

CITY OF ROSEVILLE, MINNESOTA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED DECEMBER 31, 2014



On the Cover

On October 25, 2014, Parks and Recreation held a Community Build event at Acorn Park as part of the Roseville Parks and Recreation Renewal Program. Trained supervisors lead the community build in which community volunteers helped dig, wrench, drill, lift, organize and build a new playground. The event was a great success and demonstrated the sense of community present in Roseville.

City of Roseville, Minnesota
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Introductory Section

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April 30, 2015

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, 2014.

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, 2014 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, 2014, 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 34,476. 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 fund. 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 72 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 required supplementary information and the governmental fund subsection of this report, shown on pages 72-74, and 80-83.

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 recent nationwide economic downturn did have some effects on the City of Roseville including a slight decline in jobs and overall tax base. However, the City of Roseville has seen strong improvement of these local indicators during the past few years. 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 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 annually participates in the development of the City's long-term goals and objectives. Recently adopted goals include; establishing adequate funding mechanisms for infrastructure replacement, redeveloping the City's housing options, and securing funds for new initiatives.

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 strategically-placed pathways. Funding for most of the transportation improvements will need to come from state, county and federal sources, with a smaller portion supported by the local taxpayers.

Relevant Financial Policies. As part of the annual budget process, the City reviews a number of fiscal and budget 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 a guiding tool for the next year or two, with a new strategic planning effort underway in 2015.

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 re-purposed.

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, 2013. This was the 35th 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, 2014. 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



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

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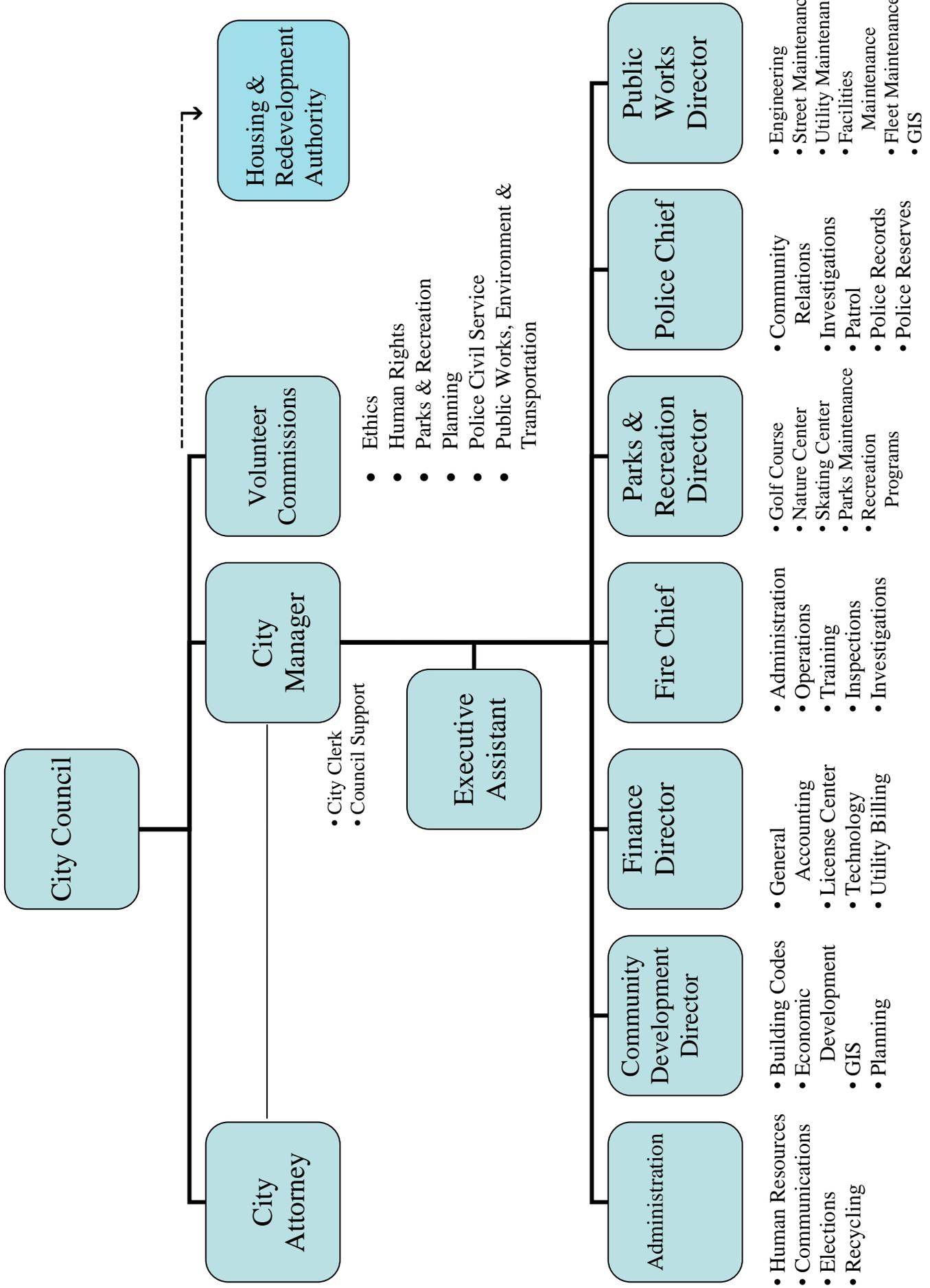
**City of Roseville
Minnesota**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

City of Roseville Organizational Chart





Elected and Appointed Officials December 31, 2014

Elected Officials

Mayor	Dan Roe	Term expires 12/31/2014
Council	Lisa Laliberte	Term expires 12/31/2016
Council	Jason Etten	Term expires 12/31/2016
Council	Tammy McGehee	Term expires 12/31/2014
Council	Robert Willmus	Term expires 12/31/2014

Appointed Officials

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

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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

Report on the Financial Statements

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, 2014, and the related Notes to the Financial Statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, which follows this report letter, the budgetary comparative information on pages 72 - 74 and the Schedule of Funding Progress, Other Post-Employment Benefits on page 75, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Roseville's basic financial statements. The Introductory Section, combining and individual nonmajor fund financial statements and schedules and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund nonmajor financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2015 on our consideration of the City of Roseville'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Roseville's internal control over financial reporting and compliance.

Kern Dewenter, Vice Ltd

KERN, DEWENTER, VIERE, LTD.
Minneapolis, Minnesota
April 30, 2015

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CITY OF ROSEVILLE, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2014

OVERVIEW OF THE FINANCIAL STATEMENTS

As management of the City of Roseville, we offer readers of the City's financial statement this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2014. We encourage readers to consider the information presented here in conjunction with the City's financial statements and the 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 net position of the City of Roseville exceeded its liabilities at the close of the most recent fiscal year by \$185,354,583 (Net position). Of this amount, \$30,038,427 (unrestricted net position) 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 position from operations increased by \$5,765,760.
- As of the close of the current fiscal year, the City of Roseville's governmental activities reported combined ending unrestricted net position of \$24,616,003.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,205,951 or 39% of total general fund expenditures.
- The City of Roseville total bonded debt and certificates of indebtedness decreased by \$6,355,000 during the current fiscal year.

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of 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's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the City's assets, liabilities and inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. To assess the overall health of the City, one needs to consider additional non-financial factors such as changes in the City's property tax base and the condition of the City's infrastructure.

The *Statement of Activities* presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

CITY OF ROSEVILLE, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2014

OVERVIEW OF THE FINANCIAL STATEMENTS

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from 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 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 include not only the City of Roseville itself (known as the primary government), but also the Housing and Redevelopment Authority of the City of Roseville, which is a separate legal entity for which the City of Roseville is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found in the Basic Financial Statements section of this report.

Fund Financial Statements

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

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

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

The City maintains 11 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Recreation, Community Development, Debt Service, Revolving Improvements, Economic Increments Construction and Street Construction, all of which are considered to be major funds. Data from the other 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.

CITY OF ROSEVILLE, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2014

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic governmental fund financial statements can be found in the Basic Financial Statements section of this report.

Proprietary Funds – The City 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 uses enterprise funds to account for its Sanitary Sewer, Water, Golf Course, Solid Waste Recycling, and Storm Drainage operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for Workers' Compensation Self Insurance and Risk Management. The services provided by these funds predominately benefit the governmental rather than the 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 Course, Solid Waste Recycling, and Storm Drainage since they are considered to be major funds of the City. Both internal service funds are combined into a separate 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 in the Basic Financial Statements section 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's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found in the Basic Financial Statements section 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.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, *Required Supplementary Information*, presents a detailed budgetary comparison schedule for the General, Recreation and the Community Development Fund to demonstrate compliance with the budget. In accordance with the requirements of GASB Statement 45, it also includes other post-employment benefit plan schedule of funding progress. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds and other information related to the individual funds are presented immediately following the required supplementary information.

CITY OF ROSEVILLE, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2014

FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

The analysis of the City's financial position begins with a review of the *Statement of Net Position* and the *Statement of Changes in Net Position*. These two statements report the City's net position and changes therein. It should be noted that the financial position can also be affected by non-financial factors, including economic conditions, population growth and new regulations. Net position 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 \$185,354,583 as of December 31, 2014. This represents an increase of \$5,765,760 from the previous year.

By far the largest portion of the City of Roseville's net position (74.6% 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.

