</b>	<b>4,294</b>	<b>22,204</b>	<b>5,100</b>
<b>Fund Balances:</b>					
Reserved for:					
Low and moderate income housing	-	-	-	584,607	1,037,096
Loans/Notes receivable	-	-	-	6,167,767	1,357,394
Capital projects	843,767	-	-	-	-
Unreserved (deficit), reported in:					
Special revenue funds	-	3,850,095	48,645	-	-
<b>Total fund balances</b>	<b>843,767</b>	<b>3,850,095</b>	<b>48,645</b>	<b>6,752,374</b>	<b>2,394,490</b>
<b>Total liabilities and fund balances</b>	<b>\$ 867,051</b>	<b>\$ 4,058,541</b>	<b>\$ 52,939</b>	<b>\$ 6,774,578</b>	<b>\$ 2,399,590</b>

**Special Revenue Funds**

<u>Affordable Housing</u>	<u>Lighting District #1</u>	<u>Lighting District #2</u>	<u>Community Facilities District #1</u>	<u>Community Facilities District #6</u>	<u>Atherton Technical Center</u>	<u>Housing Rehabilitation</u>	<u>Asset Forfeiture</u>
\$ -	\$ -	\$ 1,486,261	\$ -	\$ 406,627	\$ -	\$ 236,624	\$ 92,507
-	13,373	79,035	27,279	4,262	-	-	-
-	-	-	-	-	-	14,328	-
-	-	-	-	-	-	2,124,915	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 13,373</u>	<u>\$ 1,565,296</u>	<u>\$ 27,279</u>	<u>\$ 410,889</u>	<u>\$ -</u>	<u>\$ 2,375,867</u>	<u>\$ 92,507</u>
\$ -	\$ 3,266	\$ 44,974	\$ -	\$ 4,398	\$ -	\$ 20,559	\$ 2,881
-	560,998	-	27,279	-	-	-	-
-	564,264	44,974	27,279	4,398	-	20,559	2,881
-	-	-	-	-	-	230,393	-
-	-	-	-	-	-	2,124,915	-
-	-	-	-	-	-	-	-
-	(550,891)	1,520,322	-	406,491	-	-	89,626
-	(550,891)	1,520,322	-	406,491	-	2,355,308	89,626
<u>\$ -</u>	<u>\$ 13,373</u>	<u>\$ 1,565,296</u>	<u>\$ 27,279</u>	<u>\$ 410,889</u>	<u>\$ -</u>	<u>\$ 2,375,867</u>	<u>\$ 92,507</u>

(continued)

**City of Rocklin, California**  
**Combining Balance Sheet, Continued**

Nonmajor Special Revenue Funds

June 30, 2009

(With comparative totals for June 30, 2008)

	<b>Special Revenue Funds</b>				
	<b>Whitney Oaks Park Improvement</b>	<b>Traffic Safety</b>	<b>Traffic Congestion AB 2928</b>	<b>DOE Grants</b>	<b>Vehicle Theft Task Force</b>
<b>ASSETS</b>					
Cash and investments	\$ 2,060,999	\$ 10,522	\$ 80,356	\$ -	\$ -
Receivables:					
Taxes	-	-	-	-	-
Intergovernmental	-	7,526	-	-	-
Loans/Notes receivable	-	-	-	-	-
Other receivable	-	48,865	-	-	-
<b>Total assets</b>	<b><u>\$ 2,060,999</u></b>	<b><u>\$ 66,913</u></b>	<b><u>\$ 80,356</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ -	\$ 66,913	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
<b>Total liabilities</b>	<b><u>-</u></b>	<b><u>66,913</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Fund Balances:</b>					
Reserved for:					
Low and moderate income housing	-	-	-	-	-
Loans/Notes receivable	-	-	-	-	-
Capital projects	-	-	-	-	-
Unreserved (deficit), reported in:					
Special revenue funds	2,060,999	-	80,356	-	-
<b>Total fund balances</b>	<b><u>2,060,999</u></b>	<b><u>-</u></b>	<b><u>80,356</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 2,060,999</u></b>	<b><u>\$ 66,913</u></b>	<b><u>\$ 80,356</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

