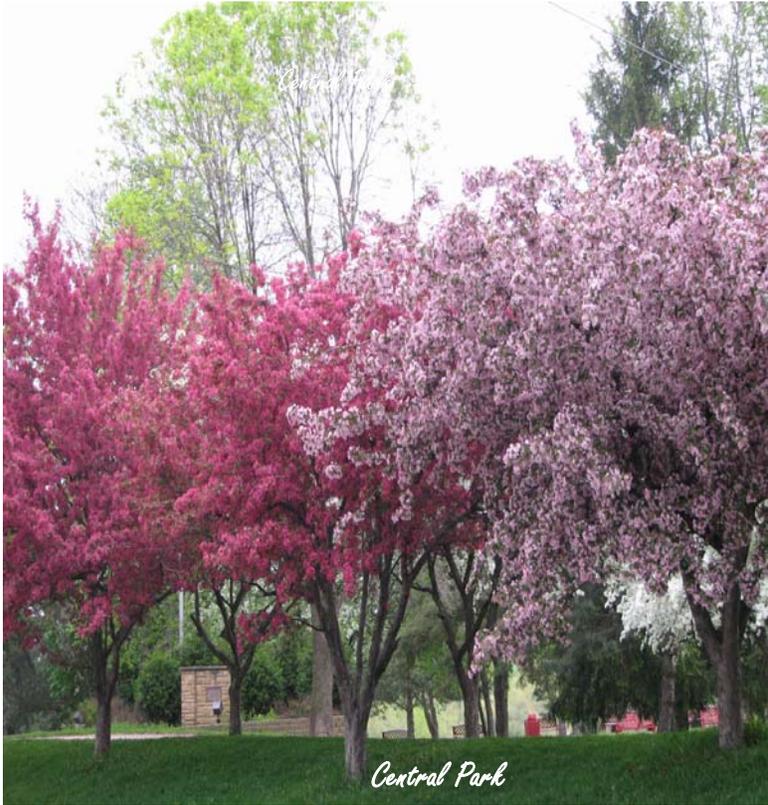


Seasons of Roseville



Central Park



Prepared by the Finance Department

McCarren's Lake



*Comprehensive Annual Financial Report
Fiscal Year Ended December 31, 2011*



Reservoir Woods



Central Park Arboretum

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City of Roseville, Minnesota
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended December 31, 2011

Table of Contents

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1
Certificate of Achievement	5
Organizational Chart	6
List of Elected and Appointed Officials	7
FINANCIAL SECTION	
Independent Auditors' Report	11
Management's Discussion and Analysis	13
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Assets	26
Statement of Activities	27
Fund Financial Statements	
Balance Sheet – Governmental Funds	28
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	30
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	32
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	33
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Recreation Fund	34
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – License Center Fund	35
Statement of Net Assets – Proprietary Funds	36
Statement of Revenues, Expenses, and Changes in Net Assets – Proprietary Funds	38
Statement of Cash Flows – Proprietary Funds	40
Statement of Net Fiduciary Net Assets – Fiduciary Funds	42
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	42
Notes to the Financial Statements	43
Required Supplementary Information	
Schedule of Funding Progress – Other Post- Employment Benefits Plan	81
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet-Nonmajor Governmental Funds	84
Combining Statement of Revenues, Expenditures and Changes in Fund Balances-Nonmajor Governmental Funds	86

Schedules of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual:	
Telecommunications Fund	88
Community Development Fund	89
Charitable Gambling Fund	90
Information Technology Fund	91
Combining Statement of Net Assets- Internal Service Funds	94
Combining Statement of Revenues, Expenses, and Changes in Net Assets- Internal Service Funds	95
Combining Statement of Cash Flows-Internal Service Funds	96
HRA Fund Financial Statement	
Balance Sheet	98
Statement of Revenues, Expenditures, and Changes in Fund Balances	99
Combining Statement of Fiduciary Net Assets-Agency Funds	102
Combining Statement of Changes in Assets and Liabilities-Agency Funds	103
Statements of Changes in Assets and Liabilities	
Grass Lake Water Management Organization	104
Roseville Islamic Cemetery	104
Roseville Visitors Association	104

STATISTICAL SECTION

Net assets by component	106
Changes in net assets	108
Governmental activities tax revenues by source	111
Fund balances of governmental funds	112
Changes in fund balances of governmental funds	114
General governmental tax revenues by source	115
Assessed value and estimated actual value of taxable property	116
Property tax rates –Direct and overlapping governments	118
Principal property taxpayers	120
Property tax levies and collections	121
Ratios of outstanding debt by type	122
Ratios of general bonded debt outstanding	123
Direct and overlapping governmental activities debt	125
Legal debt margin information	126
Demographic and economic statistics	128
Principal employers	129
Full-time equivalent city government employees by function	131
Operating indicators by function	132
Capital assets statistics by function	134

INTRODUCTORY SECTION

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April 18, 2012

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, 2011.

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 Kern, DeWenter, Viere, 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, 2011 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, 2011, 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 stabilize 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 new public safety and 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 significant 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 will continue to serve as the primary guiding tool for the next 5-10 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, 2010. This was the 32nd 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, 2011. 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, 2010

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.



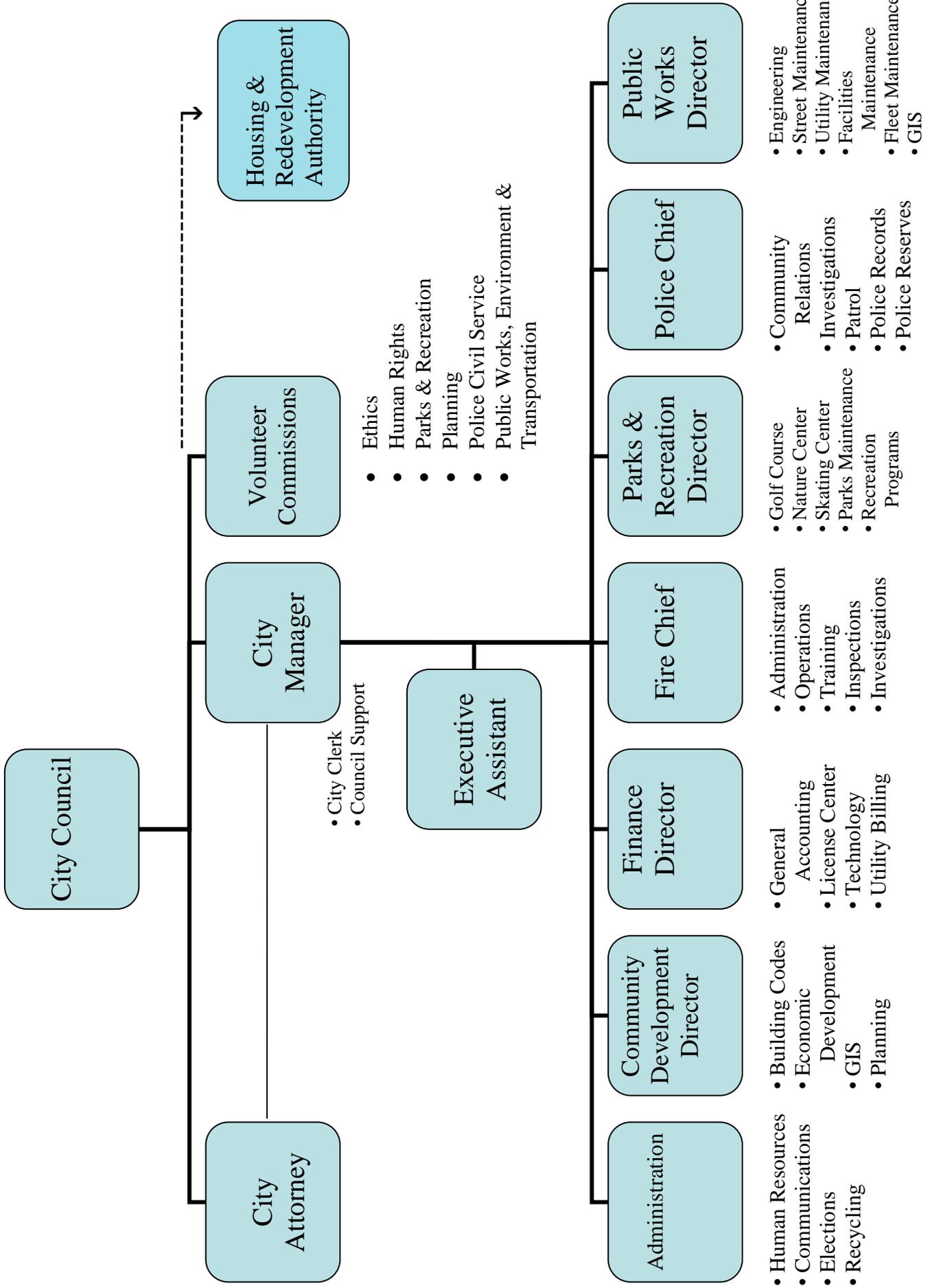
Linda C. Danison

President

Jeffrey R. Emswiler

Executive Director

City of Roseville Organizational Chart





Elected and Appointed Officials December 31, 2011

Elected Officials

Mayor	Dan Roe	Term expires 12/31/2014
Council	Jeff Johnson	Term expires 12/31/2012
Council	Tammy Pust	Term expires 12/31/2012
Council	Tammy McGehee	Term expires 12/31/2014
Council	Robert Willmus	Term expires 12/31/2014

Appointed Officials

City Manager	William Malinen
Finance Director	Chris Miller
Police Chief	Rick Mathwig
Fire Chief	Tim O'Neil
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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Expert advice. When you need it.SM

INDEPENDENT AUDITOR’S REPORT

Honorable Mayor and Members
of the City Council
City of Roseville
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, Minnesota, as of and for the year ended December 31, 2011, which collectively comprise the City’s basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City’s management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year partial comparative information has been derived from the City’s 2010 financial statements audited by other auditors. In their report dated May 10, 2011, they expressed unqualified opinions on the governmental activities, business type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information.

We conducted our audit in accordance with U.S. generally accepted auditing standards 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 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe 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 of Roseville, Minnesota, as of December 31, 2011, and the respective changes in financial position and where applicable, cash flows, thereof, and the respective budgetary comparison for the General Fund, the Recreation Special Revenue Fund and the License Center Special Revenue Fund for the year then ended in conformity with U.S. generally accepted accounting principles.

Expert advice. When you need it.SM

*Certified Public Accountants
Wealth Management
Payroll Services
Business Valuations
Technology Services*

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866.400.6426**



The City has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for the year ended December 31, 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2012, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis, which follows this report letter and the Schedule of Funding Progress on page 81, 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 U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The Introductory Section, combining and individual fund statements and schedules identified and Statistical Section are presented for purposes of additional analysis and are not a required part of the 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 accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the 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 them.

Kern, DeWenter, Viere, Ltd.

KERN, DEWENTER, VIERE, LTD.
Bloomington, Minnesota
April 18, 2012

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, 2011. 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 \$171,280,756 (Net assets). Of this amount, \$28,388,172 (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 increased by \$2,779,662.
- As of the close of the current fiscal year, the City of Roseville's governmental funds reported combined ending unrestricted fund balances of \$22,542,085.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,190,027 or 43 percent of total general fund expenditures.
- The City of Roseville total bonded debt and certificates of indebtedness increased by \$8,615,000 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 four 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 page 42 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 43-77 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 84-104 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 \$171,280,756 at the close of the most recent fiscal year. This represents an increase of \$2,779,662 from the previous year.

By far the largest portion of the City of Roseville's net assets (78% 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 2011	Governmental Activities 2010	Business- Type 2011	Business- Type 2010	Total 2011	Total 2010
Current and other Assets	\$ 47,567,380	\$ 35,005,076	\$ 7,449,284	\$ 8,257,284	\$ 55,016,664	\$ 43,262,360
Capital assets	123,706,064	124,380,800	19,493,159	18,803,521	143,199,223	143,184,321
Total assets	171,273,444	159,385,876	26,942,443	27,060,805	198,215,887	186,446,681
Long-term liabilities outstanding	21,983,907	13,179,341	-	-	21,983,907	13,179,341
Other liabilities	2,652,372	2,243,842	2,298,852	2,522,404	4,951,224	4,766,246
Total liabilities	24,636,279	15,423,183	2,298,852	2,522,404	26,935,131	17,945,587
Net assets:						
Invested in capital assets net of related debt	114,666,064	114,015,800	19,493,159	18,803,521	134,159,223	132,819,321
Restricted	8,733,361	4,438,169	-	-	8,733,361	4,438,169
Unrestricted	23,237,740	25,508,724	5,150,432	5,734,880	28,388,172	31,243,604
Total net assets	\$ 146,637,165	\$ 143,962,693	\$ 24,643,591	\$ 24,538,401	\$ 171,280,756	\$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 - \$28,388,172, 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.

Governmental activities

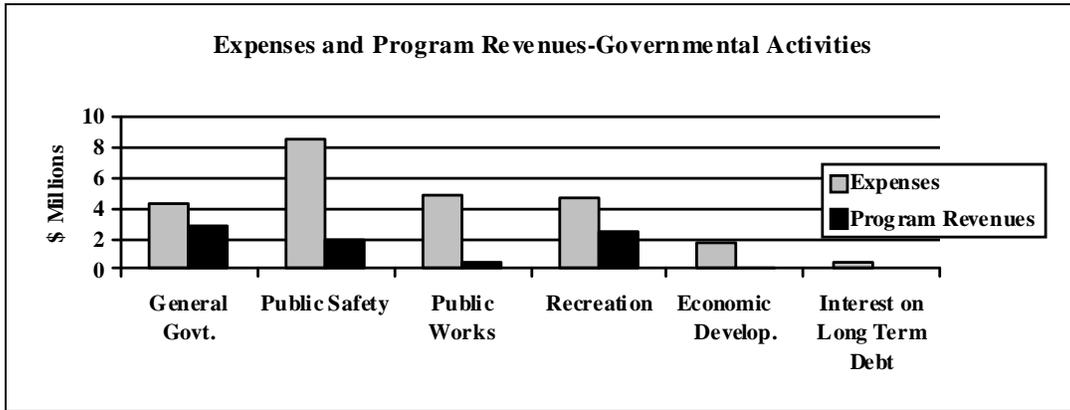
Governmental activities increased the City of Roseville's net assets by \$2,674,472. Business-type activities increased Roseville's net assets by \$105,190, for an overall increase of \$2,779,662. Key elements of this increase are as follows:

City of Roseville's Changes in Net Assets

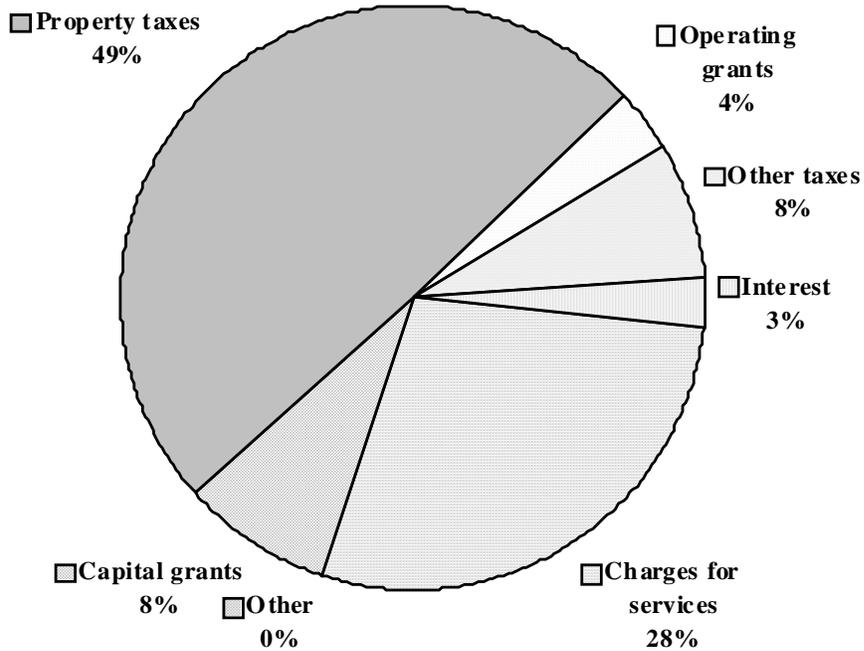
	Governmental Activities 2011	Governmental Activities 2010	Business- Type 2011	Business- Type 2010	Total 2011	Total 2010
Revenues:						
Program revenues:						
Charges for services	\$ 7,737,949	\$ 6,774,829	\$ 10,440,041	10,291,933	\$18,177,990	\$ 17,066,762
Operating grants and Contributions	983,149	870,158	70,267	69,775	1,053,416	939,933
Capital grants and Contributions	2,294,488	3,283,978	250,858	321,188	2,545,346	3,605,166
General revenues:						
Property taxes	13,501,068	15,611,387	-	-	13,501,068	15,611,387
Other taxes	2,072,823	2,427,055	-	-	2,072,823	2,427,055
Grants & Contributions not Restricted to specific Programs	25,738	25,577	-	-	25,738	25,577
Investment earnings	730,809	1,122,891	123,786	176,315	854,595	1,299,206
Other	25,000	84,007	(25,000)	(84,007)	-	-
Total revenues	27,371,023	30,199,882	10,859,952	10,775,204	38,230,976	40,975,086
Expenses:						
General government	\$ 4,395,484	\$ 4,266,736	\$ -	\$ -	\$ 4,395,484	\$ 4,266,736
Public safety	8,572,723	9,442,966	-	-	8,572,723	9,442,966
Public works	4,868,114	2,800,235	-	-	4,868,114	2,800,235
Economic Development	1,696,156	10,950,324	-	-	1,696,156	10,950,324
Recreation	4,737,072	4,698,518	-	-	4,737,072	4,698,518
Interest on debt	427,003	429,094	-	-	427,003	429,094
Sanitary Sewer	-	-	3,403,703	3,763,009	3,403,703	3,763,009
Water	-	-	5,417,818	5,058,883	5,417,818	5,058,883
Golf	-	-	332,480	338,860	332,480	338,860
Recycling	-	-	527,581	478,471	527,581	478,471
Storm drainage	-	-	1,073,180	797,535	1,073,180	797,535
Total expenses	24,696,551	32,587,873	10,754,762	10,436,758	35,451,313	43,024,631
Increase (decrease) in net assets	2,674,472	(2,387,991)	105,190	338,446	2,779,662	(2,049,545)
Net assets on Jan 1 st	143,962,693	138,618,789	24,538,401	24,199,955	168,501,094	162,818,744
Change in Accounting Principle	-	7,731,895	-	-	-	7,731,895
Net assets on Dec 31 st	\$ 146,637,165	\$ 143,962,693	\$ 24,643,591	24,538,401	\$ 171,280,756	\$168,501,094

The increase in net assets reflects a general strategy of cost containment and the discontinuance of using cash reserves to fund general government asset replacements. Tax increases were also implemented to offset declining interest earnings and other non-tax revenue sources.