CONDENSED STATEMENT OF NET POSITION

	Governmental Activities 2014	Governmental Activities 2013	Business-Type Activities 2014	Business-Type Activities 2013	Total 2014	Total 2013
Current and other assets	\$ 57,182,443	\$ 66,837,897	\$ 7,109,821	\$ 8,904,763	\$ 64,292,264	\$ 75,742,660
Capital assets	140,471,280	131,224,852	25,215,099	21,814,228	165,686,379	153,039,080
Total Assets	<u>197,653,723</u>	<u>198,062,749</u>	<u>32,324,920</u>	<u>30,718,991</u>	<u>229,978,643</u>	<u>228,781,740</u>
Long-term liabilities						
Outstanding	34,557,086	40,845,554	179,484	183,812	34,736,570	41,029,366
Other liabilities	7,520,422	5,388,051	2,367,068	2,775,500	9,887,490	8,163,551
Total Liabilities	<u>42,077,508</u>	<u>46,233,605</u>	<u>2,546,552</u>	<u>2,959,312</u>	<u>44,624,060</u>	<u>49,192,917</u>
Net Position						
Invested in capital assets net of related debt	116,028,830	114,983,470	25,215,099	21,814,228	141,243,929	136,797,698
Restricted	14,072,227	13,094,255	-	-	14,072,227	13,094,255
Unrestricted	25,475,158	23,751,419	4,563,269	5,945,451	30,038,427	29,696,870
Total Net Position	<u>\$ 155,576,215</u>	<u>\$ 151,829,144</u>	<u>\$ 29,778,368</u>	<u>\$ 27,759,679</u>	<u>\$ 185,354,583</u>	<u>\$ 179,588,823</u>

A portion of the of the City of Roseville's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position - \$30,038,427, 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 position, both for the government as a whole, as well as for its separate governmental and business-type activities.

CITY OF ROSEVILLE, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2014

FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

Analysis of the City's Operations – Governmental activities increased the City of Roseville's net position by \$3,747,071. Business-type activities increased Roseville's net position by \$2,018,689, for an overall increase of \$5,765,760. Key elements of this increase are as follows:

CONDENSED STATEMENT OF CHANGES IN NET POSITION

	Governmental Activities 2014	Governmental Activities 2013	Business-Type Activities 2014	Business-Type Activities 2013	Total 2014	Total 2013
Revenues						
Program Revenues						
Charges for services	\$ 7,479,168	\$ 9,179,662	\$ 13,269,791	\$ 13,108,191	\$ 20,748,959	\$ 22,287,853
Operating grants and Contributions	967,703	1,029,327	70,419	69,613	1,038,122	1,098,940
Capital grants and Contributions	1,013,102	1,046,150	470,967	259,550	1,484,069	1,305,700
General Revenues						
Property taxes	17,318,833	16,895,804	-	-	17,318,833	16,895,804
Other taxes	2,452,959	2,108,966	-	-	2,452,959	2,108,966
Grants & contributions not Restricted to specific Programs						
	249,375	24,928	-	-	249,375	24,928
Investment earnings	474,218	288,600	56,806	25,662	531,024	314,262
Net Increase (decrease) in fair value of investments	1,614,919	(1,535,227)	241,243	(233,366)	1,856,162	(1,768,593)
Gain on Sale of capital asset	-	-	10,513	-	10,513	-
Total Revenues	\$ 31,570,277	\$ 29,038,210	\$ 14,119,739	\$ 13,229,650	\$ 45,690,016	\$ 42,267,860
Expenses						
General government	\$ 5,856,306	\$ 5,376,860	\$ -	\$ -	\$ 5,856,306	\$ 5,376,860
Public safety	9,254,988	9,792,587	-	-	9,254,988	9,792,587
Public works	5,249,925	4,399,267	-	-	5,249,925	4,399,267
Recreation	5,690,332	954,315	-	-	5,690,332	954,315
Economic development	1,671,768	5,523,875	-	-	1,671,768	5,523,875
Interest on debt	881,887	1,160,953	-	-	881,887	1,160,953
Sanitary sewer	-	-	3,651,174	3,575,823	3,651,174	3,575,823
Water	-	-	5,553,800	5,915,805	5,553,800	5,915,805
Golf	-	-	339,911	345,816	339,911	345,816
Recycling	-	-	449,490	550,285	449,490	550,285
Storm drainage	-	-	1,324,675	942,598	1,324,675	942,598
Total Expenses	\$ 28,605,206	\$ 27,207,857	\$ 11,319,050	\$ 11,330,327	\$ 39,924,256	\$ 38,538,184
Change in Net Assets before Transfers						
	\$ 2,965,071	\$ 1,830,353	\$ 2,800,689	\$ 1,899,323	\$ 5,765,760	\$ 3,729,676
Transfers	782,000	(72,884)	(782,000)	72,884	-	-
Increase (decrease) in Net position	3,747,071	1,757,469	2,018,689	1,972,207	5,765,760	3,729,676
Net position on January 1st	151,829,144	150,071,675	27,759,679	25,787,472	179,588,823	175,859,147
Net position on December 31st	155,576,215	151,829,144	29,778,368	27,759,679	185,354,583	179,588,823

CITY OF ROSEVILLE, MINNESOTA

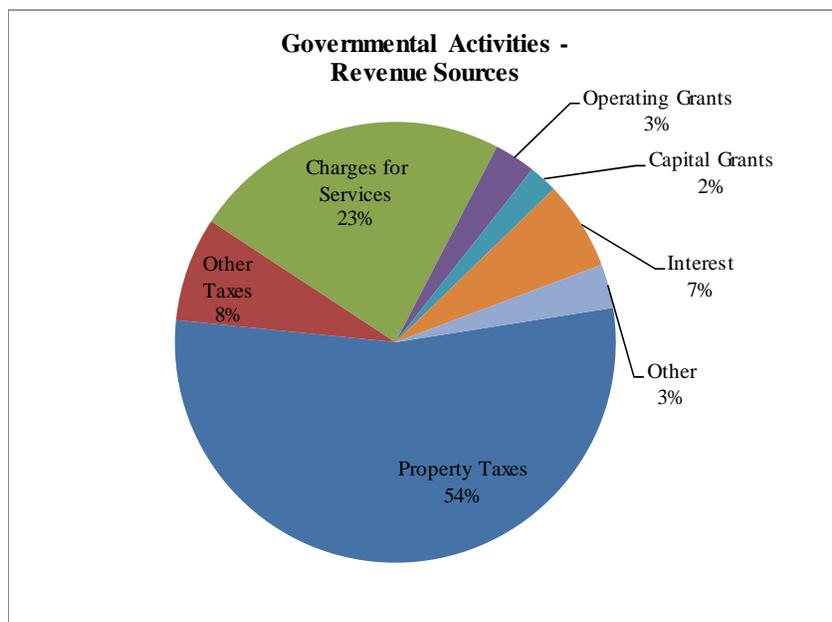
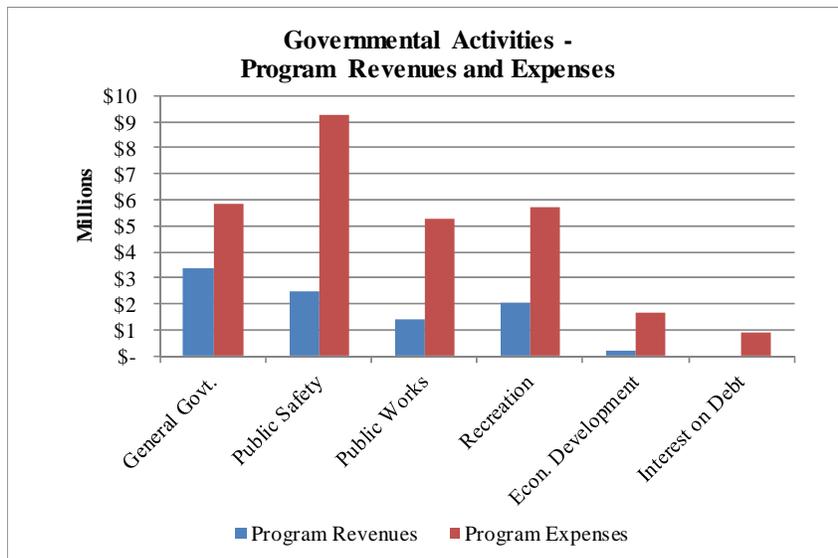
MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2014

FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

Governmental Activities

The increase in net position reflects a general strategy of cost containment and the commitment to properly funding general government asset replacements. Tax increases were also implemented to offset declining interest earnings and other non-tax revenue sources. Beginning in 2013, the change in fair value of investments is shown separately. Previously it had been included in the 'investment earnings' category.

