

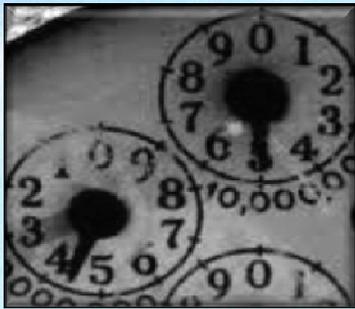
City of



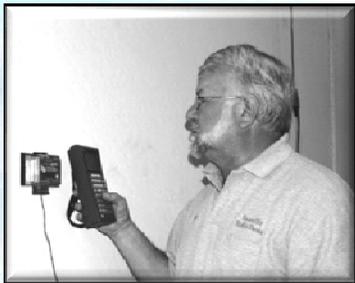
Minnesota

Comprehensive Annual Financial Report

Fiscal Year Ended December 31, 2010



Old Technology



Manual Water
Meter Reads



New Technology



Automated Meter
Reading

Prepared by the Department of Finance

On The Cover

New Technology – Automated Meter Reading (AMR)

Roseville has operated a water distribution system since the early 1960s. In order to track and bill for water usage, we installed water meters inside every location connected to the City watermain. In most cases an outside reader/register (OSR) is connected by a wire to the inside meter so that a read can be obtained without entering the home or business.

In 2010 the City began implementing an AMR (Automated Meter Reading) system to improve efficiency and effectiveness. Historically City employees walked door to door to manually read the OSR and enter the reading into a handheld device. This practice presented challenges. For instance where there were animals or other hidden hazards, employees face injury risks and associated liabilities. Some meters are located behind locked gates or in challenging terrain. In other cases property owners delayed or restricted access to the meter. All of these challenges increase reading cost. Occasionally inaccurate manual meter reads can lead to customer concerns which take time and resources to resolve. Another area of concern is undetected leaks. These leaks are wasteful and can cause property damage. And the customer usually does not notice until they get a higher than normal water bill. The AMR system can alleviate these problems.

AMR is the technology of automatically collecting consumption, diagnostic and status data from water meter or energy metering devices (water, gas, and electric) and transferring that data to a central database for billing, troubleshooting and analyzing. Roseville is improving customer service to each water customer through our Water Meter Replacement and Automated Meter Reading (AMR) Program. In October 2010 the City began replacing older commercial and “difficult to read” residential water meters with new meters equipped with radio transmitting devices that send a signal to a Data Collector Unit in a fixed location. That information is then sent to the finance and utility offices. This new system will allow the City to provide timely and accurate responses to resident inquiries. AMR technologies not only allow us to replace manual meter reading, they are designed to be an effective approach in reducing operating costs, increasing cash flow, enhancing customer service and mitigating risk. The system also provides efficient leak detection to immediately flag an issue so that it can be investigated before a basement is flooded or other damage can occur. Over the next 5 years, the City will upgrade every home and business in Roseville with the new AMR system.

City of Roseville, Minnesota
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended December 31, 2010

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INTRODUCTORY SECTION

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May 10, 2011

To the City Council and Citizens of the City of Roseville:

Minnesota statutes require all cities to issue an annual report on its financial position and activity prepared in accordance with generally accepted accounting principles in the United States of America (GAAP), and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants or the Office of the State Auditor. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Roseville for the fiscal year ended December 31, 2010.

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

The City of Roseville's financial statements have been audited by Malloy, Montague, Karnowski, Radosevich, & Company, P.A. a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Roseville for the fiscal year ended December 31, 2010 are free of material misstatement. The independent audit involved 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; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Roseville's financial statements for the fiscal year ended December 31, 2010, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Roseville's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Roseville, incorporated in 1948, is a suburban community bordering both Minneapolis and St. Paul, Minnesota in the eastern part of the state. This area is considered to be the major population and economic growth area in the state, and among one of the highly ranked economic growth areas in the country. The City of Roseville currently occupies a land area of 13.7 square miles and serves a population of 34,178. The City of Roseville is empowered to levy a property tax on both real and personal properties located within its boundaries. While it also is empowered by state statute to extend its corporate limits by annexation, Roseville is a completely developed community and is bordered on all sides by other incorporated communities.

The City of Roseville has operated under the council-manager form of government since 1974. Policy-making and legislative authority are vested in a city council consisting of the mayor and four other members. The city council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the city manager. The city manager is responsible for carrying out the policies and ordinances of the council, for overseeing the day-to-day operations of the city government, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. The Mayor and Council members serve four-year staggered terms. The council and mayor are elected at large.

The City of Roseville provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; water and sewer services and recreational activities and cultural events.

The annual budget serves as the foundation for the City of Roseville's financial planning and control. All departments and agencies of the City of Roseville submit requests for appropriation to the City Manager in May of each year. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the council for review prior to August 1st. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than December 31st, the close of the City of Roseville's fiscal year.

The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may make transfers of appropriations within a department. Transfers of appropriations between funds, however, require the special approval of the city council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 33 as part of the basic financial statements for the governmental funds. For governmental funds other than the general fund, and with appropriated annual budgets, this comparison is presented in the basic financial statements and the governmental fund subsection of this report, shown on pages 34-35, and 88-91.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Roseville operates.

Local Economy. The nationwide economic downturn has had some effects on the City of Roseville including a slight decline in jobs and overall tax base. However, the City of Roseville expects these local indicators to improve in the near future. The region while noted for a strong retail sector, enjoyed modest re-development in recent years. The re-development consisted of varied retail that added to the relative stability of the unemployment rate. Major industries with headquarters or divisions located within the government's boundaries or in close proximity include computer hardware and software manufacturers, electrical controls and medical services, and several divisions of state government departments which administer the state highway system and the State's educational administration of K-12 operations.

The City of Roseville area has an employed labor force of approximately 40,000 which is anticipated to remain mostly steady for the foreseeable future.

Because of the fully developed nature of the community, the opportunity for new and expanded housing is limited. The city's emphasis has been, in recent years, on assisting homeowners to redevelop and remodel the current available housing so that as the change-over from older residents occurs, younger families will continue to be attracted to Roseville.

Long-term Financial Planning. The city council is in the planning stages of establishing the City's long-term goals and objectives. Plans include; establishing adequate funding mechanisms for infrastructure replacement, replenishing the City's housing stock, and securing funds for recreational facilities.

The city is also working closely with state, federal and neighboring communities to improve the area's state and county transportation network, which includes upgraded highways and well-placed pathways. Funding for most of the transportation improvements will need to come from state, county and federal sources, with some minor portion supported by the local taxpayers.

Relevant Financial Policies. As part of the annual budget process, the City reviews a number of fiscal, budget, and administrative policies. There have been no changes to these policies from the previous year. However, the City's policy on cash reserve levels for some operating funds is not being met based on current reserve levels. Future compliance is expected through planned systematic operating surpluses.

Major Initiatives. In 2006-2007, the City conducted a long-term community visioning process. This process resulted in the establishment of 15 distinct goals and strategies that have been used to guide future decisions and to direct financial and other resources. It is expected that this community vision process will serve as the primary guiding tool for the next 10-15 years.

Achieving these goals and strategies are not expected to have a significant financial impact however. It is expected that a portion of existing resources will be redirected to the extent possible. In addition, it is expected that future debt obligations will decline which will allow existing resources dedicated to debt service to be reallocated.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Roseville for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2009. This was the 31st consecutive year that the city has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated January 1, 2010. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the dedicated services of the Finance Department Staff. I would like to express my appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Roseville's finances.

Respectfully submitted



Christopher K. Miller
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Roseville
Minnesota

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

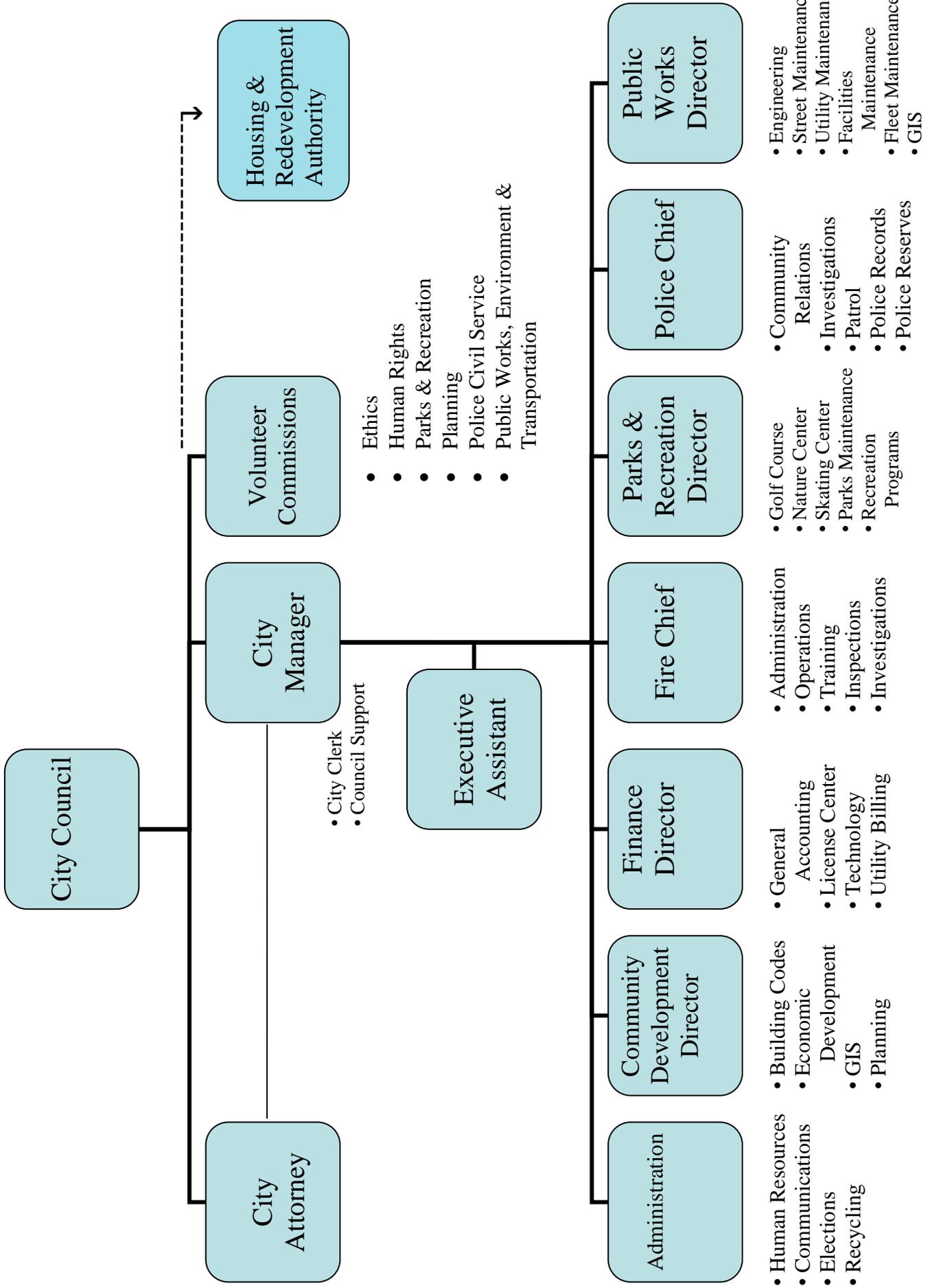
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

City of Roseville Organizational Chart





Elected and Appointed Officials December 31, 2010

Elected Officials

Mayor	Craig Klausung	Term expires 12/31/2010
Council	Jeff Johnson	Term expires 12/31/2012
Council	Tammy Pust	Term expires 12/31/2012
Council	Dan Roe	Term expires 12/31/2010
Council	Amy Ihlan	Term expires 12/31/2010

Appointed Officials

City Manager	William Malinen
Finance Director	Chris Miller
Police Chief	Rick Mathwig
Fire Chief	Tim O'Neill
Public Works Director	Duane Schwartz
Parks & Recreation Director	Lonnie Brokke
Community Development Director	Patrick Trudgeon

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Financial Section

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PRINCIPALS

Kenneth W. Malloy, CPA
Thomas M. Montague, CPA
Thomas A. Karnowski, CPA
Paul A. Radosevich, CPA
William J. Lauer, CPA
James H. Eichten, CPA
Aaron J. Nielsen, CPA
Victoria L. Holinka, CPA

INDEPENDENT AUDITOR'S REPORT

To the City Council and Residents
City of Roseville, Minnesota

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Roseville (the City) as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year partial comparative information presented has been derived from the City's financial statements for the year ended December 31, 2009, and in our report dated May 12, 2010, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, 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 the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statements 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, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable thereof, and the respective budgetary comparison for the General Fund and the major special revenue funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 of the notes to financial statements, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 51, "Accounting and Financial Reporting for Intangible Assets," in the year ended December 31, 2010.

The financial statements include partial prior year comparative information. Such information does not include all of the information required in a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended December 31, 2009, from which such partial information was derived.

(continued)

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2011, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The introductory section, combining and individual fund statements and schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying and accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Malloy, Montague, Karnowski, Radosewich, & Co., P.A.

May 10, 2011

Management's Discussion and Analysis

As management of the City of Roseville, we offer readers of the City of Roseville's financial statements this narrative overview and analysis of the financial activities of the City of Roseville for the fiscal year ended December 31, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-4 of this report.

Financial Highlights

- The assets of the City of Roseville exceeded its liabilities at the close of the most recent fiscal year by \$168,501,094 (Net assets). Of this amount, \$31,243,604 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designations and fiscal policies.
- The City's total net assets from operations decreased by \$2,049,545.
- As of the close of the current fiscal year, the City of Roseville's governmental funds reported combined ending unreserved fund balances of \$24,165,581.
- At the end of the current fiscal year, undesignated fund balance for the general fund was \$5,234,095 or 42% percent of total general fund expenditures.
- The City of Roseville total bonded debt and certificates of indebtedness decreased by \$1,245,000 during the current fiscal year.

Overview of the Financial Statements

The discussion and analysis are intended to serve as an introduction to the City of Roseville's basic financial statements. The City of Roseville'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. The government-wide financial statements are designed to provide readers with a broad overview of the City of Roseville's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City of Roseville'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 of Roseville 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 related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Roseville 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 of Roseville include general government, public safety, public works, economic development, and recreation. The business-type activities of the City of Roseville include water, sanitary sewer, golf, recycling and storm drainage.

The government-wide financial statements can be found on pages 26-27 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 of Roseville, 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 of Roseville 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 a government's near-term financial 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 financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and change in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Roseville maintains seven individual major 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, two special revenue funds, the debt service fund, and three capital funds, all of which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Roseville adopts an annual appropriated budget for its general and special revenue funds. A budgetary comparison statement has been provided for those funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 28-35 of this report.

Proprietary Funds. The City of Roseville maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Roseville uses enterprise funds to account for its sanitary sewer, water, golf, recycling, and storm drainage operations. Internal service funds are accounting devices used to accumulate and allocate costs internally among the City of Roseville's various functions. The City of Roseville uses internal service funds to account for its workers' compensation and general risk management. Because both of these services predominantly benefit governmental rather than business-type functions, they have 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 proprietary fund financial statements provide separate information for the sanitary sewer, water, golf, recycling and storm drainage operations, all of which are considered to be major funds of the City of Roseville. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 36-41 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Roseville's own program. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 42-43 of this report.

Notes to the 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 financial statements can be found on pages 45-78 of this report.

Other Information. Schedule of Funding Progress for Other Post Employment Benefits can be found on page 81 of this report. Combining and individual fund statements and schedules can be found on pages 84-100 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Roseville, assets exceeded liabilities by \$168,501,094 at the close of the most recent fiscal year.

By far the largest portion of the City of Roseville's net assets (79% percent) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City of Roseville uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Roseville'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 ROSEVILLE'S NET ASSETS

	Governmental Activities 2009	Governmental Activities 2010	Business- Type 2009	Business- Type 2010	Total 2009	Total 2010
Current and other Assets	39,466,138	35,005,076	8,210,670	8,257,284	47,676,808	43,262,360
Capital assets	115,597,033	124,380,800	19,019,599	18,803,521	134,616,632	143,184,321
Total assets	155,063,171	159,385,876	27,230,269	27,060,805	182,293,440	186,446,681
Long-term liabilities outstanding	14,021,553	13,179,341	-	-	14,021,553	13,179,341
Other liabilities	2,422,829	2,243,842	3,030,314	2,522,404	5,453,143	4,766,246
Total liabilities	16,444,382	15,423,183	3,030,314	2,522,404	19,474,696	17,945,587
Net assets:						
Invested in capital assets net of related debt	103,987,033	114,015,800	19,019,599	18,803,521	123,006,632	132,819,321
Restricted	10,789,610	4,438,169	-	-	10,789,610	4,438,169
Unrestricted	23,842,146	25,508,724	5,180,356	5,734,880	29,022,502	31,243,604
Total net assets	138,618,789	143,962,693	24,199,955	24,538,401	162,818,744	168,501,094

A portion of the of the City of Roseville's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$31,243,604) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Roseville is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

The invested in capital assets net of related debt increased by over \$9.8 million primarily due to the implementation of GASB Statement #51 which added approximately \$7.7 million in easements to capital assets in 2010.

The 2010 decline in restricted net assets resulted from the closure of a Tax Increment Financing District resulting in the return of \$7.7 million of surplus tax increment.

Governmental activities

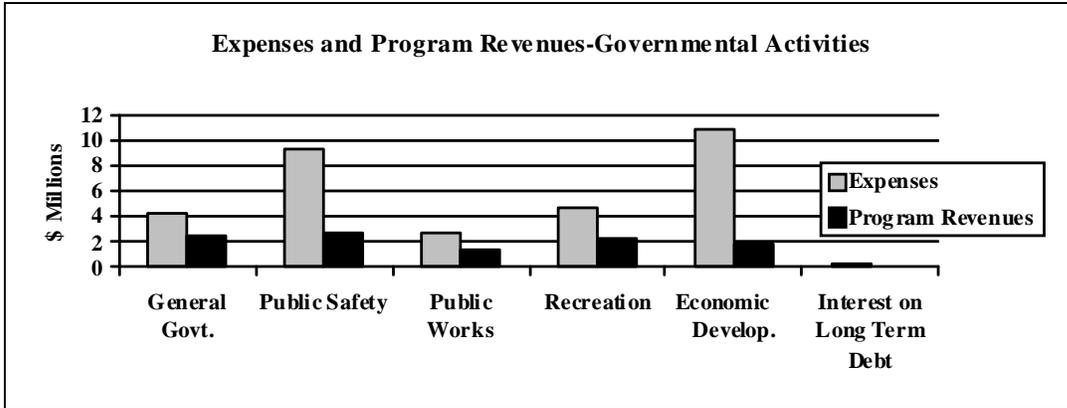
Governmental activities decreased the City of Roseville's net assets by \$2,387,991. Business-type activities increased Roseville's net assets by \$338,446, for an overall decrease of \$2,049,545. Key elements of this increase are as follows:

City of Roseville's Changes in Net Assets

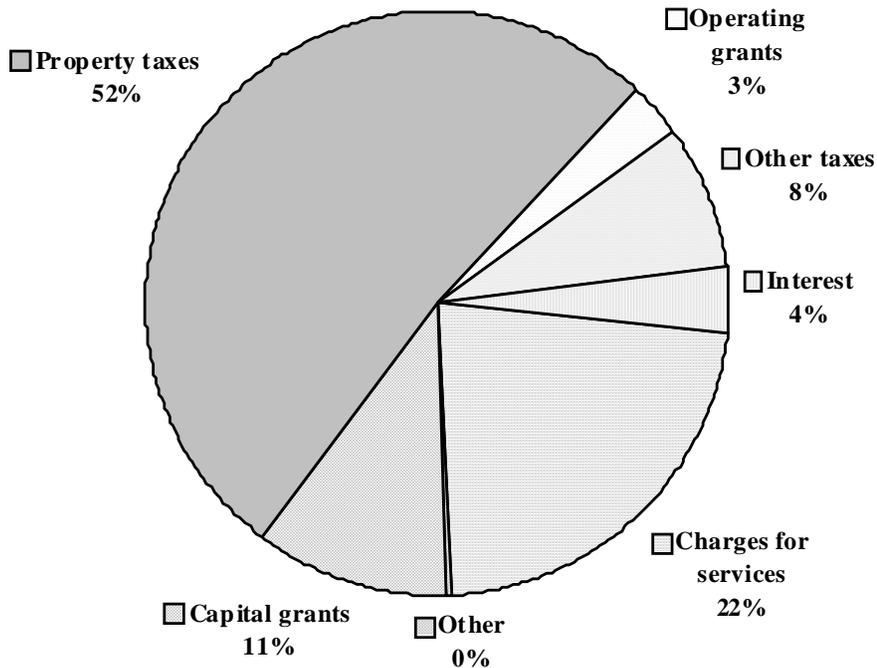
	Governmental Activities 2009	Governmental Activities 2010	Business- Type 2009	Business- Type 2010	Total 2009	Total 2010
Revenues:						
Program revenues:						
Charges for services	\$9,232,921	\$ 6,774,829	\$ 9,705,382	10,291,933	\$18,938,303	\$ 17,066,762
Operating grants and Contributions	819,160	870,158	75,349	69,775	894,509	939,933
Capital grants and Contributions	1,987,239	3,283,978	-	321,188	1,987,239	3,605,166
General revenues:						
Property taxes	12,553,187	15,611,387	-	-	12,553,187	15,611,387
Other taxes	3,745,387	2,427,055	-	-	3,745,387	2,427,055
Grants & Contributions not Restricted to specific Programs	26,477	25,577	-	-	26,477	25,577
Investment earnings	695,472	1,122,891	135,664	176,315	831,136	1,299,206
Other	25,000	84,007	(25,000)	(84,007)	-	-
Total revenues	29,084,843	30,199,882	9,891,395	10,775,204	38,976,238	40,975,086
Expenses:						
General government	\$ 5,150,773	\$ 4,266,736	\$ -	\$ -	\$5,150,773	\$ 4,266,736
Public safety	8,161,100	9,442,966	-	-	8,161,100	9,442,966
Public works	4,470,830	2,800,235	-	-	4,470,830	2,800,235
Economic Development	1,742,174	10,950,324	-	-	1,742,174	10,950,324
Recreation	4,770,793	4,698,518	-	-	4,770,793	4,698,518
Interest on debt	508,970	429,094	-	-	508,970	429,094
Sanitary Sewer	-	-	3,520,566	3,763,009	3,520,566	3,763,009
Water	-	-	5,399,949	5,058,883	5,399,949	5,058,883
Golf	-	-	318,890	338,860	318,890	338,860
Recycling	-	-	499,501	478,471	499,501	478,471
Storm drainage	-	-	850,575	797,535	850,575	797,535
Total expenses	24,804,640	32,587,873	10,589,481	10,436,758	35,394,121	43,024,631
Increase (decrease) in net assets	4,280,203	(2,387,991)	(698,086)	338,446	3,582,117	(2,049,545)
Net assets on Jan 1 st	134,338,586	138,618,789	24,898,041	24,199,955	159,236,627	162,818,744
Change in Accounting Principle	-	7,731,895	-	-	-	7,731,895
Net assets on Dec 31 st	\$ 138,618,789	\$ 143,962,693	\$ 24,199,955	24,538,401	\$ 162,818,744	\$168,501,094

The reduction in net assets of \$2 million resulted primarily from the one-time return of surplus monies previously held in the City's Economic Increments Fund. In accordance with State Statute, these monies were returned when the City decertified one of its larger tax increment financing districts. This also resulted in a significant increase in total expenses for 2010.