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

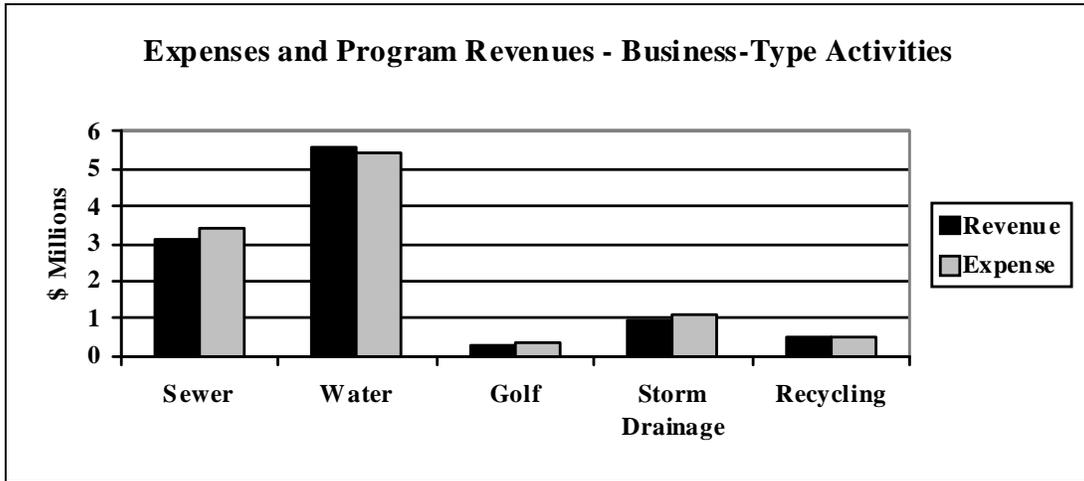


Revenue Sources-Governmental Activities

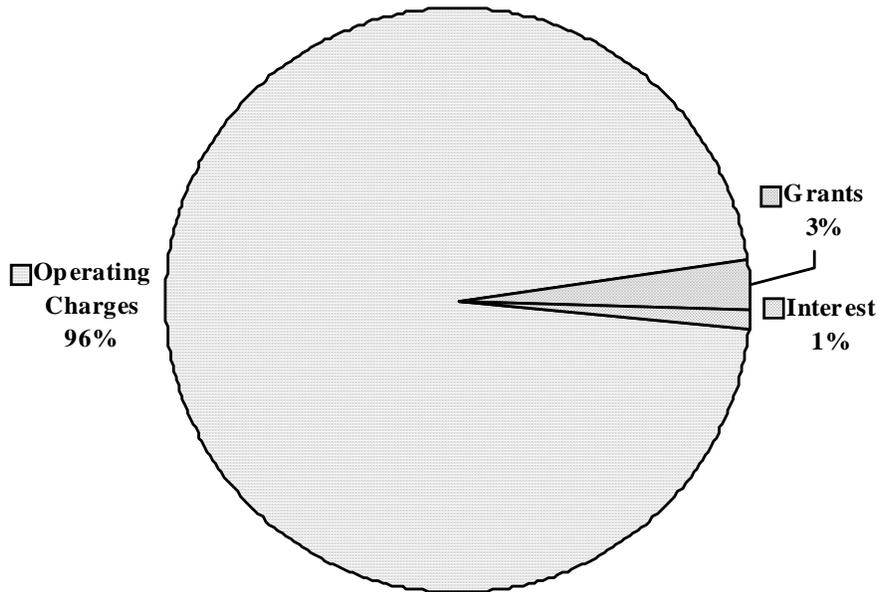


Business-type activities. Like the governmental activities, the increase in net assets for business-type activities reflects improved cost containment. Utility rate increases were also implemented to offset declining interest earnings and other non-tax revenue sources.

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 2011, the HRA's net assets increased by \$260,073 reflecting strong program income. A prior period adjustment was made to reflect adjusted principal balances of various housing loan programs.

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, unrestricted 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 \$40,893,779. Approximately 55% of this total amount (\$22,542,085) constitutes unrestricted fund balance. The remainder of the fund balance is restricted to indicate that it is not available for new spending because it is legally restricted for; 1) various operating purposes - \$1,723,714, 2) for tax increment financing activities - \$5,202,462, 3) bond funded capital improvements - \$10,000,000, and 4) debt service - \$1,425,518.

The fund balances of governmental funds increased substantially due to the issuance of \$10 million in general obligation bonds in December. These bond proceeds will be used to finance the construction of a new fire station and make various park improvements. The funds will be expended in 2012 and 2013.

The Economic Increments Construction Fund accounts for the activities in the City's Tax Increment Financing (TIF) Districts. The Fund's balance increased by \$1,166,857 resulting from the continued collection of tax increment to repay TIF-related infrastructure investments made in prior year. The entire fund balance of \$5,202,462 is restricted for TIF-related activities.

The Debt Service Fund decreased by \$26,893 due to reduced assessment prepayments compared to previous years. The planned use of cash reserves in the Fund was used to pay a portion of the current year's debt payments.

The Revolving Improvements Fund increased \$10,676,470 due primarily to the issuance of \$10 million in bonds noted above. It also reflects a significant transfer of monies from other governmental funds for the purposes of vehicle and equipment acquisitions.

The License Center Revenue Fund balance increased \$127,657 thanks to higher-than-expected agent and vehicle title fees, and lower operating costs.

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 - \$2,093,990; Water – \$(229,637); Golf - \$357,993; Recycling - \$253,175 and Storm - \$2,674,911. Overall net assets increased \$105,190 reflecting positive cash flow from utility rate increases which were designated for capital replacements.

General Fund Budgetary Highlights

The General Fund balance increased by \$574,631 in 2011, largely due to a planned reduction of discretionary expenditures and deferred capital replacements. These cost reductions were implemented in response to declining interest earnings and stagnating non-tax revenue sources. A property tax increase was also implemented in 2011 to improve the General Fund’s financial condition.

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, 2011, amounts to \$143,041,339 (net of accumulated depreciation) – virtually unchanged from the previous year. 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 \$2 million in right-of-way acquisition and street improvements, and \$1 million in general vehicles and equipment
- Approximately \$1.3 million in improvements to the City’s utility systems

**City of Roseville’s Capital Assets
(Net of Depreciation)**

	Governmental Activities 2011	Governmental Activities 2010	Business- Type 2011	Business- Type 2010	Total 2011	Total 2010
Land & Easements	\$33,237,354	\$ 33,370,351	\$796,155	\$730,799	\$34,033,509	\$ 34,101,150
Buildings	17,440,804	18,041,228	186,156	235,577	17,626,960	18,276,805
Improvements other than Buildings	838,712	2,950,052	447,648	493,285	1,286,360	3,443,337
Machinery & equipment	6,515,848	6,486,381	833,752	715,526	7,349,600	7,201,907
Infrastructure	57,869,942	57,869,942	17,084,525	15,907,965	74,954,467	73,777,907
Construction in progress	7,803,404	5,662,846	-	720,369	7,803,404	6,383,215
Total capital assets	\$123,706,064	\$124,380,800	\$19,348,236	\$18,803,521	\$143,054,300	\$143,184,321

Additional information on the City of Roseville's capital assets can be found in Note 1-D on page 48-49 of this report, and Note 4-C on page 57-59.

Long-term debt. At the end of the current fiscal year, the City of Roseville had total long-term debt outstanding of \$20,135,000. Of this amount; \$890,000 was for general obligation improvement debt which financed a part of the City's paving management program, \$6,080,000 for the general obligation debt for the construction of the expansion of City Hall and the Public Works Building, \$2,070,000 to finance the replacement of the Ice Arena refrigeration system, and \$1,095,000 for housing improvements.

In December, 2011 the City issued \$10 million in general obligation debt to finance the construction of a new fire station and to make various park improvements. In addition, the City also has long-term liabilities in the amount of \$1,384,178 for compensated absences and \$464,729 for the net obligation for OPEB.

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

	Governmental Activities 2011	Governmental Activities 2010	Business- Type 2011	Business- Type 2010	Total 2011	Total 2010
General Obligation Improvement bonds	\$890,000	\$1,330,000	\$ -	\$ -	\$890,000	\$1,330,000
General Obligation Municipal bonds	17,175,000	7,860,000	-	-	17,175,000	7,860,000
Certificates of Indebtedness	2,070,000	2,330,000	-	-	2,070,000	2,330,000
Total	\$20,135,000	\$11,520,000	\$ -	\$ -	\$20,135,000	\$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.

Minnesota State statutes limit the amount of general obligation debt a city may issue to 3% of total Estimated Market Value. The current debt limitation for the City of Roseville is \$119,552,196. \$18,090,000 of the City's outstanding debt is counted against the statutory limitation as the debt is wholly financed by a 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-G on pages 61-63.

Economic Factors and next year's Budgets and Rates

- The City made operational adjustments in recognition of declining interest earnings and stagnant non-tax revenues.
- 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 2012 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, 2011

	Primary Government			Component Unit Housing & Redevelopment Authority
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 43,679,229	\$ 3,796,051	\$ 47,475,280	\$ 1,216,039
Restricted investments				
Utility customer deposits	0	843,544	843,544	0
Cash held in escrow	0	0	0	386,145
Receivables				
Accounts	560,989	2,070,643	2,631,632	52,580
Taxes	198,243	0	198,243	1,711
Investment interest	86,976	11,940	98,916	2,905
Special assessments	1,264,700	224,040	1,488,740	37,128
Due from other governments	1,614,469	503,066	2,117,535	6,070
Notes	0	0	0	1,230,174
Net pension obligation fire relief	162,774	0	162,774	0
Capital assets not being depreciated:				
Land	25,505,459	796,155	26,301,614	0
Easements	7,731,895	0	7,731,895	0
Construction in progress	7,803,404	1,712,296	9,515,700	0
Capital assets net of accumulated depreciation:				
Buildings	17,440,804	186,155	17,626,959	0
Improvements other than buildings	838,712	447,646	1,286,358	0
Machinery and equipment	6,515,848	833,746	7,349,594	0
Infrastructure	57,869,942	15,517,161	73,387,103	0
Total Assets	<u>171,273,444</u>	<u>26,942,443</u>	<u>198,215,887</u>	<u>2,932,752</u>
LIABILITIES				
Accounts payable	505,800	340,044	845,844	2,645
Accrued payroll	226,384	147,640	374,024	0
Contracts payable	372,141	236,776	608,917	0
Bond interest payable	127,953	0	127,953	0
Due to other governments	702,966	480,473	1,183,439	0
Insurance claim payable	139,044	0	139,044	0
Deposits payable	578,084	940,049	1,518,133	0
Unearned revenue	0	153,870	153,870	0
Noncurrent liabilities:				
Due within one year	1,512,514	0	1,512,514	0
Due in more than one year	20,471,393	0	20,471,393	0
Total Liabilities	<u>24,636,279</u>	<u>2,298,852</u>	<u>26,935,131</u>	<u>2,645</u>
NET ASSETS				
Invested in capital assets net of related debt	114,666,064	19,493,159	134,159,223	0
Restricted for				
Community development	163,163	0	163,163	0
Telecommunication	521,444	0	521,444	0
Park dedication	692,203	0	692,203	0
Law enforcement	346,904	0	346,904	0
Debt service	1,807,185	0	1,807,185	0
Tax Increment	5,202,462	0	5,202,462	0
Unrestricted	23,237,740	5,150,432	28,388,172	2,930,107
Total Net Assets	<u>\$ 146,637,165</u>	<u>\$ 24,643,591</u>	<u>\$ 171,280,756</u>	<u>\$ 2,930,107</u>

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, 2011**

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	\$ 4,395,483	\$ 2,857,048	\$ 0	\$ 0	\$ (1,538,435)	\$ 0	\$ (1,538,435)	\$ 0
Public safety	8,572,723	1,890,436	583,864	121,840	(5,976,583)	0	(5,976,583)	0
Public works	4,868,114	414,612	346,207	1,431,086	(2,676,209)	0	(2,676,209)	0
Recreation	4,737,072	2,430,291	24,495	236,411	(2,045,875)	0	(2,045,875)	0
Economic development	1,696,156	145,561	28,583	505,151	(1,016,861)	0	(1,016,861)	0
Interest on long-term debt	427,003	0	0	0	(427,003)	0	(427,003)	0
Total governmental activities	<u>24,696,551</u>	<u>7,737,948</u>	<u>983,149</u>	<u>2,294,488</u>	<u>(13,680,966)</u>	<u>0</u>	<u>(13,680,966)</u>	<u>0</u>
Business-type activities:								
Sewer	3,403,703	3,087,514	0	198,747	0	(117,442)	(117,442)	0
Water	5,417,818	5,580,048	0	13,000	0	175,230	175,230	0
Golf	332,480	270,434	0	0	0	(62,046)	(62,046)	0
Recycling	527,581	545,695	70,267	0	0	88,381	88,381	0
Storm Drainage	1,073,180	956,350	0	39,111	0	(77,719)	(77,719)	0
Total business- type activities	<u>10,754,762</u>	<u>10,440,041</u>	<u>70,267</u>	<u>250,858</u>	<u>0</u>	<u>6,404</u>	<u>6,404</u>	<u>0</u>
Total primary government	<u>\$ 35,451,313</u>	<u>\$ 18,177,989</u>	<u>\$ 1,053,416</u>	<u>\$ 2,545,346</u>	<u>\$ (13,680,966)</u>	<u>\$ 6,404</u>	<u>\$ (13,674,562)</u>	<u>\$ 0</u>
Component unit:								
Housing & Redevelopment Authority	<u>\$ 309,071</u>	<u>\$ 113,071</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (196,000)</u>
General revenues:								
Property taxes					13,501,068	0	13,501,068	323,281
Tax increments					1,592,214	0	1,592,214	0
Cable franchise taxes					393,657	0	393,657	0
Gambling taxes					86,952	0	86,952	0
Grants and contributions not restricted to specific programs					25,738	0	25,738	12,108
Unrestricted investment earnings					730,809	123,786	854,595	120,684
Transfers					25,000	(25,000)	0	0
Total general revenues and transfers					<u>16,355,438</u>	<u>98,786</u>	<u>16,454,224</u>	<u>456,073</u>
Change in net assets					2,674,472	105,190	2,779,662	260,073
Net assets - beginning as previously stated					143,962,693	24,538,401	168,501,094	3,219,488
Prior period adjustment					0	0	0	(549,454)
Net assets - beginning as restated					<u>143,962,693</u>	<u>24,538,401</u>	<u>168,501,094</u>	<u>2,670,034</u>
Net assets - ending					<u>\$ 146,637,165</u>	<u>\$ 24,643,591</u>	<u>\$ 171,280,756</u>	<u>\$ 2,930,107</u>