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



CITY OF ROSEVILLE, MINNESOTA

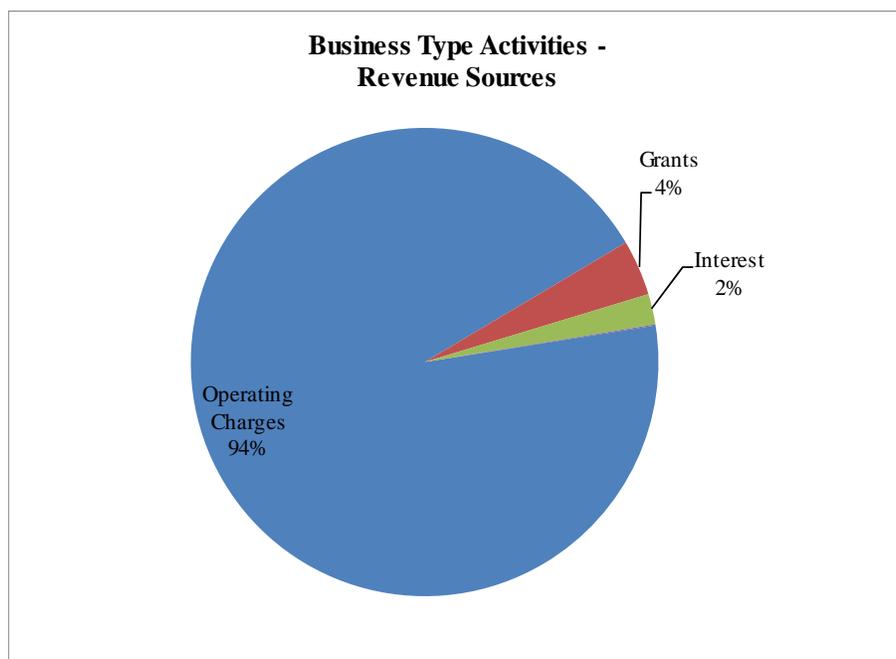
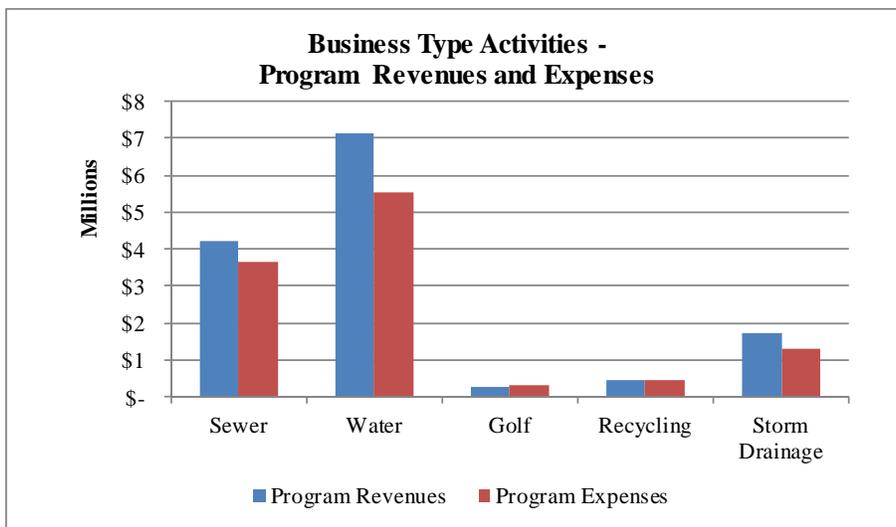
MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2014

FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

Business-type Activities

Like the governmental activities, the increase in net position 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.



CITY OF ROSEVILLE, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2014

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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 2014, the HRA's net position increased by \$492,536 reflecting strong program income.

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 \$45,259,195. Approximately 53% of this total amount \$23,990,263; 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 - \$2,921,054, 2) for tax increment financing activities - \$7,870,539, 3) bond funded capital improvements - \$7,751,174, and 4) debt service - \$2,726,165.

The fund balances of governmental funds declined by \$12,018,514 in 2014. The decline is due to the increases in capital improvements and the reduction in cash held in escrow for the purpose of a bond refunding.

The Economic Increments Construction Fund accounts for the activities in the City's Tax Increment Financing (TIF) Districts. The Fund's balance increased by \$178,474 resulting from the continued collection of tax increment to repay TIF-related infrastructure investments made in prior years. The entire fund balance of \$7,870,539 is restricted for TIF-related activities.

The Debt Service Fund decreased by \$3,635,863 largely due to a \$4,750,000 bond refunding highlighted above. The decrease was mitigated by the collections of special assessments and tax levies in advance of making debt payments.

The Revolving Improvements Fund decreased \$9,220,616 due to capital spending of previously issued bond proceeds.

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 position in the respective proprietary funds is Sewer - \$1,427,844; Water - (\$1,407,355); Golf - \$201,822; Recycling - \$216,762 and Storm - \$4,124,196. Overall net position increased \$2,018,689 reflecting positive cash flow from utility rate increases which were designated for future capital replacements.

General Fund Budgetary Highlights

The General Fund balance increased by \$74,711 in 2014, largely due to revenues and expenditures being generally as expected.

CITY OF ROSEVILLE, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2014

CAPITAL ASSETS

The City of Roseville's investment in capital assets for its governmental and business type activities as of December 31, 2014, amounts to \$165,686,379 (net of accumulated depreciation) – a 8.3% increase 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 \$8.9 million (of a total \$19 million) in the construction of projects for the Parks Renewal Program.
- Approximately \$2.2 million in improvements to the City's streets and sidewalks
- Approximately \$1.9 million in improvements to the City's water main line.

CAPITAL ASSETS AT YEAR-END NET OF ACCUMULATED DEPRECIATION

	Governmental Activities 2014	Governmental Activities 2013	Business-Type Activities 2014	Business-Type Activities 2013	Total 2014	Total 2013
Land & easements	\$ 33,842,539	\$ 33,290,909	\$ 796,155	\$ 796,155	\$ 34,638,694	\$ 34,087,064
Buildings	24,421,861	16,048,378	104,047	120,437	24,525,908	16,168,815
Improvements other Than buildings	2,313,254	2,463,186	617,199	675,800	2,930,453	3,138,986
Machinery & equipment	5,721,510	5,869,031	819,064	717,498	6,540,574	6,586,529
Infrastructure	58,038,528	58,528,849	19,013,997	17,068,451	77,052,525	75,597,300
Construction in progress	16,133,588	15,024,499	3,864,637	2,435,887	19,998,225	17,460,386
Total Capital Assets	<u>\$140,471,280</u>	<u>\$131,224,852</u>	<u>\$ 25,215,099</u>	<u>\$ 21,814,228</u>	<u>\$165,686,379</u>	<u>\$153,039,080</u>

Additional information on the City of Roseville's capital assets can be found in Notes 1D and Note 4-C in the Notes to the Financial Statements section of this report.

CITY OF ROSEVILLE, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2014

LONG-TERM OBLIGATIONS

At the end of the current fiscal year, the City of Roseville had total long-term debt outstanding of \$30,780,000.

In March, 2013 the City issued \$3.98 million in general obligation refunding bonds to refinance the debt originally issued to construct an expansion of City Hall. In addition, the City also has long-term liabilities in the amount of \$1,656,934 for compensated absences and \$886,012 for the net obligation for OPEB.

OUTSTANDING DEBT GENERAL OBLIGATION IMPROVEMENT BONDS AND CERTIFICATES OF INDEBTEDNESS

	Governmental Activities 2014	Governmental Activities 2013	Business-Type Activities 2014	Business-Type Activities 2013	Total 2014	Total 2013
General obligation						
Improvement bonds	\$ -	\$ 225,000	\$ -	\$ -	\$ -	\$ 225,000
General obligation						
Municipal bonds	29,540,000	35,385,000	-	-	29,540,000	35,385,000
Certificates of						
Indebtedness	1,240,000	1,525,000	-	-	1,240,000	1,525,000
Total Outstanding Debt	<u>\$ 30,780,000</u>	<u>\$ 37,135,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,780,000</u>	<u>\$ 37,135,000</u>

The City of Roseville maintains an Aaa 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 \$114,422,484. \$29,875,000 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 and Note 4-G this report.

CITY OF ROSEVILLE, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2014

CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS

Financial Outlook

A number of local economic factors played a role in setting next year's Budget and utility rates:

- ❖ The City made operational adjustments including a modest property tax increase and the limited use of cash reserves 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 2015 budget.

REQUESTS FOR INFORMATION

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact the Office of the Finance Director, 2660 Civic Center Drive, Roseville, MN 55113.

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Basic Financial Statements

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Totals	Housing & Redevelopment Authority
ASSETS				
Cash and cash equivalents	51,113,586	2,762,791	53,876,377	1,691,033
Restricted investments				
Utility customer deposits	-	1,059,715	1,059,715	-
Cash held in escrow	1,896,437	-	1,896,437	637,611
Receivables				
Accounts	628,864	2,448,587	3,077,451	1,458
Taxes	513,742	-	513,742	8,435
Investment interest	54,446	5,655	60,101	1,202
Special assessments	1,412,621	316,007	1,728,628	2,073
Due from other governments	35,748	517,066	552,814	-
Notes	1,003,853	-	1,003,853	1,016,086
Prepays	995	-	995	-
Assets held for resale	-	-	-	659,810
Net pension obligation fire relief	522,151	-	522,151	-
Capital Assets Not Being Depreciated				
Land	26,180,289	796,155	26,976,444	-
Easements	7,662,250	-	7,662,250	-
Construction in Progress	16,133,588	3,864,637	19,998,225	-
Capital Assets Net of Accumulated Depreciation				
Buildings	24,421,861	104,047	24,525,908	-
Improvements other than Buildings	2,313,254	617,199	2,930,453	-
Machinery, equipment, and vehicles	5,721,510	819,064	6,540,574	-
Infrastructure	58,038,528	19,013,997	77,052,525	-
Total Assets	197,653,723	32,324,920	229,978,643	4,017,708
LIABILITIES				
Accounts payable	867,808	745,359	1,613,167	1,217
Accrued payroll	305,706	28,937	334,643	-
Contracts and retainage payable	2,960,146	100,766	3,060,912	-
Bond interest payable	285,636	-	285,636	-
Due to other governmental units	1,645,119	432,291	2,077,410	-
Deposits payable	750,500	1,059,715	1,810,215	-
Noncurrent Liabilities:				
Due Within One Year	3,195,310	22,487	3,217,797	-
Due in More than One Year	32,067,283	156,997	32,224,280	-
Total Liabilities	42,077,508	2,546,552	44,624,060	1,217
NET POSITION				
Net Investment in Capital Assets	116,028,830	25,215,099	141,243,929	-
Restricted for:				
Community development	713,525	-	713,525	-
Telecommunication	633,732	-	633,732	-
Park dedication	1,094,437	-	1,094,437	-
Law enforcement	479,360	-	479,360	-
Debt service	3,024,612	-	3,024,612	-
Tax increment	8,126,561	-	8,126,561	-
Unrestricted	25,475,158	4,563,269	30,038,427	4,016,491
Total Net Position	155,576,215	29,778,368	185,354,583	4,016,491