Special Revenue Funds						Non-Major Funds Totals	
Supplemental Law Enforcement Grant	Parks & Recreation Programs	Rocklin Jubilee	Park Improvement	DARE Program	Explorer Post 150	2009	2008
\$ -	\$ 117,518	\$ -	\$ 1,490	\$ -	\$ 6,745	\$ 10,866,748	\$ 12,419,713
42,205	-	-	-	-	-	242,632	1,246,769
-	-	-	-	-	-	205,815	160,589
-	-	-	-	-	-	9,650,076	4,656,599
-	-	-	-	-	-	48,865	9,711
<u>\$ 42,205</u>	<u>\$ 117,518</u>	<u>\$ -</u>	<u>\$ 1,490</u>	<u>\$ -</u>	<u>\$ 6,745</u>	<u>\$ 21,014,136</u>	<u>\$ 18,493,381</u>
\$ -	\$ 760	\$ -	\$ -	\$ -	\$ -	\$ 407,079	\$ 494,105
42,205	-	-	-	-	-	630,482	1,496,611
<u>42,205</u>	<u>760</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,037,561</u>	<u>1,990,716</u>
-	-	-	-	-	-	1,852,096	2,816,212
-	-	-	-	-	-	9,650,076	4,656,599
-	-	-	-	-	-	843,767	909,851
-	116,758	-	1,490	-	6,745	7,630,636	8,120,003
-	116,758	-	1,490	-	6,745	19,976,575	16,502,665
<u>\$ 42,205</u>	<u>\$ 117,518</u>	<u>\$ -</u>	<u>\$ 1,490</u>	<u>\$ -</u>	<u>\$ 6,745</u>	<u>\$ 21,014,136</u>	<u>\$ 18,493,381</u>

(concluded)

# City of Rocklin, California

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

Nonmajor Special Revenue Funds

For the year ended June 30, 2009

(With comparative totals for the year ended June 30, 2008)

	Special Revenue Funds				
	Gas Tax	SB325 Sales Tax	Bicycle and Pedestrian Facilities	RDA Low/Moderate Housing	RDA Down Payment Assistance
<b>REVENUES:</b>					
Taxes and assessments	\$ 907,958	\$ 2,652,191	\$ -	\$ 1,108,907	\$ -
Licenses and permits	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Intergovernmental	-	763,945	17,324	26,836	-
Use of money and property	42,699	68,621	-	145,666	-
Charges for services	-	-	-	-	-
Contributions from developers and homeowners	-	300,000	-	-	-
Other revenues	-	10,775	15,642	-	-
<b>Total revenues</b>	<u>950,657</u>	<u>3,795,532</u>	<u>32,966</u>	<u>1,281,409</u>	<u>-</u>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	187,276	-
Public safety	-	-	-	-	-
Public works	888,299	984,745	-	-	-
Culture and recreation	-	-	-	89,821	-
Community development	-	-	-	189,020	40,910
Capital outlay	-	2,363,215	84,050	-	-
Debt service:					
Interest and fiscal charges	-	-	-	14,363	-
<b>Total expenditures</b>	<u>888,299</u>	<u>3,347,960</u>	<u>84,050</u>	<u>480,480</u>	<u>40,910</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>62,358</u>	<u>447,572</u>	<u>(51,084)</u>	<u>800,929</u>	<u>(40,910)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Proceeds from issuance of debt	-	-	-	3,482,837	-
Transfers in	-	-	-	347,163	-
Transfers out	(128,442)	(446,470)	(4,068)	(317,529)	-
<b>Total other financing sources and uses</b>	<u>(128,442)</u>	<u>(446,470)</u>	<u>(4,068)</u>	<u>3,512,471</u>	<u>-</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<u>(66,084)</u>	<u>1,102</u>	<u>(55,152)</u>	<u>4,313,400</u>	<u>(40,910)</u>
<b>FUND BALANCES:</b>					
Beginning of year	909,851	3,848,993	103,797	2,438,974	2,435,400
End of year	<u>\$ 843,767</u>	<u>\$ 3,850,095</u>	<u>\$ 48,645</u>	<u>\$ 6,752,374</u>	<u>\$ 2,394,490</u>