Below are specific graphs which provide comparisons of the governmental activities revenues and expenses for the last fiscal year.

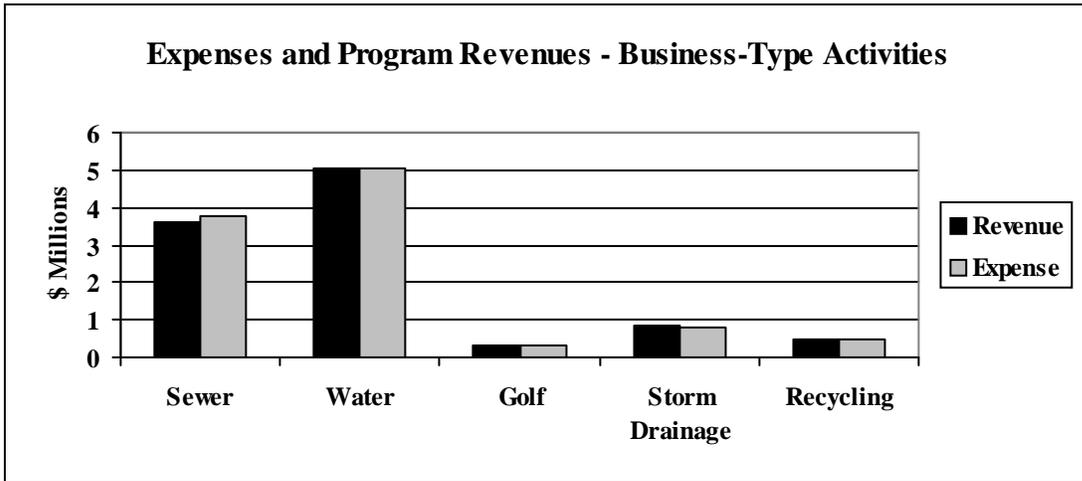


Revenue Sources-Governmental Activities

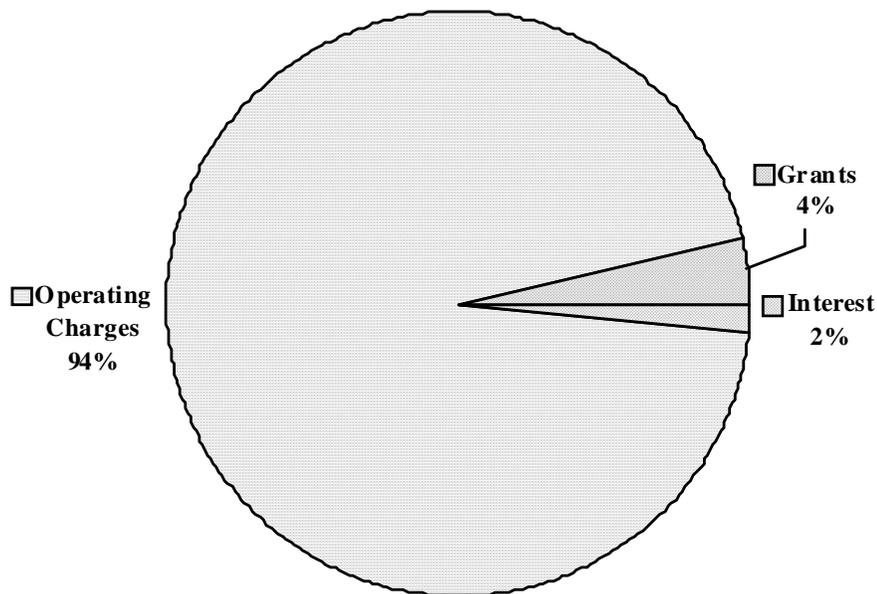


Business-type activities. The decrease in net assets in the City’s business-type activities was due to lower-than-expected interest earnings and higher operating costs.

Below are graphs showing the business-type activities revenue and expense comparisons for the past fiscal year.



Revenue Sources-Business-Type Activities



Component Unit

The City incorporates the Roseville Housing and Redevelopment Authority (HRA) as a component unit into its financial statements. The HRA accounts for the City's housing-related programs. In 2010, the HRA's net assets increased by \$386,929 due to increased taxes and interest earnings.

Financial Analysis of the Government's funds

Governmental funds. The focus of the City of Roseville's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Roseville's financing requirements. In particular, unreserved fund balance may serve as useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City of Roseville's governmental funds reported combined ending fund balances of \$28,603,750. Approximately 84% of this total amount (\$24,165,581) constitutes unreserved fund balance. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed to; 1) for law enforcement purposes (\$402,564), and 2) for tax increment financing activities (\$4,035,605).

The Economic Increments Construction Fund accounts for the activities in the City's Tax Increment Financing (TIF) Districts. The Fund's balance decreased by \$6,351,441 resulting from the expenditure of tax increment collected in prior years for redevelopment purposes as well as the return of surplus monies from decertified districts. The entire fund balance of \$4,035,605 is reserved for TIF-related activities.

The Debt Service Fund increased by \$609,365 due to higher-than-expected assessment prepayments, and planned increases in property taxes necessary to pay off increasing debt payments.

The Revolving Improvements Fund declined by \$98,069 due to continued construction of a fiber optic backbone network. Monies had been set aside for these projects in previous years.

The Community Development Special Revenue Fund balance decreased \$323,903 which was anticipated in the Fund's adopted budget.

Proprietary funds. The City of Roseville's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The unrestricted net assets in the respective proprietary funds are Sewer - \$2,890,366; Water - \$(520,887); Golf - \$384,459; Recycling - \$159,919 and Storm - \$2,821,023.

General Fund Budgetary Highlights

The General Fund balance increased by \$2,062,146 in 2010, largely due to a one-time receipt of surplus monies from decertified TIF districts. Budgeted expenditures in the General Fund were slightly below expected levels excluding grant-related items.

Capital Asset and Debt Administration

Capital assets. The City of Roseville's investment in capital assets for its governmental and business type activities as of December 31, 2010, amounts to \$143,184,321 (net of accumulated depreciation). This investment in capital assets includes land, buildings, infrastructure, machinery and equipment.

Major capital asset events during the current fiscal year included the following:

- Completion of approximately \$3.4 million in right-of-way acquisition and street improvements, and \$1.6 million in a new Arena refrigeration system
- Approximately \$0.5 million in improvements to the City's utility systems
- Added approximately \$7.7 million in easements as a result of implementing GASB Statement #51

City of Roseville's Capital Assets (Net of Depreciation)

	Governmental Activities 2009	Governmental Activities 2010	Business- Type 2009	Business- Type 2010	Total 2009	Total 2010
Land & Easements	\$33,358,882	\$ 33,370,351	\$464,821	\$730,799	33,823,703	\$ 34,101,150
Buildings	18,823,125	18,041,228	284,897	235,577	19,156,696	18,276,805
Improvements other than Buildings	2,238,912	2,950,052	801,619	493,285	3,040,531	3,443,337
Machinery & equipment	7,773,741	6,486,381	796,861	715,526	8,570,602	7,201,907
Infrastructure	55,763,228	57,869,942	15,552,301	15,907,965	71,315,529	73,777,907
Construction in progress	5,371,040	5,662,846	1,119,100	720,369	6,441,466	6,383,215
Total capital assets	\$ 123,328,928	\$124,380,800	\$19,019,599	\$18,803,521	142,348,527	\$143,184,321

Additional information on the City of Roseville's capital assets can be found in Note 1-D on page 50-51 of this report, and Note 4-C on page 58-60.

Long-term debt. At the end of the current fiscal year, the City of Roseville had total long-term debt outstanding of \$11,520,000. Of this amount; \$1,330,000 was for general obligation improvement debt which has financed special assessment construction as part of the City's paving management program, \$6,705,000 for the general obligation municipal building debt which financed the construction of the expansion of City Hall and the Public Works Building, \$2,330,000 to finance the replacement of the Ice Arena refrigeration system, and \$1,155,000 for housing improvements. In addition, the City also has long-term liabilities in the amount of \$1,308,604 for compensated absences and \$350,737 for the net pension obligation for OPEB.

**City of Roseville's Outstanding Debt
General Obligation Improvement Bonds, and Certificates of Indebtedness**

	Governmental Activities 2009	Governmental Activities 2010	Business- Type 2009	Business- Type 2010	Total 2009	Total 2010
General Obligation Improvement bonds	\$1,750,000	\$1,330,000	\$ -	\$ -	\$1,750,000	\$1,330,000
General Obligation Municipal bonds	8,465,000	7,860,000	-	-	8,465,000	7,860,000
Certificates of Indebtedness	2,550,000	2,330,000	-	-	2,550,000	2,330,000
Total	\$ 12,765,000	\$11,520,000	\$ -	\$ -	\$12,765,000	\$11,520,000

The City of Roseville maintains an Aa1 rating from Moody's and an AAA from Standard and Poor's on all of its general obligation debt.

State statutes limit the amount of general obligation debt a Minnesota city may issue to 3% of total Estimated Market Value. The current debt limitation for the City of Roseville is \$119,607,142. \$9,035,000 of the City's outstanding debt is counted against the statutory limitation as the debt is wholly financed by general tax levy.

Additional information on the City of Roseville's long-term debt can be found in Note 1-D on page 52 of this report, and Note 4-H on pages 62-64.

Economic Factors and next year's Budgets and Rates

- The City made operational adjustments in recognition of the expected loss of state-aid and declining interest earnings.
- Recreation program fees were increased to reflect the rising costs of individual programs. In addition, user charges for proprietary funds were also changed to reflect current and anticipated conditions and asset replacement needs.

These factors were considered when the City of Roseville prepared its 2011 budget.

Requests for information. This financial report is designed to provide a general overview of the City of Roseville's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 2660 Civic Center Drive, Roseville, MN 55113.

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Basic Financial Statements

CITY OF ROSEVILLE, MINNESOTA
STATEMENT OF NET ASSETS
December 31, 2010

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Housing & Redevelopment Authority
ASSETS				
Cash and cash equivalents	\$ 31,057,652	\$ 4,190,624	\$ 35,248,276	\$ 920,667
Restricted investments				
Utility customer deposits	0	838,661	838,661	0
Cash held in escrow	0	0	0	420,310
Receivables				
Accounts	602,361	2,107,042	2,709,403	15,192
Taxes	112,357	0	112,357	0
Investment interest	108,034	17,069	125,103	2,878
Special assessments	1,512,643	184,144	1,696,787	12,995
Due from other governments	1,435,196	919,744	2,354,940	6,147
Notes	0	0	0	2,564,428
Net pension obligation fire relief	176,833	0	176,833	0
Capital assets not being depreciated:				
Land	25,638,456	730,799	26,369,255	0
Easements	7,731,895	0	7,731,895	0
Construction in progress	5,662,846	720,369	6,383,215	0
Capital assets net of accumulated depreciation:				
Buildings	18,041,228	235,577	18,276,805	0
Improvements other than buildings	2,950,052	493,285	3,443,337	0
Machinery and equipment	6,486,381	715,526	7,201,907	0
Infrastructure	57,869,942	15,907,965	73,777,907	0
Total Assets	159,385,876	27,060,805	186,446,681	3,942,617
LIABILITIES				
Accounts payable	531,731	72,843	604,574	2,199
Accrued payroll	275,343	138,284	413,627	0
Contracts payable	430,954	74,780	505,734	0
Bond interest payable	148,482	0	148,482	0
Due to other governments	381,512	1,009,336	1,390,848	717,330
Insurance claim payable	180,589	0	180,589	0
Deposits payable	295,231	838,661	1,133,892	3,600
Unearned revenue	0	388,500	388,500	0
Noncurrent liabilities:				
Due within one year	1,458,282	0	1,458,282	0
Due in more than one year	11,721,059	0	11,721,059	0
Total Liabilities	15,423,183	2,522,404	17,945,587	723,129
NET ASSETS				
Invested in capital assets net of related debt	114,015,800	18,803,521	132,819,321	0
Restricted for				
Tax increment	4,035,605	0	4,035,605	0
Law enforcement	402,564	0	402,564	0
Unrestricted	25,508,724	5,734,880	31,243,604	3,219,488
Total Net Assets	\$ 143,962,693	\$ 24,538,401	\$ 168,501,094	\$ 3,219,488

The notes to the financial statements are an integral part of this statement.

**CITY OF ROSEVILLE, MINNESOTA
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2010**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Units Housing & Redevelopment Authority
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
Primary government:								
Governmental activities:								
General government	\$ 4,266,736	\$ 2,611,668	\$ 0	\$ 0	\$ (1,655,068)	\$ 0	\$ (1,655,068)	\$ 0
Public safety	9,442,966	1,545,830	560,904	557,605	(6,778,627)	0	(6,778,627)	0
Public works	2,800,235	559,248	257,077	672,394	(1,311,516)	0	(1,311,516)	0
Recreation	4,698,518	1,919,896	24,468	296,297	(2,457,857)	0	(2,457,857)	0
Economic development	10,950,324	138,187	27,709	1,757,682	(9,026,746)	0	(9,026,746)	0
Interest on long-term debt	429,094	0	0	0	(429,094)	0	(429,094)	0
Total governmental activities	<u>32,587,873</u>	<u>6,774,829</u>	<u>870,158</u>	<u>3,283,978</u>	<u>(21,658,908)</u>	<u>0</u>	<u>(21,658,908)</u>	<u>0</u>
Business-type activities:								
Sewer	3,763,009	3,600,334	0	321,188	0	158,513	158,513	0
Water	5,058,883	5,048,473	0	0	0	(10,410)	(10,410)	0
Golf	338,860	302,610	0	0	0	(36,250)	(36,250)	0
Recycling	478,471	499,773	69,775	0	0	91,077	91,077	0
Storm Drainage	797,535	840,743	0	0	0	43,208	43,208	0
Total business- type activities	<u>10,436,758</u>	<u>10,291,933</u>	<u>69,775</u>	<u>321,188</u>	<u>0</u>	<u>246,138</u>	<u>246,138</u>	<u>0</u>
Total primary government	<u>\$ 43,024,631</u>	<u>\$ 17,066,762</u>	<u>\$ 939,933</u>	<u>\$ 3,605,166</u>	<u>\$ (21,658,908)</u>	<u>\$ 246,138</u>	<u>\$ (21,412,770)</u>	<u>\$ 0</u>
Component unit:								
Housing & Redevelopment Authority	<u>\$ 190,361</u>	<u>\$ 13,180</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (177,181)</u>
General revenues:								
Property taxes					15,611,387	0	15,611,387	331,732
Tax increments					1,966,665	0	1,966,665	0
Cable franchise taxes					380,108	0	380,108	0
Gambling taxes					80,282	0	80,282	0
Grants and contributions not restricted to specific programs					25,577	0	25,577	12,264
Unrestricted investment earnings					1,122,891	176,315	1,299,206	220,114
Transfers					84,007	(84,007)	0	0
Total general revenues and transfers					<u>19,270,917</u>	<u>92,308</u>	<u>19,363,225</u>	<u>564,110</u>
Change in net assets					(2,387,991)	338,446	(2,049,545)	386,929
Net assets - beginning as previously stated					138,618,789	24,199,955	162,818,744	2,832,559
Change in accounting principle					7,731,895	0	7,731,895	0
Net assets - beginning as restated					<u>146,350,684</u>	<u>24,199,955</u>	<u>170,550,639</u>	<u>2,832,559</u>
Net assets - ending					<u>\$ 143,962,693</u>	<u>\$ 24,538,401</u>	<u>\$ 168,501,094</u>	<u>\$ 3,219,488</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF ROSEVILLE, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2010**

	Special Revenue			
	General	Recreation	Community Development	Debt Service
ASSETS				
Cash and cash equivalents	\$ 5,862,439	\$ 518,510	\$ 0	\$ 1,383,356
Investment interest receivable	18,405	1,597	0	5,846
Accounts receivable	75,452	202,780	3,541	0
Taxes receivable:				
Current	81,432	12,287	0	13,305
Special assessments receivable:				
Current	3,957	2,038	7,929	49,904
Deferred	0	0	0	624,468
Due from other governments	17,767	0	0	0
Due from other funds	99,342	0	0	0
Total assets	\$ 6,158,794	\$ 737,212	\$ 11,470	\$ 2,076,879
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 182,126	\$ 70,772	\$ 4,519	\$ 0
Accrued payroll	162,794	64,571	21,710	0
Contracts payable	0	0	0	0
Due to other funds	0	0	29,039	0
Due to other governments	22,704	13,268	3,681	0
Deferred revenue	0	0	0	624,468
Deposits payable	154,511	270	135,450	0
Total liabilities	522,135	148,881	194,399	624,468
Fund Balance:				
Reserved for:				
Law enforcement	402,564	0	0	0
Tax Increment	0	0	0	0
Unreserved, designated for:				
Future infrastructure replacement	0	0	0	0
Capital projects	0	0	0	0
Unreserved, undesignated reported in:				
General fund	5,234,095	0	0	0
Special revenue funds	0	588,331	(182,929)	0
Debt service	0	0	0	1,452,411
Total fund balances	5,636,659	588,331	(182,929)	1,452,411
Total liabilities and fund balances	\$ 6,158,794	\$ 737,212	\$ 11,470	\$ 2,076,879

Capital assets (net of depreciation) used in governmental activities and are not financial resources and therefore, are not reported in the funds.

Long term liabilities including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.

Internal service funds are used by management to charge the cost of insurance to individual funds.

Other long term assets are not available to pay for current-period expenditures and, therefore, are deferred or are not reported in the funds.

The notes to the financial statements are an integral part of this statement.

Capital Projects					
Revolving Improvements	Economic Increments Construction	Street Construction	Other Governmental Funds	Total	
\$ 1,636,219	\$ 3,098,803	\$ 14,054,856	\$ 1,634,143	\$ 28,188,326	
4,649	21,020	43,405	4,265	99,187	
821	4,220	97,180	218,367	602,361	
4,359	638	0	336	112,357	
0	0	8,603	0	72,431	
0	0	815,744	0	1,440,212	
8,398	1,253,991	130,576	24,464	1,435,196	
135,152	0	0	0	234,494	
<u>\$ 1,789,598</u>	<u>\$ 4,378,672</u>	<u>\$ 15,150,364</u>	<u>\$ 1,881,575</u>	<u>\$ 32,184,564</u>	
\$ 102,418	\$ 116,062	\$ 7,595	\$ 39,576	\$ 523,068	
0	0	0	26,268	275,343	
46,693	225,996	158,265	0	430,954	
0	0	0	205,455	234,494	
14	1,009	0	340,836	381,512	
0	0	815,744	0	1,440,212	
0	0	0	5,000	295,231	
<u>149,125</u>	<u>343,067</u>	<u>981,604</u>	<u>617,135</u>	<u>3,580,814</u>	
0	0	0	0	402,564	
0	4,035,605	0	0	4,035,605	
0	0	11,308,926	0	11,308,926	
1,640,473	0	2,859,834	538,506	5,038,813	
0	0	0	0	5,234,095	
0	0	0	725,934	1,131,336	
0	0	0	0	1,452,411	
<u>1,640,473</u>	<u>4,035,605</u>	<u>14,168,760</u>	<u>1,264,440</u>	<u>28,603,750</u>	
<u>\$ 1,789,598</u>	<u>\$ 4,378,672</u>	<u>\$ 15,150,364</u>	<u>\$ 1,881,575</u>		
				124,380,800	
				(13,327,823)	
				2,688,921	
				1,617,045	
				<u>\$ 143,962,693</u>	
				Net Assets of governmental activities	

CITY OF ROSEVILLE, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2010

	Special Revenue			Debt Service
	General	Recreation	Community Development	
REVENUES				
General property taxes	\$ 11,403,529	\$ 1,805,048	\$ 0	\$ 1,954,541
Tax Increments	0	0	0	0
Intergovernmental revenue	851,127	24,468	426,500	0
Licenses & permits	321,388	0	776,230	0
Gambling taxes	0	0	0	0
Charges for services	1,275,737	1,686,169	135,965	0
Fines and forfeits	213,787	0	344	0
Cable franchise taxes	0	0	0	0
Rentals	0	59,910	0	0
Donations	29,780	59,278	0	0
Special assessments	0	163	0	270,189
Investment income	174,721	16,635	(5,884)	32,825
Miscellaneous	219,923	54,132	21,441	0
Total revenues	<u>14,489,992</u>	<u>3,705,803</u>	<u>1,354,596</u>	<u>2,257,555</u>
EXPENDITURES				
Current:				
General government	2,000,036	0	0	0
Public safety	8,150,166	0	643,659	0
Public works	2,361,351	0	0	0
Economic development	0	0	1,034,840	0
Recreation	0	3,638,237	0	0
Capital outlay	0	0	0	0
Debt service	0	0	0	1,692,205
Total expenditures	<u>12,511,553</u>	<u>3,638,237</u>	<u>1,678,499</u>	<u>1,692,205</u>
Excess of revenues over (under) expenditures	<u>1,978,439</u>	<u>67,566</u>	<u>(323,903)</u>	<u>565,350</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	83,707	0	0	44,015
Transfers (out)	0	0	0	0
Sale of assets	0	0	0	0
Total other financing sources (uses)	<u>83,707</u>	<u>0</u>	<u>0</u>	<u>44,015</u>
Net change in fund balances	2,062,146	67,566	(323,903)	609,365
Fund balances - beginning	<u>3,574,513</u>	<u>520,765</u>	<u>140,974</u>	<u>843,046</u>
Fund balances - ending	<u>\$ 5,636,659</u>	<u>\$ 588,331</u>	<u>\$ (182,929)</u>	<u>\$ 1,452,411</u>

The notes to the financial statements are an integral part of this statement.