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

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units Housing & Redevelopment Authority
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 5,856,306	\$ 3,382,230	\$ -	\$ -	\$ (2,474,076)	\$ -	\$ (2,474,076)	\$ -
Public safety	9,254,988	1,804,563	664,580	-	(6,785,845)	-	(6,785,845)	-
Public works	5,249,925	120,441	302,956	980,772	(3,845,756)	-	(3,845,756)	-
Recreation	5,690,332	2,000,010	167	25,530	(3,664,625)	-	(3,664,625)	-
Economic development	1,671,768	171,924	-	6,800	(1,493,044)	-	(1,493,044)	-
Interest on long-term debt	881,887	-	-	-	(881,887)	-	(881,887)	-
Total governmental activities	28,605,206	7,479,168	967,703	1,013,102	(19,145,233)	-	(19,145,233)	-
Business-type activities:								
Sewer	3,651,174	4,225,532	-	-	-	574,358	574,358	-
Water	5,553,800	6,662,997	-	450,967	-	1,560,164	1,560,164	-
Golf	339,911	291,036	-	-	-	(48,875)	(48,875)	-
Recycling	449,490	367,469	70,419	-	-	(11,602)	(11,602)	-
Storm Drainage	1,324,675	1,722,757	-	20,000	-	418,082	418,082	-
Total business- type activities	11,319,050	13,269,791	70,419	470,967	-	2,492,127	2,492,127	-
Total primary government	\$ 39,924,256	\$ 20,748,959	\$ 1,038,122	\$ 1,484,069	\$ (19,145,233)	\$ 2,492,127	\$ (16,653,106)	\$ -
Component unit:								
Housing & Redevelopment Authority	\$ 265,056	\$ 24,938	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (240,118)
General revenues:								
Property taxes					17,318,833	-	17,318,833	659,384
Tax increments					1,927,267	-	1,927,267	-
Cable franchise taxes					448,088	-	448,088	-
Gambling taxes					77,604	-	77,604	-
Grants and contributions not restricted to specific programs					249,375	-	249,375	-
Unrestricted investment earnings					474,218	56,806	531,024	24,236
Unrestricted net increase(decrease) in the fair value of investments					1,614,919	241,243	1,856,162	49,034
Gain on sale of capital assets					-	10,513	10,513	-
Transfers					782,000	(782,000)	-	-
Total general revenues and transfers					22,892,304	(473,438)	22,418,866	732,654
Change in net position					3,747,071	2,018,689	5,765,760	492,536
Net position - beginning					151,829,144	27,759,679	179,588,823	3,523,955
Net position - ending					\$ 155,576,215	\$ 29,778,368	\$ 185,354,583	\$ 4,016,491

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

	Special Revenue			Debt Service
	General	Recreation	Community Development	
ASSETS				
Cash and cash equivalents	6,950,151	1,219,755	958,068	2,715,758
Restricted investments				
Cash held in escrow	-	-	-	-
Investment interest receivable	7,310	1,284	986	3,374
Accounts receivable	50,848	268,478	6,358	-
Taxes receivable	152,944	30,423	-	54,243
Special assessments receivable	5,956	1,796	2,216	541,873
Due from other governments	22,065	-	-	-
Notes receivable	-	-	1,003,853	-
Prepays	50	-	945	-
TOTAL ASSETS	7,189,324	1,521,736	1,972,426	3,315,248
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	267,412	220,540	24,346	-
Accrued payroll	184,704	66,879	15,352	-
Contracts and retention payable	-	-	-	-
Due to other governmental units	147,328	38,165	1,025,244	-
Deposits payable	173,623	2,000	193,959	-
Total Liabilities	773,067	327,584	1,258,901	-
Deferred Inflows of Resources				
Unavailable Revenue - accounts receivable	-	68,555	-	-
Unavailable Revenue - property taxes	133,653	26,586	-	47,401
Unavailable Revenue - special assessments	-	-	-	541,682
Total Deferred Inflows of Resources	133,653	95,141	-	589,083
FUND BALANCE				
Restricted				
Law Enforcement	479,360	-	-	-
Telecommunications	-	-	-	-
Community Development	-	-	713,525	-
Park Dedication	-	-	-	-
Tax Increment	-	-	-	-
Debt Service	-	-	-	2,726,165
Bond Funded Capital Improvements	-	-	-	-
Committed				
Special Revenue	-	1,099,011	-	-
Street Replacement	-	-	-	-
Assigned				
Engineering Services	577,352	-	-	-
Accounting Service	19,941	-	-	-
Capital Projects	-	-	-	-
Unassigned	5,205,951	-	-	-
Total Fund Balances	6,282,604	1,099,011	713,525	2,726,165
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	7,189,324	1,521,736	1,972,426	3,315,248

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			Other Governmental Funds	Total Governmental Funds
	Revolving Improvements	Economic Increments Construction	Street Construction		
ASSETS					
Cash and cash equivalents	15,376,587	6,402,096	11,819,457	2,689,408	48,131,280
Restricted investments					
Cash held in escrow	-	1,896,437	-	-	1,896,437
Investment interest receivable	16,871	6,706	12,380	2,411	51,322
Accounts receivable	-	-	-	303,180	628,864
Taxes receivable	23,398	249,802	-	2,932	513,742
Special assessments receivable	-	56,013	804,767	-	1,412,621
Due from other governments	-	-	-	13,683	35,748
Notes receivable	-	-	-	-	1,003,853
Prepays	-	-	-	-	995
TOTAL ASSETS	15,416,856	8,611,054	12,636,604	3,011,614	53,674,862
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	123,965	128,520	-	94,664	859,447
Accrued payroll	-	-	-	38,771	305,706
Contracts and retention payable	2,907,634	-	52,512	-	2,960,146
Due to other governmental units	10,000	-	-	423,002	1,643,739
Deposits payable	-	360,973	14,945	5,000	750,500
Total Liabilities	3,041,599	489,493	67,457	561,437	6,519,538
Deferred Inflows of Resources					
Unavailable Revenue - accounts receivable	-	-	-	-	68,555
Unavailable Revenue - property taxes	20,447	195,009	-	2,562	425,658
Unavailable Revenue - special assessments	-	56,013	804,221	-	1,401,916
Total Deferred Inflows of Resources	20,447	251,022	804,221	2,562	1,896,129
Fund Balance					
Restricted					
Law Enforcement	-	-	-	-	479,360
Telecommunications	-	-	-	633,732	633,732
Community Development	-	-	-	-	713,525
Park Dedication	1,094,437	-	-	-	1,094,437
Tax Increment	-	7,870,539	-	-	7,870,539
Debt Service	-	-	-	-	2,726,165
Bond Funded Capital Improvements	7,751,174	-	-	-	7,751,174
Committed					
Special Revenue	-	-	-	1,813,883	2,912,894
Street Replacement	-	-	9,965,641	-	9,965,641
Assigned					
Engineering Services	-	-	-	-	577,352
Accounting Service	-	-	-	-	19,941
Capital Projects	3,509,199	-	1,799,285	-	5,308,484
Unassigned	-	-	-	-	5,205,951
Total Fund Balances	12,354,810	7,870,539	11,764,926	2,447,615	45,259,195
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	15,416,856	8,611,054	12,636,604	3,011,614	53,674,862
					140,471,280
					(34,842,722)
					2,270,182
					2,418,280
				Net position of governmental activities	<u>\$ 155,576,215</u>

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

City of Roseville, Minnesota
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended December 31, 2014

Statement 4
(Page 1 of 2)

	General	Special Revenue		
		Recreation	Community Development	Debt Service
REVENUES				
General property taxes	10,173,073	1,978,856	-	3,528,197
Tax increment	-	-	-	-
Intergovernmental revenue	991,970	25,697	-	-
Licenses and permits	416,659	-	1,097,097	-
Gambling taxes	-	-	-	-
Charges for services	221,728	1,771,633	243,679	-
Fines and forfeits	204,799	-	-	-
Cable franchise taxes	-	-	-	-
Rentals	-	59,625	-	-
Donations	8,845	119,900	-	-
Special assessments	-	(1,881)	-	48,636
Investment income				
Interest earned on investments	68,666	11,271	9,299	19,984
Increase (decrease) in fair value of investments	269,698	41,498	36,688	112,006
Miscellaneous Revenue	87,890	50,734	21,239	-
Total Revenues	12,443,328	4,057,333	1,408,002	3,708,823
EXPENDITURES				
Current				
General government	2,193,314	-	-	-
Public safety	8,704,561	-	648,662	-
Public works	2,397,213	-	-	-
Economic development	-	-	600,963	-
Recreation	-	4,069,483	-	-
Capital outlay	-	-	-	-
Debt service				
Bond principal	-	-	-	6,355,000
Interest - Bonds	-	-	-	989,686
Total Expenditures	13,295,088	4,069,483	1,249,625	7,344,686
Excess (Deficiency) of Revenues Over (Under) Expenditures	(851,760)	(12,150)	158,377	(3,635,863)
OTHER FINANCING SOURCES (USES)				
Transfers in	926,471	-	-	-
Transfers out	-	-	(40,000)	-
Sale of capital assets	-	-	-	-
Total Other Financing Sources (Uses)	926,471	-	(40,000)	-
Net Change in Fund Balances	74,711	(12,150)	118,377	(3,635,863)
FUND BALANCES, January 1	6,207,893	1,111,161	595,148	6,362,028
FUND BALANCES, December 31	6,282,604	1,099,011	713,525	2,726,165