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

**CITY OF ROSEVILLE, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2011**

	Special Revenue				
	General	Recreation	License Center	Debt Service	Revolving Improvements
ASSETS					
Cash and cash equivalents	\$ 6,432,052	\$ 586,749	\$ 1,014,492	\$ 1,427,733	\$ 12,170,197
Investment interest receivable	15,118	1,458	1,132	3,871	7,409
Accounts receivable	63,789	187,793	186,589	0	5,525
Taxes receivable:					
Current	140,884	14,889	0	11,501	3,242
Special assessments receivable:					
Current	5,711	3,496	0	2,468	0
Deferred	0	0	0	509,620	0
Due from other governments	82,757	0	0	0	511,942
Due from other funds	57,079	0	0	0	0
Total assets	<u>\$ 6,797,390</u>	<u>\$ 794,385</u>	<u>\$ 1,202,213</u>	<u>\$ 1,955,193</u>	<u>\$ 12,698,315</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ 244,316	\$ 94,211	\$ 5,804	\$ 20,055	\$ 87,592
Accrued payroll	139,189	47,673	16,078	0	0
Contracts payable	0	0	0	0	89,300
Due to other funds	0	0	0	0	0
Due to other governments	33,859	8,404	581,940	0	56
Deferred revenue	0	0	0	509,620	0
Deposits payable	168,736	185	0	0	204,425
Total liabilities	<u>586,100</u>	<u>150,473</u>	<u>603,822</u>	<u>529,675</u>	<u>381,373</u>
Fund Balance:					
Restricted					
Law enforcement	346,904	0	0	0	0
Telecommunications	0	0	0	0	0
Community Development	0	0	0	0	0
Park Dedication	0	0	0	0	692,203
Tax Increment	0	0	0	0	0
Debt Service	0	0	0	1,425,518	0
Bond Funded Capital Improvements	0	0	0	0	10,000,000
Committed					
Special Revenue	0	643,912	598,391	0	0
Street Replacement	0	0	0	0	0
Assigned					
Engineering Services	658,760	0	0	0	0
Accounting Services	15,599	0	0	0	0
Capital Projects	0	0	0	0	1,624,739
Unassigned	5,190,027	0	0	0	0
Total fund balances	<u>6,211,290</u>	<u>643,912</u>	<u>598,391</u>	<u>1,425,518</u>	<u>12,316,942</u>
Total liabilities and fund balances	<u>\$ 6,797,390</u>	<u>\$ 794,385</u>	<u>\$ 1,202,213</u>	<u>\$ 1,955,193</u>	<u>\$ 12,698,315</u>

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				
Economic Increments Construction	Street Construction	Other Governmental Funds	Total	
\$ 5,349,058	\$ 12,900,236	\$ 895,416	\$	40,775,933
19,007	30,093	2,114		80,202
0	0	117,293		560,989
27,341	0	386		198,243
0	21,999	0		33,674
0	713,322	8,084		1,231,026
0	959,863	59,907		1,614,469
0	0	0		57,079
<u>\$ 5,395,406</u>	<u>\$ 14,625,513</u>	<u>\$ 1,083,200</u>	<u>\$</u>	<u>44,551,615</u>

\$ 6,198	\$ 431	\$ 39,633	\$	498,240
0	0	23,444		226,384
119,942	162,899	0		372,141
0	0	57,079		57,079
66,804	0	11,903		702,966
0	713,322	0		1,222,942
0	0	204,738		578,084
<u>192,944</u>	<u>876,652</u>	<u>336,797</u>	<u>\$</u>	<u>3,657,836</u>

0	0	0		346,904
0	0	521,444		521,444
0	0	163,163		163,163
0	0	0		692,203
5,202,462	0	0		5,202,462
0	0	0		1,425,518
0	0	0		10,000,000
0	0	109,199		1,351,502
0	11,078,323	0		11,078,323
0	0	0		658,760
0	0	0		15,599
0	2,670,538	0		4,295,277
0	0	(47,403)		5,142,624
<u>5,202,462</u>	<u>13,748,861</u>	<u>746,403</u>	<u>\$</u>	<u>40,893,779</u>
<u>\$ 5,395,406</u>	<u>\$ 14,625,513</u>	<u>\$ 1,083,200</u>		

123,706,064

(22,111,860)

2,763,466

1,385,716

Net Assets of governmental activities \$ 146,637,165

CITY OF ROSEVILLE, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2011

	Special Revenue			
	General	Recreation	License Center	Debt Service
REVENUES				
General property taxes	\$ 9,919,451	\$ 1,776,498	\$ 0	\$ 1,372,259
Tax Increments	0	0	0	0
Intergovernmental revenue	965,809	24,495	0	0
Licenses & permits	393,220	0	0	0
Gambling taxes	0	0	0	0
Charges for services	1,319,202	1,773,767	1,177,481	0
Fines and forfeits	226,715	0	0	0
Cable franchise taxes	0	0	0	0
Rentals	0	56,888	0	0
Donations	29,976	36,476	0	0
Special assessments	0	2,260	0	129,831
Investment income	53,202	11,351	12,513	18,782
Miscellaneous	148,374	48,900	0	0
Total revenues	<u>13,055,949</u>	<u>3,730,635</u>	<u>1,189,994</u>	<u>1,520,872</u>
EXPENDITURES				
Current:				
General government	2,033,499	0	1,012,337	0
Public safety	7,798,196	0	0	0
Public works	2,278,830	0	0	0
Economic development	0	0	0	0
Recreation	0	3,622,854	0	0
Capital outlay	0	0	0	0
Debt service	0	0	0	1,832,532
Total expenditures	<u>12,110,525</u>	<u>3,622,854</u>	<u>1,012,337</u>	<u>1,832,532</u>
Excess of revenues over (under) expenditures	<u>945,424</u>	<u>107,781</u>	<u>177,657</u>	<u>(311,660)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	39,207	0	0	0
Transfers (out)	(410,000)	(52,200)	(50,000)	0
Bond proceeds	0	0	0	384,767
Bond discounts	0	0	0	(100,000)
Sale of assets	0	0	0	0
Total other financing sources (uses)	<u>(370,793)</u>	<u>(52,200)</u>	<u>(50,000)</u>	<u>284,767</u>
Net change in fund balances	574,631	55,581	127,657	(26,893)
Fund balances - beginning	<u>5,636,659</u>	<u>588,331</u>	<u>470,734</u>	<u>1,452,411</u>
Fund balances - ending	<u>\$ 6,211,290</u>	<u>\$ 643,912</u>	<u>\$ 598,391</u>	<u>\$ 1,425,518</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
\$ 386,811	\$ 0	\$ 0	\$ 46,049	\$ 13,501,068
0	1,592,214	0	0	1,592,214
855,860	183,739	919,143	349,995	3,299,041
0	0	0	1,244,877	1,638,097
0	0	0	86,952	86,952
0	0	0	919,459	5,189,909
0	0	0	130	226,845
0	0	0	393,657	393,657
0	0	0	0	56,888
0	0	0	105,829	172,281
0	0	162,702	0	294,793
64,787	180,628	309,534	17,251	668,048
512,000	0	0	400,130	1,109,404
<u>1,819,458</u>	<u>1,956,581</u>	<u>1,391,379</u>	<u>3,564,329</u>	<u>28,229,197</u>
0	0	0	1,544,473	4,590,309
0	0	0	515,800	8,313,996
0	0	0	0	2,278,830
0	284,173	0	906,124	1,190,297
0	0	0	0	3,622,854
1,761,117	505,551	1,811,278	0	4,077,946
0	0	0	0	1,832,532
<u>1,761,117</u>	<u>789,724</u>	<u>1,811,278</u>	<u>2,966,397</u>	<u>25,906,764</u>
<u>58,341</u>	<u>1,166,857</u>	<u>(419,899)</u>	<u>597,932</u>	<u>2,322,433</u>
999,506	0	0	76,200	1,114,913
(39,207)	0	0	(538,506)	(1,089,913)
9,615,233	0	0	0	10,000,000
0	0	0	0	(100,000)
42,597	0	0	0	42,597
<u>10,618,129</u>	<u>0</u>	<u>0</u>	<u>(462,306)</u>	<u>9,967,597</u>
10,676,470	1,166,857	(419,899)	135,626	12,290,030
<u>1,640,473</u>	<u>4,035,605</u>	<u>14,168,760</u>	<u>610,777</u>	<u>28,603,750</u>
<u>\$ 12,316,943</u>	<u>\$ 5,202,462</u>	<u>\$ 13,748,861</u>	<u>\$ 746,403</u>	<u>\$ 40,893,780</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, 2011**

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

Net change in fund balances--total governmental funds	\$ 12,290,030
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.	(523,071)
Transfer of capital assets to proprietary funds	(18,525)
Net book value on sales of capital assets	(133,140)
Payments on general obligation debt	1,385,000
General Obligation bond proceeds	(10,000,000)
Net change due to internal service funds incorporated into statement of activities	74,545
Net change in net pension obligation fire relief	(14,059)
Net change in net pension obligation OPEB	(113,992)
Changes in compensated absences	(75,575)
Changes in bond interest payable	20,529
Special assessments, property tax and tax increment collected for prior years	<u>(217,270)</u>
Change in net assets of governmental activities	<u>\$ 2,674,472</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, 2011

	<u>Budget</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES				
General property taxes	\$ 10,814,120	\$ 10,814,120	\$ 9,919,451	\$ (894,669)
Intergovernmental revenue	789,000	789,000	965,809	176,809
Licenses and permits	366,000	366,000	393,220	27,220
Charges for services	1,000,000	1,000,000	1,319,202	319,202
Fines and forfeits	215,000	215,000	226,715	11,715
Donations	0	0	29,976	29,976
Investment Income	50,500	50,500	53,202	2,702
Miscellaneous	50,000	50,000	148,374	98,374
Total revenues	<u>13,284,620</u>	<u>13,284,620</u>	<u>13,055,949</u>	<u>(228,671)</u>
EXPENDITURES				
Current				
General government	2,300,145	2,300,145	2,033,499	266,646
Public safety	8,182,525	8,182,525	7,798,196	384,329
Public works	<u>2,253,325</u>	<u>2,253,325</u>	<u>2,278,830</u>	<u>(25,505)</u>
Total expenditures	<u>12,735,995</u>	<u>12,735,995</u>	<u>12,110,525</u>	<u>625,470</u>
Excess of revenue over (under) expenditures	548,625	548,625	945,424	396,799
OTHER FINANCING USES				
Transfers in	0	0	39,207	39,207
Transfer (out)	<u>(410,000)</u>	<u>(410,000)</u>	<u>(410,000)</u>	<u>0</u>
Total other financing sources (uses)	(410,000)	(410,000)	(370,793)	39,207
Net change in fund balances	138,625	138,625	574,631	436,006
Fund balances - beginning	<u>5,636,659</u>	<u>5,636,659</u>	<u>5,636,659</u>	<u>0</u>
Fund balances - ending	<u>\$ 5,775,284</u>	<u>\$ 5,775,284</u>	<u>\$ 6,211,290</u>	<u>\$ 436,006</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, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
General property taxes	\$ 1,928,924	\$ 1,928,924	\$ 1,776,498	\$ (152,426)
Intergovernmental revenue	0	0	24,495	24,495
Charges for services	1,761,950	1,761,950	1,773,767	11,817
Rentals	60,000	60,000	56,888	(3,112)
Donations	51,000	51,000	36,476	(14,524)
Special assessments	0	0	2,260	2,260
Investment income	0	0	11,351	11,351
Miscellaneous	24,000	24,000	48,900	24,900
Total revenues	<u>3,825,874</u>	<u>3,825,874</u>	<u>3,730,635</u>	<u>(95,239)</u>
EXPENDITURES				
Current				
Personal services	2,393,317	2,393,317	2,339,522	53,795
Supplies & materials	261,677	261,677	275,172	(13,495)
Other services & charges	1,101,180	1,101,180	998,291	102,889
Capital outlay	43,000	43,000	9,869	33,131
Total expenditures	<u>3,799,174</u>	<u>3,799,174</u>	<u>3,622,854</u>	<u>176,320</u>
Excess of revenue over (under) expenditures	26,700	26,700	107,781	81,081
OTHER FINANCING USES				
Transfers out	<u>(52,200)</u>	<u>(52,200)</u>	<u>(52,200)</u>	<u>0</u>
Net change in fund balances	(25,500)	(25,500)	55,581	81,081
Fund balance - beginning	<u>588,331</u>	<u>588,331</u>	<u>588,331</u>	<u>0</u>
Fund balance - ending	<u>\$ 562,831</u>	<u>\$ 562,831</u>	<u>\$ 643,912</u>	<u>\$ 81,081</u>

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

**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, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 1,134,725	\$ 1,134,725	\$ 1,177,481	\$ 42,756
Investment income	10,000	10,000	12,513	2,513
Total revenues	<u>1,144,725</u>	<u>1,144,725</u>	<u>1,189,994</u>	<u>45,269</u>
EXPENDITURES				
Current				
General government				
Personal services	931,600	931,600	863,021	68,579
Supplies & materials	11,600	11,600	10,426	1,174
Other services & charges	151,525	151,525	136,743	14,782
Capital Outlay	0	0	2,147	(2,147)
Total expenditures	<u>1,094,725</u>	<u>1,094,725</u>	<u>1,012,337</u>	<u>82,388</u>
Excess of revenues over (under) expenditures	<u>50,000</u>	<u>50,000</u>	<u>177,657</u>	<u>127,657</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	127,657	127,657
Fund balances - beginning	<u>470,734</u>	<u>470,734</u>	<u>470,734</u>	<u>0</u>
Fund balances - ending	<u>\$ 470,734</u>	<u>\$ 470,734</u>	<u>\$ 598,391</u>	<u>\$ 127,657</u>

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

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2011
With Partial Comparative Information as of December 31, 2010

					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	\$ 653,940	\$ 1,044,409	\$ 0	\$ 34,955	\$ 391,242
Investment interest receivable	4,836	7,683	0	0	912
Restricted cash, cash equivalents and investments:					
Customer deposits	0	0	843,544	838,661	0
Accounts receivable	725,807	823,089	987,340	941,001	0
Special Assessments	223,989	184,106	0	0	26
Due from other funds	1,010,363	1,338,195	0	0	0
Due from other governments	265,686	388,500	237,380	531,244	0
Total current assets	<u>2,884,621</u>	<u>3,785,982</u>	<u>2,068,264</u>	<u>2,345,861</u>	<u>392,180</u>
Property and equipment					
Property and equipment	12,208,245	11,266,068	13,938,734	13,814,953	1,082,513
Less accumulated depreciation	<u>(5,639,592)</u>	<u>(5,423,238)</u>	<u>(8,005,400)</u>	<u>(7,744,943)</u>	<u>(616,891)</u>
Net property and equipment	<u>6,568,653</u>	<u>5,842,830</u>	<u>5,933,334</u>	<u>6,070,010</u>	<u>465,622</u>
Total assets	<u>9,453,274</u>	<u>9,628,812</u>	<u>8,001,598</u>	<u>8,415,871</u>	<u>857,802</u>
LIABILITIES					
Current liabilities					
Accounts payable	280,199	8,144	35,847	51,418	968
Contracts payable	165,036	20,155	55,096	32,545	0
Customer deposits payable	96,505	0	843,544	838,661	0
Accrued payroll	49,520	45,918	36,213	32,571	32,555
Due to other funds	0	0	1,010,363	1,338,195	0
Due to other governments	45,501	432,899	316,838	573,358	664
Unearned revenue	153,870	388,500	0	0	0
Insurance claims payable	0	0	0	0	0
Total current liabilities	<u>790,631</u>	<u>895,616</u>	<u>2,297,901</u>	<u>2,866,748</u>	<u>34,187</u>
NET ASSETS					
Invested in capital assets	6,568,653	5,842,830	5,933,334	6,070,010	465,622
Unrestricted	<u>2,093,990</u>	<u>2,890,366</u>	<u>(229,637)</u>	<u>(520,887)</u>	<u>357,993</u>
Total Net Assets	<u>\$ 8,662,643</u>	<u>\$ 8,733,196</u>	<u>\$ 5,703,697</u>	<u>\$ 5,549,123</u>	<u>\$ 823,615</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
\$ 417,153	\$ 136,342	\$ 22,268	\$ 2,614,527	\$ 2,671,839	\$ 3,796,051	\$ 2,903,296
1,262	315	69	5,877	8,055	11,940	6,774
0	0	0	0	0	843,544	0
26	117,326	138,688	240,170	204,238	2,070,643	0
0	0	0	25	38	224,040	0
0	0	0	0	0	1,010,363	0
0	0	0	0	0	503,066	0
<u>418,441</u>	<u>253,983</u>	<u>161,025</u>	<u>2,860,599</u>	<u>2,884,170</u>	<u>8,459,647</u>	<u>2,910,070</u>
1,082,513	0	0	16,573,995	16,157,185	43,803,487	0
(590,136)	0	0	(10,048,445)	(9,758,881)	(24,310,328)	0
<u>492,377</u>	<u>0</u>	<u>0</u>	<u>6,525,550</u>	<u>6,398,304</u>	<u>19,493,159</u>	<u>0</u>
<u>910,818</u>	<u>253,983</u>	<u>161,025</u>	<u>9,386,149</u>	<u>9,282,474</u>	<u>27,952,806</u>	<u>2,910,070</u>
1,530	409	654	22,621	11,097	340,044	7,560
0	0	0	16,644	22,080	236,776	0
0	0	0	0	0	940,049	0
32,402	399	398	28,953	26,995	147,640	0
0	0	0	0	0	1,010,363	0
50	0	54	117,470	2,975	480,473	0
0	0	0	0	0	153,870	0
0	0	0	0	0	0	139,044
<u>33,982</u>	<u>808</u>	<u>1,106</u>	<u>185,688</u>	<u>63,147</u>	<u>3,309,215</u>	<u>146,604</u>
492,377	0	0	6,525,550	6,398,304	19,493,159	0
<u>384,459</u>	<u>253,175</u>	<u>159,919</u>	<u>2,674,911</u>	<u>2,821,023</u>	<u>5,150,432</u>	<u>2,763,466</u>
<u>\$ 876,836</u>	<u>\$ 253,175</u>	<u>\$ 159,919</u>	<u>\$ 9,200,461</u>	<u>\$ 9,219,327</u>	<u>\$ 24,643,591</u>	<u>\$ 2,763,466</u>