Capital Projects				
Revolving Improvements	Economic Increments Construction	Street Construction	Other Governmental Funds	Total
\$ 398,912	\$ 0	\$ 0	\$ 49,357	\$ 15,611,387
0	1,966,665	0	0	1,966,665
605,964	1,358,890	633,187	0	3,900,136
0	0	0	180	1,097,798
0	0	0	80,282	80,282
0	0	0	2,018,853	5,116,724
0	0	0	0	214,131
0	0	0	380,108	380,108
0	0	0	0	59,910
0	0	0	80,471	169,529
0	0	259,911	0	530,263
60,589	235,456	471,292	44,513	1,030,147
600	0	0	499,888	795,984
<u>1,066,065</u>	<u>3,561,011</u>	<u>1,364,390</u>	<u>3,153,652</u>	<u>30,953,064</u>
0	0	0	2,525,664	4,525,700
0	0	0	0	8,793,825
0	0	0	0	2,361,351
0	7,603,812	0	0	8,638,652
0	0	0	0	3,638,237
1,036,412	2,308,640	1,425,788	897,309	5,668,149
0	0	0	0	1,692,205
<u>1,036,412</u>	<u>9,912,452</u>	<u>1,425,788</u>	<u>3,422,973</u>	<u>35,318,119</u>
<u>29,653</u>	<u>(6,351,441)</u>	<u>(61,398)</u>	<u>(269,321)</u>	<u>(4,365,055)</u>
0	0	0	75,000	202,722
(127,722)	0	0	(50,000)	(177,722)
0	0	0	62,978	62,978
<u>(127,722)</u>	<u>0</u>	<u>0</u>	<u>87,978</u>	<u>87,978</u>
(98,069)	(6,351,441)	(61,398)	(181,343)	(4,277,077)
<u>1,738,542</u>	<u>10,387,046</u>	<u>14,230,158</u>	<u>1,445,783</u>	<u>32,880,827</u>
<u>\$ 1,640,473</u>	<u>\$ 4,035,605</u>	<u>\$ 14,168,760</u>	<u>\$ 1,264,440</u>	<u>\$ 28,603,750</u>

**CITY OF ROSEVILLE, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2010**

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

Net change in fund balances--total governmental funds	\$ (4,277,077)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount represents the difference between capital outlays and depreciation in the current period.	1,026,865
Transfer of capital assets from proprietary funds	59,007
Net book value on sales of capital assets	(34,000)
Payments on general obligation debt	1,245,000
Net change due to internal service funds incorporated into statement of activities	210,768
Net change in net pension obligation fire relief	(1,430)
Net change in net pension obligation OPEB	(106,674)
Changes in compensated absences	(52,051)
Changes in bond interest payable	18,111
Special assessments, property tax and tax increment collected for prior years	<u>(476,510)</u>
Change in net assets of governmental activities	<u>\$ (2,387,991)</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF ROSEVILLE, MINNESOTA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES -BUDGET AND ACTUAL
For the Year Ended December 31, 2010**

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
General property taxes	\$ 9,569,735	\$ 9,569,735	\$ 11,403,529	\$ 1,833,794
Intergovernmental revenue	839,000	839,000	851,127	12,127
Licenses and permits	267,400	267,400	321,388	53,988
Charges for services	1,030,000	1,030,000	1,275,737	245,737
Fines and forfeits	288,770	288,770	213,787	(74,983)
Donations	0	0	29,780	29,780
Investment Income	200,000	200,000	174,721	(25,279)
Miscellaneous	100,000	100,000	219,923	119,923
Total revenues	<u>12,294,905</u>	<u>12,294,905</u>	<u>14,489,992</u>	<u>2,195,087</u>
EXPENDITURES				
Current				
General government	2,110,295	2,110,295	2,000,036	110,259
Public safety	7,948,425	8,140,425	8,150,166	(9,741)
Public works	2,236,185	2,327,185	2,361,351	(34,166)
Total expenditures	<u>12,294,905</u>	<u>12,577,905</u>	<u>12,511,553</u>	<u>66,352</u>
Excess of revenue over (under) expenditures	<u>0</u>	<u>(283,000)</u>	<u>1,978,439</u>	<u>2,261,439</u>
OTHER FINANCING SOURCES				
Transfers in	<u>0</u>	<u>0</u>	<u>83,707</u>	<u>83,707</u>
Net change in fund balances	0	(283,000)	2,062,146	2,345,146
Fund balances - beginning	<u>3,574,513</u>	<u>3,574,513</u>	<u>3,574,513</u>	<u>0</u>
Fund balances - ending	<u>\$ 3,574,513</u>	<u>\$ 3,291,513</u>	<u>\$ 5,636,659</u>	<u>\$ 2,345,146</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF ROSEVILLE, MINNESOTA
RECREATION FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended December 31, 2010**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
General property taxes	\$ 1,828,560	\$ 1,828,560	\$ 1,805,048	\$ (23,512)
Intergovernmental revenue	0	0	24,468	24,468
Charges for services	1,716,040	1,716,040	1,686,169	(29,871)
Rentals	60,000	60,000	59,910	(90)
Donations	47,900	47,900	59,278	11,378
Special assessments	0	0	163	163
Investment income	6,500	6,500	16,635	10,135
Miscellaneous	30,500	30,500	54,132	23,632
Total revenues	<u>3,689,500</u>	<u>3,689,500</u>	<u>3,705,803</u>	<u>16,303</u>
EXPENDITURES				
Current				
Personal services	2,317,775	2,317,775	2,364,757	(46,982)
Supplies & materials	277,675	277,675	254,095	23,580
Other services & charges	1,077,915	1,077,915	1,009,531	68,384
Capital outlay	16,135	16,135	9,854	6,281
Total expenditures	<u>3,689,500</u>	<u>3,689,500</u>	<u>3,638,237</u>	<u>51,263</u>
Net change in fund balances	0	0	67,566	67,566
Fund balance - beginning	<u>520,765</u>	<u>520,765</u>	<u>520,765</u>	<u>0</u>
Fund balance - ending	<u>\$ 520,765</u>	<u>\$ 520,765</u>	<u>\$ 588,331</u>	<u>\$ 67,566</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF ROSEVILLE, MINNESOTA
COMMUNITY DEVELOPMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended December 31, 2010**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenue	\$ 0	\$ 0	\$ 426,500	\$ 426,500
Licenses and permits	1,110,000	1,110,000	776,230	(333,770)
Charges for services	0	0	135,965	135,965
Fines and forfeits	0	0	344	344
Investment income	15,295	15,295	(5,884)	(21,179)
Miscellaneous	135,000	135,000	21,441	(113,559)
Total revenues	<u>1,260,295</u>	<u>1,260,295</u>	<u>1,354,596</u>	<u>94,301</u>
EXPENDITURES				
Current				
Public safety	699,250	699,250	643,659	55,591
Economic Development	<u>561,045</u>	<u>987,545</u>	<u>1,034,840</u>	<u>(47,295)</u>
Total expenditures	<u>1,260,295</u>	<u>1,686,795</u>	<u>1,678,499</u>	<u>8,296</u>
Net change in fund balances	0	(426,500)	(323,903)	102,597
Fund balances - beginning	<u>140,974</u>	<u>140,974</u>	<u>140,974</u>	<u>0</u>
Fund deficit - ending	<u>\$ 140,974</u>	<u>\$ (285,526)</u>	<u>\$ (182,929)</u>	<u>\$ 102,597</u>

The notes to the financial statements are an integral part of this statement.

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2010
With Partial Comparative Information as of December 31, 2009

					Business-Type
	Sanitary Sewer Current Year	Sanitary Sewer Prior Year	Water Current Year	Water Prior Year	Golf Course Current Year
ASSETS					
Current assets					
Cash and cash equivalents	\$ 1,044,409	\$ 2,036,455	\$ 34,955	\$ 0	\$ 417,153
Investment interest receivable	7,683	13,925	0	298	1,262
Restricted cash, cash equivalents and investments:					
Customer deposits	0	0	838,661	828,360	0
Accounts receivable	823,089	641,046	941,001	773,386	26
Special Assessments	184,106	148,803	0	0	0
Due from other funds	1,338,195	785,203	0	0	0
Due from other governments	388,500	512,000	531,244	187,432	0
Total current assets	<u>3,785,982</u>	<u>4,137,432</u>	<u>2,345,861</u>	<u>1,789,476</u>	<u>418,441</u>
Property and equipment					
Property and equipment	11,266,068	10,867,681	13,814,953	13,588,755	1,082,513
Less accumulated depreciation	(5,423,238)	(5,141,693)	(7,744,943)	(7,520,784)	(590,136)
Net property and equipment	<u>5,842,830</u>	<u>5,725,988</u>	<u>6,070,010</u>	<u>6,067,971</u>	<u>492,377</u>
Total assets	<u>9,628,812</u>	<u>9,863,420</u>	<u>8,415,871</u>	<u>7,857,447</u>	<u>910,818</u>
LIABILITIES					
Current liabilities					
Accounts payable	8,144	204,595	51,418	8,085	1,530
Contracts payable	20,155	143,490	32,545	363,918	0
Customer deposits payable	0	0	838,661	828,360	0
Accrued payroll	45,918	31,565	32,571	18,003	32,402
Due to other funds	0	0	1,338,195	764,774	0
Due to other governments	432,899	471,151	573,358	288,791	50
Unearned revenue	388,500	512,000	0	0	0
Insurance claims payable	0	0	0	0	0
Total current liabilities	<u>895,616</u>	<u>1,362,801</u>	<u>2,866,748</u>	<u>2,271,931</u>	<u>33,982</u>
NET ASSETS					
Invested in capital assets	5,842,830	5,725,988	6,070,010	6,067,971	492,377
Unrestricted	2,890,366	2,774,631	(520,887)	(482,455)	384,459
Total Net Assets	<u>\$ 8,733,196</u>	<u>\$ 8,500,619</u>	<u>\$ 5,549,123</u>	<u>\$ 5,585,516</u>	<u>\$ 876,836</u>

The notes to the financial statements are an integral part of this statement.

Activities--Enterprise Funds						Governmental
Golf Course Prior Year	Solid Waste Recycling Current Year	Solid Waste Recycling Prior Year	Storm Drainage Current Year	Storm Drainage Prior Year	Totals Current Year	Activities- Internal Service Funds
\$ 394,557	\$ 22,268	\$ 0	\$ 2,671,839	\$ 2,392,916	\$ 4,190,624	\$ 2,869,326
1,994	69	0	8,055	12,507	17,069	8,847
0	0	0	0	0	838,661	0
26	138,688	87,960	204,238	174,213	2,107,042	0
0	0	0	38	175	184,144	0
0	0	0	0	0	1,338,195	0
0	0	0	0	4,617	919,744	0
<u>396,577</u>	<u>161,025</u>	<u>87,960</u>	<u>2,884,170</u>	<u>2,584,428</u>	<u>9,595,479</u>	<u>2,878,173</u>
1,082,524	0	0	16,157,185	16,166,963	42,320,719	0
(553,924)	0	0	(9,758,881)	(9,469,923)	(23,517,198)	0
<u>528,600</u>	<u>0</u>	<u>0</u>	<u>6,398,304</u>	<u>6,697,040</u>	<u>18,803,521</u>	<u>0</u>
<u>925,177</u>	<u>161,025</u>	<u>87,960</u>	<u>9,282,474</u>	<u>9,281,468</u>	<u>28,399,000</u>	<u>2,878,173</u>
761	654	150	11,097	30,975	72,843	8,663
0	0	0	22,080	77,141	74,780	0
0	0	0	0	0	838,661	0
25,354	398	0	26,995	6,683	138,284	0
0	0	20,429	0	0	1,338,195	0
511	54	0	2,975	18,781	1,009,336	0
0	0	0	0	0	388,500	0
0	0	0	0	0	0	180,589
<u>26,626</u>	<u>1,106</u>	<u>20,579</u>	<u>63,147</u>	<u>133,580</u>	<u>3,860,599</u>	<u>189,252</u>
528,600	0	0	6,398,304	6,697,040	18,803,521	0
<u>369,951</u>	<u>159,919</u>	<u>67,381</u>	<u>2,821,023</u>	<u>2,450,848</u>	<u>5,734,880</u>	<u>2,688,921</u>
<u>\$ 898,551</u>	<u>\$ 159,919</u>	<u>\$ 67,381</u>	<u>\$ 9,219,327</u>	<u>\$ 9,147,888</u>	<u>\$ 24,538,401</u>	<u>\$ 2,688,921</u>

CITY OF ROSEVILLE, MINNESOTA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010
With Partial Comparative Information for Year Ended December 31, 2009

	Sanitary Sewer Current Year	Sanitary Sewer Prior Year	Water Current Year	Water Prior Year	Business-Type Golf Course Current Year
Sales and cost of sales					
Sales	\$ 0	\$ 0	\$ 0	\$ 0	\$ 20,564
Cost of sales	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,248</u>
Gross profit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,316</u>
Operating revenues					
User charges	3,004,262	3,083,311	5,044,638	5,141,260	282,930
Delinquency collections	0	7,467	0	0	0
Other	<u>596,072</u>	<u>0</u>	<u>3,835</u>	<u>3,095</u>	<u>10,364</u>
Total operating revenues	<u>3,600,334</u>	<u>3,090,778</u>	<u>5,048,473</u>	<u>5,144,355</u>	<u>293,294</u>
Operating expense					
Personal service	488,614	463,398	400,445	353,304	221,869
Supplies	49,576	39,437	67,859	65,182	31,815
Other services and charges	2,962,393	2,779,787	4,366,555	4,752,478	56,695
Depreciation	<u>262,426</u>	<u>237,944</u>	<u>224,024</u>	<u>228,985</u>	<u>28,481</u>
Total operating expenses	<u>3,763,009</u>	<u>3,520,566</u>	<u>5,058,883</u>	<u>5,399,949</u>	<u>338,860</u>
Operating income (loss)	(162,675)	(429,788)	(10,410)	(255,594)	(36,250)
Nonoperating revenues (expenses)					
Investment income	74,064	53,592	(983)	11,006	14,535
Intergovernmental operating grants	321,188	1,953	0	1,953	0
Capital asset contributions	0	0	0	0	0
Miscellaneous expense	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total nonoperating revenues (expenses)	<u>395,252</u>	<u>55,545</u>	<u>(983)</u>	<u>12,959</u>	<u>14,535</u>
Net income (loss) before transfers	<u>232,577</u>	<u>(374,243)</u>	<u>(11,393)</u>	<u>(242,635)</u>	<u>(21,715)</u>
Transfers out	<u>0</u>	<u>0</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>0</u>
Change in net assets	<u>232,577</u>	<u>(374,243)</u>	<u>(36,393)</u>	<u>(267,635)</u>	<u>(21,715)</u>
Net assets - beginning	<u>8,500,619</u>	<u>8,874,862</u>	<u>5,585,516</u>	<u>5,853,151</u>	<u>898,551</u>
Net assets - ending	<u>\$ 8,733,196</u>	<u>\$ 8,500,619</u>	<u>\$ 5,549,123</u>	<u>\$ 5,585,516</u>	<u>\$ 876,836</u>

The notes to the financial statements are an integral part of this statement.

Activites--Enterprise Funds						Governmental
Golf	Solid Waste	Solid Waste	Storm	Storm	Totals	Activities-
Course	Recycling	Recycling	Drainage	Drainage		Internal Service
Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year	Funds
\$ 22,813	\$ 764	\$ 3,394	\$ 176	\$ 6,490	\$ 21,504	\$ 0
11,951	0	7,178	0	7,572	11,248	0
10,862	764	(3,784)	176	(1,082)	10,256	0
292,389	395,026	309,766	837,211	797,216	9,564,067	325,283
0	0	0	0	0	0	0
8,949	104,747	35,452	3,532	15,615	718,550	6,429
301,338	499,773	345,218	840,743	812,831	10,282,617	331,712
211,764	45,719	42,687	274,666	226,322	1,431,313	0
24,754	772	274	60,211	43,450	210,233	0
52,047	432,744	452,756	155,689	288,124	7,974,076	213,688
30,325	0	0	296,853	291,597	811,784	0
318,890	479,235	495,717	787,419	849,493	10,427,406	213,688
(6,690)	21,302	(154,283)	53,500	(37,744)	(134,533)	118,024
9,023	1,461	974	87,238	61,069	176,315	92,744
0	69,775	69,490	0	1,953	390,963	0
0	0	0	(59,007)	0	(59,007)	0
0	0	0	(10,292)	0	(10,292)	0
9,023	71,236	70,464	17,939	63,022	497,979	92,744
2,333	92,538	(83,819)	71,439	25,278	363,446	210,768
0	0	0	0	0	(25,000)	0
2,333	92,538	(83,819)	71,439	25,278	338,446	210,768
896,218	67,381	151,200	9,147,888	9,122,610	24,199,955	2,478,153
\$ 898,551	\$ 159,919	\$ 67,381	\$ 9,219,327	\$ 9,147,888	\$ 24,538,401	\$ 2,688,921

CITY OF ROSEVILLE, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2010
With Partial Comparative Information for Year Ended December 31, 2009

	Sanitary Sewer		Water		Business-Type Golf Course
	Current Year	Prior Year	Current Year	Prior Year	Current Year
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers and users, including deposits	\$ 2,786,916	\$ 3,033,021	\$ 4,543,512	\$ 5,339,247	\$ 303,494
Cash payments to suppliers for goods and services	(3,370,007)	(2,372,902)	(4,437,887)	(4,666,494)	(99,450)
Cash payments to employees	(474,261)	(447,338)	(385,877)	(360,715)	(214,821)
Other operating revenues	596,072	0	3,835	3,095	10,364
Net cash provided (used) by operating activities	<u>(461,280)</u>	<u>212,781</u>	<u>(276,417)</u>	<u>315,133</u>	<u>(413)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	(379,268)	(858,513)	(226,063)	(603,891)	7,742
Miscellaneous expense	0	0	0	0	0
Net cash provided (used) by capital and related financing activities	<u>(379,268)</u>	<u>(858,513)</u>	<u>(226,063)</u>	<u>(603,891)</u>	<u>7,742</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers from (to) other funds	0	0	(25,000)	(25,000)	0
Cash borrowed from (repaid to) other funds	(552,992)	(336,052)	573,421	315,623	0
Subsidy from governmental grants	321,188	1,953	0	1,953	0
Net cash provided (used) by non-capital financing activities	<u>(231,804)</u>	<u>(334,099)</u>	<u>548,421</u>	<u>292,576</u>	<u>0</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received on investments	80,306	61,412	(685)	12,828	15,267
Net increase (decrease) in cash and cash equivalents	(992,046)	(918,419)	45,256	16,646	22,596
Cash and cash equivalents, January 1	<u>2,036,455</u>	<u>2,954,874</u>	<u>828,360</u>	<u>811,714</u>	<u>394,557</u>
Cash and cash equivalents, December 31	<u>\$ 1,044,409</u>	<u>\$ 2,036,455</u>	<u>\$ 873,616</u>	<u>\$ 828,360</u>	<u>\$ 417,153</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	\$ (162,675)	\$ (429,788)	\$ (10,410)	\$ (255,594)	\$ (36,250)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	262,426	237,944	224,024	228,985	28,481
Changes in elements affecting cash:					
(Increase) Decrease Accounts receivable	(182,043)	(38,280)	(167,615)	3,073	0
(Increase) Decrease Special assessments	(35,303)	(19,477)	0	0	0
(Increase) Decrease Due from other governments	123,500	9,950	(343,812)	178,268	0
Increase (Decrease) Accounts payable	(196,451)	(150,836)	43,333	(22,613)	769
Increase (Decrease) Accrued payroll	14,353	16,060	14,568	(7,411)	7,048
Increase (Decrease) Due to other governments	(38,252)	453,861	284,567	(190,092)	(461)
Increase (Decrease) Contracts payable	(123,335)	143,297	(331,373)	363,871	0
Increase (Decrease) Unearned Revenue	(123,500)	(9,950)	0	0	0
Increase (Decrease) Insurance claim payable	0	0	0	0	0
Increase (Decrease) Customer deposits	0	0	10,301	16,646	0
Total adjustments	<u>(298,605)</u>	<u>642,569</u>	<u>(266,007)</u>	<u>570,727</u>	<u>35,837</u>
Net cash provided (used) by operating activities	<u>\$ (461,280)</u>	<u>\$ 212,781</u>	<u>\$ (276,417)</u>	<u>\$ 315,133</u>	<u>\$ (413)</u>

The notes to the financial statements are an integral part of this statement.