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

	Capital Projects			Other Governmental Funds	Total Governmental Funds
	Revolving Improvements	Economic Increments Construction	Street Construction		
REVENUES					
General property taxes	1,521,893	-	-	190,713	17,392,732
Tax increment	-	2,043,476	-	-	2,043,476
Intergovernmental revenue	224,940	6,800	274,089	-	1,523,496
Licenses and permits	-	-	-	200	1,513,956
Gambling taxes	-	-	-	77,604	77,604
Charges for services	-	-	516	2,505,131	4,742,687
Fines and forfeits	-	-	-	-	204,799
Cable franchise taxes	-	-	-	448,088	448,088
Rentals	-	-	-	-	59,625
Donations	13,000	-	-	79,013	220,758
Special assessments	-	-	166,773	-	213,528
Investment income					
Interest earned on investments	124,317	65,079	123,685	22,004	444,305
Increase (decrease) in fair value of investments	226,978	250,897	489,202	71,851	1,498,818
Miscellaneous Revenue	3,406	-	93,500	413,901	670,670
Total Revenues	2,114,534	2,366,252	1,147,765	3,808,505	31,054,542
EXPENDITURES					
Current					
General government	-	-	-	3,145,902	5,339,216
Public safety	-	-	-	-	9,353,223
Public works	-	-	-	-	2,397,213
Economic development	-	678,641	-	-	1,279,604
Recreation	-	-	-	-	4,069,483
Capital outlay	11,361,961	1,509,137	1,227,344	-	14,098,442
Debt service					
Bond principal	-	-	-	-	6,355,000
Interest - Bonds	-	-	-	-	989,686
Total Expenditures	11,361,961	2,187,778	1,227,344	3,145,902	43,881,867
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,247,427)	178,474	(79,579)	662,603	(12,827,325)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	75,000	1,001,471
Transfers out	-	-	(30,471)	(149,000)	(219,471)
Sale of capital assets	26,811	-	-	-	26,811
Total Other Financing Sources (Uses)	26,811	-	(30,471)	(74,000)	808,811
Net Change in Fund Balances	(9,220,616)	178,474	(110,050)	588,603	(12,018,514)
FUND BALANCES, January 1	21,575,426	7,692,065	11,874,976	1,859,012	57,277,709
FUND BALANCES, December 31	12,354,810	7,870,539	11,764,926	2,447,615	45,259,195

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

City of Roseville, Minnesota
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES
 IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 For the Fiscal Year Ended December 31, 2014

Statement 5
 (Page 1 of 1)

Net Change in Fund Balances - Total Governmental Funds	\$	(12,018,514)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Net Position, the cost of these assets is capitalized and depreciated over their estimated useful lives with depreciation expense reported in the Statement of Activities.

Capital outlay and improvements	13,137,680	
Depreciation expense	<u>(4,089,727)</u>	9,047,953

The net effect of various miscellaneous transactions involving assets (i.e., sales, trade-ins, and donations) is to increase or decrease net assets	198,475
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Payments on general obligation debt	6,355,000
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Premium on general obligation bonds issued	128,592
--	---------

Net change due to internal service funds incorporated into statement of activities	(120,959)
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Net change in net pension obligation fire relief	215,128
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Net change in net pension obligation OPEB	(131,887)
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Change in compensated absences	(63,237)
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Change in bond interest payable	107,799
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Adjustment for modified accrual revenue recognition related to Special assessments, delinquent property tax and delinquent tax increment	<u>28,721</u>
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Change in Net Position of Governmental Activities	\$	<u><u>3,747,071</u></u>
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The notes to the financial statements are an integral part of this statement.

	Business-Type Activities - Enterprise Funds					Totals	Governmental Activities - Internal Service Funds
	Sanitary Sewer	Water	Golf Course	Solid Waste Recycling	Storm Drainage		
ASSETS							
Current Assets							
Cash and cash equivalents	1,004,421	-	249,595	119,056	1,389,719	2,762,791	2,982,306
Restricted cash and cash equivalents and investments:							
Customer deposits	-	1,059,715	-	-	-	1,059,715	-
Investment interest receivable	1,220	-	262	117	4,056	5,655	3,124
Accounts receivable	907,285	1,098,256	936	80,679	361,431	2,448,587	-
Special assessments	315,982	-	-	-	25	316,007	-
Due from other funds	-	-	-	-	2,519,132	2,519,132	-
Due from other governmental units	-	499,461	-	17,605	-	517,066	-
Total Current Assets	2,228,908	2,657,432	250,793	217,457	4,274,363	9,628,953	2,985,430
Noncurrent Assets							
Capital Assets							
Land	-	-	319,892	-	476,263	796,155	-
Buildings	50,566	1,490,784	155,637	-	-	1,696,987	-
Improvements other than buildings	-	11,972	394,039	-	1,005,018	1,411,029	-
Machinery, equipment, and vehicles	847,518	1,306,989	215,161	-	1,158,396	3,528,064	-
Infrastructure	11,714,331	14,220,632	-	-	14,446,366	40,381,329	-
Construction in Progress	2,497,053	523,864	-	-	843,720	3,864,637	-
Less: Accumulated Depreciation	(6,353,409)	(8,565,384)	(656,432)	-	(10,887,877)	(26,463,102)	-
Total Noncurrent Assets	8,756,059	8,988,857	428,297	-	7,041,886	25,215,099	-
TOTAL ASSETS	10,984,967	11,646,289	679,090	217,457	11,316,249	34,844,052	2,985,430
LIABILITIES							
Current Liabilities (Payable from Current Assets)							
Accounts Payable	637,924	43,078	5,234	120	59,003	745,359	8,361
Accrued payroll	6,271	7,366	5,728	349	9,223	28,937	-
Compensated absences payable	6,897	4,929	5,121	-	5,540	22,487	-
Contracts and retainage payable	43,964	17,612	-	-	39,190	100,766	-
Customer deposits payable	-	1,059,715	-	-	-	1,059,715	-
Due to other funds	-	2,519,132	-	-	-	2,519,132	-
Due to other governmental units	54,475	369,295	2,823	226	5,472	432,291	1,380
Insurance claims payable	-	-	-	-	-	-	162,818
Total Current Liabilities	749,531	4,021,127	18,906	695	118,428	4,908,687	172,559
Noncurrent Liabilities							
Compensated absences payable	27,587	19,715	20,486	-	22,160	89,948	-
Net other postemployment benefits obligation	23,946	23,945	9,579	-	9,579	67,049	-
Insurance claims payable	-	-	-	-	-	-	542,689
Total Noncurrent Liabilities	51,533	43,660	30,065	-	31,739	156,997	542,689
TOTAL LIABILITIES	801,064	4,064,787	48,971	695	150,167	5,065,684	715,248
NET POSITION							
Net Investment in Capital Assets	8,756,059	8,988,857	428,297	-	7,041,886	25,215,099	-
Unrestricted	1,427,844	(1,407,355)	201,822	216,762	4,124,196	4,563,269	2,270,182
TOTAL NET POSITION	10,183,903	7,581,502	630,119	216,762	11,166,082	29,778,368	2,270,182

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City of Roseville, Minnesota
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended December 31, 2014

Statement 7
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	Business Type Activities - Enterprise Funds					Totals	Governmental Activities - Internal Service Funds
	Sanitary Sewer	Water	Golf Course	Solid Waste Recycling	Storm Drainage		
SALES AND COST OF SALES							
Sales	-	-	24,537	523	276	25,336	-
Cost of sales	-	-	(13,622)	-	-	(13,622)	-
Gross profit	-	-	10,915	523	276	11,714	-
OPERATING REVENUES							
User charges	4,225,157	6,657,369	258,929	318,876	1,716,958	13,177,289	313,020
Miscellaneous	375	5,628	21,192	48,070	5,523	80,788	49,426
Total Operating Revenues	4,225,532	6,662,997	280,121	366,946	1,722,481	13,258,077	362,446
OPERATING EXPENSES							
Personal service	430,291	532,112	246,045	26,508	383,273	1,618,229	-
Supplies	54,883	154,973	30,877	1,971	87,932	330,636	-
Other services and charges	2,936,114	4,603,307	47,544	421,011	484,836	8,492,812	629,419
Depreciation	228,909	263,408	15,445	-	368,634	876,396	-
Total Operating Expenses	3,650,197	5,553,800	339,911	449,490	1,324,675	11,318,073	629,419
OPERATING INCOME (LOSS)	575,335	1,109,197	(48,875)	(82,021)	398,082	1,951,718	(266,973)
NON-OPERATING REVENUES (EXPENSES)							
Investment Income							
Interest Earned on Investments	8,634	104	2,912	1,294	43,862	56,806	29,913
Increase (Decrease) in Fair Value of Investments	47,348	12,826	12,159	5,053	163,857	241,243	116,101
Intergovernmental Revenue	-	-	-	70,419	20,000	90,419	-
Loss on Disposal of Capital Assets	(977)	-	-	-	-	(977)	-
Gain on Sale of Capital Assets	9,510	-	1,003	-	-	10,513	-
Total Non-Operating Revenues (Expenses)	64,515	12,930	16,074	76,766	227,719	398,004	146,014
Income (Loss) Before Capital Contributions and Transfers	639,850	1,122,127	(32,801)	(5,255)	625,801	2,349,722	(120,959)
Capital Contributions	450,967	-	-	-	-	450,967	-
Transfers Out	(285,000)	(385,000)	(20,000)	(12,000)	(80,000)	(782,000)	-
Change in Net Position	805,817	737,127	(52,801)	(17,255)	545,801	2,018,689	(120,959)
NET POSITION, January 1	9,378,086	6,844,375	682,920	234,017	10,620,281	27,759,679	2,391,141
NET POSITION, December 31	10,183,903	7,581,502	630,119	216,762	11,166,082	29,778,368	2,270,182