CITY OF ROSEVILLE, MINNESOTA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011
With Partial Comparative Information for Year Ended December 31, 2010

	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	\$ 18,214
Cost of sales	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,898</u>
Gross profit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,316</u>
Operating revenues					
User charges	3,083,012	3,004,262	5,564,923	5,044,638	252,098
Delinquency collections	4,502	0	0	0	0
Other	<u>0</u>	<u>596,072</u>	<u>15,125</u>	<u>3,835</u>	<u>9,020</u>
Total operating revenues	<u>3,087,514</u>	<u>3,600,334</u>	<u>5,580,048</u>	<u>5,048,473</u>	<u>261,118</u>
Operating expense					
Personal service	481,932	488,614	409,477	400,445	221,639
Supplies	41,560	49,576	100,785	67,859	26,537
Other services and charges	2,626,651	2,962,393	4,667,600	4,366,555	57,549
Depreciation	<u>253,560</u>	<u>262,426</u>	<u>239,956</u>	<u>224,024</u>	<u>26,755</u>
Total operating expenses	<u>3,403,703</u>	<u>3,763,009</u>	<u>5,417,818</u>	<u>5,058,883</u>	<u>332,480</u>
Operating income (loss)	(316,189)	(162,675)	162,230	(10,410)	(62,046)
Nonoperating revenues (expenses)					
Investment income	46,889	74,064	4,344	(983)	8,825
Intergovernmental operating grants	0	0	0	0	0
Intergovernmental capital grants	198,747	321,188	0	0	0
Capital asset contributions	0	0	13,000	0	0
Miscellaneous expense	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total nonoperating revenues (expenses)	<u>245,636</u>	<u>395,252</u>	<u>17,344</u>	<u>(983)</u>	<u>8,825</u>
Net income (loss) before transfers	<u>(70,553)</u>	<u>232,577</u>	<u>179,574</u>	<u>(11,393)</u>	<u>(53,221)</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>(70,553)</u>	<u>232,577</u>	<u>154,574</u>	<u>(36,393)</u>	<u>(53,221)</u>
Net assets - beginning	<u>8,733,196</u>	<u>8,500,619</u>	<u>5,549,123</u>	<u>5,585,516</u>	<u>876,836</u>
Net assets - ending	<u>\$ 8,662,643</u>	<u>\$ 8,733,196</u>	<u>\$ 5,703,697</u>	<u>\$ 5,549,123</u>	<u>\$ 823,615</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
\$ 20,564	\$ 0	\$ 764	\$ 256	\$ 176	\$ 18,470	\$ 0
<u>11,248</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,898</u>	<u>0</u>
<u>9,316</u>	<u>0</u>	<u>764</u>	<u>256</u>	<u>176</u>	<u>9,572</u>	<u>0</u>
282,930	373,229	395,026	952,977	837,211	10,226,239	343,725
0	0	0	0	0	4,502	0
<u>10,364</u>	<u>172,466</u>	<u>104,747</u>	<u>3,117</u>	<u>3,532</u>	<u>199,728</u>	<u>5,308</u>
<u>293,294</u>	<u>545,695</u>	<u>499,773</u>	<u>956,094</u>	<u>840,743</u>	<u>10,430,469</u>	<u>349,033</u>
221,869	32,235	45,719	287,928	274,666	1,433,211	0
31,815	704	772	73,746	60,211	243,332	0
56,695	494,642	432,744	421,942	155,689	8,268,384	337,251
<u>28,481</u>	<u>0</u>	<u>0</u>	<u>289,564</u>	<u>296,853</u>	<u>809,835</u>	<u>0</u>
<u>338,860</u>	<u>527,581</u>	<u>479,235</u>	<u>1,073,180</u>	<u>787,419</u>	<u>10,754,762</u>	<u>337,251</u>
(36,250)	18,114	21,302	(116,830)	53,500	(314,721)	11,782
14,535	4,875	1,461	58,853	87,238	123,786	62,763
0	70,267	69,775	0	0	70,267	0
0	0	0	39,111	0	237,858	0
0	0	0	0	(59,007)	13,000	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(10,292)</u>	<u>0</u>	<u>0</u>
<u>14,535</u>	<u>75,142</u>	<u>71,236</u>	<u>97,964</u>	<u>17,939</u>	<u>444,911</u>	<u>62,763</u>
(21,715)	93,256	92,538	(18,866)	71,439	130,190	74,545
0	0	0	0	0	(25,000)	0
(21,715)	93,256	92,538	(18,866)	71,439	105,190	74,545
<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>
<u>\$ 876,836</u>	<u>\$ 253,175</u>	<u>\$ 159,919</u>	<u>\$ 9,200,461</u>	<u>\$ 9,219,327</u>	<u>\$ 24,643,591</u>	<u>\$ 2,763,466</u>

CITY OF ROSEVILLE, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2011
With Partial Comparative Information for Year Ended December 31, 2010

	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	\$ 3,033,097	\$ 2,786,916	\$ 5,817,331	\$ 4,543,512	\$ 270,312
Cash payments to suppliers for goods and services	(2,542,168)	(3,370,007)	(5,017,925)	(4,437,887)	(92,932)
Cash payments to employees	(478,330)	(474,261)	(405,835)	(385,877)	(221,486)
Other operating revenues	0	596,072	15,125	3,835	9,020
Net cash provided (used) by operating activities	<u>12,599</u>	<u>(461,280)</u>	<u>408,696</u>	<u>(276,417)</u>	<u>(35,086)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	(979,383)	(379,268)	(90,280)	(226,063)	0
Miscellaneous expense	0	0	0	0	0
Net cash provided (used) by capital and related financing activities	<u>(979,383)</u>	<u>(379,268)</u>	<u>(90,280)</u>	<u>(226,063)</u>	<u>0</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	327,832	(552,992)	(327,832)	573,421	0
Subsidy from governmental grants	198,747	321,188	0	0	0
Net cash provided (used) by non-capital financing activities	<u>526,579</u>	<u>(231,804)</u>	<u>(352,832)</u>	<u>548,421</u>	<u>0</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received on investments	49,736	80,306	4,344	(685)	9,175
Net increase (decrease) in cash and cash equivalents	(390,469)	(992,046)	(30,072)	45,256	(25,911)
Cash and cash equivalents, January 1	<u>1,044,409</u>	<u>2,036,455</u>	<u>873,616</u>	<u>828,360</u>	<u>417,153</u>
Cash and cash equivalents, December 31	<u>\$ 653,940</u>	<u>\$ 1,044,409</u>	<u>\$ 843,544</u>	<u>\$ 873,616</u>	<u>\$ 391,242</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	\$ (316,189)	\$ (162,675)	\$ 162,230	\$ (10,410)	\$ (62,046)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	253,560	262,426	239,956	224,024	26,755
Changes in elements affecting cash:					
(Increase) Decrease Accounts receivable	97,282	(182,043)	(46,339)	(167,615)	26
(Increase) Decrease Special assessments	(39,883)	(35,303)	0	0	(26)
(Increase) Decrease Due from other governments	122,814	123,500	293,864	(343,812)	0
Increase (Decrease) Accounts payable	272,055	(196,451)	(15,571)	43,333	(562)
Increase (Decrease) Accrued payroll	3,602	14,353	3,642	14,568	153
Increase (Decrease) Due to other governments	(387,398)	(38,252)	(256,520)	284,567	614
Increase (Decrease) Contracts payable	144,881	(123,335)	22,551	(331,373)	0
Increase (Decrease) Unearned Revenue	(234,630)	(123,500)	0	0	0
Increase (Decrease) Insurance claim payable	0	0	0	0	0
Increase (Decrease) Customer deposits	96,505	0	4,883	10,301	0
Total adjustments	<u>328,788</u>	<u>(298,605)</u>	<u>246,466</u>	<u>(266,007)</u>	<u>26,960</u>
Net cash provided (used) by operating activities	<u>\$ 12,599</u>	<u>\$ (461,280)</u>	<u>\$ 408,696</u>	<u>\$ (276,417)</u>	<u>\$ (35,086)</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
\$ 303,494	\$ 394,591	\$ 345,062	\$ 917,314	\$ 812,116	\$ 10,432,645	\$ 349,033
(99,450)	(495,645)	(432,958)	(375,105)	(306,645)	(8,523,775)	(156,130)
(214,821)	(32,234)	(45,321)	(285,970)	(254,354)	(1,423,855)	(223,769)
10,364	172,466	104,747	3,117	3,532	199,728	0
<u>(413)</u>	<u>39,178</u>	<u>(28,470)</u>	<u>259,356</u>	<u>254,649</u>	<u>684,743</u>	<u>(30,866)</u>
7,742	0	0	(416,810)	(57,124)	(1,486,473)	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(10,292)</u>	<u>0</u>	<u>0</u>
<u>7,742</u>	<u>0</u>	<u>0</u>	<u>(416,810)</u>	<u>(67,416)</u>	<u>(1,486,473)</u>	<u>0</u>
0	0	0	0	0	(25,000)	0
0	0	(20,429)	0	0	0	0
<u>0</u>	<u>70,267</u>	<u>69,775</u>	<u>39,111</u>	<u>0</u>	<u>308,125</u>	<u>0</u>
<u>0</u>	<u>70,267</u>	<u>49,346</u>	<u>39,111</u>	<u>0</u>	<u>283,125</u>	<u>0</u>
<u>15,267</u>	<u>4,629</u>	<u>1,392</u>	<u>61,031</u>	<u>91,690</u>	<u>128,915</u>	<u>64,836</u>
22,596	114,074	22,268	(57,312)	278,923	(389,690)	33,970
<u>394,557</u>	<u>22,268</u>	<u>0</u>	<u>2,671,839</u>	<u>2,392,916</u>	<u>5,029,285</u>	<u>2,869,326</u>
\$ <u>417,153</u>	\$ <u>136,342</u>	\$ <u>22,268</u>	\$ <u>2,614,527</u>	\$ <u>2,671,839</u>	\$ <u>4,639,595</u>	\$ <u>2,903,296</u>
\$ (36,250)	\$ 18,114	\$ 21,302	\$ (116,830)	\$ 53,500	\$ (314,721)	\$ 11,782
28,481	0	0	289,564	296,853	809,835	0
0	21,362	(50,728)	(35,932)	(30,025)	36,399	0
0	0	0	13	137	(39,896)	0
0	0	0	0	4,617	416,678	0
769	(245)	504	11,524	(19,878)	267,201	(1,103)
7,048	1	398	1,958	20,312	9,356	0
(461)	(54)	54	114,495	(15,806)	(528,863)	0
0	0	0	(5,436)	(55,061)	161,996	0
0	0	0	0	0	(234,630)	0
0	0	0	0	0	0	(41,545)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>101,388</u>	<u>0</u>
<u>35,837</u>	<u>21,064</u>	<u>(49,772)</u>	<u>376,186</u>	<u>201,149</u>	<u>999,464</u>	<u>(42,648)</u>
\$ <u>(413)</u>	\$ <u>39,178</u>	\$ <u>(28,470)</u>	\$ <u>259,356</u>	\$ <u>254,649</u>	\$ <u>684,743</u>	\$ <u>(30,866)</u>

**CITY OF ROSEVILLE, MINNESOTA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2011**

	Investment Trust	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 0	\$ 533,159
Investment interest receivable	0	2,212
Accounts receivable	0	37,538
Due from other governments	0	9,701
Prepaid items	0	26,889
Net Capital assets	0	27,223
Total Assets	<u>0</u>	<u>636,722</u>
LIABILITIES		
Accounts payable	0	2,525
Accrued payroll	0	7,165
Due to other government	0	2,675
Due to other organizations	0	624,357
Total Liabilities	<u>0</u>	<u>636,722</u>
NET ASSETS		
Held in trust for pool participant	<u>\$ 0</u>	<u>\$ 0</u>

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, 2011**

	Investment Trust
DEDUCTIONS:	
Operations	32,667
Net investment loss	
Capital share transactions	<u>1,277,140</u>
Redemption of shares by participant	(1,309,807)
Change in Net Assets	<u>1,309,807</u>
Total net assets - beginning	<u>\$ 0</u>
Total net assets - ending	<u>0</u>

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

CITY OF ROSEVILLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

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 financial statements present the City and its component units. The City includes all funds, organizations, institutions, agencies, departments and offices that are not legally separate from such. Component units are legally separate organizations for which the elected officials of the City are financially accountable and are included within the basic financial statements of the City because of the significance of their operational or financial relationships with the City.

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization by significantly influencing the programs, projects, activities or level of services performed or provided by the organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the City.

As a result of applying the component unit definition criteria above, certain organizations are presented in this report as follows:

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.

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.

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and fund financial statements (Continued)

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.

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

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.

CITY OF ROSEVILLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

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:

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, the license center fund accounts for resources and payments related to licensing vehicles, driver license renewals, DNR licenses, and passport acceptance activities.

Debt Service

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

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.

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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. The assets of this fund were transferred to another third party fiduciary agent during 2011.

Agency funds account for resources held by the City in a purely custodial capacity for the Grass Lake Water Management Organization, East Metro SWAT, 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, 2011

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, 2011

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, 2011

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. 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, 2011

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

a. Classification

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

- Nonspendable Fund Balance – These are amounts that cannot be spent because they are not in spendable form.
- Restricted Fund Balance – These are amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through enabling legislation.
- Committed Fund Balance – These are amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council (highest level of decision making authority) through resolution.
- Assigned Fund Balance – These are amounts that are constrained by the City’s intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by the City Manager based on the City Council’s direction.
- Unassigned Fund Balance – These are residual amounts in the General Fund not reported in any other classification. The General Fund is the only fund that can report a positive unassigned fund balance. Other funds would report a negative unassigned fund balance should the total of nonspendable, restricted and committed fund balances exceed the total net resources of that fund.

CITY OF ROSEVILLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. Fund equity (Continued)

b. Minimum Fund Balance

It is the City's policy that at the end of each year, the City will maintain the unassigned portion of the fund balance for cash flow in a range equal to 35% to 45% of the General Fund operating expenditures.

The Statement of Net Assets reports restrictions in net assets for community development revenues which are used for building code enforcement, development and redevelopment activities. Telecommunication revenues are used for the administration and maintenance of telecommunication activities. Park dedication proceeds are used to create parks within a new development area. Law Enforcement is proceeds received from fines and forfeitures generated from driving under the influence (DUI) or drug possession whose proceeds are restricted for specific law enforcement uses. Debt service is to pay for future debt service obligations, while tax increment revenues are used to pay for costs associated with the development of a tax increment district. Minnesota law governs park dedication, debt service, tax increment and law enforcement uses. Community development and telecommunication uses are governed by other third party entities.

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, 2011

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	\$ (18,065,000)
Certificates of indebtedness	(2,070,000)
Bond interest payable	(127,953)
Net pension obligation - OPEB	(464,729)
Compensated absences	<u>(1,384,178)</u>

Net change due to long-term liabilities	<u><u>\$(22,111,860)</u></u>
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Other long-term assets:

Net pension obligation - fire relief	\$ 162,774
Addition of long-term deferred revenues	<u>1,222,942</u>

Net change in other long-term assets	<u><u>\$ 1,385,716</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	\$ 3,425,216
Depreciation expense	<u>(3,948,287)</u>
Net change in fund-balances-total governmental funds and change in net assets of governmental activities	<u><u>\$ (523,071)</u></u>

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

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 departments and 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 a few special revenue funds in 2011. The supplementary budgetary appropriation increased budgeted expenditures and revenues in the Community Development fund by \$325,000 and \$300,000 respectively, and expenditures in the Charitable Gambling Fund by \$20,000.

B. Deficit fund equity

The Charitable Gambling Fund had a deficit balance of \$47,403. This fund deficit is 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	\$ 24,412,489
Investments	26,033,039
Cash on hand	<u>8,639</u>
Total	<u>\$ 50,454,167</u>

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

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	\$ 47,475,280
Cash and cash equivalents - Component Unit	1,216,039
Restricted investments - Primary Government	843,544
Restricted investments - Component Unit	386,145
Statement of Fiduciary Net Assets	
Cash and cash equivalents - Agency Funds	533,159
Total	<u><u>\$ 50,454,167</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 \$24,412,489 while the balance on the bank records was \$24,997,332. At December 31, 2011, all deposits were covered by federal depository insurance, or by collateral held by the City’s agent in the City’s name.