Activities--Enterprise Funds						Governmental
Golf Course	Solid Waste Recycling	Solid Waste Recycling	Storm Drainage	Storm Drainage	Totals	Activities- Internal Service Funds
Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year	Funds
\$ 315,176	\$ 345,062	\$ 349,653	\$ 812,116	\$ 792,957	\$ 8,791,100	\$ 337,941
(89,390)	(432,958)	(460,067)	(306,645)	(219,643)	(8,646,947)	(157,446)
(214,742)	(45,321)	(42,841)	(254,354)	(227,729)	(1,374,634)	(134,844)
8,949	104,747	35,452	3,532	15,615	718,550	0
<u>19,993</u>	<u>(28,470)</u>	<u>(117,803)</u>	<u>254,649</u>	<u>361,200</u>	<u>(511,931)</u>	<u>45,651</u>
0	0	0	(57,124)	(546,169)	(654,713)	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>(10,292)</u>	<u>0</u>	<u>(10,292)</u>	<u>0</u>
-	-	-	(67,416)	(546,169)	(665,005)	-
0	0	0	0	0	(25,000)	0
0	(20,429)	20,429	0	0	0	0
<u>0</u>	<u>69,775</u>	<u>69,490</u>	<u>0</u>	<u>1,953</u>	<u>390,963</u>	<u>0</u>
0	49,346	89,919	0	1,953	365,963	0
9,318	1,392	1,107	91,690	64,284	187,970	97,636
29,311	22,268	(26,777)	278,923	(118,732)	(623,003)	143,287
<u>365,246</u>	<u>0</u>	<u>26,777</u>	<u>2,392,916</u>	<u>2,511,648</u>	<u>5,652,288</u>	<u>2,726,039</u>
\$ 394,557	\$ 22,268	\$ 0	\$ 2,671,839	\$ 2,392,916	\$ 5,029,285	\$ 2,869,326
\$ (6,690)	\$ 21,302	\$ (154,283)	\$ 53,500	\$ (37,744)	\$ (134,533)	\$ 118,024
30,325	0	0	296,853	291,597	811,784	0
(26)	(50,728)	36,493	(30,025)	(5,956)	(430,411)	6,229
0	0	0	137	(176)	(35,166)	0
0	0	0	4,617	(4,617)	(215,695)	0
(830)	504	141	(19,878)	27,871	(171,723)	(8,829)
(2,978)	398	(154)	20,312	(1,407)	56,679	0
192	54	0	(15,806)	15,390	230,102	(1,533)
0	0	0	(55,061)	76,242	(509,769)	0
0	0	0	0	0	(123,500)	0
0	0	0	0	0	0	(68,240)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,301</u>	<u>0</u>
<u>26,683</u>	<u>(49,772)</u>	<u>36,480</u>	<u>201,149</u>	<u>398,944</u>	<u>(377,398)</u>	<u>(72,373)</u>
\$ 19,993	\$ (28,470)	\$ (117,803)	\$ 254,649	\$ 361,200	\$ (511,931)	\$ 45,651

CITY OF ROSEVILLE, MINNESOTA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2010

	Investment Trust	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 1,305,775	\$ 573,311
Investment interest receivable	4,032	2,374
Accounts receivable	0	33,662
Prepaid items	0	63,424
Net capital assets	0	8,482
Total Assets	1,309,807	681,253
LIABILITIES		
Accounts payable	0	31,440
Accrued payroll	0	7,430
Due to other government	0	682
Due to other organizations	0	641,701
Total Liabilities	0	681,253
NET ASSETS		
Held in trust for pool participant	\$ 1,309,807	\$ 0

The notes to the financial statements are an integral part of this statement.

CITY OF ROSEVILLE, MINNESOTA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For the Year Ended December 31, 2010

	<u>Investment Trust</u>
ADDITIONS:	
Operations	
Net investment gain	\$ 43,042
Purchase of units for participant	<u>96,422</u>
Total increase from operations	139,464
 DEDUCTIONS:	
Capital share transactions	
Redemption of shares by participant	<u>449,178</u>
 Change in Net Assets	 (309,714)
 Total net assets - beginning	 <u>1,619,521</u>
 Total net assets - ending	 <u><u>\$ 1,309,807</u></u>

The notes to the financial statements are an integral part of this statement.

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CITY OF ROSEVILLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting entity

The City of Roseville is a municipal corporation formed under Section 412 of *Minnesota State Statutes* and operates under a Council-Manager form of government. The five-member Council and Mayor are elected on rotating terms in each odd-numbered year. The accompanying financial statements present the government entities for which the City is considered to be financially accountable. The City does not have any blended component units.

Discretely presented component unit. The Housing & Redevelopment Authority (HRA) is responsible for providing housing programs and promoting safe, decent and affordable housing options for the community. The HRA Board of Directors is appointed by a recommendation of the Mayor and approval of the City Council. The HRA can give, sell, buy and transfer property, provide grants, loans, leases and abatements and raise funds through several financing tools. The HRA may levy a special property tax to fund housing improvement plans within the City. The levy is separate from the City's general fund levy. The HRA annually submits a budget to the City Council who has the final authority to approve the HRA levy each year. Financial statements for the HRA may be obtained from the City's Finance Department.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, service or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement focus, basis of accounting, and financial statement presentation (Continued)

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds. Fiduciary fund financial statements also use the accrual basis of accounting. One of the City's fiduciary fund types, agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. With the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditure-related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

General

The general fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenue

The recreation fund accounts for resources and payments related to the parks and recreation functions and the community development fund accounts for resources and payments related to the City's building codes enforcement, development and redevelopment activities.

Debt Service

The debt service fund accounts for resources accumulated and payments for principal and interest on long term general obligation debt.

CITY OF ROSEVILLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement focus, basis of accounting, and financial statement presentation (Continued)

The City reports the following major governmental funds: (Continued)

Capital

The revolving improvements fund accounts for revenues and expenditures from replacement funds set aside for equipment and building replacement, and general land improvements. The economic increments construction fund accounts for tax increment payments to various developers as part of Pay-as-you-go TIF agreements and infrastructure improvements. The street construction fund accounts for revenues and expenditures related to street construction and improvements.

The City reports the following major proprietary funds:

The sanitary sewer fund and the water fund account for the activities related to the operation of a sanitary collection system and a water distribution system, respectively.

The golf course fund, accounts for resources and payments related to the operation and maintenance of a municipal golf course.

The recycling fund accounts for the resources and expenditures related to the operation of a solid waste recycling collection system.

The storm drainage fund accounts for activities related to the operation of a surface water collection system.

Additionally, the City reports the following fund types:

Internal service funds account for the worker's compensation and general insurance services provided to other departments or agencies of the City.

The trust fund accounts for the investment activities of a not-for-profit organization devoted to providing cable television oversight for a group of communities of which the City is a member.

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement focus, basis of accounting, and financial statement presentation (Continued)

Agency funds account for resources held by the City in a purely custodial capacity for the Grass Lake Water Management Organization, Roseville Islamic Cemetery, and the Roseville Visitors Association.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are other charges between the City's water and sewer function and various other functions of the primary government and its component units. Elimination of these charges would distort the direct costs and program revenues reported from the various functions concerned.

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, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the City's enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

CITY OF ROSEVILLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

The enterprise and internal service funds participate in the pooling of City-wide cash and investments. Amounts from the pool are available to these funds on demand. As a result, the cash and investments of the enterprise and internal service funds are considered to be cash and cash equivalents for statement of cash flow purposes.

State statutes authorize investments in the following: direct obligations or obligations guaranteed by the United States or its agencies; shares of investment companies registered under the Federal Investment Company Act of 1940 which receive the highest credit rating are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of thirteen months or less; municipal general obligations rated "A" or better; municipal revenue obligations rated "AA" or better, general obligations of the Minnesota Housing Finance Agency rated "A" or better; bankers; acceptances of United States' banks eligible for purchase of by the Federal Reserve System; commercial paper issued by United States corporations or their Canadian subsidiaries, of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less; Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, and with a credit quality in one of the top two highest categories, repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualifies as a "depository" by the City entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.

Investments for the City and the component unit are reported at fair value.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loan).

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, liabilities, and net assets or equity (Continued)

2. Receivables and payables (Continued)

All trade (utility) and property tax receivables, including those for the HRA, are shown at a gross amount, since both taxes and trade (utility) receivables are assessable to the property taxes and are collectible upon sale of the assessed property.

Property taxes are submitted to the County Auditor by December 28 of each year, to be levied on January 1 on property values assessed as of the same date. The tax levy notice is mailed in March with the first half payment due on May 15 and the second half payment is due on October 15.

3. Restricted Assets

Certain assets in the water fund are restricted to the extent of the customer deposits, which are carried as liabilities.

Cash held in escrow for the Housing Redevelopment Authority is classified as restricted assets on the balance sheet because they are maintained and administered by a third party lending administrator. Use of these funds is limited to providing housing loans to qualified residents.

4. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and intangible assets such as easements and computer software are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost equal to or greater than \$5,000 and an estimated useful life in excess of 2 years. The City reports infrastructure assets on a network basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements regardless of their amount.

With the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the City chose to include all such items regardless of their acquisition date or amount. The City's Public Works Pavement Management Plan contained all historical costs for the City's general infrastructure assets. As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. Donated capital assets are recorded at their estimated fair market value on the date of donation.

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, liabilities, and net assets or equity (Continued)

4. Capital Assets (Continued)

Property, plant and equipment of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40
Building Improvements	25
Furniture and Equipment	5
Light Vehicles	5
Heavy Vehicles	10
Fire Trucks	20
Streets and public infrastructure	50
Utility distribution systems	80

The City implemented GASB 51, *Accounting and Financial Reporting for Intangible Assets* effective January 1, 2010, which required the City to capitalize intangible assets. Pursuant to GASB Statement 51, in the case of initial capitalization of intangible assets, the City chose to capitalize intangible assets retroactively to 1980. The City was able to obtain historical costs and estimated fair value of donated intangible assets as of the date of donation for the initial reporting of easements through public works project records.

5. Compensated absences

It is the City's policy to permit employees to accumulate earned but unused vacation, Paid Time Off (PTO), compensatory time, and sick pay benefits. There is an estimate for a liability for unpaid accumulated sick leave, as employees may receive up to 320 hours upon retirement only. All vacation, PTO, compensatory time, and estimated sick pay benefits are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, liabilities, and net assets or equity (Continued)

6. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, and proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs if material, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. Fund equity

In the fund financial statements, governmental funds reported reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative Council plans that are subject to change.

The Statement of Net Assets reports restrictions in net assets for tax increment whose revenues are used to pay for costs associated with the development of a district. Law Enforcement is proceeds received from fines and forfeitures generated from driving under the influence (DUI) or drugs. These proceeds are restricted for specific law enforcement uses. Minnesota law governs both tax increment and law enforcement uses.

8. Comparative data

Comparative total data for the prior year have been presented only for individual enterprise funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds.

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. Elements of that reconciliation are detailed as follows:

Long-term liabilities:

Bonds payable	\$ (9,190,000)
Certificates of indebtedness	(2,330,000)
Bond interest payable	(148,482)
Net pension obligation - OPEB	(350,737)
Compensated absences	<u>(1,308,604)</u>

Net change due to long-term liabilities	<u><u>\$(13,327,823)</u></u>
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Other long-term assets:

Net pension obligation - fire relief	\$ 176,833
Addition of long-term deferred revenues	<u>1,440,212</u>

Net change in other long-term assets	<u><u>\$ 1,617,045</u></u>
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B. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the governmental-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances-total governmental funds and change in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference are as follows:

Capital outlay	\$ 5,038,434
Depreciation expense	<u>(4,011,569)</u>
Net change in fund-balances-total governmental funds and change in net assets of governmental activities	<u><u>\$ 1,026,865</u></u>

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the governmental funds classified as the general fund and special revenue funds. No budgets are prepared for other governmental funds which include the debt service and capital projects. All annual appropriations lapse at fiscal year-end.

On or before mid-May of each year, all departments and agencies of the City submit requests for appropriations to the City's manager so that a budget may be prepared. Before September 15, the proposed budget is presented to the city council for review and approval. By September 15, the proposed budget and tax levy must be submitted to the county auditor. The Council holds public hearings and a final budget and tax levy must be prepared, adopted and submitted to the county auditor, no later than December 28.

The appropriated budget is prepared by fund, function and department. The City's department heads may make transfers of appropriations within a department with approval of the City's manager, without Council approval. Transfers of appropriations between funds require the approval of the Council. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is at the fund level. The Council made a supplementary budgetary appropriation for the general fund and a few special revenue funds in 2010. The supplementary budgetary appropriation increased budgeted expenditures in the General Fund by \$283,000, Community Development fund by \$426,500, Charitable Gambling Fund by \$41,000 and Information Technology Fund \$33,000.

B. Deficit fund equity

The Community Development, Charitable Gambling, and Information Technology Funds had deficit balances of \$182,929, \$90,748, and \$109,301, respectively. These fund deficits are expected to be covered from future fund revenues or transfers from other funds.

NOTE 4 - DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

1. Components of Cash and Investments

Cash and investments at year-end consist of the following:

Deposits	\$ 11,432,202
Investments	27,866,161
Cash on hand	<u>8,637</u>
Total	<u>\$ 39,307,000</u>

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 4 - DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and investments (Continued)

1. Components of Cash and Investments (Continued)

Cash and investments are presented in the financial statements as follows:

Statement of Net Assets - Government Wide	
Cash and cash equivalents - Primary Government	\$ 35,248,276
Cash and cash equivalents - Component Unit	920,667
Restricted investments - Primary Government	838,661
Restricted investments - Component Unit	420,310
Statement of Fiduciary Net Assets	
Cash and cash equivalents - Investment Trust Fund	1,305,775
Cash and cash equivalents - Agency Funds	<u>573,311</u>
Total	<u><u>\$ 39,307,000</u></u>

2. Deposits

In accordance with applicable Minnesota Statutes, the City maintains deposits at depository banks authorized by the City Council, including checking accounts and certificates of deposits.

The following is considered the most significant risk associated with deposits:

Custodial credit risk – In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may be lost.

Minnesota Statutes require that all deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated “A” or better; revenue obligations rated “AA” or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The City’s investment policy has no additional deposit policies addressing custodial credit risk.

At year-end, the carrying amount of the City’s deposits was \$11,432,202 while the balance on the bank records was \$12,021,208. At December 31, 2010, all deposits were covered by federal depository insurance, surety bonds, or by collateral held by the City’s agent in the City’s name.

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 4 - DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and investments (Continued)

3. Investments

The City has the following investments at year end:

Investment Type	Rating	Agency	Interest Risk - Maturity Duration in Years				Total
			1 to 5	5 to 10	10 to 15	15 to 20	
U.S. Treasuries	n/a	n/a	\$ 1,998,700	\$ 0	\$ 0	\$ 0	\$ 1,998,700
U.S. Agencies	Aaa	Moody's	7,879	17,949,422	6,835,140	1,075,020	25,867,461
Total Investments			<u>\$ 2,006,579</u>	<u>\$ 17,949,422</u>	<u>\$ 6,835,140</u>	<u>\$ 1,075,020</u>	<u>\$ 27,866,161</u>

Investments are subject to various risks, the following of which are considered the most significant:

Custodial credit risk – For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the City would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City’s investment policy does not further address this risk, but the City typically limits its exposure by purchasing insured or registered investments, or by the control of who holds the securities.

Credit risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes limit the City’s investments to direct obligations or obligations guaranteed by the United States or its agencies; shares of investment companies registered under the Federal Investment Company Act of 1940 that receive the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of thirteen months or less; general obligations rated “A” or better; revenue obligations rated “AA” or better; general obligations of the Minnesota Housing Finance Agency rated “A” or better; bankers’ acceptances of United States banks eligible for purchase by the Federal Reserve System; commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less; Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, and with a credit quality in one of the top two highest categories; repurchase or reverse purchase agreements and securities lending agreements with financial institutions qualified as a “depository” by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000 that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers. The City’s investment policy addresses credit risk beyond what is prescribed by State Statute. The City’s investment policy restricts investments to only Repurchase Agreements with national or state chartered banks, U.S. Treasury and U.S. Government Agencies.

CITY OF ROSEVILLE
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2010

NOTE 4 - DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and investments (Continued)

3. Investments (Continued)

Concentration risk – This is the risk associated with investing a significant portion of the City’s investment (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as Treasuries), investment pools, and mutual funds. The City’s investment policy does not limit the concentration of investments. The City holds 52% with Federal Home Mortgage Corp, 7% with Federal Home Bank, 33% with Fannie Mae.

Interest rate risk – This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The City’s investment policy does not address interest rate risk. The City holds all investments to maturity.

B. Receivables

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

	Unavailable
Special assessments not yet due (G.O. improvement bonds)	\$ 624,468
Special assessments not yet due (Street construction)	815,744
Total deferred/uneared revenue for governmental funds	\$ 1,440,212

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 4 - DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital assets

Capital asset activity for the year ended December 31, 2010 was as follows:

	** Beginning Balance	(1) Reclassifications	Increases	Decreases	Completed Construction & Transfers	Ending Balance
Governmental activities:						
Capital assets not being depreciated:						
Land	\$ 25,626,987	\$ (5,731)	\$ 17,200	\$ 0	\$ 0	\$ 25,638,456
Permanent Easements **	7,731,895	0	0	0	0	7,731,895
Construction in progress	5,371,040	0	2,366,550	0	(2,074,744)	5,662,846
Total capital assets not being depreciated	38,729,922	(5,731)	2,383,750	0	(2,074,744)	39,033,197
Capital assets being depreciated:						
Buildings	26,606,840	1,287	0	25,623	0	26,582,504
Improvements other than buildings	4,160,958	62,778	8,541	0	0	4,232,277
Machinery and equipment	14,653,455	(1,240,012)	1,649,774	504,628	0	14,558,589
Infrastructure	88,295,676	1,161,886	996,369	0	2,133,751	92,587,682
Total capital assets being depreciated	133,716,929	(14,061)	2,654,684	530,251	2,133,751	137,961,052
Less accumulated depreciation for:						
Buildings	7,783,715	74,296	708,888	25,623	0	8,541,276
Improvements other than buildings	1,922,046	(1,015,660)	375,839	0	0	1,282,225
Machinery and equipment	6,879,714	818,829	844,293	470,628	0	8,072,208
Infrastructure	32,532,448	102,743	2,082,549	0	0	34,717,740
Total accumulated depreciation	49,117,923	(19,792)	4,011,569	496,251	0	52,613,449
Total capital assets, being depreciated, net	84,599,006	5,731	(1,356,885)	34,000	2,133,751	85,347,603
Governmental activities capital assets, net	\$123,328,928	\$ 0	\$1,026,865	\$ 34,000	\$ 59,007	\$124,380,800

** The City chose to retroactively report GASB Statement #51 for intangible assets and incorporated the balances into the beginning balance above. The increase is presented as a change in accounting principle on the Statement of Activities for the year ended December 31, 2010.

(1) The City made a number of reclassifications to capital asset accounting records in calendar 2010 to properly reflect the nature of certain assets.

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 4 - DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital assets (Continued)

	Beginning Balance	(1) Reclassifications	Increases	Decreases	Completed Construction & Transfers	Ending Balance
Business-type activities:						
Capital assets not being depreciated:						
Land	\$ 464,821	\$ 0	\$ 0	\$ 0	\$ 265,978	\$ 730,799
Construction in progress	1,119,100	0	106,236	0	(504,967)	720,369
Total capital assets not being depreciated	1,583,921	0	106,236	0	(238,989)	1,451,168
Capital assets being depreciated:						
Buildings	1,677,767	19,220	0	0	0	1,696,987
Improvements other than buildings	1,328,375	6,319	0	0	(265,978)	1,068,716
Machinery and equipment	3,118,289	(100,318)	138,811	0	0	3,156,782
Infrastructure	33,997,571	93,869	409,666	0	445,960	34,947,066
Total capital assets being depreciated	40,122,002	19,090	548,477	0	179,982	40,869,551
Less accumulated depreciation for:						
Buildings	1,392,870	19,117	49,423	0	0	1,461,410
Improvements other than buildings	526,756	3,023	45,652	0	0	575,431
Machinery and equipment	2,321,428	(81,896)	201,724	0	0	2,441,256
Infrastructure	18,445,270	78,846	514,985	0	0	19,039,101
Total accumulated depreciation	22,686,324	19,090	811,784	0	0	23,517,198
Total capital assets, being depreciated, net	17,435,678	0	(263,307)	0	179,982	17,352,353
Business-type activities capital assets, net	<u>\$19,019,599</u>	<u>\$ 0</u>	<u>\$(157,071)</u>	<u>\$ 0</u>	<u>\$ (59,007)</u>	<u>\$18,803,521</u>

Note: During the year ended December 31, 2010, the business type activities transferred capital assets with a net book value of \$59,007 to the governmental activities.

(1) The City made a number of reclassifications to capital asset accounting records in calendar 2010 to properly reflect the nature of certain assets.

CITY OF ROSEVILLE
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2010

NOTE 4 - DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital assets (Continued)

Depreciation expense was charged to functions/programs of the City is follows:

Governmental activities:

General government	\$ 425,253
Public safety	322,184
Public works including depreciation of infrastructure	2,247,114
Recreation	1,017,018

Total depreciation expense - governmental activities	\$ 4,011,569
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Business-type activities:

Sanitary sewer	\$ 262,426
Water	224,024
Golf	28,481
Storm drainage	296,853

Total depreciation expense - business-type activities	\$ 811,784
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D. Change in Accounting Principle

The City retroactively implemented GASB 51 for intangible assets in 2010. A new easement classification was added which had a beginning balance of \$7,731,895.

E. Construction commitments

The City has a couple of construction projects in progress as of December 31, 2010. The projects include the improvement, construction of streets, water, sewer, and storm systems, and expansion/remodel of the skating center. At year- end the commitments with these contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
County road C streetscape	\$ 494,876	\$ 89,031
Residential streets, water, and storm construction	\$ 165,484	\$ 146,491
Twin Lakes infrastructure construction	\$ 1,449,615	\$ 162,269

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

F. Interfund receivables, payables, and transfers

The composition of interfund balances as of December 31, 2010, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
General	Community Development	\$ 29,039
General	Non-major Governmental funds	70,303
Revolving Improvements	Non-major Governmental funds	135,152
Sanitary Sewer Fund	Water Fund	<u>1,338,195</u>
Total		<u>\$ 1,572,689</u>

In the financial statements, due to/from other funds are used to cover temporary cash deficits.