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

	Business-type Activities - Enterprise Funds		
	Sanitary Sewer	Water	Golf Course
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers and users, including deposits	4,214,875	6,401,573	268,908
Cash payments to suppliers for goods and services	(3,160,135)	(5,037,800)	(73,692)
Cash payments to employees	(441,340)	(527,569)	(243,386)
Other operating revenues	375	5,628	21,192
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	613,775	841,832	(26,978)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers Out to Other Funds	(285,000)	(385,000)	(20,000)
Cash borrowed from (repaid to) other funds	597,752	1,921,380	-
Subsidy from governmental grants	450,967	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	763,719	1,536,380	(20,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(905,366)	(2,320,629)	(20,080)
Proceeds from sale of capital assets	9,510	-	1,003
NET CASH PROVIDED (USED) IN CAPITAL AND RELATED FINANCING ACTIVITIES	(895,856)	(2,320,629)	(19,077)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received on investments	9,272	649	3,130
Increase (Decrease) in Fair Value of Investments	47,348	12,826	12,159
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	56,620	13,475	15,289
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	538,258	71,058	(50,766)
CASH AND CASH EQUIVALENTS, JANUARY 1	466,163	988,657	300,361
CASH AND CASH EQUIVALENTS, DECEMBER 31	1,004,421	1,059,715	249,595
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	575,335	1,109,197	(48,875)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities			
Depreciation	228,909	263,408	15,445
Changes in elements affecting cash:			
(Increase) Decrease in Accounts receivable	(17,476)	(12,726)	(936)
(Increase) Decrease in Special assessments	7,194	-	-
(Increase) Decrease in Due from other governmental units	-	(243,070)	-
Increase (Decrease) in Accounts payable	119,956	(1,850)	3,151
Increase (Decrease) in Accrued payroll	1,117	1,300	3,047
Increase (Decrease) in Compensated absences	(16,022)	(613)	(1,931)
Increase (Decrease) in Contracts payable	(12,848)	(92,553)	-
Increase (Decrease) in Customer deposits	-	71,058	-
Increase (Decrease) in Due to other governmental units	(276,246)	(256,175)	1,578
Increase (Decrease) in Net other postemployment benefits obligation	3,856	3,856	1,543
Increase (Decrease) in Insurance claim payable	-	-	-
Total Adjustments	38,440	(267,365)	21,897
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	613,775	841,832	(26,978)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Increase/(Decrease) in fair market value of investments	47,348	12,826	12,159

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

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Solid Waste Recycling	Storm Drainage	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users, including deposits	327,277	1,691,933	12,904,566	313,020
Cash payments to suppliers for goods and services	(422,935)	(543,833)	(9,238,395)	(372,069)
Cash payments to employees	(26,421)	(377,327)	(1,616,043)	49,426
Other operating revenues	48,070	5,523	80,788	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(74,009)	776,296	2,130,916	(9,623)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers Out to Other Funds	(12,000)	(80,000)	(782,000)	-
Cash borrowed from (repaid to) other funds	-	(2,519,132)	-	-
Subsidy from governmental grants	70,419	20,000	541,386	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	58,419	(2,579,132)	(240,614)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	-	(1,032,169)	(4,278,244)	-
Proceeds from sale of capital assets	-	-	10,513	-
NET CASH PROVIDED (USED) IN CAPITAL AND RELATED FINANCING ACTIVITIES	-	(1,032,169)	(4,267,731)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received on investments	1,376	46,243	60,670	31,334
Increase (Decrease) in Fair Value of Investments	5,053	163,857	241,243	116,101
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	6,429	210,100	301,913	147,435
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(9,161)	(2,624,905)	(2,075,516)	137,812
CASH AND CASH EQUIVALENTS, JANUARY 1	128,217	4,014,624	5,898,022	2,844,494
CASH AND CASH EQUIVALENTS, DECEMBER 31	119,056	1,389,719	3,822,506	2,982,306
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	(82,021)	398,082	1,951,718	(266,973)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities				
Depreciation	-	368,634	876,396	-
Changes in elements affecting cash:				
(Increase) Decrease in Accounts receivable	8,080	(25,301)	(48,359)	-
(Increase) Decrease in Special assessments	-	-	7,194	-
(Increase) Decrease in Due from other governmental units	(202)	-	(243,272)	-
Increase (Decrease) in Accounts payable	24	(5,580)	115,701	(17,065)
Increase (Decrease) in Accrued payroll	87	963	6,514	-
Increase (Decrease) in Compensated absences	-	3,440	(15,126)	-
Increase (Decrease) in Contracts payable	-	39,190	(66,211)	-
Increase (Decrease) in Customer deposits	-	-	71,058	-
Increase (Decrease) in Due to other governmental units	23	(4,675)	(535,495)	(1,080)
Increase (Decrease) in Net other postemployment benefits obligation	-	1,543	10,798	-
Increase (Decrease) in Insurance claim payable	-	-	-	275,495
Total Adjustments	8,012	378,214	179,198	257,350
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(74,009)	776,296	2,130,916	(9,623)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Increase/(Decrease) in fair market value of investments	5,053	163,857	241,243	116,101

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

City of Roseville, Minnesota
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
December 31, 2014

Statement 9
(Page 1 of 1)

ASSETS

Cash and cash equivalents	480,162
Receivables	
Investment interest receivable	567
Accounts receivable	43,289
Prepaid items	44,252
	<hr/>
TOTAL ASSETS	568,270
	<hr/> <hr/>

LIABILITIES

Accounts Payable	14,902
Accrued payroll	6,148
Due to other governmental units	191
Due to other organizations	547,029
	<hr/>
TOTAL LIABILITIES	568,270
	<hr/> <hr/>

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

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. FINANCIAL 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 unit. 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. Separate financial statements are not prepared for the HRA.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, service or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

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

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

The City reports the following major governmental funds:

General

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

Special Revenue

The recreation fund accounts for resources and payments related to adult and youth programs, nature center, skating center, and park maintenance activities. Most revenues are derived from user fees of various programs and activities, room rentals, donations, and concessions.

The community development fund accounts for resources and payments related to the City's building codes enforcement, development, and redevelopment activities. The funds primary revenue sources are through permits, contractor licenses, and plan check fees.

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.

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.

Agency funds account for resources held by the City in a purely custodial capacity for the East Metro SWAT, Roseville Islamic Cemetery, and the Roseville Visitors Association.

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 unit. 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.

D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE

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).

All utility and property tax receivables, including those for the HRA, are shown at a gross amount, since both taxes and 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. Prepaid Items

Certain payments to vendors which reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

4. 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 in the economic increments construction fund is classified as restricted assets on the balance sheet because they are maintained and administered by an escrow agent. These funds are held for the purpose of guaranteeing the City's obligation to purchase property relating to a settlement agreement.

Cash held in escrow in the debt service fund is classified as restricted assets on the balance sheet because they are maintained and administered by an escrow agent. These funds are held for the purpose of refunding a G.O. Municipal Building Bond.

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.

5. 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, except infrastructure 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. 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 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.

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.

6. Deferred inflows of resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources; property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

7. 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.

8. 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 position. Bond premiums and discounts, if material, are deferred and amortized over the life of the bonds using the effective interest method.

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.

9. Fund balance

a. Classification

In the fund financial statements, governmental funds report fund classifications that comprise 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. Pursuant to Council resolution, the City Council is authorized to establish assignments of fund balance.
- 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.

When both restricted and unrestricted resources are available for use, it is the City’s policy to first use restricted resources, and then use unrestricted resources as they are needed. When committed, assigned, or unassigned resources are available for use, it is the City’s policy to use resources in the following order: 1) committed, 2) assigned, and 3) unassigned.

a. 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.

10. Net position

The Statement of Net Position reports restrictions in net position 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 or park improvements within a new development area. Law Enforcement is proceeds received from 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 within 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.

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 position

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

Long-term liabilities:	
Bonds payable	\$ (29,540,000)
Premium on bonds payable	(1,413,624)
Certificates of indebtedness	(1,240,000)
Bond interest payable	(285,636)
Net pension obligation - OPEB	(818,963)
Compensated absences	<u>(1,544,499)</u>
Net change due to long-term liabilities	<u>\$ (34,842,722)</u>
Other long-term assets:	
Net pension obligation - fire relief	\$ 522,151
Addition of long-term deferred inflows	<u>1,896,129</u>
Net change in other long-term assets	<u>\$ 2,418,280</u>

- 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 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 position 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	\$ 13,137,680
Depreciation expense	<u>(4,089,727)</u>
Net change in fund-balances-total governmental funds and change in net position of governmental activities	<u>\$ 9,047,953</u>

Note 3 DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

1. Components of Cash and Investments

Cash and investments at year-end December 31, 2014 consist of the following:

Deposits	\$ 14,605,176
Investments	45,027,534
Cash on Hand	<u>8,625</u>
Total	<u>\$ 59,641,335</u>

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

Statement of Net Positions - Government Wide	
Cash and cash equivalents - Primary Government	\$ 53,876,377
Cash and cash equivalents - Component Unit	1,691,033
Restricted investments - Primary Government	2,956,152
Restricted investments - Component Unit	637,611
Statement of Fiduciary Net Positions	
Cash and cash equivalents - Agency Funds	<u>480,162</u>
Total	<u>\$ 59,641,335</u>

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 addressing custodial credit risk.

2. Deposits

At year-end, the carrying amount of the City’s deposits was \$14,605,176 while the balance on the bank records was \$14,590,700. At December 31, 2014, all deposits were covered by federal depository insurance, or by collateral held by the City’s agent in the City’s name.

3. Investments

The City has the following investments at year end December 31, 2014:

Investment Type	Rating	Agency	Investment Maturities (in Years)				Total
			Less Than 1	1-5	6-10	Over 10 Years	
U.S. agency securities	AA+	S&P	\$ -	\$2,418,676	\$7,970,300	\$22,158,571	\$32,547,547
Repurchase Agreement			-	-	-	-	12,479,988
Total investments in cash and investment pool			\$0	\$2,418,676	\$7,970,300	\$22,158,571	\$45,027,535

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

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.

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.

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 51.4% with Federal Home Bank, 42.5% with Fannie Mae and 6.1% with Federal Farm Credit Bank.