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

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			
			5 to 10	10 to 15	15 to 20	Total
U.S. Agencies	Aaa	Moody's	2,901,291	22,107,558	1,024,190	26,033,039
Total Investments			\$ 2,901,291	\$22,107,558	\$1,024,190	\$ 26,033,039

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, 2011

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 7.8% with Federal Home Mortgage Corp, 15.4% with Federal Home Bank, 76.8% 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:

	<u>Unavailable</u>
Special assessments not yet due (G.O. improvement bonds)	\$ 509,620
Special assessments not yet due (Street construction)	<u>713,322</u>
Total deferred/uneared revenue for governmental funds	<u><u>\$ 1,222,942</u></u>

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 4 - DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital assets

Capital asset activity for the year ended December 31, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Construction & Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 25,638,456	\$ 10,000	\$ 0	\$ (142,997)	\$ 25,505,459
Permanent Easements	7,731,895	0	0	0	7,731,895
Construction in progress	5,662,846	2,140,558	0	0	7,803,404
Total capital assets not being depreciated	39,033,197	2,150,558	0	(142,997)	41,040,758
Capital assets being depreciated:					
Buildings	26,582,504	0	0	26,577	26,609,081
Improvements other than buildings	4,232,277	251,736	0	(10,000)	4,474,013
Machinery and equipment	14,558,589	1,022,922	565,766	107,895	15,123,640
Infrastructure	92,587,682	0	0	0	92,587,682
Total capital assets being depreciated	137,961,052	1,274,658	565,766	124,472	138,794,416
Less accumulated depreciation for:					
Buildings	8,541,276	691,847	0	(64,846)	9,168,277
Improvements other than buildings	1,282,225	2,353,074	0	2	3,635,301
Machinery and equipment	8,072,208	903,366	414,101	46,319	8,607,792
Infrastructure	34,717,740	0	0	0	34,717,740
Total accumulated depreciation	52,613,449	3,948,287	414,101	(18,525)	56,129,110
Total capital assets, being depreciated, net	85,347,603	(2,673,629)	151,665	142,997	82,665,306
Governmental activities capital assets, net	\$ 124,380,800	\$ (523,071)	\$ 151,665	\$ 0	\$123,706,064

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 4 - DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital assets (Continued)

	Beginning Balance	Increases	Decreases	Completed Construction & Transfers	Ending Balance
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 730,799	\$ 65,356	\$ 0	\$ 0	\$ 796,155
Construction in progress	720,369	991,927	0	0	1,712,296
Total capital assets not being depreciated	1,451,168	1,057,283	0	0	2,508,451
Capital assets being depreciated:					
Buildings	1,696,987	0	0	0	1,696,987
Improvements other than buildings	1,068,716	0	0	0	1,068,716
Machinery and equipment	3,156,782	287,956	35,230	18,525	3,428,033
Infrastructure	34,947,066	154,234	0	0	35,101,300
Total capital assets being depreciated	40,869,551	442,190	35,230	18,525	41,295,036
Less accumulated depreciation for:					
Buildings	1,461,410	49,422	0	0	1,510,832
Improvements other than buildings	575,431	45,639	0	0	621,070
Machinery and equipment	2,441,256	169,736	35,230	18,525	2,594,287
Infrastructure	19,039,101	545,038	0	0	19,584,139
Total accumulated depreciation	23,517,198	809,835	35,230	18,525	24,310,328
Total capital assets, being depreciated, net	17,352,353	(367,645)	0	0	16,984,708
Business-type activities capital assets, net	<u>\$18,803,521</u>	<u>\$ 689,638</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$19,493,159</u>

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

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	\$ 411,964
Public safety	345,555
Public works including depreciation of infrastructure	2,288,513
Recreation	<u>902,255</u>

Total depreciation expense - governmental activities	<u><u>\$ 3,948,287</u></u>
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Business-type activities:

Sanitary sewer	\$ 253,560
Water	239,956
Golf	26,755
Storm drainage	<u>289,564</u>

Total depreciation expense - business-type activities	<u><u>\$ 809,835</u></u>
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D. Construction commitments

The City has construction projects in progress as of December 31, 2011. The projects include the improvement and construction of streets, water, sewer, and storm systems. At year-end the commitments with these contractors are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
County road C streetscape	\$ 494,876	\$ 89,031
Twin Lakes infrastructure construction	\$ 1,777,387	\$ 97,815
Watermain replacement	\$ 599,601	\$ 281
Rosewood Neighborhood Drainage	\$ 338,356	\$ 5,653
Fairview Pathway	\$ 532,103	\$ 185,925

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund receivables, payables, and transfers

The composition of interfund balances as of December 31, 2011, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
General	Non-major Governmental funds	57,079
Sanitary Sewer Fund	Water Fund	<u>1,010,363</u>
Total		<u><u>\$ 1,067,442</u></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>Revolving Improvement</u>	<u>Non-major Governmental Funds</u>	
General	\$ 0	\$ 410,000	\$ 0	\$ 410,000
Recreation	0	51,000	1,200	52,200
License Center	0	0	50,000	50,000
Revolving Improvement	39,207	0	0	39,207
Non-major Governmental Funds	0	538,506	0	538,506
Water	0	0	25,000	25,000
Total	<u>\$ 39,207</u>	<u>\$ 999,506</u>	<u>\$ 76,200</u>	<u>\$ 1,114,913</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, 2011

NOTE 4 - DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases

The City leases office facilities and copiers under noncancelable operating leases. Total costs for such leases were \$96,071 for the year ended December 31, 2011. The future minimum lease payments for these leases are as follows:

<u>Year Ending Dec. 31</u>	<u>Amount</u>
2012	103,725
2013	51,908
2014	10,640
2015	3,330
2016	3,330
Total	<u>\$ 172,933</u>

G. 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 \$26,200,000.

General obligation debt currently outstanding is as follows:

<u>Purpose</u>	<u>Net Interest Rates</u>	<u>Amount</u>
Governmental activities	.85% - 5.6%	<u>\$ 20,135,000</u>

CITY OF ROSEVILLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 4 - DETAILED NOTES ON ALL FUNDS (Continued)

G. 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	Principal	Interest	Principal	Interest
2012	710,000	425,543	455,000	17,750	270,000	65,748
2013	745,000	449,676	210,000	9,375	275,000	56,959
2014	1,370,000	419,045	225,000	3,375	285,000	47,645
2015	1,405,000	383,895	0	0	295,000	37,785
2016	1,445,000	345,798	0	0	305,000	27,508
2017-2021	6,095,000	1,117,507	0	0	640,000	22,661
2022-2026	3,875,000	502,717	0	0	0	0
2027-2031	1,530,000	46,404	0	0	0	0
Total	\$ 17,175,000	\$ 3,690,585	\$ 890,000	\$ 30,500	\$ 2,070,000	\$ 258,306

Changes in long-term liabilities

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
General obligation bonds	\$ 7,860,000	\$ 10,000,000	\$ 685,000	\$ 17,175,000	\$ 710,000
Special assessment debt with gov't commitment	1,330,000	0	440,000	890,000	455,000
Total bonds payable	9,190,000	10,000,000	1,125,000	18,065,000	1,165,000
General obligation certificate of indebtedness	2,330,000	0	260,000	2,070,000	270,000
Net Pension Obligation OPEB	350,737	215,574	101,582	464,729	0
Compensated absences	1,308,604	905,997	830,423	1,384,178	77,514
Governmental activities - Long-term liabilities	\$ 13,179,341	\$ 11,121,571	\$ 2,317,005	\$ 21,983,907	\$ 1,512,514

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, 2011

NOTE 4 - DETAILED NOTES ON ALL FUNDS (Continued)

G. 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, 2011, there were eleven series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$69.9 million.

H. Prior period adjustments

In 2011, the City made a prior period adjustment to more accurately reflect the investment earnings and outstanding loan programs administered by the Greater Metropolitan Housing Council for the Housing Redevelopment Authority. During this same period the City also made a prior period adjustment to more accurately reflect the ownership of grant funds from Ramsey County.

Notes receivable	\$ (1,266,778)
Due to other governments	<u>717,324</u>
 Change in beginning net assets	 <u><u>\$ (549,454)</u></u>

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 2011, 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.

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 5 - OTHER INFORMATION (Continued)

A. Risk management (Continued)

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 \$200,000. 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.

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 2011.

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, 2011, were \$ 1,616,208 and \$ 1,147,258 for the Workers' Compensation Fund and Risk Management Fund, respectively. The claims liability of \$ 117,044 and \$22,000, respectively, reported in both funds at December 31, 2011 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 2010 and 2011 were:

		Workers' Compensation Fund			
		Beginning of	Current Year	Claims	Ending of
		Fiscal Year	Claims and Changes	Payments	Fiscal Year
		Liability	in Estimates		Liability
2010	\$	219,923	\$ (86,532)	\$ 24,156	\$ 109,235
2011		109,235	186,446	178,637	117,044

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 5 - OTHER INFORMATION (Continued)

A. Risk management (Continued)

		Risk Management Fund			
		Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Ending of Fiscal Year Liability
2010	\$	28,906	\$ 64,996	\$ 22,548	\$ 71,354
2011		71,354	(45,767)	3,587	22,000

B. Subsequent events

On December 29, 2011, the City closed on \$10 million in general obligation bonds to finance the construction of a new fire station and to make various park improvements. This followed a series of events that included the filing of a legal challenge by a local citizens group who disputed the City's authority to issue the bonds without voter approval.

The matter of whether voter approval was required was heard in Ramsey County District court on November 21, 2011. The District Court ruled in the City's favor, and the City proceeded with the bond issue. Subsequent to the bond issuance, the same citizens group filed an appeal to the District Court's decision. A hearing before the State Court of Appeals was held on February 8, 2012 and a ruling is pending. The ruling from the Appellate Court is expected no later than May 8, 2012.

Until the legal proceedings are complete, the City is holding the bond proceeds in escrow and has disclosed the restricted nature of the proceeds on its financial statements.

C. 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.

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 5 - OTHER INFORMATION (Continued)

D. 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.

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.

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 5 - OTHER INFORMATION (Continued)

D. Employee retirement systems and pension plans (Continued)

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

a. Plan Description (Continued)

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 GERP 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.

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. GERP Coordinated Plan members are required to contribute 6.25%, of their annual covered salary. PEPFF members are required to contribute 9.6% of their annual covered salary. The City of Roseville is required to contribute the following percentages of annual covered payroll: 7.25% for Coordinated Plan PERF members, and 14.4% for PEPFF members. The City's contributions to the Public Employees Retirement Fund for the years ending December 31, 2011, 2010, and 2009 were \$498,692, \$475,651, and \$447,277, respectively. The City's contributions to the Public Employees Police & Fire Fund for the years ending December 31, 2011, 2010, and 2009 were \$558,550, \$565,444, and \$562,849, respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statute.

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 5 - OTHER INFORMATION (Continued)

D. Employee retirement systems and pension plans (Continued)

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.

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 2011 were:

	Amount		Percentage of Covered Payroll		Required Rates
	Employees	Employer	Employees	Employer	
2011 PEDCP	\$ 816	\$ 816	5.00%	5.00%	5.00%

CITY OF ROSEVILLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 5 - OTHER INFORMATION (Continued)

D. Employee retirement systems and pension plans (Continued)

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.

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.

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 5 - OTHER INFORMATION (Continued)

D. Employee retirement systems and pension plans (Continued)

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

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:

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
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)
2011	145,733	166,284	312,017	326,076	95.7%	(162,774)

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.

CITY OF ROSEVILLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 5 - OTHER INFORMATION (Continued)

E. 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	\$ 312,017
Interest on net pension obligation	(8,842)
Adjustment to annual required contribution	<u>22,901</u>
Annual pension cost	326,076
Contributions made	<u>(312,017)</u>
Increase (decrease) in net pension obligation	14,059
Negative net pension obligation beginning of year	<u>(176,833)</u>
Negative net pension obligation end of year	<u><u>\$ (162,774)</u></u>

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, 2011 was \$8,937,648. The value of the plan assets, valued at market, totaled \$7,402,826 on December 31, 2011. A six-year summary of Assets, Liabilities and funding ratios are listed below:

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 5 - OTHER INFORMATION (Continued)

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

Year	December 31, 2011			
	Actuarial Value of Assets	Actuarial Accrued Liability (Entry Age)	Unfunded (Overfunded) Accrued Liability	Funded Ratio
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%
2010	7,525,091	8,798,831	1,274,740	85.5%
2011	7,402,826	8,937,648	1,534,822	82.8%

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

NOTE 6 - INVESTMENT TRUST

The North Suburban Cable Commission, a separate joint-powers agency, which includes Roseville and nine other cities, voluntarily maintained its excess funds with the City to invest and earn interest. The City provided for an investment trust and accounted for the funds accordingly. There was 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 were restricted within the statutes. The Trust's cash was pooled with the City's funds, and disclosed as part of these notes to basic statements. As of May 30, 2011 the North Suburban Cable Commission no longer invests its excess funds with the City.

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 6 - INVESTMENT TRUST (Continued)

	Pool <u>City of Roseville</u>	Pool <u>North Suburban Cable Commission</u>	<u>Total</u>
ADDITIONS			
Interest	\$ 975,279	\$ (32,667)	\$ 942,612
Purchase of units for participant	75,118,249	0	75,118,249
Total Additions	<u>76,093,528</u>	<u>(32,667)</u>	<u>76,060,861</u>
DEDUCTIONS			
Net cash basis for non-investing transactions	75,062,444	0	75,062,444
Distributions to participant	0	1,277,140	1,277,140
Total Deductions	<u>75,062,444</u>	<u>1,277,140</u>	<u>76,339,584</u>
Change in net assets	1,031,084	(1,309,807)	(278,723)
Net assets - beginning	<u>38,131,580</u>	<u>1,309,807</u>	<u>39,441,387</u>
Net assets - ending	<u>\$ 39,162,664</u>	<u>\$ 0</u>	<u>\$ 39,162,664</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, 2011

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, 2011 to December 31, 2011 monthly premiums paid for Police or Firefighters disabled in the line of duty are:

Plan	Single	Two Person	Family
Health Partners Choice	\$ 590	\$ 705	\$ 915
Health Partners National One	\$ 700	\$ 805	\$ 990
Heath Partners Empower High Deductible	\$ 700	\$ 805	\$ 990

CITY OF ROSEVILLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

C. Participants

As of the actuarial valuation dated January 1, 2011, participants consisted of:

Retirees and beneficiaries currently purchasing health insurance through the City	17
Disabled police and firefighters	1
Active Employees	<u>155</u>
Total	<u><u>173</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, 2011, was calculated as follows:

Annual required contribution	\$ 221,244
Interest on OPEB obligation	15,829
Adjustment to annual required contribution	<u>(21,499)</u>
Annual OPEB cost	215,574
Contributions made	<u>(101,582)</u>
Increase (decrease) in net OPEB obligation	113,992
Net OPEB obligation beginning of year	<u>350,737</u>
Net OPEB obligation end of year	<u><u>\$ 464,729</u></u>

CITY OF ROSEVILLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

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). As of December 31, 2011, the City’s annual OPEB cost (expense) is \$215,574. The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2011 was as follows:

<u>Fiscal Year Ended</u>	<u>OPEB Cost</u>	<u>Employer Contributions</u>	<u>of Annual OPEB Cost Contributed</u>	<u>OPEB Obligation</u>
2009	\$ 234,937	\$ 119,317	50.8%	\$ 244,063
2010	232,654	125,980	54.1%	350,737
2011	215,574	101,582	47.1%	464,729

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%
January 1, 2011	\$ 0	\$ 1,709,742	\$ 1,709,742	0%	\$ 10,169,482	16.8%

*Using the projected unit credit actuarial pay cost method.

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

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, 2011 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), salary increases of 2.0% (only used to bring salaries into the valuation year) and an initial annual health care cost trend rate of 8% reduced by .5% each year to arrive at an ultimate health care cost trend rate of 5.0% over 6 years. The health care cost trend rate includes a 2.5% inflation rate. 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.

For the governmental activities, other postemployment benefits are generally liquidated through the governmental fund in which an employee is assigned.

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**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%
January 1, 2011	\$ 0	\$ 1,709,742	\$ 1,709,742	0%	\$ 10,169,482	16.8%

* 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

Community Development - accounts for the revenue and expenditures related to the City's building code enforcement, development and redevelopment activities.