**Special Revenue Funds**

<b>Affordable Housing</b>	<b>Lighting District #1</b>	<b>Lighting District #2</b>	<b>Community Facilities District #1</b>	<b>Community Facilities District #6</b>	<b>Atherton Technical Center</b>	<b>Housing Rehabilitation</b>	<b>Asset Forfeiture</b>
\$ -	\$ 251,492	\$ 1,526,618	\$ 1,112,104	\$ 179,776	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	14,328	-
-	7,574	55,850	-	10,007	-	37,422	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	259,066	1,582,468	1,112,104	189,783	-	51,750	-
-	-	-	11,152	3,810	-	-	-
-	-	-	-	-	-	-	18,078
-	285,836	1,223,686	-	129,484	-	-	-
-	-	-	-	-	8,726	-	-
-	-	-	-	-	-	213,936	-
-	-	-	-	-	-	-	-
-	21,660	-	-	-	-	-	-
-	307,496	1,223,686	11,152	133,294	8,726	213,936	18,078
-	(48,430)	358,782	1,100,952	56,489	(8,726)	(162,186)	(18,078)
-	-	-	-	-	-	-	-
-	219,054	-	-	-	-	271,893	-
(347,163)	(32,900)	(70,900)	(1,100,952)	-	-	(5,673)	-
(347,163)	186,154	(70,900)	(1,100,952)	-	-	266,220	-
(347,163)	137,724	287,882	-	56,489	(8,726)	104,034	(18,078)
347,163	(688,615)	1,232,440	-	350,002	8,726	2,251,274	107,704
\$ -	\$ (550,891)	\$ 1,520,322	\$ -	\$ 406,491	\$ -	\$ 2,355,308	\$ 89,626

(continued)



**City of Rocklin, California**

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

Nonmajor Special Revenue Funds

For the year ended June 30, 2009

(With comparative totals for the year ended June 30, 2008)

	Special Revenue Funds				
	Whitney Oaks Park Improvement	Traffic Safety	Traffic Congestion AB 2928	DOE Grants	Vehicle Theft Task Force
<b>REVENUES:</b>					
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Intergovernmental	-	117,070	-	47,273	-
Use of money and property	54,269	2,933	10,403	-	-
Charges for services	5,388	-	-	-	-
Contributions from developers and homeowners	-	-	-	-	-
Other revenues	-	4,265	-	-	-
<b>Total revenues</b>	<u>59,657</u>	<u>124,268</u>	<u>10,403</u>	<u>47,273</u>	<u>-</u>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	121,167	-	-	-
Public works	-	-	1,000	-	-
Culture and recreation	-	-	-	69,823	-
Community development	-	-	-	-	-
Capital outlay	-	-	820,400	-	-
Debt service:					
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>121,167</u>	<u>821,400</u>	<u>69,823</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>59,657</u>	<u>3,101</u>	<u>(810,997)</u>	<u>(22,550)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Proceeds from issuance of long-term debt	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	(119,521)	-	-
<b>Total other financing sources and uses</b>	<u>-</u>	<u>-</u>	<u>(119,521)</u>	<u>-</u>	<u>-</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<u>59,657</u>	<u>3,101</u>	<u>(930,518)</u>	<u>(22,550)</u>	<u>-</u>
<b>FUND BALANCES:</b>					
Beginning of year	2,001,342	(3,101)	1,010,874	22,550	-
End of year	<u>\$ 2,060,999</u>	<u>\$ -</u>	<u>\$ 80,356</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue Funds						Non-Major Funds Totals	
Supplemental Law Enforcement Grant	Parks & Recreation Programs	Rocklin Jubilee	Park Improvement	DARE Program	Explorer Post 150	2009	2008
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,739,046	\$ 8,427,382
-	-	-	-	-	-	-	8,688
-	-	-	-	-	-	-	33,366
100,000	-	-	-	-	-	1,086,776	798,595
-	26	820	-	-	-	436,290	440,019
-	11,832	213	-	-	-	17,433	397,492
-	-	-	-	-	-	300,000	-
-	47,367	9,479	12,000	-	-	99,528	18,651
100,000	59,225	10,512	12,000	-	-	9,679,073	10,124,193
-	-	-	-	-	-	202,238	184,207
-	-	-	-	4,632	-	143,877	187,810
-	-	-	10,510	-	-	3,523,560	3,739,637
-	47,152	25,735	-	-	-	241,257	388,505
-	-	-	-	-	-	443,866	339,212
-	-	-	-	-	-	3,267,665	2,592,962
-	-	-	-	-	-	36,023	18,617
-	47,152	25,735	10,510	4,632	-	7,858,486	7,450,950
100,000	12,073	(15,223)	1,490	(4,632)	-	1,820,587	2,673,243
-	-	-	-	-	-	3,482,837	-
-	-	6,057	-	-	-	844,167	90,166
(100,063)	-	-	-	-	-	(2,673,681)	(1,823,718)
(100,063)	-	6,057	-	-	-	1,653,323	(1,733,552)
(63)	12,073	(9,166)	1,490	(4,632)	-	3,473,910	939,691
63	104,685	9,166	-	4,632	6,745	16,502,665	15,562,974
\$ -	\$ 116,758	\$ -	\$ 1,490	\$ -	\$ 6,745	\$ 19,976,575	\$ 16,502,665