Interfund transfers:

<u>Transfers out</u>	<u>Transfers in</u>			<u>Total</u>
	<u>General</u>	<u>GO Improvement Bonds</u>	<u>Non-major Governmental Funds</u>	
Revolving Improvements	\$ 83,707	\$ 44,015	\$ 0	\$ 127,722
Non-major governmental funds	0	0	50,000	50,000
Water	0	0	25,000	25,000
Total	<u>\$ 83,707</u>	<u>\$ 44,015</u>	<u>\$ 75,000</u>	<u>\$ 202,722</u>

Total transfers in/out are created to assist in financing various activities and/or projects.

CITY OF ROSEVILLE
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2010

NOTE 4 - DETAILED NOTES ON ALL FUNDS (Continued)

G. Leases

The City leases office facilities and copiers under noncancelable operating leases. Total costs for such leases were \$90,123 for the year ended December 31, 2010. The future minimum lease payments for these leases are as follows:

<u>Year Ending Dec. 31</u>	<u>Amount</u>
2011	96,071
2012	102,711
2013	48,578
2014	7,309
Total	<u>\$ 254,669</u>

H. Long-term debt

The City issues general obligation debt to provide for financing construction of major capital facilities and street improvements. Debt service for street improvements is covered by special assessments against benefited properties with any shortfalls being paid from general taxes.

General obligation bonds and certificates of indebtedness are direct obligations and pledge the full faith and credit of the government. The original amount of general obligation bonds and certificates of indebtedness for the issues listed below is \$16,200,000.

General obligation debt currently outstanding is as follows:

<u>Purpose</u>	<u>Net Interest Rates</u>	<u>Amount</u>
Governmental activities	2.0% - 5.2%	<u>\$ 11,520,000</u>

CITY OF ROSEVILLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 4 - DETAILED NOTES ON ALL FUNDS (Continued)

H. Long-term debt (Continued)

Annual debt service requirements to maturity for general obligation debt are as follows:

Year Ending December 31	Government Activities					
	General Obligation Bonds		Special Assessment Debt with Government Commitment		Certificate of Indebtedness	
					Principal	Interest
2011	\$ 685,000	\$ 297,634	\$ 440,000	\$ 29,075	\$ 260,000	\$ 74,227
2012	710,000	273,159	455,000	17,750	270,000	65,748
2013	745,000	246,496	210,000	9,375	275,000	56,959
2014	770,000	218,415	225,000	3,375	285,000	47,645
2015	805,000	188,965	0	0	295,000	37,785
2016-2020	3,675,000	447,549	0	0	945,000	50,170
2021-2025	470,000	67,693	0	0	0	0
Total	\$ 7,860,000	\$ 1,739,911	\$ 1,330,000	\$ 59,575	\$ 2,330,000	\$ 332,534

Changes in long-term liabilities

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
General obligation bonds	\$ 8,465,000	\$ 0	\$ 605,000	\$ 7,860,000	\$ 685,000
Special assessment debt with gov't commitment	1,750,000	0	420,000	1,330,000	440,000
Total bonds payable	10,215,000	0	1,025,000	9,190,000	1,125,000
General obligation certificate of indebtedness	2,550,000	0	220,000	2,330,000	260,000
Net Pension Obligation OPEB	244,063	232,654	125,980	350,737	0
Compensated absences	1,256,553	1,037,020	984,969	1,308,604	73,282
Governmental activities - Long-term liabilities	\$ 14,265,616	\$ 1,269,674	\$ 2,355,949	\$ 13,179,341	\$ 1,458,282

Compensated absences and other post employment benefits are liquidated by the governmental fund in which an employee is assigned.

CITY OF ROSEVILLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 4 - DETAILED NOTES ON ALL FUNDS (Continued)

H. Long-term debt (Continued)

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2010, there were twelve series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$77.3 million.

NOTE 5 - OTHER INFORMATION

A. Risk management

The City is exposed to various risks of loss related to torts; theft of damage to, and the destruction of assets; errors and omissions; injuries to employees and natural disasters. During the fiscal years of 1980 and 1987, the City established a Workers' Compensation Fund and a Risk Management Fund, respectively (internal service funds) to account for and finance its uninsured risks of loss. Under this program, for the year 2010, the Worker's Compensation Fund provided coverage up to a maximum of \$450,000 for each occurrence. The City purchases excess loss coverage from the Workers' Compensation Reinsurance Association, a nonprofit organization established by Minnesota State Statutes.

The Risk Management Fund provides comprehensive general liability and comprehensive automotive liability up to the statutory maximum of \$1,500,000. The City retains the risk of the first \$100,000 of each occurrence with an annual maximum exposure of \$300,000. Liabilities of the fund are reported when it is probable that a loss has occurred and amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims.

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 5 - OTHER INFORMATION (Continued)

A. Risk management (Continued)

Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. The City purchased commercial insurance for claims in excess of coverage provided by the Risk Management Fund and for all other risks of loss. Settled claims have not exceeded this coverage in any of the past three fiscal years. There were no significant reductions in the City's insurance coverage in 2010.

Enterprise fund charges and the property tax levy are based on a management estimate of claims history and the amount necessary to maintain catastrophic reserves. The reserves as of December 31, 2010, were \$ 1,757,117 and \$ 931,804 for the Workers' Compensation Fund and Risk Management Fund, respectively. The claims liability of \$ 109,235 and \$71,354, respectively, reported in both funds at December 31, 2010 are based on the requirements of Governmental Accounting Standards Board Statement No. 10. This statement requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated (IBNR). Changes in the funds' claims liability amount in fiscal 2009 and 2010 were:

		Workers' Compensation Fund			
		Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Ending of Fiscal Year Liability
2009	\$	312,970	\$ 43,239	\$ 136,286	\$ 219,923
2010		219,923	(86,532)	24,156	109,235

		Risk Management Fund			
		Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Ending of Fiscal Year Liability
2009	\$	116,555	\$ (48,267)	\$ 39,382	\$ 28,906
2010		28,906	64,996	22,548	71,354

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 5 - OTHER INFORMATION (Continued)

B. Contingent liabilities

The City had the usual and customary types of miscellaneous claims pending at year end mostly of a minor nature, and usually all covered by insurance carried for that purpose or the City has reserved funds for settlement. The City also carries personal injury insurance against suits for false arrest, libel, slander, violation of privacy, wrongful entry, etc. which can arise from enforcement of the city code and general laws. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's counsel the resolution of these matter will not have a material adverse effect on the financial condition of the government.

C. Employee retirement systems and pension plans

1. Defined benefit pension plans - statewide employees plan

a. Plan Description

All full-time and certain part-time employees of the City of Roseville are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF), which are cost-sharing, multiple-employer retirement plans. These plans are established and administered in accordance with *Minnesota Statutes*, chapters 353 and 356.

GERF members belong to the Coordinated Plan and are also covered by Social Security. All new members participate in the Coordinated Plan. All police officers, fire fighters, and peace officers who qualify for membership by statute are covered by the PEPFF.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by State Statute, and vest after three years of credited service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service.

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 5 - OTHER INFORMATION (Continued)

C. Employee retirement systems and pension plans (Continued)

1. Defined benefit pension plans - statewide employees plan (Continued)

a. Plan Description (Continued)

Two methods are used to compute benefits for PERA's Coordinated Plan members. The retiring member receives the higher of step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 1.7 percent for each year of service. For PEPFF members, the annuity accrual rate is 3.0 percent for each year of service. For all PEPFF members and GERF members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 55 for PEPFF members and 65 for Coordinated members hired prior to July 1, 1989.

Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

There are different types of annuities available to members upon retirement. A single-life annuity is a lifetime annuity that ceases upon the death of the retiree—no survivor annuity is payable. There are also various types of joint and survivor annuity options available which will be payable over joint lives. Members may also leave their contributions in the fund upon termination of public service in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees, who are entitled to benefits but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERF and PEPFF. That report may be obtained on the web at mnpera.org, by writing to PERA, 60 Empire Drive #200, St. Paul, Minnesota, 55103-2088, or by calling (651) 296-7460 or (800) 652-9026.

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 5 - OTHER INFORMATION (Continued)

C. Employee retirement systems and pension plans (Continued)

1. Defined benefit pension plans - statewide employees plan (Continued)

b. Funding policy

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The City makes annual contributions to the pension plans equal to the amount required by State Statutes. GERF Coordinated Plan members are required to contribute 6.00%, of their annual covered salary. PEPFF members are required to contribute 9.4% of their annual covered salary. The City of Roseville is required to contribute the following percentages of annual covered payroll: 7.00% for Coordinated Plan PERF members, and 14.1% for PEPFF members. The City's contributions to the Public Employees Retirement Fund for the years ending December 31, 2010, 2009, and 2008 \$475,651, \$447,277, and \$434,312, respectively. The City's contributions to the Public Employees Police & Fire Fund for the years ending December 31, 2010, 2009, and 2008 were \$565,444, \$562,849, and \$523,909, respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statute.

2. Defined Contribution Plan

a. Plan description

Four council members and the mayor of the City of Roseville are covered by the defined contribution pension plan administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the Public Employees Defined Contribution Plan (PEDCP), which is a multiple-employer deferred compensation plan.

b. Funding policy

The PEDCP is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5 percent of salary, which is matched by the elected official's employer.

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 5 - OTHER INFORMATION (Continued)

C. Employee retirement systems and pension plans (Continued)

2. Defined Contribution Plan (Continued)

b. Funding policy (Continued)

For salaried employees contributions must be a fixed percentage of salary. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the six accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2 percent of employer contributions and four-tenths of one percent of the assets in each member's account annually.

Total contributions made by the City during fiscal year 2010 were:

	Amount		Percentage of Covered Payroll		Required Rates
	Employees	Employer	Employees	Employer	
2010 PEDCP	\$ 1,196	\$ 1,196	5.00%	5.00%	5.00%

3. Single employer defined benefit pension plan – volunteer fire relief association

a. Plan description

The City of Roseville (employer) firefighters are covered by a non-employee contributory defined benefit retirement plan administered by the Roseville Firefighter Relief Association (Association), a single employer public employee retirement system. The Association is organized under the Minnesota State Statutes 424A, as amended and provides benefits in accordance with those statutes.

The Association provides retirement benefits as well as disability benefits to members and benefits to survivors upon death of eligible members. Benefits are established by the Association with approval by the Roseville City Council under the applicable state statutes. The defined retirement benefits are based on a members' years of service. Vesting begins after the 10th year of service with a 60% benefit increasing to 100% after the 20th year of service.

Full benefits are available after 20 years of service by the member and having attained the age of 50. The current benefit is calculated at \$30 per year of service per month up to a maximum of 30 years. The retiree may also select a one-time lump-sum payment upon retirement of \$3,000 per year of service.

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 5 - OTHER INFORMATION (Continued)

C. Employee retirement systems and pension plans (Continued)

3. Single employer defined benefit pension plan – volunteer fire relief association (Continued)

a. Plan description (Continued)

There are various types of joint and survivor annuity options available which will reduce the monthly normal annuity amount, because the annuity is payable over joint lives.

The benefit provisions stated in the previous paragraphs of this section are current provisions which apply to active plan participants. Vested, terminated firefighters, who are entitled to benefits and are not receiving them yet, are bound by the provisions in effect at the time they choose to start their benefit.

The Association issues a publicly available financial report that includes financial statements and required supplementary information for the Roseville Firefighters' Relief Association. That report may be obtained by writing to the Roseville Firefighters' Relief Association, 2700 N. Lexington Ave., Roseville, MN 55113.

b. Funding policy

Minnesota Statutes Chapter 424A sets out the employer requirements for contributions. The annual employer contribution level for any given year is a combination of the normal cost for that year and an amount to reduce the unfunded actuarial liability. The minimum obligation is the normal cost plus the amount needed to amortize fully the unfunded liability. The City funding requirements equal the minimum obligation less the Minnesota State fire aid.

Under state statutes, if the City fails to provide the required funding, the Association may submit a levy to the county auditor in an amount equal to the city requirement, to be levied on all property within the city. A six year schedule of contributions follows:

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 5 - OTHER INFORMATION (Continued)

C. Employee retirement systems and pension plans (Continued)

3. Single employer defined benefit pension plan – volunteer fire relief association (Continued)

b. Funding policy (Continued)

Year	Schedule of Contributions Six Year Period					
	Minnesota State Aid Contributions	City of Roseville Contributions	Total Contributions	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2005	\$ 227,083	\$ 121,587	\$ 348,670	\$ 331,325	105.2%	\$(328,955)
2006	234,587	114,083	348,670	285,912	122.0%	(391,713)
2007	200,220	49,780	250,000	\$292,818	85.4%	(346,242)
2008	171,025	128,975	300,000	138,688	216.3%	(507,554)
2009	143,353	63,875	207,228	539,171	38.4%	(178,263)
2010	148,002	216,500	364,502	365,932	99.6%	(176,833)

The Minnesota State Aid contribution to the Roseville Firefighter’s relief association is recorded as a revenue and expenditure in the General fund of the City. The City’s contribution to the Roseville Firefighter’s relief association is also recorded as an expenditure in the General fund of the City. The Roseville Firefighter’s relief association is comprised of volunteers who are not considered employees of the City of Roseville. Therefore, the City has no on-behalf payments of fringe benefits and salaries.

D. Annual pension cost and net pension obligation

The annual pension cost and net pension obligation for the current year were as follows:

Annual required contribution	\$ 353,384
Interest on net pension obligation	(8,913)
Adjustment to annual required contribution	21,461
Annual pension cost	365,932
Contributions made	(364,502)
Increase (decrease) in net pension obligation	1,430
Negative net pension obligation beginning of year	(178,263)
Negative net pension obligation end of year	<u>\$ (176,833)</u>

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 5 – OTHER INFORMATION (Continued)

D. Annual pension cost and net pension obligation (Continued)

The annual required contribution was determined as part of the January 1, 2010 actuarial valuation. The actuarial assumptions included (a) 5% investment rate of return (net of administrative expenses); (b) a mortality table of the 1983 Group Annuity Mortality Table for Males and Females; (c) termination of 6 percent rate from age 20-30, grading to no terminations after age 50; (d) disability rates based upon 75 percent of the Railroad Retirement Board Disability Rates; (e) entry age actuarial cost method based upon age on employment date; (f) retirement age based upon the later of age 55 or 20 years of service; (g) 85 percent of members are assumed to be married, with wives three years younger than husbands; (h) normal form of payment based upon joint and 100 percent to survivor annuity; (i) asset basis based upon market value; and (j) level dollar amortization which is sufficient to amortize the unfunded actuarial accrued liability by a closed period ending December 31, 2011 and a closed period of 11 years for Plan amendments.

The Fire Relief Association is required to have an actuarial valuation completed once every two years. The latest actuarial value of plan liability on December 31, 2009 was \$8,651,694. The value of the plan assets, valued at market, totaled \$6,784,350 on December 31, 2009. A six-year summary of Assets, Liabilities and funding ratios are listed below:

Schedule of Funding Progress December 31, 2009				
Year	Actuarial Value of Assets	Actuarial Accrued Liability (Entry Age)	Unfunded (Overfunded) Accrued Liability	Funded Ratio
2004	\$ 6,812,594	\$ 7,873,859	\$ 1,061,265	86.5%
2005	7,165,225	8,099,640	934,415	88.5%
2006	8,007,935	8,197,703	189,768	97.7%
2007	8,328,320	8,336,812	8,492	99.9%
2008	5,749,103	8,568,192	2,819,089	67.1%
2009	6,784,350	8,651,694	1,867,344	78.4%

Covered payroll is not an actuarial factor in determining benefits or funding obligations under applicable Minnesota statutes.

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 6 - INVESTMENT TRUST

The North Suburban Cable Commission, a separate joint-powers agency, which includes Roseville and nine other cities, voluntarily maintains its excess funds with the City to invest and earn interest. The City provides for an investment trust and accounts for the funds accordingly. There is no direct regulatory oversight of the fund by any other agency, except the investments are in accordance with Minnesota State Statutes, which provides for public funds treatment, and thus are restricted within the statutes. The Trust's cash is pooled with the City's funds, and disclosed as part of these notes to basic statements.

The fair value is determined on a monthly basis but is only booked to the investment trust at the end of the calendar fiscal year of the City. The method of determining the values and shares of the Commission in the investment trust is the same pro-rata monthly average cash method employed with all other city funds. The City provides no other guarantees other than the underlying securities, which are restricted as per state statutes.

As of December 31, 2010, the fair value (carrying value) of the commission investment trust is \$1,309,807. No separate report(s) are issued.

Condensed financial statements of the investment pool are as follows:

COMBINING STATEMENT OF NET ASSETS
December 31, 2010

	Internal Investment Pool	External Investment Pool	
	City of Roseville	North Suburban Cable Commission	Total
ASSETS			
Cash and cash equivalents	\$ 38,001,225	\$ 1,305,775	\$ 39,307,000
Investment interest receivable	130,355	4,032	134,387
Total assets	<u>\$ 38,131,580</u>	<u>\$ 1,309,807</u>	<u>\$ 39,441,387</u>
 NET ASSETS			
Held in trust for pool participants	<u>\$ 38,131,580</u>	<u>\$ 1,309,807</u>	<u>\$ 39,441,387</u>

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 6 - INVESTMENT TRUST (Continued)

COMBINING STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended December 31, 2010

	Internal Investment Pool <u>City of Roseville</u>	External Investment Pool <u>North Suburban Cable Commission</u>	<u>Total</u>
ADDITIONS			
Interest	\$ 1,519,320	\$ 43,042	\$ 1,562,362
Purchase of units for participant	<u>63,178,672</u>	<u>96,422</u>	<u>63,275,094</u>
Total Additions	<u>64,697,992</u>	<u>139,464</u>	<u>64,837,456</u>
DEDUCTIONS			
Net cash basis for non-investing transactions	69,396,089	0	69,396,089
Distributions to participant	<u>0</u>	<u>449,178</u>	<u>449,178</u>
Total Deductions	<u>69,396,089</u>	<u>449,178</u>	<u>69,845,267</u>
Change in net assets	(4,698,097)	(309,714)	(5,007,811)
Net assets - beginning	<u>42,829,677</u>	<u>1,619,521</u>	<u>44,449,198</u>
Net assets - ending	<u>\$ 38,131,580</u>	<u>\$ 1,309,807</u>	<u>\$ 39,441,387</u>

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS

A. Plan Description

In addition to providing the pension benefits described in Note 5, the City provides post-employment health care benefits (as defined in paragraph B) for retired employees and police and firefighters disabled in the line of duty, through a single-employer defined benefit plan. The term *Plan* refers to the City's requirement by State Statute to provide retirees with access to health insurance. The OPEB plan is administered by the City. The authority to provide these benefits is established in Minnesota Statutes Sections 471.61 Subd. 2a, and 299A.465. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and collective bargaining agreements with employee groups. The Plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The Plan does not issue a separate financial report.

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

B. Benefits Provided

Retirees

The City is required by State Statute to allow retirees to continue participation in the City’s group health insurance plan if the individual terminates service with the City through service retirement or disability retirement. Employees who satisfy the rule of 90 or attain age 55 and have completed 10 years of service at termination can immediately commence medical benefits. Retirees may obtain dependent coverage while the participating retiree is under age 65. Covered spouses may continue coverage after the retiree’s death. The surviving spouse of an active employee may continue coverage in the group health insurance plan after the employee’s death.

All health care coverage is provided through the City’s group health insurance plans. The retiree is required to pay 100% of their premium cost for the City-sponsored group health insurance plan in which they participate. The premium is a blended rate determined on the entire active and retiree population. Since the projected claims costs for retirees exceed the blended premium paid by retirees, the retirees are receiving an implicit rate subsidy (benefit). The coverage levels are the same as those afforded to active employees. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the City’s plan becomes secondary.

Disabled police and firefighter

The City continues to pay the employer’s contribution toward health coverage for Police or Firefighters disabled in the line of duty per Minnesota Statute 299A.465, until age 65. Dependent coverage is included, if the dependents were covered at the time of the disability. The January 1, 2008 to December 31, 2008 monthly premiums paid for Police or Firefighters disabled in the line of duty are:

Plan	Single	Two Person	Family
Medica Choice - 80/20% \$1,000 Deductible	\$ 547	\$ 1,032	\$ 1,522
Medica Elect - 80/20% \$1,000 Deductible	\$ 493	\$ 929	\$ 1,370
Medica Choice - \$2,500 High Deductible	\$ 384	\$ 725	\$ 1,069
Medica Elect - \$2,500 High Deductible	\$ 398	\$ 751	\$ 1,108

CITY OF ROSEVILLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

C. Participants

As of the actuarial valuation dated January 1, 2008, participants consisted of:

Retirees and beneficiaries currently purchasing health insurance through the City	20
Disabled police and firefighters	1
Active Employees	<u>155</u>
Total	<u><u>176</u></u>

D. Funding Policy

The additional cost of using a blended rate for actives and retirees is currently funded on a pay-as-you-go basis. The City Council may change the funding policy at any time.

E. Annual OPEB Cost and Net OPEB Obligation

The City’s annual other post employment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. 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) over a period not to exceed 30 years. The net OPEB obligation as of December 31, 2010, was calculated as follows:

Annual required contribution	\$ 237,174
Interest on OPEB obligation	10,983
Adjustment to annual required contribution	<u>(15,503)</u>
Annual OPEB cost	232,654
Contributions made	<u>(125,980)</u>
Increase (decrease) in net OPEB obligation	106,674
Net OPEB obligation beginning of year	<u>244,063</u>
Net OPEB obligation end of year	<u><u>\$ 350,737</u></u>

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

E. Annual OPEB (Continued)

The City first had an actuarial valuation performed for the plan as of January 1, 2008 to determine the funded status of the plan as of that date as well as the employer’s annual required contribution (ARC) for the fiscal year ended December 31, 2010. The City’s annual OPEB cost (expense) is \$232,654. The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2010 was as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contributions</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2008	\$ 237,174	\$ 108,731	45.8%	\$ 128,443
2009	234,937	119,317	50.8%	244,063
2010	232,654	125,980	54.1%	350,737

F. Funded Status and Funding Progress

The City has no assets that have been irrevocable deposited in a trust for future health benefits; therefore, the actuarial value of assets is zero. The funded status of the plan was as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)*</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a Percentage of Annual Covered Payroll</u>
January 1, 2008	\$ 0	\$ 1,833,845	\$ 1,833,845	0%	\$ 9,528,355	19.2%

*Using the projected unit credit actuarial pay cost method.