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, 2011**

SPECIAL REVENUE

	<u>Tele- Communications</u>	<u>Community Development</u>	<u>Charitable Gambling</u>	<u>Information Technology</u>	<u>Total Nonmajor Funds</u>
ASSETS					
Cash and cash equivalents	\$ 428,901	\$ 336,738	\$ 0	\$ 129,777	\$ 895,416
Investment interest receivable	1,001	782	0	331	2,114
Accounts receivable	99,418	495	14,276	3,104	117,293
Taxes receivable:					
Current	0	0	0	386	386
Special assessments					
Current	0	8,084	0	0	8,084
Due from other governments	0	49,995	0	9,912	59,907
Total assets	\$ 529,320	\$ 396,094	\$ 14,276	\$ 143,510	\$ 1,083,200
LIABILITIES					
Accounts payable	\$ 6,148	\$ 9,654	\$ 4,457	\$ 19,374	\$ 39,633
Accrued payroll	1,718	12,654	133	8,939	23,444
Due to other funds	0	0	57,079	0	57,079
Due to other governments	10	10,885	10	998	11,903
Deposits payable	0	199,738	0	5,000	204,738
Total liabilities	7,876	232,931	61,679	34,311	336,797
FUND BALANCE					
Restricted					
Telecommunications	521,444	0	0	0	521,444
Community Development	0	163,163	0	0	163,163
Unrestricted					
Committed					
Special Revenue	0	0	0	109,199	109,199
Assigned					
Capital Projects	0	0	0	0	0
Unassigned	0	0	(47,403)	0	(47,403)
Total fund balances	521,444	163,163	(47,403)	109,199	746,403
Total liabilities and fund balances	\$ 529,320	\$ 396,094	\$ 14,276	\$ 143,510	\$ 1,083,200

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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, 2011

SPECIAL REVENUE FUNDS

	<u>Tele- Communications</u>	<u>Community Development</u>	<u>Charitable Gambling</u>	<u>Information Technology</u>	<u>Total</u>
REVENUES					
Property taxes	\$ 0	\$ 0	\$ 0	\$ 46,049	\$ 46,049
Intergovernmental revenue	0	349,995	0	0	349,995
Licenses & permits	0	1,244,651	226	0	1,244,877
Gambling taxes	0	0	86,952	0	86,952
Charges for services	0	143,894	0	775,565	919,459
Fines and forfeits	0	130	0	0	130
Cable franchise taxes	393,657	0	0	0	393,657
Donations	0	0	105,829	0	105,829
Investment income	8,523	4,809	751	3,168	17,251
Miscellaneous	<u>0</u>	<u>24,537</u>	<u>0</u>	<u>375,593</u>	<u>400,130</u>
Total revenues	<u>402,180</u>	<u>1,768,016</u>	<u>193,758</u>	<u>1,200,375</u>	<u>3,564,329</u>
EXPENDITURES					
Current					
General government	335,985	0	150,413	1,058,075	1,544,473
Public safety	0	515,800	0	0	515,800
Economic development	0	906,124	0	0	906,124
Total expenditures	<u>335,985</u>	<u>1,421,924</u>	<u>150,413</u>	<u>1,058,075</u>	<u>2,966,397</u>
Excess of revenues over (under) expenditures	<u>66,195</u>	<u>346,092</u>	<u>43,345</u>	<u>142,300</u>	<u>597,932</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	0	0	0	76,200	76,200
Transfers (out)	0	0	0	0	0
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>76,200</u>	<u>76,200</u>
Net change in fund balances	66,195	346,092	43,345	218,500	674,132
Fund balances - beginning	<u>455,249</u>	<u>(182,929)</u>	<u>(90,748)</u>	<u>(109,301)</u>	<u>72,271</u>
Fund balances - ending	<u>\$ 521,444</u>	<u>\$ 163,163</u>	<u>\$ (47,403)</u>	<u>\$ 109,199</u>	<u>\$ 746,403</u>

CAPITAL
PROJECTS
FUND

Equipment	Total NonMajor Funds
\$ 0	\$ 46,049
0	349,995
0	1,244,877
0	86,952
0	919,459
0	130
0	393,657
0	105,829
0	17,251
<u>0</u>	<u>400,130</u>
<u>0</u>	<u>3,564,329</u>
0	1,544,473
0	515,800
0	906,124
<u>0</u>	<u>2,966,397</u>
<u>0</u>	<u>597,932</u>
0	76,200
(538,506)	(538,506)
<u>(538,506)</u>	<u>(462,306)</u>
(538,506)	135,626
<u>538,506</u>	<u>610,777</u>
<u>\$ 0</u>	<u>\$ 746,403</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, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Cable franchise taxes	\$ 344,480	\$ 344,480	\$ 393,657	\$ 49,177
Investment Income	1,000	1,000	8,523	7,523
Total revenues	<u>345,480</u>	<u>345,480</u>	<u>402,180</u>	<u>56,700</u>
EXPENDITURES				
Current				
General government				
Personal services	142,805	142,805	136,462	6,343
Supplies & materials	2,250	2,250	6,606	(4,356)
Other services & charges	190,425	190,425	189,841	584
Capital outlay	10,000	10,000	3,076	6,924
Total expenditures	<u>345,480</u>	<u>345,480</u>	<u>335,985</u>	<u>9,495</u>
Net change in fund balances	0	0	66,195	66,195
Fund balances - beginning	<u>455,249</u>	<u>455,249</u>	<u>455,249</u>	<u>0</u>
Fund balances - ending	<u>\$ 455,249</u>	<u>\$ 455,249</u>	<u>\$ 521,444</u>	<u>\$ 66,195</u>

**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, 2011**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenue	\$ 0	\$ 300,000	\$ 349,995	\$ 49,995
Licenses and permits	990,000	1,015,000	1,244,651	229,651
Charges for services	0	0	143,894	143,894
Fines and forfeits	0	0	130	130
Investment income	5,000	5,000	4,809	(191)
Miscellaneous	102,324	102,324	24,537	(77,787)
Total revenues	<u>1,097,324</u>	<u>1,422,324</u>	<u>1,768,016</u>	<u>345,692</u>
EXPENDITURES				
Current				
Public safety	506,817	516,817	515,800	1,017
Economic Development	590,507	905,507	906,124	(617)
Total expenditures	<u>1,097,324</u>	<u>1,422,324</u>	<u>1,421,924</u>	<u>400</u>
Net change in fund balances	0	0	346,092	346,092
Fund deficit - beginning	<u>(182,929)</u>	<u>(182,929)</u>	<u>(182,929)</u>	<u>0</u>
Fund balance - ending	<u>\$ (182,929)</u>	<u>\$ (182,929)</u>	<u>\$ 163,163</u>	<u>\$ 346,092</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, 2011**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses & permits	\$ 0	\$ 0	\$ 226	\$ 226
Gambling taxes	50,660	50,660	86,952	36,292
Donations	80,000	100,000	105,829	5,829
Investment income	<u>0</u>	<u>0</u>	<u>751</u>	<u>751</u>
Total revenues	<u>130,660</u>	<u>150,660</u>	<u>193,758</u>	<u>43,098</u>
EXPENDITURES				
Current				
General government				
Personal services	6,660	6,660	2,942	3,718
Other services & charges	<u>124,000</u>	<u>144,000</u>	<u>147,471</u>	<u>(3,471)</u>
Total expenditures	<u>130,660</u>	<u>150,660</u>	<u>150,413</u>	<u>247</u>
Net change in fund balances	0	0	43,345	43,345
Fund deficit - beginning	<u>(90,748)</u>	<u>(90,748)</u>	<u>(90,748)</u>	<u>0</u>
Fund deficit - ending	<u>\$ (90,748)</u>	<u>\$ (90,748)</u>	<u>\$ (47,403)</u>	<u>\$ 43,345</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, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
General property taxes	\$ 50,000	\$ 50,000	\$ 46,049	\$ (3,951)
Charges for services	765,775	765,775	775,565	9,790
Investment income	0	0	3,168	3,168
Miscellaneous revenue	309,055	309,055	375,593	66,538
Total revenues	<u>1,124,830</u>	<u>1,124,830</u>	<u>1,200,375</u>	<u>75,545</u>
EXPENDITURES				
Current				
General Government				
Personal services	895,000	795,000	716,448	78,552
Supplies	10,500	10,500	47,279	(36,779)
Other services & charges	136,090	136,090	193,728	(57,638)
Capital outlay	122,000	122,000	100,620	21,380
Total expenditures	<u>1,163,590</u>	<u>1,063,590</u>	<u>1,058,075</u>	<u>5,515</u>
Excess of revenues over (under) expenditures	<u>(38,760)</u>	<u>61,240</u>	<u>142,300</u>	<u>81,060</u>
OTHER FINANCING SOURCES				
Transfer in	<u>76,200</u>	<u>76,200</u>	<u>76,200</u>	<u>0</u>
Net change in fund balances	37,440	137,440	218,500	81,060
Fund deficit - beginning	<u>(109,301)</u>	<u>(109,301)</u>	<u>(109,301)</u>	<u>0</u>
Fund balance - ending	<u>\$ (71,861)</u>	<u>\$ 28,139</u>	<u>\$ 109,199</u>	<u>\$ 81,060</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, 2011

	<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	\$ 1,730,159	\$ 1,173,137	\$ 2,903,296
Investment interest receivable	4,035	2,739	6,774
Total Assets	<u>1,734,194</u>	<u>1,175,876</u>	<u>2,910,070</u>
 LIABILITIES			
Current liabilities			
Accounts payable	942	6,618	7,560
Insurance claims payable	117,044	22,000	139,044
Total Liabilities	<u>117,986</u>	<u>28,618</u>	<u>146,604</u>
 NET ASSETS			
Unrestricted	<u>\$ 1,616,208</u>	<u>\$ 1,147,258</u>	<u>\$ 2,763,466</u>

**CITY OF ROSEVILLE, MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
For the Year Ended December 31, 2011**

	Workers' Compensation Self-Insurance Fund	Risk Management	Total
	<u> </u>	<u> </u>	<u> </u>
Operating revenues:			
Departmental charges	\$ 50,000	\$ 293,725	\$ 343,725
Employee charges	0	5,308	5,308
Total operating revenues	<u>50,000</u>	<u>299,033</u>	<u>349,033</u>
Operating expenses:			
Other services and charges			
Professional Services	13,903	15,690	29,593
Insurance	36,011	85,962	121,973
Training	0	1,410	1,410
Administrative charges	0	2,051	2,051
Payment of claims	178,637	3,587	182,224
Total operating expense	<u>228,551</u>	<u>108,700</u>	<u>337,251</u>
Operating income (loss)	(178,551)	190,333	11,782
Nonoperating revenues			
Investment income	<u>37,642</u>	<u>25,121</u>	<u>62,763</u>
Change in net assets	(140,909)	215,454	74,545
Total net assets - beginning	<u>1,757,117</u>	<u>931,804</u>	<u>2,688,921</u>
Total net assets - ending	<u>\$ 1,616,208</u>	<u>\$ 1,147,258</u>	<u>\$ 2,763,466</u>

**CITY OF ROSEVILLE, MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2011**

	Workers' Compensation Self-Insurance Fund	Risk Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from users, including deposits	\$ 50,000	\$ 299,033	\$ 349,033
Cash payments to suppliers for good and services	(49,775)	(106,355)	(156,130)
Cash payments to employees and others for resolved claims	(170,828)	(52,941)	(223,769)
Net cash provided (used) by operating activities	<u>(170,603)</u>	<u>139,737</u>	<u>(30,866)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	<u>39,355</u>	<u>25,481</u>	<u>64,836</u>
Net increase (decrease) in cash and cash equivalents	(131,248)	165,218	33,970
Cash and cash equivalents, January 1	<u>1,861,407</u>	<u>1,007,919</u>	<u>2,869,326</u>
Cash and cash equivalents, December 31	<u>\$ 1,730,159</u>	<u>\$ 1,173,137</u>	<u>\$ 2,903,296</u>
Reconciliation of operating income (loss) to net cash (used) by operating income:			
Operating (loss)	\$ (178,551)	\$ 190,333	\$ 11,782
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Changes in elements affecting cash			
Increase (Decrease) in accounts payable	139	(1,242)	(1,103)
Increase (Decrease) in insurance claim payable	7,809	(49,354)	(41,545)
Net cash provided (used) by operating activities	<u>\$ (170,603)</u>	<u>\$ 139,737</u>	<u>\$ (30,866)</u>

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**HOUSING & REDEVELOPMENT AUTHORITY
ROSEVILLE, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUND
December 31, 2011**

	General
ASSETS	
Cash and cash equivalents	\$ 1,216,039
Restricted investments	
Cash held in escrow	386,145
Investment interest receivable	2,905
Accounts receivable	52,580
Taxes receivable	
Current	1,711
Special assessments receivable	
Current	37,128
Due from other governments	6,070
Notes Receivable	1,230,174
Total assets	\$ 2,932,752
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 2,645
 FUND BALANCE	
Nonspendable for:	
Long term receivables	1,230,174
Unrestricted - Unassigned	1,699,933
Total fund balances	\$ 2,930,107

**HOUSING & REDEVELOPMENT AUTHORITY
ROSEVILLE, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND
For the Year Ended December 31, 2011**

	<u>General</u>
REVENUES	
General property taxes	\$ 323,281
Intergovernmental revenue	12,108
Investment income	120,684
Miscellaneous	113,071
Total revenues	569,144
 EXPENDITURES	
Current:	
General government	309,071
Net change in fund balances	260,073
Fund balance - beginning as previously stated	3,219,488
Prior period adjustment	(549,454)
Fund balance - beginning as restated	2,670,034
Fund balance - ending	\$ 2,930,107

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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.

East Metro SWAT - This fund accounts for the fiscal activities of the East Metro SWAT which was formed as a separate nonprofit entity.

Roseville Islamic Cemetery – This fund accounts for the fiscal activities of a cemetery under the ownership of the Islamic Cemetery Association

Roseville Visitors Association –This fund accounts for the fiscal activities 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, 2011

	Grass Lake Water Management Fund	East Metro SWAT	Roseville Islamic Cemetery Fund	Roseville Visitors Association	Total
ASSETS					
Cash and cash equivalents	\$ 93,822	\$ (9,701)	\$ 96,067	\$ 352,971	\$ 533,159
Investment interest receivable	219	0	224	1,769	2,212
Accounts receivable	0	0	0	37,538	37,538
Due from other governments	0	9,701	0	0	9,701
Prepaid items	0	0	0	26,889	26,889
Net capital assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>27,223</u>	<u>27,223</u>
 Total Assets	 <u>\$ 94,041</u>	 <u>\$ 0</u>	 <u>\$ 96,291</u>	 <u>\$ 446,390</u>	 <u>\$ 636,722</u>
 LIABILITIES					
Accounts payable	\$ 2,239	\$ 0	\$ 0	\$ 286	\$ 2,525
Accrued payroll	0	0	0	7,165	7,165
Due to other governments	1,500	0	0	1,175	2,675
Due to other organizations	<u>90,302</u>	<u>0</u>	<u>96,291</u>	<u>437,764</u>	<u>624,357</u>
 Total Liabilities	 <u>\$ 94,041</u>	 <u>\$ 0</u>	 <u>\$ 96,291</u>	 <u>\$ 446,390</u>	 <u>\$ 636,722</u>

**CITY OF ROSEVILLE, MINNESOTA
 COMBINING STATEMENT OF CHANGES IN
 ASSETS AND LIABILITIES - AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	Balance January 1, 2011	Additions	Deductions	Balance December 31, 2011
ASSETS				
Cash and cash equivalents	\$ 573,311	\$ 793,605	\$ 833,757	\$ 533,159
Investment interest receivable	2,374	2,212	2,374	2,212
Accounts receivable	33,662	37,538	33,662	37,538
Due from other governments	0	45,776	36,075	9,701
Prepaid items	63,424	105,417	141,952	26,889
Net capital assets	<u>8,482</u>	<u>121,558</u>	<u>102,817</u>	<u>27,223</u>
 Total assets	 <u>\$ 681,253</u>	 <u>\$ 1,106,106</u>	 <u>\$ 1,150,637</u>	 <u>\$ 636,722</u>
 LIABILITIES				
Accounts payable	\$ 31,440	\$ 756,028	\$ 784,943	\$ 2,525
Accrued payroll	7,430	8,185	8,450	7,165
Due to other governments	682	67,645	65,652	2,675
Due to other organizations	<u>641,701</u>	<u>274,248</u>	<u>291,592</u>	<u>624,357</u>
 Total liabilities	 <u>\$ 681,253</u>	 <u>\$ 1,106,106</u>	 <u>\$ 1,150,637</u>	 <u>\$ 636,722</u>

CITY OF ROSEVILLE, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND - GRASS LAKE WATER MANAGEMENT ORGANIZATION
Year Ended December 31, 2011

	Balance January 1, 2011	Additions	Deductions	Balance December 31, 2011
ASSETS				
Cash and cash equivalents	\$ 164,442	\$ 91,513	\$ 162,133	\$ 93,822
Investment interest receivable	508	219	508	219
Total assets	\$ 164,950	\$ 91,732	\$ 162,641	\$ 94,041
LIABILITIES				
Accounts payable	\$ 11,301	\$ 147,589	\$ 156,651	\$ 2,239
Due to other governments	648	2,148	1,296	1,500
Due to other organizations	153,001	(58,005)	4,694	90,302
Total liabilities	\$ 164,950	\$ 91,732	\$ 162,641	\$ 94,041

AGENCY FUND - EAST METRO SWAT

	Balance January 1, 2011	Additions	Deductions	Balance December 31, 2011
ASSETS				
Cash and cash equivalents	\$ 0	\$ 36,075	\$ 45,776	\$ (9,701)
Due from other governments	0	45,776	36,075	9,701
Total assets	\$ 0	\$ 81,851	\$ 81,851	\$ 0
LIABILITIES				
Due to other organizations	\$ 0	\$ 81,851	\$ 81,851	\$ 0

AGENCY FUND - ROSEVILLE ISLAMIC CEMETERY

	Balance January 1, 2011	Additions	Deductions	Balance December 31, 2011
ASSETS				
Cash and cash equivalents	\$ 98,699	\$ 7,685	\$ 10,317	\$ 96,067
Investment interest receivable	305	224	305	224
Total assets	\$ 99,004	\$ 7,909	\$ 10,622	\$ 96,291
LIABILITIES				
Due to other organizations	\$ 99,004	\$ 7,909	\$ 10,622	\$ 96,291