(concluded)

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

<b>Fund</b>	<b>Description</b>
<b><u>Capital Projects Funds:</u></b>	
Park Development	Accounts for funds expended on City park projects and improvements.
Community Park Fees	Accounts for funds collected and expended for City park land and improvements.
Capital Construction Projects	Accounts for funds expended on general City projects.
Oak Tree Mitigation	Accounts for funds collected for Oak Tree preservation.
2003 Certificates of Participation	Accounts for projects related to the 2003 Certificates of Participation issuance.
Community Facilities District #8 & #10	Accounts for projects related to the respective community facilities district.
<b><u>Permanent Funds:</u></b>	
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.
<b><u>Debt Service Funds:</u></b>	
Capital Construction	Accounts for the City's issuance and administration of the 2003 Certificates of Participation.

# City of Rocklin, California

## Combining Balance Sheet

Nonmajor Capital Project, Permanent, and Debt Service Funds

June 30, 2009

(With comparative totals for June 30, 2008)

	Capital Projects Funds				
	Park Development	Community Park Fees	Capital Construction Projects	Oak Tree Mitigation	2003 Certificate of Participation
<b>ASSETS</b>					
Cash and investments	\$ -	\$ -	\$ -	\$ 1,399,871	\$ 46
Restricted cash and investments	-	-	-	-	-
Receivables:					
Taxes	-	-	-	-	-
Interest	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Loans/Notes receivable	-	-	-	-	-
Other receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Other assets	-	-	-	-	-
Advances to other funds	-	-	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,399,871</b>	<b>\$ 46</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 22,264	\$ 1,325	\$ -
Due to other funds	2,285,503	1,411,116	106,388	-	-
Deferred revenue	-	-	-	-	-
Compensated absences	-	-	-	-	-
<b>Total liabilities</b>	<b>2,285,503</b>	<b>1,411,116</b>	<b>128,652</b>	<b>1,325</b>	<b>-</b>
<b>Fund Balances:</b>					
Reserved for:					
Encumbrances	-	-	-	-	-
Low and moderate income housing	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Loans/Notes receivable	-	-	-	-	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Endowments	-	-	-	-	-
Unreserved, designated	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	(2,285,503)	(1,411,116)	(128,652)	1,398,546	46
<b>Total fund balances</b>	<b>(2,285,503)</b>	<b>(1,411,116)</b>	<b>(128,652)</b>	<b>1,398,546</b>	<b>46</b>
<b>Total liabilities and fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,399,871</b>	<b>\$ 46</b>