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

	<u>Unavailable</u>
Unavailable revenue accounts receivable (Recreation)	\$ 68,555
Delinquent property taxes (General)	133,653
Delinquent property taxes (Recreation)	26,586
Delinquent property taxes (Debt service)	47,401
Delinquent property taxes (Revolving improvements)	20,447
Delinquent property taxes (Economic development)	195,009
Delinquent property taxes (Information Technology)	2,562
Delinquent special assessments (Debt Service)	10,392
Delinquent special assessments (Street Reconstruction)	10,612
Special assessments not yet due (G.O. improvement bonds)	587,303
Special assessments not yet due (Street construction)	<u>793,609</u>
Total deferred inflows for governmental funds	<u><u>\$ 1,896,129</u></u>

CITY OF ROSEVILLE, MINNESOTA
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December 31, 2014

C. Capital assets

Capital asset activity for the year ended December 31, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Completed Construction & Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 25,628,659	\$ 551,630	\$ -	\$ -	\$ 26,180,289
Permanent Easements	7,662,250	-	-	-	7,662,250
Construction in progress	15,024,499	11,077,876	-	(9,968,787)	16,133,588
Total capital assets not being depreciated	<u>48,315,408</u>	<u>11,629,506</u>	<u>-</u>	<u>(9,968,787)</u>	<u>49,976,127</u>
Capital assets being depreciated:					
Buildings	26,468,422	560,187	295,111	8,591,831	35,325,329
Improvements other than buildings	4,376,791	51,975	-	-	4,428,766
Machinery and equipment	15,144,253	855,175	586,205	-	15,413,223
Infrastructure	99,734,656	381,837	-	1,376,956	101,493,449
Total capital assets being depreciated	<u>145,724,122</u>	<u>1,849,174</u>	<u>881,316</u>	<u>9,968,787</u>	<u>156,660,767</u>
Less accumulated depreciation for:					
Buildings	10,420,044	654,506	171,082	-	10,903,468
Improvements other than buildings	1,913,605	201,907	-	-	2,115,512
Machinery and equipment	9,275,222	984,200	567,709	-	9,691,713
Infrastructure	41,205,807	2,249,114	-	-	43,454,921
Total accumulated depreciation	<u>62,814,678</u>	<u>4,089,727</u>	<u>738,791</u>	<u>-</u>	<u>66,165,614</u>
Total capital assets, being depreciated, net	<u>82,909,444</u>	<u>(2,240,553)</u>	<u>142,525</u>	<u>9,968,787</u>	<u>90,495,153</u>
Governmental activities capital assets, net	<u>\$ 131,224,852</u>	<u>\$ 9,388,953</u>	<u>\$ 142,525</u>	<u>\$ -</u>	<u>\$ 140,471,280</u>

CITY OF ROSEVILLE, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
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	Beginning Balance	Increases	Decreases	Completed Construction & Transfers	Ending Balance
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 796,155	\$ -	\$ -	\$ -	\$ 796,155
Construction in progress	2,435,887	2,045,475	-	(616,725)	3,864,637
Total capital assets not being depreciated	3,232,042	2,045,475	-	(616,725)	4,660,792
Capital assets being depreciated:					
Buildings	1,696,987	-	-	-	1,696,987
Improvements other than buildings	1,411,029	-	-	-	1,411,029
Machinery and equipment	3,447,904	290,491	199,826	(10,505)	3,528,064
Infrastructure	37,811,821	1,942,278	-	627,230	40,381,329
Total capital assets being depreciated	44,367,741	2,232,769	199,826	616,725	47,017,409
Less accumulated depreciation for:					
Buildings	1,576,550	16,390	-	-	1,592,940
Improvements other than buildings	735,229	58,601	-	-	793,830
Machinery and equipment	2,730,406	177,443	198,849	-	2,709,000
Infrastructure	20,743,370	623,962	-	-	21,367,332
Total accumulated depreciation	25,785,555	876,396	198,849	-	26,463,102
Total capital assets, being depreciated, net	18,582,186	1,356,373	977	616,725	20,554,307
Business-type activities capital assets, net	\$ 21,814,228	\$ 3,401,848	\$ 977	\$ -	\$ 25,215,099

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

Governmental activities:	
General government	\$ 394,474
Public safety	375,165
Public works including depreciation of infrastructure	2,442,207
Recreation	<u>877,881</u>
 Total depreciation expense - governmental activities	 <u><u>\$ 4,089,727</u></u>
 Business-type activities:	
Sanitary sewer	\$ 228,909
Water	263,408
Golf	15,445
Storm drainage	<u>368,634</u>
 Total depreciation expense - business-type activities	 <u><u>\$ 876,396</u></u>

D. Construction commitments

The City has construction projects in progress as of December 31, 2014. 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>
Fairview & B2 Pathway Construction	\$ 601,815	\$ 33,103
Sanitary Sewer lining	\$ 782,212	\$ 56,058
2014 street maintenance	\$ 1,920,684	\$ 360,902
Parks renewal project	\$ 7,279,622	\$ 4,458,363

CITY OF ROSEVILLE, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
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E. Interfund receivables, payables, and transfers

The composition of interfund balances as of December 31, 2014, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
Storm Drainage	Water Fund	<u>2,519,132</u>
Total		<u><u>\$2,519,132</u></u>

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

Interfund transfers:

<u>Transfers Out</u>	Transfer In		<u>Total</u>
	<u>General Funds</u>	<u>Non-major Governmental Funds</u>	
Community Development	\$ 40,000	\$ -	\$ 40,000
Streets	30,471	-	30,471
Non-major governmental funds	74,000	75,000	149,000
Sanitary Sewer	285,000	-	285,000
Water	385,000	-	385,000
Golf Course	20,000	-	20,000
Solid Waste Recycling	12,000	-	12,000
Storm Drainage	80,000	-	80,000
Total	<u>\$ 926,471</u>	<u>\$ 75,000</u>	<u>\$ 1,001,471</u>

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

F. Leases

The City leases office facilities and copiers under noncancelable operating leases. Total costs for such leases were \$97,484 for the year ended December 31, 2014. The future minimum lease payments for these leases are as follows:

<u>Year Ending Dec. 31</u>	<u>Amount</u>
2015	97,346
2016	99,200
2017	10,688
Total	<u>\$ 207,234</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 \$33,370,000

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>\$ 30,780,000</u>

CITY OF ROSEVILLE, MINNESOTA
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December 31, 2014

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

Government Activities				
Year Ending December 31	General Obligation Bonds		Certificate of Indebtedness	
	Principal	Interest	Principal	Interest
2015	\$ 2,300,000	\$ 779,749	\$ 295,000	\$ 37,785
2016	2,355,000	728,425	305,000	27,508
2017	2,420,000	679,277	315,000	16,893
2018	2,460,000	632,547	325,000	5,769
2019	2,510,000	578,740	-	-
2020-2024	9,310,000	1,991,708	-	-
2025-2028	8,185,000	491,918	-	-
Total	\$ 29,540,000	\$ 5,882,364	\$ 1,240,000	\$ 87,955

Changes in long-term liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 35,385,000	\$ -	\$ 5,845,000	\$ 29,540,000	\$ 2,300,000
Premium on GO bonds	1,542,216	-	128,592	1,413,624	128,592
Special assessment debt with gov't commitment	225,000	-	225,000	-	-
Total bonds payable	<u>37,152,216</u>	<u>-</u>	<u>6,198,592</u>	<u>30,953,624</u>	<u>2,428,592</u>
General obligation certificate of indebtedness	1,525,000	-	285,000	1,240,000	295,000
Net Pension Obligation OPEB	687,076	131,887	-	818,963	-
Compensated absences	1,481,262	1,207,511	1,144,274	1,544,499	308,900
Insurance claims payable	430,013	792,243	516,749	705,507	162,818
Governmental activities - Long-term liabilities	<u>\$ 41,275,567</u>	<u>\$ 2,131,641</u>	<u>\$ 8,144,615</u>	<u>\$ 35,262,593</u>	<u>\$ 3,195,310</u>
Business-Type Activities:					
Compensated absences	127,561	93,979	109,105	112,435	22,487
Net OPEB obligation	56,251	10,798	-	67,049	-
Business type activities- Long-term liabilities	<u>\$ 183,812</u>	<u>\$ 104,777</u>	<u>\$ 109,105</u>	<u>\$ 179,484</u>	<u>\$ 22,487</u>

For governmental activities, other post-employment benefits are liquidated through the general fund. For compensated absences, payments are made from the fund to which the employee is assigned at the time employment ceases. In addition to the general fund, recreation, community development, and all non-major special revenue funds are involved in paying compensated absences. For Insurance claims payables, payments are made from the Worker's Compensation and Risk Management Funds.

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, 2014, there were eleven series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$61.6 million.

H. Crossover refunding

On April 11, 2013, the City issued \$3,980,000 of G.O. Municipal Building Bonds with an interest rate of .7990%. The proceeds were used to crossover refund \$4,750,000 of outstanding G.O. Building Bonds, Series 2003A which had interest rates of 3.750% to 4.125%. The net proceeds were deposited into a Crossover Escrow Fund with an escrow agent to provide payment of the principal maturities and interest of the refunded bonds on the call date of March 1, 2014. The difference in cash flows required to service the old debt and the new debt will be \$548,700. The refunding resulted in a net present value savings of \$317,634.

Note 4 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. For the year 2013, the Worker's Compensation Fund provided coverage up to a maximum of \$470,000 for each occurrence. The City purchases excess loss coverage from the Workers' Compensation Reinsurance Association, a nonprofit organization established by Minnesota State Statutes.

The Risk Management Fund provides comprehensive general liability and comprehensive automotive liability up to the statutory maximum of \$1,500,000. The City retains the risk of the first \$100,000 of each occurrence with an annual maximum exposure of \$200,000. Liabilities of the fund are reported 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 2014.