AGENCY FUND - ROSEVILLE VISITORS ASSOCIATION

	Balance January 1, 2011	Additions	Deductions	Balance December 31, 2011
ASSETS				
Cash and cash equivalents	\$ 310,170	\$ 658,332	\$ 615,531	\$ 352,971
Investment interest receivable	1,561	1,769	1,561	1,769
Accounts receivable	33,662	37,538	33,662	37,538
Prepaid items	63,424	105,417	141,952	26,889
Net capital assets	8,482	121,558	102,817	27,223
Total assets	\$ 417,299	\$ 924,614	\$ 895,523	\$ 446,390
LIABILITIES				
Accounts payable	\$ 20,139	\$ 608,439	\$ 628,292	\$ 286
Accrued payroll	7,430	8,185	8,450	7,165
Due to other governments	34	65,497	64,356	1,175
Due to other organizations	389,696	242,493	194,425	437,764
Total liabilities	\$ 417,299	\$ 924,614	\$ 895,523	\$ 446,390

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	108-117
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	118-123
These schedules contain information to help the reader assess the City of Roseville's most significant local revenue source, the property tax.	
Debt Capacity	124-129
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	130-131
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	132-137
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>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 96,613,757	\$ 98,124,347	\$ 98,037,804	\$ 97,878,949
Restricted	17,636,917	19,069,579	18,269,971	20,185,016
Unrestricted	<u>16,242,410</u>	<u>13,268,393</u>	<u>11,162,422</u>	<u>10,853,297</u>
Total governmental activities net assets	<u>\$ 130,493,084</u>	<u>\$ 130,462,319</u>	<u>\$ 127,470,197</u>	<u>\$ 128,917,262</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 26,972,178	\$ 18,191,864	\$ 17,950,057	\$ 17,862,240
Restricted	0	0	0	0
Unrestricted	<u>7,369,326</u>	<u>8,146,474</u>	<u>7,940,709</u>	<u>7,661,585</u>
Total business-type activities net assets	<u>\$ 34,341,504</u>	<u>\$ 26,338,338</u>	<u>\$ 25,890,766</u>	<u>\$ 25,523,825</u>
Primary government				
Invested in capital assets, net of related debt	\$ 123,585,935	\$ 116,316,211	\$ 115,987,861	\$ 115,741,189
Restricted	17,636,917	19,069,579	18,269,971	20,185,016
Unrestricted	<u>23,611,736</u>	<u>21,414,867</u>	<u>19,103,131</u>	<u>18,514,882</u>
Total primary government net assets	<u>\$ 164,834,588</u>	<u>\$ 156,800,657</u>	<u>\$ 153,360,963</u>	<u>\$ 154,441,087</u>

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 100,584,976	\$ 98,813,670	\$ 96,932,095	\$ 103,987,033	\$ 114,015,800	\$ 114,666,064
8,468,097	11,095,142	13,648,619	10,789,610	4,438,169	8,733,361
24,354,100	24,743,085	23,757,872	23,842,146	25,508,724	23,237,740
<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>	<u>\$ 146,637,165</u>
\$ 17,906,632	\$ 17,892,424	\$ 17,799,877	\$ 19,019,599	\$ 18,803,521	\$ 19,493,159
0	0	0	0	0	0
7,222,064	7,254,956	7,098,164	5,180,356	5,734,880	5,150,432
<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>	<u>\$ 24,643,591</u>
\$ 118,491,608	\$ 116,706,094	\$ 114,731,972	\$ 123,006,632	\$ 132,819,321	\$ 134,159,223
8,468,097	11,095,142	13,648,619	10,789,610	4,438,169	8,733,361
31,576,164	31,998,041	30,856,036	29,022,502	31,243,604	28,388,172
<u>\$ 158,535,869</u>	<u>\$ 159,799,277</u>	<u>\$ 159,236,627</u>	<u>\$ 162,818,744</u>	<u>168501094</u>	<u>\$ 171,280,756</u>

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

Expenses	2002	2003	2004	2005	2006	2007
Governmental activities:						
General government	\$ 2,670,864	\$ 2,756,291	\$ 3,386,266	\$ 3,215,084	\$ 3,664,716	\$ 3,830,814
Public safety	5,139,220	6,542,900	8,002,018	6,987,914	7,147,499	8,296,894
Public works	4,438,832	3,709,870	3,780,222	4,084,363	4,716,980	4,604,463
Parks and recreation	3,462,058	3,926,557	4,055,505	3,946,034	4,210,261	4,380,187
Economic development	2,744,125	2,970,466	1,954,642	1,856,151	1,931,016	2,469,226
Interest on long-term debt	1,509,635	557,984	604,523	509,484	427,191	400,498
Total governmental activities expenses	19,964,734	20,464,068	21,783,176	20,599,030	22,097,663	23,982,082
Business-type activities:						
Sewer	2,984,055	2,489,956	2,806,813	2,750,350	3,112,372	3,035,274
Water	3,701,411	4,069,841	3,938,498	4,235,357	4,410,178	4,739,327
Golf	331,368	358,726	352,023	333,832	347,153	354,318
Recycling	292,617	235,179	299,456	346,035	366,769	443,984
Storm Drainage	1,404,576	696,187	805,366	796,605	858,746	826,297
Total business-type activities expenses	8,714,027	7,849,889	8,202,156	8,462,179	9,095,218	9,399,200
Total primary government expenses	\$ 28,678,761	\$ 28,313,957	\$ 29,985,332	\$ 29,061,209	\$ 31,192,881	\$ 33,381,282
Program Revenues						
Governmental activities:						
Charges for services:						
General government	\$ 1,845,248	\$ 1,788,963	\$ 2,296,912	\$ 2,141,438	\$ 2,377,143	\$ 2,700,261
Public safety	1,333,556	1,345,874	1,088,309	1,585,436	568,337	566,899
Parks and recreation	1,583,019	1,596,571	1,549,105	2,210,202	1,946,946	1,926,806
Other activities	1,145,009	784,122	489,119	338,795	1,932,849	1,802,012
Operating grants and contributions	824,173	863,338	830,643	803,696	881,421	872,349
Capital grants and contributions	494,392	524,071	484,147	1,413,066	3,182,023	806,147
Total governmental activities program revenues	7,225,397	6,902,939	6,738,235	8,492,633	10,888,719	8,674,474
Business-type activities:						
Charges for Services:						
Sewer	2,743,879	2,512,282	2,539,180	2,628,060	2,693,983	2,796,265
Water	3,368,871	4,084,416	3,909,172	4,048,162	4,445,284	4,809,523
Golf	267,922	303,708	310,629	297,202	302,406	315,372
Recycling	199,008	208,170	236,740	250,537	348,946	387,706
Storm Drainage	585,013	596,031	643,828	655,211	667,441	688,715
Operating grants and contributions	117,992	29,291	29,291	97,462	64,216	63,861
Capital grants and contributions	0	366,184	3,450	1,151	0	0
Total business-type activities program revenues	7,282,685	8,100,082	7,672,290	7,977,785	8,522,276	9,061,442
Total primary government program revenues	\$ 14,508,082	\$ 15,003,021	\$ 14,410,525	\$ 16,470,418	\$ 19,410,995	\$ 17,735,916
Net (expense)/revenue						
Governmental activities	\$ (12,739,337)	\$ (13,561,129)	\$ (15,044,941)	\$ (12,106,397)	\$ (11,208,944)	#####
Business-type activities	(1,431,342)	250,193	(529,866)	(484,394)	(572,942)	(337,758)
Total primary government net expense	\$ (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	\$ 7,870,430	\$ 8,031,962	\$ 9,249,016	\$ 9,866,249	\$ 10,684,683	\$ 11,246,116
Tax increments	2,827,790	2,509,792	2,521,708	2,350,538	2,535,830	2,765,844
Cable franchise taxes	234,658	241,053	259,808	285,184	310,790	337,069
Gambling taxes	50,531	57,875	65,935	69,145	81,152	88,890
Grants and contributions not restricted to specific programs	816,482	25,353	25,653	29,153	53,562	225,497
Unrestricted investment earnings	3,015,307	1,322,877	1,236,808	641,583	1,205,188	1,888,916
Miscellaneous	(254,460)	0	0	0	827,650	0
Transfers	(24,200)	0	0	0	0	0
Total governmental activities	14,536,538	12,188,912	13,358,928	13,241,852	15,698,855	16,552,332
Business-type activities:						
Unrestricted investment earnings	523,927	317,371	236,689	117,453	177,813	356,442
Miscellaneous	558	0	0	0	0	0
Transfers	24,200	0	0	0	0	0
Total business-type activities	548,685	317,371	236,689	117,453	177,813	356,442
Total primary government	\$ 15,085,223	\$ 12,506,283	\$ 13,595,617	\$ 13,359,305	\$ 15,876,668	\$ 16,908,774
Change in Net Assets						
Governmental activities	\$ 1,797,201	\$ (1,372,217)	\$ (1,686,013)	\$ 1,135,455	\$ 4,489,911	\$ 1,244,724
Business-type activities	(882,657)	567,564	(293,177)	(366,941)	(395,129)	18,684
Total primary government	\$ 914,544	\$ (804,653)	\$ (1,979,190)	\$ 768,514	\$ 4,094,782	\$ 1,263,408

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 4,283,715	\$ 5,150,773	\$ 4,266,736	\$ 4,395,483
8,007,678	8,161,100	9,442,966	8,572,723
4,720,546	4,470,830	2,800,235	4,868,114
4,935,218	4,770,793	4,698,518	4,737,072
2,337,776	1,742,174	10,950,324	1,696,156
392,527	508,970	429,094	427,003
<u>24,677,460</u>	<u>24,804,640</u>	<u>32,587,873</u>	<u>24,696,551</u>
3,504,577	3,520,566	3,763,009	3,403,703
4,881,489	5,399,949	5,058,883	5,417,818
344,445	318,890	338,860	332,480
467,847	499,501	478,471	527,581
707,675	850,575	797,535	1,073,180
9,906,033	10,589,481	10,436,758	10,754,762
<u>\$ 34,583,493</u>	<u>\$ 35,394,121</u>	<u>\$ 43,024,631</u>	<u>\$ 35,451,313</u>
\$ 2,445,389	\$ 2,869,646	\$ 2,611,668	\$ 2,857,048
549,931	1,454,107	1,545,830	1,890,436
1,765,969	1,917,605	1,919,896	2,430,291
1,491,065	2,991,563	697,435	560,173
877,723	819,160	870,158	983,149
371,295	1,987,239	3,283,978	2,294,488
<u>7,501,372</u>	<u>12,039,320</u>	<u>10,928,965</u>	<u>11,015,585</u>
2,893,260	3,090,778	3,600,334	3,087,514
5,024,591	5,144,355	5,048,473	5,580,048
310,921	312,200	302,610	270,434
426,249	345,218	499,773	545,695
736,688	812,831	840,743	956,350
66,661	75,349	69,775	70,267
0	0	321,188	250,858
<u>9,458,370</u>	<u>9,780,731</u>	<u>10,682,896</u>	<u>10,761,166</u>
<u>\$ 16,959,742</u>	<u>\$ 21,820,051</u>	<u>\$ 21,611,861</u>	<u>\$ 21,776,751</u>
#####	\$ (12,765,320)	\$ (21,658,908)	\$ (13,680,966)
(447,663)	(808,750)	246,138	6,404
#####	<u>\$ (13,574,070)</u>	<u>\$ (21,412,770)</u>	<u>\$ (13,674,562)</u>
\$ 12,417,024	\$ 12,553,187	\$ 15,611,387	\$ 13,501,068
2,956,413	3,288,562	1,966,665	1,592,214
372,706	375,551	380,108	393,657
70,488	81,274	80,282	86,952
227,048	26,477	25,577	25,738
1,353,641	695,472	1,122,891	730,809
0	0	0	0
25,000	25,000	84,007	25,000
<u>17,422,320</u>	<u>17,045,523</u>	<u>19,270,917</u>	<u>16,355,438</u>
257,409	135,664	176,315	123,786
0	0	0	0
(25,000)	(25,000)	(84,007)	(25,000)
<u>232,409</u>	<u>110,664</u>	<u>92,308</u>	<u>98,786</u>
<u>\$ 17,654,729</u>	<u>\$ 17,156,187</u>	<u>\$ 19,363,225</u>	<u>\$ 16,454,224</u>
\$ 246,232	\$ 4,280,203	\$ (2,387,991)	\$ 2,674,472
(215,254)	(698,086)	338,446	105,190
<u>\$ 30,978</u>	<u>\$ 3,582,117</u>	<u>\$ (2,049,545)</u>	<u>\$ 2,779,662</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
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
2011	13,501,068	1,592,214	393,657	86,952	15,573,891

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

	Fiscal Year			
	2002	2003	2004	2005
General Fund				
Reserved	\$ 122,689	\$ 113,717	\$ 189,754	\$ 244,605
Unreserved	4,784,397	5,636,721	4,004,398	2,995,554
Total general fund	<u>\$ 4,907,086</u>	<u>\$ 5,750,438</u>	<u>\$ 4,194,152</u>	<u>\$ 3,240,159</u>
All other governmental funds				
Reserved	\$ 14,520,616	\$ 14,167,788	\$ 14,177,837	\$ 19,940,411
Unreserved, reported in:				
Special revenue funds	(565,527)	(902,425)	(21,103)	133,475
Debt Service	(3,531,006)	(4,367,838)	(1,939,074)	(1,620,955)
Capital projects funds	12,023,475	17,044,915	8,624,773	5,192,817
Total all other governmental funds	<u>\$ 22,447,558</u>	<u>\$ 25,942,440</u>	<u>\$ 20,842,433</u>	<u>\$ 23,645,748</u>

	Fiscal Year
	2011
General Fund	
Restricted	
Law Enforcement	\$ 346,904
Assigned	
Engineering Services	658,760
Accounting Services	15,599
Unassigned	5,190,027
Total general fund	<u>\$ 6,211,290</u>

All other governmental funds	
Restricted	
Telecommunications	\$ 521,444
Community Development	163,163
Park Dedication	692,203
Tax Increment	5,202,462
Debt Service	1,425,518
Bond Funded Capital Improv	10,000,000
Comitted	
Special Revenue	1,351,502
Street Replacement	11,078,323
Assigned	
Capital projects funds	4,295,277
Unassigned	(47,403)
Total all other governmental funds	<u>\$ 34,682,489</u>

Starting in 2011 new fund balance classification due to GASB 54.

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 279,959	\$ 356,130	\$ 404,952	\$ 402,564	\$ 402,564
<u>5,119,511</u>	<u>3,861,976</u>	<u>3,305,144</u>	<u>3,171,949</u>	<u>5,234,095</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>
\$ 7,796,425	\$ 10,739,012	\$ 13,243,667	\$ 10,387,046	\$ 4,035,605
389,451	921,554	946,069	1,220,099	1,131,336
(1,471,817)	(916,039)	(458,367)	843,046	1,452,411
<u>17,104,369</u>	<u>17,570,635</u>	<u>17,264,721</u>	<u>16,856,123</u>	<u>16,347,739</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									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	\$ 10,983	\$ 10,841	\$ 12,096	\$ 12,571	\$ 13,613	\$ 14,438	\$ 15,817	\$ 16,299	\$ 17,958	\$ 15,574
Intergovernmental	2,076	1,413	1,340	2,246	4,117	1,904	1,476	2,833	3,900	3,299
Licenses and permits	1,813	2,017	1,937	2,363	2,620	2,513	1,374	1,335	1,098	1,638
Charges for services	3,092	2,956	2,774	2,844	3,610	3,386	4,439	5,797	5,117	5,190
Fines and forfeits	203	182	147	196	256	242	232	197	214	227
Special assessments	920	885	843	628	561	589	423	1,542	530	295
Investment earnings	2,667	1,323	1,237	642	1,205	1,889	1,354	634	1,030	668
Miscellaneous	773	696	466	1,336	844	932	751	513	1,106	1,338
Total revenues	<u>22,527</u>	<u>20,313</u>	<u>20,840</u>	<u>22,826</u>	<u>26,826</u>	<u>25,893</u>	<u>25,866</u>	<u>29,150</u>	<u>30,953</u>	<u>28,229</u>
Expenditures										
General government	\$ 2,819	\$ 2,879	\$ 3,082	\$ 3,475	\$ 3,881	\$ 3,999	\$ 4,236	\$ 4,194	\$ 4,525	\$ 4,590
Public safety	5,570	5,984	6,282	6,446	7,039	7,260	7,589	7,393	8,794	8,314
Public works	1,645	1,573	1,709	1,781	1,933	2,075	2,256	2,082	2,361	2,279
Economic development	2,661	2,929	2,377	1,806	1,915	2,511	2,310	1,756	8,639	1,190
Recreation	3,113	2,913	3,078	3,015	3,359	3,510	3,611	3,506	3,638	3,623
Capital outlay	2,354	8,584	7,665	2,981	5,543	1,998	4,988	11,899	5,668	4,078
Debt service										
Principal	5,310	1,765	1,330	1,055	1,245	920	935	984	1,246	1,385
Interest	880	300	742	482	443	411	385	439	447	401
Other Charges	4	55	31	0	0	0	25	48		46
Total expenditures	<u>24,356</u>	<u>26,983</u>	<u>26,296</u>	<u>21,041</u>	<u>25,358</u>	<u>22,684</u>	<u>26,335</u>	<u>32,301</u>	<u>35,318</u>	<u>25,906</u>
Excess of revenues over (under) expenditures	(1,828)	(6,670)	(5,456)	1,785	1,468	3,209	(469)	(3,151)	(4,365)	2,323