Capital Projects Funds		Permanent Funds		Debt Service Fund	Non-Major Funds Totals	
Community Facilities District #8	Community Facilities District #10	Wetlands Maintenance	Conservation Easement Endowment	Capital Construction Debt Service	2009	2008
\$ -	\$ -	\$ 52,142	\$ 487,187	\$ -	\$ 1,939,246	\$ 1,977,319
-	-	-	-	1	1	569
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	2,537
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,142</u>	<u>\$ 487,187</u>	<u>\$ 1</u>	<u>\$ 1,939,247</u>	<u>\$ 1,980,425</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,589	\$ 64,190
-	-	-	-	-	3,803,007	4,227,333
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	3,826,596	4,291,523
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	1	1	49,643
-	-	-	-	-	-	-
-	-	38,000	453,455	-	491,455	491,000
-	-	14,142	33,732	-	47,874	49,752
-	-	-	-	-	-	-
-	-	-	-	-	(2,426,679)	(2,901,493)
-	-	52,142	487,187	1	(1,887,349)	(2,311,098)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,142</u>	<u>\$ 487,187</u>	<u>\$ 1</u>	<u>\$ 1,939,247</u>	<u>\$ 1,980,425</u>

# City of Rocklin, California

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

Nonmajor Capital Project, Permanent and Debt Service Funds

For the year ended June 30, 2009

(With comparative totals for the year ended June 30, 2008)

	Capital Projects Funds				
	Park Development	Community Park Fees	Capital Construction Projects	Oak Tree Mitigation	2003 Certificate of Participation
<b>REVENUES:</b>					
Taxes and assessments	\$ -	\$ -	\$ -	\$ 15,473	\$ -
Intergovernmental	-	-	-	-	-
Use of money and property	13,887	10,639	414	25,034	4
Charges for services	69,125	69,134	-	-	-
Contributions from developers and homeowners	-	-	1,232,596	-	-
Other revenues	-	-	-	-	-
<b>Total revenues</b>	<b>83,012</b>	<b>79,773</b>	<b>1,233,010</b>	<b>40,507</b>	<b>4</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Culture and recreation	30,193	-	-	-	-
Community development	-	-	89,402	8,550	-
Capital outlay	-	-	25,745	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	67,062	43,287	7,421	-	-
<b>Total expenditures</b>	<b>97,255</b>	<b>43,287</b>	<b>122,568</b>	<b>8,550</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(14,243)</b>	<b>36,486</b>	<b>1,110,442</b>	<b>31,957</b>	<b>4</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	35,815	6,262	-	-
Transfers out	(4,399)	-	(719,453)	(1,245)	(6,262)
<b>Total other financing sources and (uses)</b>	<b>(4,399)</b>	<b>35,815</b>	<b>(713,191)</b>	<b>(1,245)</b>	<b>(6,262)</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<b>(18,642)</b>	<b>72,301</b>	<b>397,251</b>	<b>30,712</b>	<b>(6,258)</b>
<b>FUND BALANCES:</b>					
Beginning of year	(2,266,861)	(1,483,417)	(525,903)	1,367,834	6,304
End of year	<u>\$ (2,285,503)</u>	<u>\$ (1,411,116)</u>	<u>\$ (128,652)</u>	<u>\$ 1,398,546</u>	<u>\$ 46</u>

Capital Projects Funds		Permanent Funds		Debt Service Fund	Non-Major Funds Totals	
Community Facilities District #8	Community Facilities District #10	Wetlands Maintenance	Conservation Easement Endowment	Capital Construction Debt Service	2009	2008
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,473	\$ 7,518
-	-	-	-	-	-	-
-	(75)	461	(332)	95	50,127	122,118
-	-	-	-	-	138,259	71,730
-	-	-	-	-	1,232,596	1,276,520
-	-	-	-	-	-	559,443
-	(75)	461	(332)	95	1,436,455	2,037,329
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	30,193	198,929
-	-	-	-	-	97,952	200,127
-	440	-	-	-	26,185	4,050,063
-	-	-	-	460,000	460,000	450,000
-	-	-	-	173,715	291,485	289,455
-	440	-	-	633,715	905,815	5,188,574
-	(515)	461	(332)	(633,620)	530,640	(3,151,245)
-	-	-	-	583,978	626,055	632,728
(35)	-	(1,552)	-	-	(732,946)	(943,839)
(35)	-	(1,552)	-	583,978	(106,891)	(311,111)
(35)	(515)	(1,091)	(332)	(49,642)	423,749	(3,462,356)
35	515	53,233	487,519	49,643	(2,311,098)	1,151,258
\$ -	\$ -	\$ 52,142	\$ 487,187	\$ 1	\$(1,887,349)	\$(2,311,098)