Note, the first OPEB actuarial valuation was conducted as of January 1, 2008. There is no data available prior to the first valuation.

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

G. Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions (ARC) of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2008 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5% investment rate of return (net of investment expenses) and an initial annual health care cost trend rate of 9% reduced by 1% each year to arrive at an ultimate health care cost trend rate of 5.0%. The actuarial value of assets was \$0. The plan's unfunded actuarial accrued liability is being amortized using the level percentage of projected payroll method over 30 years on a closed basis. The remaining amortization period at December 31, 2010, was 27 years.

**Required
Supplementary
Information**

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CITY OF ROSEVILLE, MINNESOTA

**Schedule of Funding Progress
Other Post-Employment Benefits Plan**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)*	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Annual Covered Payroll
January 1, 2008	\$ 0	\$ 1,833,845	\$ 1,833,845	0%	\$ 9,528,355	19.2%

* Using the projected unit credit actuarial pay cost method.

Note, the first OPEB actuarial valuation was conducted as of January 1, 2008. There is no data available prior to the first valuation.

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Non Major Governmental Funds

Special Revenue

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

Telecommunications - accounts for the revenue and expenditures in the administration, maintenance, and participant activities divisions for Telecommunications

License Center Fund - accounts for the revenue and expenditures used to provide state hunting, fishing and motor vehicle licenses

Charitable Gambling - accounts for the revenue and expenditures used from charitable gambling

Information Technology - accounts for the revenue and expenditures used to provide information technology

Capital Projects

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Equipment Fund - used for the purchase of heavy machinery and motorized equipment

**CITY OF ROSEVILLE, MINNESOTA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
December 31, 2010**

SPECIAL REVENUE

	<u>Tele- Communications</u>	<u>License Center</u>	<u>Charitable Gambling</u>	<u>Information Technology</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 361,077	\$ 736,300	\$ 0	\$ 0	\$ 1,097,377
Investment interest receivable	1,115	1,158	51	201	2,525
Accounts receivable	96,484	93,278	0	28,605	218,367
Taxes receivable:					
Current	0	0	0	336	336
Due from other governments	0	0	0	24,464	24,464
Total assets	<u>\$ 458,676</u>	<u>\$ 830,736</u>	<u>\$ 51</u>	<u>\$ 53,606</u>	<u>\$ 1,343,069</u>
LIABILITIES					
Accounts payable	\$ 984	\$ 5,456	\$ 20,389	\$ 12,747	\$ 39,576
Accrued payroll	2,443	13,880	107	9,838	26,268
Due to other funds	0	0	70,303	135,152	205,455
Due to other governments	0	340,666	0	170	340,836
Deposits payable	0	0	0	5,000	5,000
Total liabilities	<u>3,427</u>	<u>360,002</u>	<u>90,799</u>	<u>162,907</u>	<u>617,135</u>
FUND BALANCE					
Unreserved					
Designated for capital projects	0	0	0	0	0
Undesignated	455,249	470,734	(90,748)	(109,301)	725,934
Total fund balances	<u>455,249</u>	<u>470,734</u>	<u>(90,748)</u>	<u>(109,301)</u>	<u>725,934</u>
Total liabilities and fund balances	<u>\$ 458,676</u>	<u>\$ 830,736</u>	<u>\$ 51</u>	<u>\$ 53,606</u>	<u>\$ 1,343,069</u>

CAPITAL
PROJECTS
FUND

<u>Equipment</u>	<u>Total Nonmajor Funds</u>
\$ 536,766	\$ 1,634,143
1,740	4,265
0	218,367
0	336
0	24,464
<u>\$ 538,506</u>	<u>\$ 1,881,575</u>

\$ 0	\$ 39,576
0	26,268
0	205,455
0	340,836
0	5,000
<u>0</u>	<u>617,135</u>

538,506	538,506
0	725,934
<u>538,506</u>	<u>1,264,440</u>

<u>\$ 538,506</u>	<u>\$ 1,881,575</u>
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CITY OF ROSEVILLE, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2010

SPECIAL REVENUE FUNDS

	Tele- Communications	License Center	Charitable Gambling	Information Technology	Total
REVENUES					
Property taxes	\$ 0	\$ 0	\$ 0	\$ 49,357	\$ 49,357
Licenses & permits	0	0	180	0	180
Gambling taxes	0	0	80,282	0	80,282
Charges for services	0	1,060,826	0	958,027	2,018,853
Cable franchise taxes	380,108	0	0	0	380,108
Donations	0	0	80,471	0	80,471
Investment income	12,286	16,582	162	2,237	31,267
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	<u>27,720</u>	<u>27,720</u>
Total revenues	<u>392,394</u>	<u>1,077,408</u>	<u>161,095</u>	<u>1,037,341</u>	<u>2,668,238</u>
EXPENDITURES					
Current					
General government	299,755	999,723	193,414	1,032,772	2,525,664
Capital outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total expenditures	<u>299,755</u>	<u>999,723</u>	<u>193,414</u>	<u>1,032,772</u>	<u>2,525,664</u>
Excess of revenues over (under) expenditures	<u>92,639</u>	<u>77,685</u>	<u>(32,319)</u>	<u>4,569</u>	<u>142,574</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	0	0	0	75,000	75,000
Transfers (out)	0	(50,000)	0	0	(50,000)
Sale of assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	<u>0</u>	<u>(50,000)</u>	<u>0</u>	<u>75,000</u>	<u>25,000</u>
Net change in fund balances	92,639	27,685	(32,319)	79,569	167,574
Fund balances - beginning	<u>362,610</u>	<u>443,049</u>	<u>(58,429)</u>	<u>(188,870)</u>	<u>558,360</u>
Fund balances - ending	<u>\$ 455,249</u>	<u>\$ 470,734</u>	<u>\$ (90,748)</u>	<u>\$ (109,301)</u>	<u>\$ 725,934</u>

CAPITAL
PROJECTS
FUND

<u>Equipment</u>	<u>Total NonMajor Funds</u>
\$ 0	\$ 49,357
0	180
0	80,282
0	2,018,853
0	380,108
0	80,471
13,246	44,513
<u>472,168</u>	<u>499,888</u>
<u>485,414</u>	<u>3,153,652</u>
0	2,525,664
<u>897,309</u>	<u>897,309</u>
<u>897,309</u>	<u>3,422,973</u>
<u>(411,895)</u>	<u>(269,321)</u>
0	75,000
0	(50,000)
<u>62,978</u>	<u>62,978</u>
<u>62,978</u>	<u>87,978</u>
(348,917)	(181,343)
<u>887,423</u>	<u>1,445,783</u>
<u>\$ 538,506</u>	<u>\$ 1,264,440</u>

**CITY OF ROSEVILLE, MINNESOTA
TELECOMMUNICATIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended December 31, 2010**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Cable franchise taxes	\$ 326,650	\$ 326,650	\$ 380,108	\$ 53,458
Investment Income	1,000	1,000	12,286	11,286
Total revenues	<u>327,650</u>	<u>327,650</u>	<u>392,394</u>	<u>64,744</u>
EXPENDITURES				
Current				
General government				
Personal services	128,650	128,650	124,060	4,590
Supplies & materials	3,000	3,000	450	2,550
Other services & charges	186,000	186,000	169,718	16,282
Capital outlay	10,000	10,000	5,527	4,473
Total expenditures	<u>327,650</u>	<u>327,650</u>	<u>299,755</u>	<u>27,895</u>
Net change in fund balances	0	0	92,639	92,639
Fund balances - beginning	<u>362,610</u>	<u>362,610</u>	<u>362,610</u>	<u>0</u>
Fund balances - ending	<u>\$ 362,610</u>	<u>\$ 362,610</u>	<u>\$ 455,249</u>	<u>\$ 92,639</u>

**CITY OF ROSEVILLE, MINNESOTA
 LICENSE CENTER FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended December 31, 2010**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 1,075,375	\$ 1,075,375	\$ 1,060,826	\$ (14,549)
Investment income	10,000	10,000	16,582	6,582
Total revenues	<u>1,085,375</u>	<u>1,085,375</u>	<u>1,077,408</u>	<u>(7,967)</u>
EXPENDITURES				
Current				
General government				
Personal services	877,000	877,000	842,373	34,627
Supplies & materials	11,600	11,600	8,786	2,814
Other services & charges	146,775	146,775	147,796	(1,021)
Capital Outlay	0	0	768	(768)
Total expenditures	<u>1,035,375</u>	<u>1,035,375</u>	<u>999,723</u>	<u>35,652</u>
Excess of revenues over (under) expenditures	<u>50,000</u>	<u>50,000</u>	<u>77,685</u>	<u>27,685</u>
Other Financing Uses				
Transfer (out)	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>0</u>
Net change in fund balances	0	0	27,685	27,685
Fund balances - beginning	<u>443,049</u>	<u>443,049</u>	<u>443,049</u>	<u>0</u>
Fund balances - ending	<u>\$ 443,049</u>	<u>\$ 443,049</u>	<u>\$ 470,734</u>	<u>\$ 27,685</u>

**CITY OF ROSEVILLE, MINNESOTA
 CHARITABLE GAMBLING FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended December 31, 2010**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses & permits	\$ 0	\$ 0	\$ 180	\$ 180
Gambling taxes	73,300	73,300	80,282	6,982
Donations	80,000	80,000	80,471	471
Investment income	<u>0</u>	<u>0</u>	<u>162</u>	<u>162</u>
Total revenues	<u>153,300</u>	<u>153,300</u>	<u>161,095</u>	<u>7,795</u>
EXPENDITURES				
Current				
General government				
Personal services	29,300	29,300	25,826	3,474
Other services & charges	<u>124,000</u>	<u>165,000</u>	<u>167,588</u>	<u>(2,588)</u>
Total expenditures	<u>153,300</u>	<u>194,300</u>	<u>193,414</u>	<u>886</u>
Net change in fund balances	0	(41,000)	(32,319)	8,681
Fund deficit - beginning	<u>(58,429)</u>	<u>(58,429)</u>	<u>(58,429)</u>	<u>0</u>
Fund deficit - ending	<u>\$ (58,429)</u>	<u>\$ (99,429)</u>	<u>\$ (90,748)</u>	<u>\$ 8,681</u>

**CITY OF ROSEVILLE, MINNESOTA
INFORMATION TECHNOLOGY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended December 31, 2010**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
General property taxes	\$ 50,000	\$ 50,000	\$ 49,357	\$ (643)
Charges for services	956,609	956,609	958,027	1,418
Investment income	0	0	2,237	2,237
Miscellaneous revenue	0	0	27,720	27,720
Total revenues	<u>1,006,609</u>	<u>1,006,609</u>	<u>1,037,341</u>	<u>30,732</u>
EXPENDITURES				
Current				
General Government				
Personal services	733,900	733,900	718,432	15,468
Supplies	12,300	12,300	23,693	(11,393)
Other services & charges	122,500	133,500	137,558	(4,058)
Capital outlay	132,000	154,000	153,089	911
Total expenditures	<u>1,000,700</u>	<u>1,033,700</u>	<u>1,032,772</u>	<u>928</u>
Excess of revenues over (under) expenditures	<u>5,909</u>	<u>(27,091)</u>	<u>4,569</u>	<u>31,660</u>
OTHER FINANCING SOURCES				
Transfer in	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>0</u>
Net change in fund balances	80,909	47,909	79,569	31,660
Fund deficit - beginning	<u>(188,870)</u>	<u>(188,870)</u>	<u>(188,870)</u>	<u>0</u>
Fund deficit - ending	<u>\$ (107,961)</u>	<u>\$ (140,961)</u>	<u>\$ (109,301)</u>	<u>\$ 31,660</u>

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Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the city on a cost reimbursement basis.

Workers' Compensation Self Insurance Fund - accounts for the revenue and expenditures in the administration and servicing of workers' compensation claims.

Risk Management Fund - accounts for the revenue and expenditures in the administration and servicing of general liability claims

CITY OF ROSEVILLE, MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
December 31, 2010

	<u>Workers'</u> <u>Compensation</u> <u>Self-Insurance</u>	<u>Risk</u> <u>Management</u>	<u>Total</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,861,407	\$ 1,007,919	\$ 2,869,326
Investment interest receivable	5,748	3,099	8,847
Total Assets	<u>1,867,155</u>	<u>1,011,018</u>	<u>2,878,173</u>
LIABILITIES			
Current liabilities			
Accounts payable	803	7,860	8,663
Insurance claims payable	109,235	71,354	180,589
Total Liabilities	<u>110,038</u>	<u>79,214</u>	<u>189,252</u>
NET ASSETS			
Unrestricted	<u>\$ 1,757,117</u>	<u>\$ 931,804</u>	<u>\$ 2,688,921</u>

**CITY OF ROSEVILLE, MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
For the Year Ended December 31, 2010**

	Workers' Compensation Self-Insurance Fund	Risk Management	Total
	<u> </u>	<u> </u>	<u> </u>
Operating revenues:			
Departmental charges	\$ 50,000	\$ 275,283	\$ 325,283
Employee charges	0	6,429	6,429
Total operating revenues	<u> 50,000</u>	<u> 281,712</u>	<u> 331,712</u>
 Operating expenses:			
Other services and charges			
Professional Services	14,200	10,603	24,803
Insurance	36,590	103,233	139,823
Training	0	226	226
Administrative charges	0	2,132	2,132
Payment of claims	<u> 24,156</u>	<u> 22,548</u>	<u> 46,704</u>
Total operating expense	<u> 74,946</u>	<u> 138,742</u>	<u> 213,688</u>
 Operating income (loss)	 (24,946)	 142,970	 118,024
 Nonoperating revenues			
Investment income	<u> 59,334</u>	<u> 33,410</u>	<u> 92,744</u>
 Change in net assets	 34,388	 176,380	 210,768
 Total net assets - beginning	 <u> 1,722,729</u>	 <u> 755,424</u>	 <u> 2,478,153</u>
 Total net assets - ending	 <u> \$ 1,757,117</u>	 <u> \$ 931,804</u>	 <u> \$ 2,688,921</u>

**CITY OF ROSEVILLE, MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2010**

	<u>Workers' Compensation Self-Insurance Fund</u>	<u>Risk Management</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from users, including deposits	\$ 50,000	\$ 287,941	\$ 337,941
Cash payments to suppliers for good and services	(53,122)	(104,324)	(157,446)
Cash payments to employees and others for resolved claims	(134,844)	0	(134,844)
Net cash provided (used) by operating activities	<u>(137,966)</u>	<u>183,617</u>	<u>45,651</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	<u>63,408</u>	<u>34,228</u>	<u>97,636</u>
Net increase (decrease) in cash and cash equivalents	(74,558)	217,845	143,287
Cash and cash equivalents, January 1	<u>1,935,965</u>	<u>790,074</u>	<u>2,726,039</u>
Cash and cash equivalents, December 31	<u>\$ 1,861,407</u>	<u>\$ 1,007,919</u>	<u>\$ 2,869,326</u>
Reconciliation of operating income (loss) to net cash (used) by operating income:			
Operating (loss)	\$ (24,946)	\$ 142,970	\$ 118,024
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Changes in elements affecting cash			
(Increase) Decrease in accounts receivable	0	6,229	6,229
Increase (Decrease) in accounts payable	(799)	(8,030)	(8,829)
Increase (Decrease) in due to other governments	(1,533)	0	(1,533)
Increase (Decrease) in insurance claim payable	(110,688)	42,448	(68,240)
Net cash provided (used) by operating activities	<u>\$ (137,966)</u>	<u>\$ 183,617</u>	<u>\$ 45,651</u>

Agency Funds

Agency funds are used to report resources held by the city in a purely custodial capacity (assets equal liabilities).

Grass Lake Water Management Organization - This fund accounts for the fiscal activities of an agency which is a separate nonprofit entity.

Roseville Islamic Cemetery - accounts for the fiscal activities of a cemetery under the ownership of the Islamic Cemetery Association

Roseville Visitors Association – accounts for revenues and expense of the Roseville Visitors Association, formed as an independent nonprofit agency to enhance tourist and visitor traffic to the City.

CITY OF ROSEVILLE, MINNESOTA
COMBINING STATEMENT OF FIDUCIARY NET ASSETS - AGENCY FUNDS
December 31, 2010

	Grass Lake Water Management Fund	Roseville Islamic Cemetery Fund	Roseville Visitors Association	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Cash and cash equivalents	\$ 164,442	\$ 98,699	\$ 310,170	\$ 573,311
Investment interest receivable	508	305	1,561	2,374
Accounts receivable	0	0	33,662	33,662
Prepaid items	0	0	63,424	63,424
Net capital assets	<u>0</u>	<u>0</u>	<u>8,482</u>	<u>8,482</u>
 Total Assets	 <u>\$ 164,950</u>	 <u>\$ 99,004</u>	 <u>\$ 417,299</u>	 <u>\$ 681,253</u>
 LIABILITIES				
Accounts payable	\$ 11,301	\$ 0	\$ 20,139	\$ 31,440
Accrued payroll	0	0	7,430	7,430
Due to other governments	648	0	34	682
Due to other organizations	<u>153,001</u>	<u>99,004</u>	<u>389,696</u>	<u>641,701</u>
 Total Liabilities	 <u>\$ 164,950</u>	 <u>\$ 99,004</u>	 <u>\$ 417,299</u>	 <u>\$ 681,253</u>

CITY OF ROSEVILLE, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND - GRASS LAKE WATER MANAGEMENT ORGANIZATION
Year Ended December 31, 2010

	Balance January 1, 2010	Additions	Deductions	Balance December 31, 2010
ASSETS				
Cash and cash equivalents	\$ 102,307	\$ 107,147	\$ 45,012	\$ 164,442
Investment interest receivable	519	508	519	508
Accounts receivable	18,750	25,000	43,750	0
	<u>121,576</u>	<u>132,655</u>	<u>89,281</u>	<u>164,950</u>
Total assets	<u>\$ 121,576</u>	<u>\$ 132,655</u>	<u>\$ 89,281</u>	<u>\$ 164,950</u>
LIABILITIES				
Accounts payable	\$ 0	\$ 42,695	\$ 31,394	\$ 11,301
Due to other Governments	0	1,296	648	648
Due to other organizations	121,576	88,664	57,239	153,001
	<u>121,576</u>	<u>132,655</u>	<u>89,281</u>	<u>164,950</u>
Total liabilities	<u>\$ 121,576</u>	<u>\$ 132,655</u>	<u>\$ 89,281</u>	<u>\$ 164,950</u>

AGENCY FUND - ROSEVILLE ISLAMIC CEMETERY

	Balance January 1, 2010	Additions	Deductions	Balance December 31, 2010
ASSETS				
Cash and cash equivalents	\$ 105,106	\$ 5,849	\$ 12,256	\$ 98,699
Investment interest receivable	533	305	533	305
	<u>105,639</u>	<u>6,154</u>	<u>12,789</u>	<u>99,004</u>
Total assets	<u>\$ 105,639</u>	<u>\$ 6,154</u>	<u>\$ 12,789</u>	<u>\$ 99,004</u>
LIABILITIES				
Due to other organizations	\$ 105,639	\$ 6,154	\$ 12,789	\$ 99,004
	<u>105,639</u>	<u>6,154</u>	<u>12,789</u>	<u>99,004</u>
Total liabilities	<u>\$ 105,639</u>	<u>\$ 6,154</u>	<u>\$ 12,789</u>	<u>\$ 99,004</u>

AGENCY FUND - ROSEVILLE VISITORS ASSOCIATION

	Balance January 1, 2010	Additions	Deductions	Balance December 31, 2010
ASSETS				
Cash and cash equivalents	\$ 337,279	\$ 620,398	\$ 647,507	\$ 310,170
Investment interest receivable	2,596	1,561	2,596	1,561
Accounts receivable	45,088	33,662	45,088	33,662
Prepaid items	33,418	63,424	33,418	63,424
Net capital assets	14,536	1,552	7,606	8,482
	<u>432,917</u>	<u>720,597</u>	<u>736,215</u>	<u>417,299</u>
Total assets	<u>\$ 432,917</u>	<u>\$ 720,597</u>	<u>\$ 736,215</u>	<u>\$ 417,299</u>
LIABILITIES				
Accounts payable	\$ 28,380	\$ 509,916	\$ 518,157	\$ 20,139
Accrued payroll	8,934	8,450	9,954	7,430
Due to other governments	20	534	520	34
Due to other organizations	395,583	201,697	207,584	389,696
	<u>395,583</u>	<u>201,697</u>	<u>207,584</u>	<u>389,696</u>
Total liabilities	<u>\$ 432,917</u>	<u>\$ 720,597</u>	<u>\$ 736,215</u>	<u>\$ 417,299</u>

**CITY OF ROSEVILLE, MINNESOTA
 COMBINING STATEMENT OF CHANGES IN
 ASSETS AND LIABILITIES - AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	Balance January 1, 2010	Additions	Deductions	Balance December 31, 2010
ASSETS				
Cash and cash equivalents	\$ 544,692	\$ 733,394	\$ 704,775	\$ 573,311
Investment interest receivable	3,648	2,374	3,648	2,374
Accounts receivable	63,838	58,662	88,838	33,662
Prepaid items	33,418	63,424	33,418	63,424
Net capital assets	14,536	1,552	7,606	8,482
	<u>660,132</u>	<u>859,406</u>	<u>838,285</u>	<u>681,253</u>
Total assets	<u>\$ 660,132</u>	<u>\$ 859,406</u>	<u>\$ 838,285</u>	<u>\$ 681,253</u>
 LIABILITIES				
Accounts payable	\$ 28,380	\$ 552,611	\$ 549,551	\$ 31,440
Accrued payroll	8,934	8,450	9,954	7,430
Due to other governments	20	1,830	1,168	682
Due to other organizations	622,798	296,515	277,612	641,701
	<u>660,132</u>	<u>859,406</u>	<u>838,285</u>	<u>681,253</u>
Total liabilities	<u>\$ 660,132</u>	<u>\$ 859,406</u>	<u>\$ 838,285</u>	<u>\$ 681,253</u>

Statistical Section

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

<u>Contents:</u>	<u>Page</u>
Financial Trends	102-111
These schedules contain trend information to help the reader understand how the City of Roseville's financial performance and well-being have changed over time.	
Revenue Capacity	112-117
These schedules contain information to help the reader assess the City of Roseville's most significant local revenue source, the property tax.	
Debt Capacity	118-123
These schedules present information to help the reader assess the affordability of the City of Roseville's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	124-125
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City of Roseville's financial activities take place.	
Operating Indicators	127-130
These schedules contain service and infrastructure data to help the reader understand how the information in the City of Roseville's financial report relates to the services the City provides, and the activities it performs.	