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Other financing sources (uses)										
Transfers in	\$ 2,786	\$ 2,671	\$ 5,016	\$ 433	\$ 297	\$ 649	\$ 133	\$ 144	\$ 203	\$ 1,115
Transfers out	(2,810)	(2,671)	(5,016)	(433)	(284)	(620)	(108)	(119)	(178)	(1,090)
Refunding bonds issued	0	0	1,725	0	0	0	0	1,070	0	0
Discount on bonds issued	0	0	0	0	0	0	0	(6)	0	(100)
Bonds issued	0	9,700	0	0	0	0	2,550	1,155	0	10,000
Premium on bonds issued	0	0	22	0	0	0	17	22	0	0
Payments to refunded bond escrow agent	(355)	0	(1,715)	0	0	0	0	(1,045)	0	0
Proceeds from letter of credit	0	0	0	0	827	0	0	0	0	0
Sale of assets	19	1,309	72	64	24	78	50	105	63	42
Total other financing sources (uses)	(360)	11,009	104	64	864	107	2,642	1,326	88	9,967
Net change in fund balances	\$ (2,189)	\$ 4,338	\$ (5,350)	\$ 1,849	\$ 2,332	\$ 3,315	\$ 2,173	\$ (1,825)	\$ (4,277)	\$ 12,290
Debt service as a percentage of noncapital expenditures	28.43%	11.07%	11.09%	8.44%	8.56%	6.37%	6.19%	6.67%	5.59%	8.39%

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
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
2011	13,501	1,592	394	87	15,574

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			
	Residential Property	Commercial Property	Other	Gas & Electric
2002	\$ 15,274,319	\$ 15,452,817	\$ 5,701,004	\$ 419,260
2003	16,846,793	16,947,191	6,365,236	439,808
2004	18,758,099	18,019,249	6,684,420	446,312
2005	21,549,325	18,050,301	7,054,033	465,320
2006	24,486,956	19,534,538	6,929,309	476,114
2007	27,000,307	20,573,742	7,027,178	501,988
2008	27,963,022	23,644,984	7,951,147	483,564
2009	34,976,945	16,599,228	7,706,785	471,602
2010	33,951,760	16,112,699	7,480,896	470,187
2011	31,104,614	14,761,512	6,853,559	500,574

Source: Ramsey County

<u>Personal Property Leased Machinery & Equipment</u>	<u>Less: TIF & Fiscal Disparity Contribution (Net)</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assesed Value as a Percentage of Actual Value</u>
\$ 60,381	\$ (6,721,553)	\$ 30,186,228	29.41%	\$ 2,649,745,900	1.14%
69,832	(6,697,449)	33,971,411	25.73%	2,954,240,000	1.15%
70,994	(6,898,473)	37,080,600	23.83%	3,247,056,900	1.14%
44,478	(7,266,305)	39,897,152	24.52%	3,551,712,100	1.12%
50,436	(7,286,743)	44,190,610	23.21%	3,918,199,200	1.13%
49,406	(8,158,721)	46,993,900	23.01%	4,225,611,500	1.11%
87,052	(8,447,095)	51,682,674	23.38%	4,522,375,200	1.14%
93,052	(9,487,097)	50,360,515	24.55%	4,455,162,600	1.13%
29,739	(8,191,870)	49,853,411	27.37%	4,288,071,400	1.16%
42,639	(7,769,452)	45,459,056	29.76%	3,985,073,200	1.14%

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

Fiscal Year	City of Roseville			Ramsey County
	Operating Tax Capacity	Debt Service Tax Capacity	Total City Tax Capacity	Total County Tax Capacity
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%
2011	26.820%	2.938%	29.758%	54.678%

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#623		Total	
School District - ISD#621		School District - ISD#623		Direct & Overlapping	
Tax Capacity Based	Market Value Based Tax Rate	Total Capacity Based	Market Value Based Tax Rate	Special Districts Tax Capacity	Tax Capacity
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%
25.573%	0.19536%	14.566%	0.19715%	9.108%	133.68%

City of Roseville
Principal Property Taxpayers
December 31, 2011 Compared To December 31, 2002
(amounts expressed in whole dollars)

Taxpayer	2011			2002		
	Taxes Levied	Rank	Percentage of Total Taxes Levied	Taxes Levied	Rank	Percentage of Total Taxes Levied
Compass Retail, Inc.	\$ 826,040	1	5.62%	\$ 577,598	1	7.69%
PPF Rosedale Shopping Center	598,184	2	4.07%	143,628	3	1.91%
St Paul Fire and Marine Insurance Co	437,780	3	2.98%	-	-	-
Gateway Washington Inc.	425,678	4	2.90%	-	-	-
Wilcal Crossroads LLC	308,371	5	2.10%	-	-	-
JLT Roseville Corp Center LLC	265,436	6	1.81%	-	-	-
Williams Bros Pipeline	245,188	7	1.67%	-	-	-
KPERS Realty Holding #41 Inc.	216,734	8	1.47%	-	-	-
Target Corporation	196,295	9	1.34%	-	-	-
CSM Investors Inc.	194,527	10	1.32%	-	-	-
Bradley Real Estate Trust	-	-	-	186,651	2	2.48%
Dayton Hudson Corp.	-	-	-	96,929	9	1.29%
M & J Crossroads LP	-	-	-	142,898	4	1.90%
North Prior LLC	-	-	-	160,704	6	1.58%
Meritex	-	-	-	104,984	7	1.49%
First Security Bank Trustee	-	-	-	126,698	5	1.69%
Metlife	-	-	-	104,984	8	1.40%
MN Industrial Properties	-	-	-	95,083	10	1.27%
	<u>\$ 3,714,233</u>		<u>25.26%</u>	<u>\$ 1,740,157</u>		<u>22.70%</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				Total Collections to Date	
		Amount(3)	Percentage of Levy	Collections from Homestead Credit	Collections in Subsequent Years(2)	Amount	Percentage of Levy
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%
2011	14,703,044	13,501,068	91.82%	0	0	13,501,068	91.82%

(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)
	General Obligation Bonds	Special Assessment Bonds					
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	2,550,000	2,550,000	12,570,000	0.28%	368.63
2009	8,465,000	1,750,000	2,550,000	2,550,000	12,765,000	0.29%	374.35
2010	7,860,000	1,330,000	2,330,000	2,330,000	11,520,000	0.29%	337.06
2011	17,175,000	890,000	2,070,000	2,070,000	20,135,000	0.51%	598.19

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
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%
2011	20,135,000	0.51%	598.19	1,582,289,280	1.27%

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, 2011
(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	\$ 20,135,000	\$ 1,427,733	\$ 18,707,267	100%	\$ 18,707,267
Overlapping Debt*					
School District #621	\$ 188,348,495	\$ 4,337,073	\$ 184,011,422	8%	\$ 14,720,914
School District #623	47,765,000	2,454,011	45,310,989	61%	27,639,703
Special School District #916	6,285,000	118,162	6,166,838	8%	493,347
Metropolitan Council	1,349,552,846	84,007,250	1,265,545,596	1%	12,655,456
Metropolitan Airports Commission	1,523,165,000	211,905,528	1,311,259,472	1%	13,112,595
Ramsey County	235,862,000	76,339,533	159,522,467	9%	14,357,022
Total Overlapping Debt	<u>3,350,978,341</u>	<u>379,161,557</u>	<u>2,971,816,784</u>		<u>82,979,037</u>
Total Direct and Overlapping Debt	<u>\$ 3,371,113,341</u>	<u>\$ 380,589,290</u>	<u>\$ 2,990,524,051</u>		<u>\$ 101,686,304</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			
	2002	2003	2004	2005
Debt Limit	\$ 52,994,918	\$ 59,084,800	\$ 64,941,138	\$ 71,034,242
Total net debt applicable to limit	<u>0</u>	<u>9,700,000</u>	<u>9,700,000</u>	<u>9,535,000</u>
Legal debt margin	<u>\$ 52,994,918</u>	<u>\$ 49,384,800</u>	<u>\$ 55,241,138</u>	<u>\$ 61,499,242</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	16.42%	14.94%	13.42%

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					
2006	2007	2008	2009	2010	2011
\$ 78,363,984	\$ 84,512,230	\$ 135,671,256	\$ 133,654,878	\$ 128,642,142	\$ 119,552,196
<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>18,090,000</u>
<u>\$ 69,363,984</u>	<u>\$ 76,057,230</u>	<u>\$ 125,231,256</u>	<u>\$ 122,639,878</u>	<u>\$ 119,607,142</u>	<u>\$ 101,462,196</u>
11.48%	10.00%	7.70%	8.24%	8.24%	15.13%

Legal Debt Margin Calculation for Fiscal Year 2011

Estimated Market Value	<u>\$ 3,985,073,200</u>
Debt Limit (3% of total estimated market value)	119,552,196
Debt applicable to limit:	
Total Bonded Debt	20,135,000
Less:	
Special Assessment Bonds	890,000
Housing Bonds	<u>1,155,000</u>
Total net debt applicable to limit	<u>18,090,000</u>
Legal Debt Margin	<u>\$ 101,462,196</u>

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

Fiscal Year	Population (1)	Estimated (2)	Per Capita Personal income (3)	School Enrollment District #623 (4)	School Enrollment District #621 (4)	Unemployment Rate (5)
		Personal Income (amounts expressed in whole dollars)				
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%
2011	33,660	1,582,289,280	47,008	6,588	9,765	4.5%

- (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 2010.
- (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 2008 - 2010 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
December 31, 2011 Compared to December 31, 2002**

<u>Employer</u>	<u>2011</u>			<u>2002</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>
MN Dept. of Transportation	700	1	1.87%	1500	2	4.29%
Roseville Area Schools	683	2	1.83%	-	-	-
Presbyterian Homes Housing	650	3	1.74%	-	-	-
Northwestern College	650	4	1.74%	-	-	-
Unisys	600	5	1.60%	-	-	-
MN Department of Education	530	6	1.42%	500	8	1.43%
Symantic	500	7	1.34%	-	-	-
JC Penny	410	8	1.10%	400	9	1.14%
McGough Construction	402	9	1.07%	800	6	2.29%
Lunds	300	10	0.80%	-	-	-
Best Inc	-	-	-	1900	1	5.43%
Target/Marshall Fields	-	-	-	1300	3	3.71%
Beltman Group	-	-	-	956	4	2.73%
Health Span Home Care	-	-	-	800	5	2.29%
Sara Lee Baking Company	-	-	-	500	7	1.43%
Veritas Corporation	-	-	-	400	10	1.14%
Total	4,042		10.80%	7,556		21.59%

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

Full-time Equivalent Employees as of December 31										
Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government	28.5	27.5	27.5	29.25	31.25	32.5	33.5	33.5	34	34
Public safety										
Police	54	55	57	56.5	57.5	57.5	58	58	56.5	56.5
Fire	4.5	4.5	4.5	4.5	4.5	7.5	8	8	8	7
Public Works	18	18.25	18.25	17.25	17.25	17.25	17.25	17.25	16.75	16.74
Recreation	25.25	24.25	24.25	22.25	22.25	22.25	22.25	22.25	21.25	20.25
Economic Development	11	10.9	10.9	10.9	10.4	10.9	10.9	10.9	10.9	10.9
Water	6.17	6.17	6.17	6.17	6.17	6.17	6.17	6.17	6.17	7.29
Sewer	5.16	5.16	5.16	5.16	5.16	5.16	5.16	5.16	5.66	3.71
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	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	4.01
Total	152.99	158.25	157.65	159.65	157.90	160.40	165.15	167.15	167.15	162.90

**City of Roseville
Operating Indicators by Function
Last Ten Fiscal Years**

Function	2002	2003	2004	2005	2006
Police					
Serious offenses	3,146	2,596	3,075	3,002	3,068
Public Assistance Calls	18,492	22,770	33,092	39,897	37,632
Traffic citations	8,461	6,281	3,679	7,763	9,312
Fire					
Fire incidents	681	609	634	890	931
Fire inspections	1,500	1,530	1,550	1,725	1,740
Public Works					
Street patching (tons)	950	1,000	1,000	890	800
Sealcoating (miles)	12	15	14	14	16
Snow / ice control (miles)	120	123	123	123	123
Sign repair / replacements	290	81	194	300	250
Recreation					
Recreation and leisure participations	107,310	108,112	110,466	109,879	112,061
Facility usage permits	810	849	964	1,007	1,093
Economic Development					
Building permits issued	1,578	1,584	1,378	1,404	1,270
Number of inspections	7,880	7,255	7,151	7,651	6,532
Planning / zoning cases	86	106	69	72	100
Water					
Meters repaired / replaced	408	415	412	394	402
Water main breaks	32	28	41	20	30
Hydrants repaired / flushed	1,691	1,696	1,702	1,708	1,701
Annual water pumped (thousands of gallons)	1,988,600	2,136,020	1,421,732	2,021,000	2,115,219
Sewer					
Sewer pipes repaired / replaced (lineal feet)	220	310	1,740	840	5,098
Sewer pipes cleaned (linear feet)	233,506	242,729	242,475	296,000	257,000
Sewer pipes televised (linear feet)	14,400	12,300	13,600	12,800	9,400
Annual sewer flow (thousands of gallons)	1,988,600	2,136,020	1,421,732	2,021,000	2,115,219
Golf					
Number of rounds played	28,000	35,000	36,000	31,914	31,139
Recycling					
Materials collected (tons)	2,840	2,815	2,902	3,123	3,402
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	171
Infrastructure repair / replace (lineal feet)	2,940	1,860	1,400	890	3,072

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.

2007 (1)	2008	2009	2010	2011
3,036	3,001	3,169	2,551	3,215
38,598	38,052	35,000	38,000	36,571
9,219	8,062	8,138	8,551	8,404
4,313	4,300	4,036	4,225	4,290
1,740	1,800	1,051	1,011	1,050
900	1,006	1,000	900	920
13	15	14	14	15
123	125	125	125	125
335	197	300	524	254
113,250	112,725	112,800	112,700	112,750
1,125	1,115	1,095	1,080	1,075
1,302	1,254	1,307	1,146	1,714
7,313	6,051	5,509	5,306	4,826
69	45	35	29	30
407	554	519	592	780
39	38	33	29	29
1,711	1,706	1,711	1,711	1,836
2,156,057	2,066,694	2,081,975	1,807,879	1,857,404
4,849	5,000	8,162	5,457	15,109
235,000	276,000	237,000	261,000	274,560
43,755	61,497	72,772	89,260	59,567
2,156,057	2,066,694	2,081,976	1,157,210	1,399,720
31,794	31,147	30,458	28,325	25,518
3,681	3,750	2,697	3,321	3,244
125	125	125	125	125
20,000	20,000	20,000	20,000	20,000
167	71	350	258	500
625	188	242	96	128

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

Function	2002	2003	2004	2005	2006	2007	2008
Public Safety							
Police:							
Stations	1	1	1	1	1	1	1
Patrol Units	26	26	26	26	27	27	27
Fire Stations	3	3	3	3	3	3	3
Public Works							
Streets (miles)	122	123	123	121	123	123	123
Street Lights	1,466	1,195	1,144	1,124	1,125	1,125	1,125
Recreation							
Parks and playgrounds	28	28	30	30	30	30	30
Lighted park shelters	8	8	8	8	8	8	8
Parks Acreage	680	680	685	685	685	685	685
Skating Rinks							
Outdoor	14	11	11	10	10	10	8
Indoor	1	1	1	1	1	1	1
Golf Course	1	1	1	1	1	1	1
Ballfields	41	41	41	41	41	41	41
Soccer/football fields	5	5	5	8	8	8	8
Tennis Courts	17	17	17	17	17	17	17
Volleyball Courts	9	9	9	9	9	9	9
Basketball Courts	8	8	8	8	8	8	8
Miles of Trails	50	50	69	69	69	69	69
Water							
Number of connections	10,097	10,060	10,196	10,237	10,135	10,256	10,271
Water mains (miles)	164	165	165	165	166	166	166
Fire Hydrants	1,696	1,692	1,702	1,699	1,701	1,711	1,711
Water purchased from St. Paul (thousands of gallons)	1,988,600	2,136,020	1,421,732	2,021,459	2,115,219	2,156,057	2,066,694
Sewer							
Number of connections	9,978	9,931	10,053	10,115	10,083	10,199	10,015
Sanitary sewers (miles)	153	153	156	156	156	156	156
Storm drainage							
Storm sewers (miles)	139	139	141	144	145	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.

2009	2010	2011
1	1	1
27	34	36
3	3	2
123	122	125
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
10,300	10,261	10,303
166	166	166
1,711	1,711	1,711
2,081,975	1,807,879	1,857,404
10,021	10,188	10,200
156	156	156
145	145	145

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