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

Agency Funds

June 30, 2009

(With comparative totals for June 30, 2008)

	<b>Community Facilities District #2</b>	<b>Community Facilities District #3</b>	<b>Community Facilities District #4</b>	<b>Community Facilities District #5</b>	<b>Community Facilities District #6</b>
<b>ASSETS</b>					
Cash and investments	\$ 950,889	\$ 2,405,749	\$ 362,735	\$ 2,157,738	\$ 178,244
Cash and investments held by trustees	916,517	675,016	360,507	-	-
Receivables:					
Accounts	-	-	-	-	-
Assessments	17,999	45,115	11,037	65,107	2,981
Other	-	-	-	-	-
<b>Total assets</b>	<b>\$ 1,885,405</b>	<b>\$ 3,125,880</b>	<b>\$ 734,279</b>	<b>\$ 2,222,845</b>	<b>\$ 181,225</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 100,142	\$ -
Due to other funds	-	-	-	-	-
Due to others	1,885,405	3,125,880	734,279	2,122,703	181,225
<b>Total liabilities</b>	<b>\$ 1,885,405</b>	<b>\$ 3,125,880</b>	<b>\$ 734,279</b>	<b>\$ 2,222,845</b>	<b>\$ 181,225</b>

<b>Community Facilities District #7</b>	<b>Community Facilities District #8</b>	<b>Community Facilities District #9</b>	<b>Community Facilities District #10</b>	<b>Community Facilities District #11</b>	<b>Monte Verde Assessment District</b>	<b>Granite Drive Assessment District</b>	<b>EIR Consultant's Trust</b>
\$ 412,480	\$ 343,416	\$ 480,236	\$ 1,171,148	\$ 640,052	\$ -	\$ -	\$ 151,898
299,071	-	-	1,782,536	3	-	-	-
-	-	-	-	-	-	-	-
2,483	8,966	5,462	31,932	190,204	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 714,034</u>	<u>\$ 352,382</u>	<u>\$ 485,698</u>	<u>\$ 2,985,616</u>	<u>\$ 830,259</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 151,898</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 78,592
-	-	-	-	-	-	-	-
714,034	352,382	485,698	2,985,616	830,259	-	-	73,306
<u>\$ 714,034</u>	<u>\$ 352,382</u>	<u>\$ 485,698</u>	<u>\$ 2,985,616</u>	<u>\$ 830,259</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 151,898</u>

(continued)

# City of Rocklin, California

## Combining Statement of Assets and Liabilities, Continued

Agency Funds

June 30, 2009

(With comparative totals for June 30, 2008)

	Boroski Landfill			Totals	
	Monitoring Trust	Fire Comm/ Assoc Emergency	NWRAA Trust	2009	2008
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 58,409	\$ -	\$ 9,312,994	\$ 9,351,806
Cash and investments held by trustees	-	-	-	4,033,650	4,624,798
Receivables:					
Accounts	11,291	-	-	11,291	-
Assessments	-	-	-	381,286	286,590
Other	-	-	-	-	3,787
<b>Total assets</b>	<b>\$ 11,291</b>	<b>\$ 58,409</b>	<b>\$ -</b>	<b>\$ 13,739,221</b>	<b>\$ 14,266,981</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 178,734	\$ 147,731
Due to other funds	11,291	-	-	11,291	-
Due to others	-	58,409	-	13,549,196	14,119,150
<b>Total liabilities</b>	<b>\$ 11,291</b>	<b>\$ 58,409</b>	<b>\$ -</b>	<b>\$ 13,739,221</b>	<b>\$ 14,266,881</b>

(concluded)