City of Roseville
Net Assets by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in whole dollars)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 93,183,644	\$ 96,613,757	\$ 98,124,347	\$ 98,037,804
Restricted	4,060,495	17,636,917	19,069,579	18,269,971
Unrestricted	31,451,743	16,242,410	13,268,393	11,162,422
Total governmental activities net assets	<u>\$ 128,695,882</u>	<u>\$ 130,493,084</u>	<u>\$ 130,462,319</u>	<u>\$ 127,470,197</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 27,622,610	\$ 26,972,178	\$ 18,191,864	\$ 17,950,057
Restricted	0	0	0	0
Unrestricted	8,142,501	7,369,326	8,146,474	7,940,709
Total business-type activities net assets	<u>\$ 35,765,111</u>	<u>\$ 34,341,504</u>	<u>\$ 26,338,338</u>	<u>\$ 25,890,766</u>
Primary government				
Invested in capital assets, net of related debt	\$ 120,806,254	\$ 123,585,935	\$ 116,316,211	\$ 115,987,861
Restricted	4,060,495	17,636,917	19,069,579	18,269,971
Unrestricted	39,594,244	23,611,736	21,414,867	19,103,131
Total primary government net assets	<u>\$ 164,460,993</u>	<u>\$ 164,834,588</u>	<u>\$ 156,800,657</u>	<u>\$ 153,360,963</u>

2005	2006	2007	2008	2009	2010
\$ 97,878,949	\$ 100,584,976	\$ 98,813,670	\$ 96,932,095	\$ 103,987,033	\$ 114,015,800
20,185,016	8,468,097	11,095,142	13,648,619	10,789,610	4,438,169
10,853,297	24,354,100	24,743,085	23,757,872	23,842,146	25,508,724
<u>\$ 128,917,262</u>	<u>\$ 133,407,173</u>	<u>\$ 134,651,897</u>	<u>\$ 134,338,586</u>	<u>\$ 138,618,789</u>	<u>\$ 143,962,693</u>
\$ 17,862,240	\$ 17,906,632	\$ 17,892,424	\$ 17,799,877	\$ 19,019,599	\$ 18,803,521
0	0	0	0	0	0
7,661,585	7,222,064	7,254,956	7,098,164	5,180,356	5,734,880
<u>\$ 25,523,825</u>	<u>\$ 25,128,696</u>	<u>\$ 25,147,380</u>	<u>\$ 24,898,041</u>	<u>\$ 24,199,955</u>	<u>\$ 24,538,401</u>
\$ 115,741,189	\$ 118,491,608	\$ 116,706,094	\$ 114,731,972	\$ 123,006,632	\$ 132,819,321
20,185,016	8,468,097	11,095,142	13,648,619	10,789,610	4,438,169
18,514,882	31,576,164	31,998,041	30,856,036	29,022,502	31,243,604
<u>\$ 154,441,087</u>	<u>\$ 158,535,869</u>	<u>\$ 159,799,277</u>	<u>\$ 159,236,627</u>	<u>\$ 162,818,744</u>	<u>\$ 168,501,094</u>

City of Roseville
Changes In Net Assets
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in whole dollars)

Expenses	2001	2002	2003	2004	2005	2006
Governmental activities:						
General government	\$ 3,093,209	\$ 2,670,864	\$ 2,756,291	\$ 3,386,266	\$ 3,215,084	\$ 3,664,716
Public safety	4,788,431	5,139,220	6,542,900	8,002,018	6,987,914	7,147,499
Public works	4,747,838	4,438,832	3,709,870	3,780,222	4,084,363	4,716,980
Parks and recreation	3,075,464	3,462,058	3,926,557	4,055,505	3,946,034	4,210,261
Economic development	2,620,988	2,744,125	2,970,466	1,954,642	1,856,151	1,931,016
Interest on long-term debt	1,167,809	1,509,635	557,984	604,523	509,484	427,191
Total governmental activities expenses	19,493,739	19,964,734	20,464,068	21,783,176	20,599,030	22,097,663
Business-type activities:						
Sewer	3,096,717	2,984,055	2,489,956	2,806,813	2,750,350	3,112,372
Water	4,202,803	3,701,411	4,069,841	3,938,498	4,235,357	4,410,178
Golf	320,316	331,368	358,726	352,023	333,832	347,153
Recycling	208,891	292,617	235,179	299,456	346,035	366,769
Storm Drainage	563,376	1,404,576	696,187	805,366	796,605	858,746
Total business-type activities expenses	8,392,103	8,714,027	7,849,889	8,202,156	8,462,179	9,095,218
Total primary government expenses	\$ 27,885,842	\$ 28,678,761	\$ 28,313,957	\$ 29,985,332	\$ 29,061,209	\$ 31,192,881
Program Revenues						
Governmental activities:						
Charges for services:						
General government	\$ 2,241,053	\$ 1,845,248	\$ 1,788,963	\$ 2,296,912	\$ 2,141,438	\$ 2,377,143
Public safety	1,187,551	1,333,556	1,345,874	1,088,309	1,585,436	568,337
Parks and recreation	1,642,602	1,583,019	1,596,571	1,549,105	2,210,202	1,946,946
Other activities	1,281,272	1,145,009	784,122	489,119	338,795	1,932,849
Operating grants and contributions	993,065	824,173	863,338	830,643	803,696	881,421
Capital grants and contributions	2,987,122	494,392	524,071	484,147	1,413,066	3,182,023
Total governmental activities program revenues	10,332,665	7,225,397	6,902,939	6,738,235	8,492,633	10,888,719
Business-type activities:						
Charges for Services:						
Sewer	2,718,972	2,743,879	2,512,282	2,539,180	2,628,060	2,693,983
Water	4,067,477	3,368,871	4,084,416	3,909,172	4,048,162	4,445,284
Golf	278,568	267,922	303,708	310,629	297,202	302,406
Recycling	184,342	199,008	208,170	236,740	250,537	348,946
Storm Drainage	592,418	585,013	596,031	643,828	655,211	667,441
Operating grants and contributions	0	117,992	29,291	29,291	97,462	64,216
Capital grants and contributions	0	0	366,184	3,450	1,151	0
Total business-type activities program revenues	7,841,777	7,282,685	8,100,082	7,672,290	7,977,785	8,522,276
Total primary government program revenues	\$ 18,174,442	\$ 14,508,082	\$ 15,003,021	\$ 14,410,525	\$ 16,470,418	\$ 19,410,995
Net (expense)/revenue						
Governmental activities	\$ (9,161,074)	\$ (12,739,337)	\$ (13,561,129)	\$ (15,044,941)	\$ (12,106,397)	\$ (11,208,944)
Business-type activities	(550,326)	(1,431,342)	250,193	(529,866)	(484,394)	(572,942)
Total primary government net expense	\$ (9,711,400)	\$ (14,170,679)	\$ (13,310,936)	\$ (15,574,807)	\$ (12,590,791)	\$ (11,781,886)
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Taxes						
Property taxes	\$ 6,883,908	\$ 7,870,430	\$ 8,031,962	\$ 9,249,016	\$ 9,866,249	\$ 10,684,683
Tax increments	8,658,076	2,827,790	2,509,792	2,521,708	2,350,538	2,535,830
Cable franchise taxes	0	234,658	241,053	259,808	285,184	310,790
Gambling taxes	0	50,531	57,875	65,935	69,145	81,152
Unrestricted grants and contributions	1,932,765	816,482	25,353	25,653	29,153	53,562
Unrestricted investment earnings	2,462,733	3,015,307	1,322,877	1,236,808	641,583	1,205,188
Miscellaneous	(466,243)	(254,460)	0	0	0	827,650
Transfers	0	(24,200)	0	0	0	0
Total governmental activities	19,471,239	14,536,538	12,188,912	13,358,928	13,241,852	15,698,855
Business-type activities:						
Unrestricted investment earnings	394,036	523,927	317,371	236,689	117,453	177,813
Miscellaneous	34,305	558	0	0	0	0
Transfers	0	24,200	0	0	0	0
Total business-type activities	428,341	548,685	317,371	236,689	117,453	177,813
Total primary government	\$ 19,899,580	\$ 15,085,223	\$ 12,506,283	\$ 13,595,617	\$ 13,359,305	\$ 15,876,668
Change in Net Assets						
Governmental activities	\$ 10,310,165	\$ 1,797,201	\$ (1,372,217)	\$ (1,686,013)	\$ 1,135,455	\$ 4,489,911
Business-type activities	(121,985)	(882,657)	567,564	(293,177)	(366,941)	(395,129)
Total primary government	\$ 10,188,180	\$ 914,544	\$ (804,653)	\$ (1,979,190)	\$ 768,514	\$ 4,094,782

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 3,830,814	\$ 4,283,715	\$ 5,150,773	\$ 4,266,736
8,296,894	8,007,678	8,161,100	9,442,966
4,604,463	4,720,546	4,470,830	2,800,235
4,380,187	4,935,218	4,770,793	4,698,518
2,469,226	2,337,776	1,742,174	10,950,324
400,498	392,527	508,970	429,094
<u>23,982,082</u>	<u>24,677,460</u>	<u>24,804,640</u>	<u>32,587,873</u>
3,035,274	3,504,577	3,520,566	3,763,009
4,739,327	4,881,489	5,399,949	5,058,883
354,318	344,445	318,890	338,860
443,984	467,847	499,501	478,471
826,297	707,675	850,575	797,535
<u>9,399,200</u>	<u>9,906,033</u>	<u>10,589,481</u>	<u>10,436,758</u>
<u>\$ 33,381,282</u>	<u>\$ 34,583,493</u>	<u>\$ 35,394,121</u>	<u>\$ 43,024,631</u>
\$ 2,700,261	\$ 2,445,389	\$ 2,869,646	\$ 2,611,668
566,899	549,931	1,454,107	1,545,830
1,926,806	1,765,969	1,917,605	1,919,896
1,802,012	1,491,065	2,991,563	697,435
872,349	877,723	819,160	870,158
806,147	371,295	1,987,239	3,283,978
<u>8,674,474</u>	<u>7,501,372</u>	<u>12,039,320</u>	<u>10,928,965</u>
2,796,265	2,893,260	3,090,778	3,600,334
4,809,523	5,024,591	5,144,355	5,048,473
315,372	310,921	312,200	302,610
387,706	426,249	345,218	499,773
688,715	736,688	812,831	840,743
63,861	66,661	75,349	69,775
0	0	0	321,188
<u>9,061,442</u>	<u>9,458,370</u>	<u>9,780,731</u>	<u>10,682,896</u>
<u>\$ 17,735,916</u>	<u>\$ 16,959,742</u>	<u>\$ 21,820,051</u>	<u>\$ 21,611,861</u>
\$(15,307,608)	\$ (17,176,088)	\$(12,765,320)	\$(21,658,908)
<u>(337,758)</u>	<u>(447,663)</u>	<u>(808,750)</u>	<u>246,138</u>
<u>\$(15,645,366)</u>	<u>\$ (17,623,751)</u>	<u>\$(13,574,070)</u>	<u>\$(21,412,770)</u>
\$ 11,246,116	\$ 12,417,024	\$ 12,553,187	\$ 15,611,387
2,765,844	2,956,413	3,288,562	1,966,665
337,069	372,706	375,551	380,108
88,890	70,488	81,274	80,282
225,497	227,048	26,477	25,577
1,888,916	1,353,641	695,472	1,122,891
0	0	0	0
0	25,000	25,000	84,007
<u>16,552,332</u>	<u>17,422,320</u>	<u>17,045,523</u>	<u>19,270,917</u>
356,442	257,409	135,664	176,315
0	0	0	0
0	(25,000)	(25,000)	(84,007)
<u>356,442</u>	<u>232,409</u>	<u>110,664</u>	<u>92,308</u>
<u>\$ 16,908,774</u>	<u>\$ 17,654,729</u>	<u>\$ 17,156,187</u>	<u>\$ 19,363,225</u>
\$ 1,244,724	\$ 246,232	\$ 4,280,203	\$ (2,387,991)
18,684	(215,254)	(698,086)	338,446
<u>\$ 1,263,408</u>	<u>\$ 30,978</u>	<u>\$ 3,582,117</u>	<u>\$ (2,049,545)</u>

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City of Roseville
Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in whole dollars)

Fiscal Year	Property Tax	Tax Increments	Cable Franchise Taxes	Gambling Taxes	Total
2001	\$ 6,883,908	\$ 8,658,076	\$ 242,292	\$ 23,623	\$ 15,807,899
2002	7,870,430	2,827,790	234,658	50,531	10,983,409
2003	8,031,962	2,509,792	241,053	57,875	10,840,682
2004	9,249,016	2,521,708	259,808	65,935	12,096,467
2005	9,866,249	2,350,538	285,184	69,145	12,571,116
2006	10,684,683	2,535,830	310,790	81,152	13,612,455
2007	11,246,116	2,765,844	337,069	88,890	14,437,919
2008	12,417,024	2,956,413	372,706	70,488	15,816,631
2009	12,553,187	3,288,562	375,551	81,274	16,298,574
2010	15,611,387	1,966,665	380,108	80,282	18,038,442

City of Roseville
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2001	2002	2003	2004
General Fund				
Reserved	\$ 8,746	\$ 122,689	\$ 113,717	\$ 189,754
Unreserved	4,644,801	4,784,397	5,636,721	4,004,398
Total general fund	<u>\$ 4,653,547</u>	<u>\$ 4,907,086</u>	<u>\$ 5,750,438</u>	<u>\$ 4,194,152</u>
All other governmental funds				
Reserved	\$ 14,123,604	\$ 14,520,616	\$ 14,167,788	\$ 14,177,837
Unreserved, reported in:				
Special revenue funds	(78,477)	(565,527)	(902,425)	(21,103)
Debt Service	(1,378,721)	(3,531,006)	(4,367,838)	(1,939,074)
Capital projects funds	12,223,266	12,023,475	17,044,915	8,624,773
Total all other governmental funds	<u>\$ 24,889,672</u>	<u>\$ 22,447,558</u>	<u>\$ 25,942,440</u>	<u>\$ 20,842,433</u>

2005	2006	2007	2008	2009	2010
\$ 244,605	\$ 279,959	\$ 356,130	\$ 404,952	\$ 402,564	\$ 402,564
2,995,554	5,119,511	3,861,976	3,305,144	3,171,949	5,234,095
<u>\$ 3,240,159</u>	<u>\$ 5,399,470</u>	<u>\$ 4,218,106</u>	<u>\$ 3,710,096</u>	<u>\$ 3,574,513</u>	<u>\$ 5,636,659</u>
\$ 19,940,411	\$ 7,796,425	\$ 10,739,012	\$ 13,243,667	\$ 10,387,046	\$ 4,035,605
133,475	389,451	921,554	946,069	1,220,099	1,131,336
(1,620,955)	(1,471,817)	(916,039)	(458,367)	843,046	1,452,411
5,192,817	17,104,369	17,570,635	17,264,721	16,856,123	16,347,739
<u>\$ 23,645,748</u>	<u>\$ 23,818,428</u>	<u>\$ 28,315,162</u>	<u>\$ 30,996,090</u>	<u>\$ 29,306,314</u>	<u>\$ 22,967,091</u>

City of Roseville
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Taxes	\$ 15,808	\$ 10,983	\$ 10,841	\$ 12,096	\$ 12,571	\$ 13,613	\$ 14,438	\$ 15,817	\$ 16,299	\$ 17,958
Intergovernmental	5,922	2,076	1,413	1,340	2,246	4,117	1,904	1,476	2,833	3,900
Licenses and permits	1,767	1,813	2,017	1,937	2,363	2,620	2,513	1,374	1,335	1,098
Charges for services	2,844	3,092	2,956	2,774	2,844	3,610	3,386	4,439	5,797	5,117
Fines and forfeits	203	203	182	147	196	256	242	232	197	214
Special assessments	1,122	920	885	843	628	561	589	423	1,542	530
Investment earnings	2,463	2,667	1,323	1,237	642	1,205	1,889	1,354	634	1,030
Miscellaneous	950	773	696	466	1,336	844	932	751	513	1,106
Total revenues	31,079	22,527	20,313	20,840	22,826	26,826	25,893	25,866	29,150	30,953
Expenditures										
General government	\$ 2,919	\$ 2,819	\$ 2,879	\$ 3,082	\$ 3,475	\$ 3,881	\$ 3,999	\$ 4,236	\$ 4,194	\$ 4,525
Public safety	5,246	5,570	5,984	6,282	6,446	7,039	7,260	7,589	7,393	8,794
Public works	1,655	1,645	1,573	1,709	1,781	1,933	2,075	2,256	2,082	2,361
Economic development	2,521	2,661	2,929	2,377	1,806	1,915	2,511	2,310	1,756	8,639
Recreation	2,919	3,113	2,913	3,078	3,015	3,359	3,510	3,611	3,506	3,638
Capital outlay	6,117	2,354	8,584	7,665	2,981	5,543	1,998	4,988	11,899	5,668
Debt service										
Principal	11,675	5,310	1,765	1,330	1,055	1,245	920	935	984	1,246
Interest	856	880	300	742	482	443	411	385	439	447
Other Charges	294	4	55	31	0	0	0	25	48	
Total expenditures	34,202	24,356	26,983	26,296	21,041	25,358	22,684	26,335	32,301	35,318
Excess of revenues over (under) expenditures	(3,123)	(1,828,906)	(6,670)	(5,456)	1,785	1,468	3,209	(469)	(3,151)	(4,365)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Other financing sources (uses)										
Transfers in	\$ 9,994	\$ 2,786	\$ 2,671	\$ 5,016	\$ 433	\$ 297	\$ 649	\$ 133	\$ 144	\$ 203
Transfers out	(9,994)	(2,810)	(2,671)	(5,016)	(433)	(284)	(620)	(108)	(119)	(178)
Refunding bonds issued	0	0	0	1,725	0	0	0	0	1,070	0
Discount on bonds issued	0	0	0	0	0	0	0	0	(6)	0
Bonds issued	0	0	9,700	0	0	0	0	2,550	1,155	0
Premium on bonds issued	0	0	0	22	0	0	0	17	22	0
Payments to refunded bond escrow agent	(8,045)	(355)	0	(1,715)	0	0	0	0	(1,045)	0
Proceeds from letter of credit	0	0	0	0	0	827	0	0	0	0
Sale of assets	34	19	1,309	72	64	24	78	50	105	63
Total other financing sources (uses)	<u>(8,011)</u>	<u>(360)</u>	<u>11,009</u>	<u>104</u>	<u>64</u>	<u>864</u>	<u>107</u>	<u>2,642</u>	<u>1,326</u>	<u>88</u>
Net change in fund balances	<u>\$ (11,134)</u>	<u>\$ (2,189)</u>	<u>\$ 4,338</u>	<u>\$ (5,350)</u>	<u>\$ 1,849</u>	<u>\$ 2,332</u>	<u>\$ 3,315,370</u>	<u>\$ 2,173</u>	<u>\$ (1,825)</u>	<u>\$ (4,277)</u>
Debt service as a percentage of noncapital expenditures	45.66%	28.43%	11.07%	11.09%	8.44%	8.56%	6.37%	6.19%	6.67%	5.59%

City of Roseville
General Governmental Tax Revenues By Source
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property Tax	Tax Increments	Franchise Taxes	Gambling Taxes	Total
2001	\$ 6,884	\$ 8,658	\$ 242	\$ 24	\$ 15,808
2002	7,870	2,828	235	50	10,983
2003	8,032	2,510	241	58	10,841
2004	9,249	2,522	260	66	12,097
2005	9,866	2,351	285	69	12,571
2006	10,685	2,536	311	81	13,613
2007	11,246	2,766	337	89	14,438
2008	12,417	2,956	373	70	15,816
2009	12,553	3,289	375	81	16,298
2010	15,611	1,967	380	80	18,038

City of Roseville
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(amounts expressed in whole dollars)

Fiscal Year Ended December 31	Real Property			Gas & Electric	Personal Property Leased Machinery & Equipment
	Residential Property	Commercial Property	Other		
2001	\$ 18,141,101	\$ 23,327,095	\$ 7,922,223	\$ 706,621	\$ 64,971
2002	15,274,319	15,452,817	5,701,004	419,260	60,381
2003	16,846,793	16,947,191	6,365,236	439,808	69,832
2004	18,758,099	18,019,249	6,684,420	446,312	70,994
2005	21,549,325	18,050,301	7,054,033	465,320	44,478
2006	24,486,956	19,534,538	6,929,309	476,114	50,436
2007	27,000,307	20,573,742	7,027,178	501,988	49,406
2008	27,963,022	23,644,984	7,951,147	483,564	87,052
2009	34,976,945	16,599,228	7,706,785	471,602	93,052
2010	33,951,760	16,112,699	7,480,896	470,187	29,739

Source: Ramsey County

Less: TIF & Fiscal Disparity Contribution (Net)	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assesed Value as a Percentage of Actual Value
\$ (13,018,254)	\$ 37,143,757	18.52%	\$ 2,412,333,500	1.54%
(6,721,553)	30,186,228	29.41%	2,649,745,900	1.14%
(6,697,449)	33,971,411	25.73%	2,954,240,000	1.15%
(6,898,473)	37,080,600	23.83%	3,247,056,900	1.14%
(7,266,305)	39,897,152	24.52%	3,551,712,100	1.12%
(7,286,743)	44,190,610	23.21%	3,918,199,200	1.13%
(8,158,721)	46,993,900	23.01%	4,225,611,500	1.11%
(8,447,095)	51,682,674	23.38%	4,522,375,200	1.14%
(9,487,097)	50,360,515	24.55%	4,455,162,600	1.13%
(8,191,870)	49,853,411	27.37%	4,288,071,400	1.16%

**City of Roseville
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>City of Roseville</u>			<u>Ramsey County</u>
	<u>Operating Tax Capacity</u>	<u>Debt Service Tax Capacity</u>	<u>Total City Tax Capacity</u>	<u>Total County Tax Capacity</u>
2001	15.312	% 3.210	% 18.522	% 42.166
2002	25.570	3.840	29.410	55.659
2003	23.224	2.510	25.734	54.603
2004	19.109	4.724	23.833	53.135
2005	20.191	4.367	24.558	49.210
2006	19.286	3.928	23.214	46.623
2007	19.313	3.701	23.014	44.943
2008	20.344	3.039	23.383	44.023
2009	21.111	3.430	24.541	46.546
2010	23.593	3.776	27.369	50.248

Source: Ramsey County

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Roseville. Not all overlapping rates apply to all City of Roseville property owners (e.g., the rates for special districts apply only to the portion of the government's property owners whose property is located within the geographic boundaries of the special district).

Overlapping Rates (1)							
School District - ISD#621		School District - ISD#623				Total	
Tax Capacity Based	Market Value Based Tax Rate	Total Capacity Based	Market Value Based Tax Rate	Special Districts Tax Capacity		Direct & Overlapping Tax Capacity	
49.585 %	0.14506 %	41.129	% 0.26077 %	7.069	%	158.47	%
25.379	0.06375	10.447	0.01773	4.964		125.86	
21.984	0.05178	12.486	0.20792	6.559		121.37	
21.843	0.15947	15.431	0.19583	6.028		120.27	
22.112	0.12131	16.713	0.16244	6.165		118.76	
23.419	0.12803	16.664	0.15115	7.934		117.85	
23.264	0.18163	12.372	0.16932	8.254		111.85	
20.380	0.18924	10.624	0.18134	8.298		106.71	
22.937	0.18685	12.980	0.22290	8.133		115.14	
24.560	0.18882	13.065	0.20374	8.685		123.93	

City of Roseville
Principal Property Taxpayers
December 31, 2010 Compared To December 31, 2001
(amounts expressed in whole dollars)

Taxpayer	2010			2001		
	Taxes Levied	Rank	Percentage of Total Taxes Levied	Taxes Levied	Rank	Percentage of Total Taxes Levied
Compass Retail, Inc.	\$ 844,301	1	5.91%	935,955	1	7.12%
Gateway Washington Inc.	419,267	2	2.94%	-	-	-
PPF Rosedale Shopping Center	390,878	3	2.74%	-	-	-
Wilcal Crossroads LLC	296,677	4	2.08%	-	-	-
Williams Bros Pipeline	278,662	5	1.95%	-	-	-
PPF RTL Rosedale Shopping Center	266,720	6	1.87%	-	-	-
St Paul Fire and Marine Insurance Co	263,064	7	1.84%	-	-	-
JLT Roseville Corp Center LLC	261,728	8	1.83%	-	-	-
ERP Minnesota Portfolio LLC	222,312	9	1.56%	-	-	-
Rosedale Commons LP	217,525	10	1.52%	\$ 258,216	3	1.97%
Bradley Real Estate Trust	-	-	-	260,047	2	1.98%
Dayton Hudson Corp.	-	-	-	226,472	4	1.72%
M & J Crossroads LP	-	-	-	217,966	5	1.66%
North Prior LLC	-	-	-	160,704	6	1.22%
Meritex	-	-	-	157,608	7	1.20%
Bit Investment Eleven LLC.	-	-	-	149,474	8	1.14%
Metlife	-	-	-	137,295	9	1.04%
MN Industrial Properties	-	-	-	127,757	10	0.97%
	<u>\$ 3,461,134</u>		<u>24.23%</u>	<u>\$ 2,631,494</u>		<u>20.03%</u>

Source: Ramsey County

City of Roseville
Property Tax Levies and Collections
Last Ten Fiscal Years
(amounts expressed in whole dollars)

Fiscal Year Ended Decemebr 31	Total Tax Levy for Fiscal Year(1)	Collected within the Fiscal Year of the Levy				Collections from Homestead Credit	Collections in Subsequent Years(2)	Total Collections to Date	
		Amount(3)	Percentage of Levy	Amount	Percentage of Levy				
2001	\$ 16,679,271	\$ 15,541,984	93.18 %	0	\$ 53,337	\$ 15,595,321	93.50 %		
2002	8,922,884	7,870,430	88.21	0	0	7,870,430	88.21		
2003	8,827,884	8,031,962	90.98	0	0	8,031,962	90.98		
2004	9,760,674	9,249,016	94.76	0	0	9,249,016	94.76		
2005	10,637,965	9,866,249	92.75	0	0	9,866,249	92.75		
2006	11,169,865	10,684,682	95.66	0	0	10,684,682	95.66		
2007	11,696,360	11,246,116	96.15	423,246	0	11,669,362	99.77		
2008	12,896,360	12,305,759	95.42	402,488	0	12,707,947	98.54		
2009	13,138,860	12,553,187	95.54	0	0	12,553,187	95.54		
2010	14,282,404	14,099,407	98.72	0	0	14,099,407	98.72		

(1)Starting in 2002 tax levy amounts do not include tax increments, as in previous years.

(2)Starting in 2002 subsequent year collections are included in the current year tax levy.

(3)Starting in 2002 state aid collections of the homestead credit are not included.

City of Roseville
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in whole dollars)

Fiscal Year	Governmental Activities				Certificate of Indebtedness	Total Primary Government	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
		Special Assessment Bonds	General Obligation Tax Increment Bonds					
2001	\$ 0	\$ 11,055,000	\$ 1,815,000	\$ 0	\$ 12,870,000	0.53%	\$ 379.10	
2002	0	7,560,000	0	0	7,560,000	0.29%	222.69	
2003	9,700,000	5,795,000	0	0	15,495,000	0.52%	454.40	
2004	9,700,000	4,475,000	0	0	14,175,000	0.44%	415.93	
2005	9,535,000	3,585,000	0	0	13,120,000	0.37%	387.23	
2006	9,000,000	2,875,000	0	0	11,875,000	0.30%	349.58	
2007	8,455,000	2,500,000	0	0	10,955,000	0.26%	322.50	
2008	7,890,000	2,130,000	0	2,550,000	12,570,000	0.28%	368.63	
2009	8,465,000	1,750,000	0	2,550,000	12,765,000	0.29%	374.35	
2010	7,860,000	1,330,000	0	2,330,000	11,520,000	0.27%	337.06	

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the schedule of Assessed Value and Estimated Actual Value of Taxable Property for the estimated actual taxable value.

(2) See Population on Demographic & Economic Statistics schedule.

City of Roseville
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(amounts expressed in whole dollars, except per capita amounts)

Fiscal Year	General Obligation Debt	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)	Estimated (3) Personal Income (amounts expressed in whole dollars)	Outstanding Debt to Personal income
2001	\$ 12,870,000	\$ 0.53%	\$ 379.10	\$ 1,171,070,755	1.10%
2002	7,560,000	0.29%	222.69	1,214,232,800	0.62%
2003	15,495,000	0.52%	454.40	1,252,780,800	1.24%
2004	14,175,000	0.44%	415.93	1,341,695,520	1.06%
2005	13,120,000	0.37%	387.23	1,385,197,806	0.95%
2006	11,875,000	0.30%	349.58	1,315,007,728	0.90%
2007	10,955,000	0.26%	322.50	1,593,883,946	0.69%
2008	12,570,000	0.28%	368.63	1,602,820,426	0.78%
2009	12,765,000	0.29%	374.35	1,632,080,437	0.78%
2010	11,520,000	0.27%	337.06	1,561,148,506	0.74%

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

- (1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.
- (2) Population data can be found in the Schedule of Demographic and Economic Statistics.
- (3) This estimated personal income number is calculated by taking the per capita personal income of Ramsey County and multiplying it by the City population.

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City of Roseville
Direct and Overlapping Governmental Activities Debt
As of December 31, 2010
(amounts expressed in whole dollars)

<u>Governmental Unit</u>	<u>Gross Debt Net of Refunding</u>	<u>Cash Held in Debt Service Fund</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to Roseville</u>	<u>Amount Applicable to Roseville</u>
Direct Debt:					
City of Roseville	\$ 11,520,000	\$ 1,452,411	\$ 10,067,589	100%	\$ 10,067,589
Total Direct Debt					<u>\$ 10,067,589</u>
Overlapping Debt*					
School District #621	\$ 179,793,495	\$ 9,269,144	\$ 170,524,351	8%	\$ 13,641,948
School District #623	48,160,000	23,074,068	25,085,932	61%	15,302,419
Special School District #916	7,395,000	118,162	7,276,838	8%	582,147
Metropolitan Council	1,283,405,536	66,142,243	1,217,263,293	1%	12,172,633
Metropolitan Airports Commission	1,777,120,000	255,281,434	1,521,838,566	1%	15,218,386
Ramsey County	194,792,000	20,441,462	174,350,538	9%	15,691,548
Total Overlapping Debt	<u>\$ 3,490,666,031</u>	<u>\$ 374,326,512</u>	<u>\$ 3,116,339,519</u>		<u>\$ 72,609,081</u>
 Total Direct and Overlapping Debt	 <u>\$ 3,502,186,031</u>	 <u>\$ 375,778,923</u>	 <u>\$ 3,126,407,108</u>		 <u>\$ 82,676,670</u>

*Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Roseville. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

City of Roseville
Legal Debt Margin Information
Last Ten Fiscal Years
(amounts expressed in whole dollars)

	Fiscal Year			
	2001	2002	2003	2004
Debt Limit	\$ 48,246,670	\$ 52,994,918	\$ 59,084,800	\$ 64,941,138
Total net debt applicable to limit	<u>0</u>	<u>0</u>	<u>9,700,000</u>	<u>9,700,000</u>
Legal debt margin	<u>\$ 48,246,670</u>	<u>\$ 52,994,918</u>	<u>\$ 49,384,800</u>	<u>\$ 55,241,138</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	16.42%	14.94%

Note: Under Minnesota state law, the City of Roseville's net debt cannot exceed 3 percent of the estimated market value of property. This limit increased from 2% to 3% in calendar 2008.

Fiscal Year					
2005	2006	2007	2008	2009	2010
\$ 71,034,242	\$ 78,363,984	\$ 84,512,230	\$ 135,671,256	\$ 133,654,878	\$ 128,642,142
<u>9,535,000</u>	<u>9,000,000</u>	<u>8,455,000</u>	<u>10,440,000</u>	<u>11,015,000</u>	<u>9,035,000</u>
<u><u>\$ 61,499,242</u></u>	<u><u>\$ 69,363,984</u></u>	<u><u>\$ 76,057,230</u></u>	<u><u>\$ 125,231,256</u></u>	<u><u>\$ 122,639,878</u></u>	<u><u>\$ 119,607,142</u></u>
13.42%	11.48%	10.00%	7.70%	8.24%	7.02%

Legal Debt Margin Calculation for Fiscal Year 2010

Estimated Market Value	<u>\$ 4,288,071,400</u>
Debt Limit (3% of total estimated market value)	\$ 128,642,142
Debt applicable to limit:	
Total Bonded Debt	11,520,000
Less:	
Special Assessment Bonds	1,330,000
Housing Bonds	<u>1,155,000</u>
Total net debt applicable to limit	<u>\$ 9,035,000</u>
Legal Debt Margin	<u><u>\$ 119,607,142</u></u>

**City of Roseville
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population (1)	Estimated (2)		School Enrollment District #623 (4)	School Enrollment District #621 (4)	Unemployment Rate (5)
		Personal Income (amounts expressed in whole dollars)	Per Capita Personal income (3)			
2001	33,949	\$ 1,171,070,755	\$ 34,495	6,738	11,095	3.2%
2002	34,100	1,214,232,800	35,608	6,638	10,742	3.9%
2003	34,080	1,252,780,800	36,760	6,522	10,316	3.8%
2004	34,080	1,341,695,520	39,369	6,255	10,006	3.8%
2005	33,882	1,385,197,806	40,883	6,383	10,456	3.4%
2006	33,969	1,315,007,928	38,712	6,396	9,929	3.4%
2007	33,969	1,593,883,946	44,852	6,420	9,705	3.9%
2008	34,099	1,602,820,426	47,005	6,486	9,792	5.7%
2009	34,099	1,632,080,437	47,863	6,400	9,674	7.0%
2010	34,178	1,561,148,506	45,677	6,444	9,849	5.5%

- (1) Population and per capita income figures, other than census year, are estimates provided by the Metropolitan Council. The last census was taken in the year 2000.
- (2) This estimated personal income number is calculated by taking the per capita personal income of Ramsey County and multiplying it by the City population. Also see note (3) regarding the Per Capita Personal Income figures.
- (3) The per capita personal income used is for that of Ramsey County, in which the city resides, the smallest region applicable to the City that this information is available for. In addition, the 2007 - 2009 figures are an estimate for the State of Minnesota provided by the Bureau of Economic Analysis as there were no other relevant estimates available at the time of this report.
- (4) The City is served by two independent school districts.
District #623 covers approximately 67% of the City, while District #621 covers approximately 33% of the City. Accordingly, not all students enrolled in District #621 live in the City of Roseville.
Information is provided by the Roseville and Moundsview School Districts.
- (5) Annual average unemployment provided by the Minnesota Department of Employment & Economic Development

**City of Roseville
Principal Employers
Current Year and Nine Years Ago**

<u>Employer</u>	<u>2010</u>			<u>2001</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Presbyterian Homes Housing	1,120	1	2.99%	-	-	-
Roseville Area Schools	900	2	2.41%	-	-	-
MN Dept. of Transportation	700	3	1.87%	600	5	1.71%
Northwestern College	615	4	1.64%	-	-	-
Symantic	600	5	1.60%	-	-	-
McGough Construction	400	6	1.07%	500	10	1.43%
Target	400	7	1.07%	1300	1	3.71%
MN Department of Education	400	8	1.07%	-	-	-
JC Penny	313	9	0.84%	500	9	1.43%
Macy's	300	10	0.80%	-	-	-
Beltman Group	-	-	-	956	2	2.73%
Health Span Home Care	-	-	-	900	3	2.57%
Advance Circuits	-	-	-	700	4	2.00%
Best Inc	-	-	-	600	6	1.71%
Veritas Corporation	-	-	-	600	7	1.71%
Earthgrains/Metz Baking	-	-	-	500	8	1.43%
Total	3,728		9.96%	7,156		20.45%

Sources: Minnesota Department of Employment and Economic Development
Annual Dunn & Bradstreet Report

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City of Roseville
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	Full-time Equivalent Employees as of December 31									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government	26.5	28.5	27.5	27.5	29.25	31.25	32.5	33.5	33.5	34
Public safety										
Police	54	54	55	57	56.5	57.5	57.5	58	58	56.5
Fire	3.5	4.5	4.5	4.5	4.5	4.5	7.5	8	8	8
Public Works	16.75	18	18.25	18.25	17.25	17.25	17.25	17.25	17.25	16.75
Recreation	24.25	25.25	24.25	24.25	22.25	22.25	22.25	22.25	22.25	21.25
Economic Development	11	11	10.9	10.9	10.9	10.4	10.9	10.9	10.9	10.9
Water	6.16	6.17	6.17	6.17	6.17	6.17	6.17	6.17	6.17	6.17
Sewer	5.16	5.16	5.16	5.16	5.16	5.16	5.16	5.16	5.16	5.66
Golf	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Recycling	0	0	0	0	0	0	0	0	0	0
Storm Drainage	3.17	3.17	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42
Total	152.99	158.25	157.65	159.65	157.90	160.40	165.15	167.15	167.15	165.15

City of Roseville
Operating Indicators by Function
Last Ten Fiscal Years

Function	2001	2002	2003	2004	2005
Police					
Serious offenses	3,523	3,146	2,596	3,075	3,002
Public Assistance Calls	20,144	18,492	22,770	33,092	39,897
Traffic citations	9,043	8,461	6,281	3,679	7,763
Fire					
Fire incidents	831	681	609	634	890
Fire inspections	1,480	1,500	1,530	1,550	1,725
Public Works					
Street patching (tons)	950	950	1,000	1,000	890
Sealcoating (miles)	16	12	15	14	14
Snow / ice control (miles)	120	120	123	123	123
Sign repair / replacements	289	290	81	194	300
Recreation					
Recreation and leisure participations	104,391	107,310	108,112	110,466	109,879
Facility usage permits	783	810	849	964	1,007
Economic Development					
Building permits issued	1,599	1,578	1,584	1,378	1,404
Number of inspections	7,639	7,880	7,255	7,151	7,651
Planning / zoning cases	77	86	106	69	72
Water					
Meters repaired / replaced	426	408	415	412	394
Water main breaks	32	32	28	41	20
Hydrants repaired / flushed	1,686	1,691	1,696	1,702	1,708
Annual water pumped (thousands of gallons)	2,352,300	1,988,600	2,136,020	1,421,732	2,021,000
Sewer					
Sewer pipes repaired / replaced (lineal feet)	160	220	310	1,740	840
Sewer pipes cleaned (linear feet)	240,900	233,506	242,729	242,475	296,000
Sewer pipes televised (linear feet)	17,200	14,400	12,300	13,600	12,800
Annual sewer flow (thousands of gallons)	2,352,300	1,988,600	2,136,020	1,421,732	2,021,000
Golf					
Number of rounds played	34,300	28,000	35,000	36,000	31,914
Recycling					
Materials collected (tons)	2,789	2,840	2,815	2,902	3,123
Storm Drainage					
Sweeping (centerline miles)	125	125	125	125	125
Leaf collection (Cubic yards)	20,000	20,000	20,000	20,000	20,000
Structure inspections	3,000	3,000	3,000	3,000	3,000
Infrastructure repair / replace (lineal feet)	1,995	2,940	1,860	1,400	890

Sources: Various city departments

N/A* - Information not available for these years

(1) In 2007 the Fire Department changed their policy in responding to medical calls. The Fire Department now responds to ALL medical calls, no matter their severity. The large increase of fire incidents in 2007 includes these additional calls.

2006	2007 (1)	2008	2009	2010
3,068	3,036	3,001	3,169	2,551
37,632	38,598	38,052	35,000	38,000
9,312	9,219	8,062	8,138	8,551
931	4,313	4,300	4,036	4,225
1,740	1,740	1,800	1,051	1,011
800	900	1,006	1,000	900
16	13	15	14	14
123	123	125	125	125
250	335	197	300	524
112,061	113,250	112,725	112,800	112,700
1,093	1,125	1,115	1,095	1,080
1,270	1,302	1,254	1,307	4,146
6,532	7,313	6,051	5,509	5,306
100	69	45	35	29
402	407	554	519	592
30	39	38	33	29
1,701	1,711	1,706	1,711	1,711
2,115,219	2,156,057	2,066,694	2,081,975	1,807,879
5,098	4,849	5,000	8,162	5,457
257,000	235,000	276,000	237,000	261,000
9,400	43,755	61,497	72,772	89,260
2,115,219	2,156,057	2,066,694	2,081,976	1,157,210
31,139	31,794	31,147	30,458	28,325
3,402	3,681	3,750	2,697	3,321
125	125	125	125	125
20,000	20,000	20,000	20,000	20,000
171	167	71	350	258
3,072	625	188	242	96

City of Roseville
Capital Assets Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year						
	2001	2002	2003	2004	2005	2006	2007
Public Safety							
Police:							
Stations	1	1	1	1	1	1	1
Patrol Units	26	26	26	26	26	27	27
Fire Stations	3	3	3	3	3	3	3
Public Works							
Streets (miles)	120	122	123	123	121	123	123
Street Lights	1,466	1,466	1,195	1,144	1,124	1,125	1,125
Recreation							
Parks and playgrounds	28	28	28	30	30	30	30
Lighted park shelters	8	8	8	8	8	8	8
Parks Acreage	680	680	680	685	685	685	685
Skating Rinks							
Outdoor	14	14	11	11	10	10	10
Indoor	1	1	1	1	1	1	1
Golf Course	1	1	1	1	1	1	1
Ballfields	34	41	41	41	41	41	41
Soccer/football fields	5	5	5	5	8	8	8
Tennis Courts	17	17	17	17	17	17	17
Volleyball Courts	8	9	9	9	9	9	9
Basketball Courts	10	8	8	8	8	8	8
Miles of Trails	50	50	50	69	69	69	69
Water							
Number of connections	10,045	10,097	10,060	10,196	10,237	10,135	10,256
Water mains (miles)	180	164	165	165	165	166	166
Fire Hydrants	1,691	1,696	1,692	1,702	1,699	1,701	1,711
Water purchased from St. Paul (thousands of gallons)	2,352,300	1,988,600	2,136,020	1,421,732	2,021,459	2,115,219	2,156,057
Sewer							
Number of connections	10,173	9,978	9,931	10,053	10,115	10,083	10,199
Sanitary sewers (miles)	141	153	153	156	156	156	156
Storm drainage							
Storm sewers (miles)	137	139	139	141	144	145	145

Sources: Various city departments

Note: No capital asset indicators are available for the general government function

N/A* - Information on the miles of trails within the city was not available for these years.

2008	2009	2010
1	1	1
27	27	34
3	3	3
123	123	122
1,125	1,125	1,125
30	30	30
8	8	8
685	685	685
8	8	8
1	1	1
1	1	1
41	41	41
8	8	8
17	17	17
9	9	9
8	8	8
69	69	69
10,271	10,300	10,261
166	166	166
1,711	1,711	1,711
2,066,694	2,081,975	1,807,879
10,015	10,021	10,188
156	156	156
145	145	145

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