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, 2014, were \$1,284,508 and \$985,674 for the Workers' Compensation Fund and Risk Management Fund, respectively. The claims liability of \$141,594 and \$563,913, respectively, reported in both funds at December 31, 2014 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 2013 and 2014 were:

Workers' Compensation Fund					
	Beginning of Fiscal Year Liability		Current Year Claims and Changes in Estimates	Claims Payments	Ending of Fiscal Year Liability
2013	\$ 99,305	\$	348,186	\$222,717	\$ 224,774
2014	224,774		12,396	95,576	141,594

Risk Management Fund					
	Beginning of Fiscal Year Liability		Current Year Claims and Changes in Estimates	Claims Payments	Ending of Fiscal Year Liability
2013	\$ 16,030	\$	432,008	\$242,799	\$ 205,239
2014	205,239		779,847	421,173	563,913

B. Contingent liabilities

The City had the usual and customary types of miscellaneous claims pending at year end mostly of a minor nature, and usually all covered by insurance carried for that purpose or the City has reserved 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 legal counsel the resolution of these matters will not have a material adverse effect on the financial condition of the government.

C. Employee retirement systems and pension plans

1. Defined benefit pension plans - statewide employees plan

a. Plan Description

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

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

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

Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member 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 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For PEPFF members, the annuity accrual rate is 3.0 percent for each year of service. The annuity accrual rate is 1.9 percent for each year of service for PECF members. For all PEPFF members, PECF 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 and PECF members and 65 for Basic and Coordinated

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

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

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

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERS, PEPFF, and PECF. That report may be obtained on the Internet at www.mnpera.org, by writing to PERA at 60 Empire Drive #200, St. Paul, Minnesota, 55103-2088 or by calling (651) 296-7460 or 1-800-652-9026.

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. GERS Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.25%, respectively, of their annual covered salary in 2014. PEPFF members were required to contribute 10.2% of their annual covered salary in 2014. PECF members were required to contribute 5.83% of their annual covered salary. In 2014, the City of Roseville was required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan members, 7.25% for Coordinated Plan members, 15.3% for PEPFF members, and 8.75% for PECF members. The City's contributions to the Public Employees Retirement Fund for the years ending December 31, 2014, 2013 and 2012 were \$581,788, \$532,160, and \$508,843, respectively. The City's contributions to the Public Employees Police & Fire Fund for the years ending December 31, 2014, 2013 and 2012 were \$680,679, \$629,217, and \$600,066, respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statute.

2. Defined Contribution Plan

a. Plan description

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

b. Funding policy

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

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

C. Employee retirement systems and pension plans (Continued)

b. Funding policy (Continued)

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

Total contributions made by the City during fiscal year 2014 were:

	Amount		Percentage of Covered Payroll		Required Rates
	Employees	Employer	Employees	Employer	
2014 PEDCP	\$ 816	\$ 816	5.00%	5.00%	5.00%

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

a. Plan description

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

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

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

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, 2701 N. Lexington Ave., Roseville, MN 55113.

b. Funding policy

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

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

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
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)
2012	147,754	205,630	353,384	312,995	112.9%	(203,163)
2013	209,011	89,221	298,232	194,372	153.4%	(307,023)
2014	266,800	72,817	339,617	124,489	272.8%	(522,151)

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 expenditure in the General fund of the City. The Roseville Firefighter's relief association is comprised of volunteers who are considered non-benefit earning employees of the City of Roseville. Therefore, the City has no on-behalf payments of fringe benefits and salaries.

D. Annual pension cost and net pension obligation

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

Annual required contribution	\$ 115,204
Interest on net pension obligation	(15,351)
Adjustment to annual required contribution	24,636
Annual pension cost	124,489
Contributions made	(339,617)
Increase (decrease) in net pension obligation	(215,128)
Negative net pension obligation beginning of year	(307,023)
Negative net pension obligation end of year	<u><u>\$ (522,151)</u></u>

The annual required contribution was determined as part of the January 1, 2014 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. In addition, 20% of employees are assumed to terminate during each of the first three years of their employment; (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; (g) 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, 2012 and a closed period of 11 years for Plan amendments. Inflation rates are not applicable in the valuation of the fire relief net pension obligation.

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, 2013 was \$9,671,531. The value of the plan assets, valued at market, totaled \$9,545,070 on December 31, 2013. A six-year summary of Assets, Liabilities and funding ratios are listed below:

Year	Actuarial Value of Assets	Actuarial Accrued Liability (Entry Age)	Unfunded (Overfunded) Accrued Liability	Funded Ratio
2008	\$ 5,749,103	\$ 8,568,192	\$ 2,819,089	67.10%
2009	6,784,350	8,651,694	1,867,344	78.42%
2010	7,524,091	8,798,831	1,274,740	85.51%
2011	7,402,826	8,750,652	1,347,826	84.60%
2012	8,173,150	8,666,462	493,312	94.31%
2013	9,545,070	9,671,531	126,461	98.69%

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

Note 5 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 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.

B. Benefits Provided (Continued)

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, 2014 to December 31, 2014 monthly premiums paid for Police or Firefighters disabled in the line of duty are:

Plan	Single	Two Person	Family
Health Partners Choice	\$ 519	\$ 1,015	\$ 1,411
Health Partners National One	\$ 496	\$ 972	\$ 1,346
Heath Partners Empower High Deductible	\$ 360	\$ 714	\$ 970

C. Participants

As of the actuarial valuation dated January 1, 2014, participants consisted of:

Retirees and beneficiaries currently purchasing health insurance through the City	13
Disabled police and firefighters	1
Active Employees	<u>146</u>
Total	<u><u>160</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, 2014, was calculated as follows:

Annual required contribution	\$ 221,969
Interest on OPEB obligation	33,450
Adjustment to annual required contribution	<u>(46,565)</u>
Annual OPEB cost	208,854
Contributions made	<u>(66,169)</u>
Increase (decrease) in net OPEB obligation	142,685
Net OPEB obligation beginning of year	<u>743,327</u>
Net OPEB obligation end of year	<u><u>\$ 886,012</u></u>

For the governmental activities, other post-employment benefits are generally liquidated through the general fund.

The City first had an actuarial valuation performed for the plan as of January 1, 2014 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, 2014, the City's annual OPEB cost (expense) is \$208,854. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2014 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
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
2012	213,503	68,009	31.9%	610,223
2013	210,809	77,705	36.9%	743,327
2014	208,854	66,169	31.7%	886,012

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:

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	\$ -	\$ 1,833,845	\$ 1,833,845	0%	\$ 9,528,355	19.2%
January 1, 2011	\$ -	\$ 1,709,742	\$ 1,709,742	0%	\$ 10,169,482	16.8%
January 1, 2014	\$ -	\$ 1,772,661	\$ 1,772,661	0%	\$ 10,706,122	16.6%

*Using the projected unit credit actuarial pay cost method.

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, 2014 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 3.0% (only used to bring salaries into the valuation year) and an initial annual health care cost trend rate of 7.5% reduced by .25% each year to arrive at an ultimate health care cost trend rate of 5.0% over 10 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, 2014, is 23 years.

Note 6 GASB STATEMENTS ISSUED BUT NOT YET IMPLEMENTED

GASB Statement No. 68 replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Statement No. 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits.

Required Supplementary Information

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes				
General property taxes	10,432,506	10,432,506	10,173,073	(259,433)
Licenses and permits	384,500	384,500	416,659	32,159
Intergovernmental revenue	871,000	871,000	991,970	120,970
Charges for services	1,055,000	184,000	221,728	37,728
Fines and forfeits	240,000	240,000	204,799	(35,201)
Donations	-	-	8,845	8,845
Investment income				
Interest earned on investments	25,000	25,000	68,666	43,666
Increase (decrease) in fair value of investments	-	-	269,698	269,698
Miscellaneous Revenue	50,000	50,000	87,890	37,890
Total Revenues	13,058,006	12,187,006	12,443,328	256,322
EXPENDITURES				
Current				
General government	2,360,280	2,360,280	2,193,314	166,966
Public safety	8,802,645	8,802,645	8,704,561	98,084
Public works	2,266,310	2,266,310	2,397,213	(130,903)
Total Expenditures	13,429,235	13,429,235	13,295,088	134,147
Excess (Deficiency) of Revenue Over (Under) Expenditures	(371,229)	(1,242,229)	(851,760)	390,469
OTHER FINANCING SOURCES (USES)				
Transfers In	25,000	896,000	926,471	30,471
Total Other Financing Sources (Uses)	25,000	896,000	926,471	30,471
Net Change in Fund Balance	(346,229)	(346,229)	74,711	420,940
FUND BALANCE, January 1	6,207,893	6,207,893	6,207,893	-
FUND BALANCE, December 31	5,861,664	5,861,664	6,282,604	420,940

The notes to the required supplementary information are an integral part of this statement.

REQUIRED SUPPLEMENTARY INFORMATION

(Page 1 of 1)

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

RECREATION FUND

For the Fiscal Year Ended December 31, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes				
General property taxes	2,075,215	2,075,215	1,978,856	(96,359)
Intergovernmental revenue	-	-	25,697	25,697
Charges for services	1,840,750	1,840,750	1,771,633	(69,117)
Rentals	63,000	63,000	59,625	(3,375)
Donations	49,610	49,610	119,900	70,290
Special assessments	-	3,000	(1,881)	(4,881)
Investment income				
Interest earned on investments	6,500	6,500	11,271	4,771
Increase (decrease) in fair value of investments	-	-	41,498	41,498
Miscellaneous Revenue	25,635	25,635	50,734	25,099
Total Revenues	4,060,710	4,063,710	4,057,333	(6,377)
EXPENDITURES				
Current				
Recreation				
Personal services	2,637,999	2,637,999	2,608,189	29,810
Supplies and materials	322,530	322,530	305,730	16,800
Other services and charges	1,173,521	1,173,521	1,120,742	52,779
Capital outlay	-	-	34,822	(34,822)
Total Expenditures	4,134,050	4,134,050	4,069,483	64,567
Net Change in Fund Balance	(73,340)	(70,340)	(12,150)	58,190
FUND BALANCE, January 1	1,111,161	1,111,161	1,111,161	-
FUND BALANCE, December 31	1,037,821	1,040,821	1,099,011	58,190

The notes to the required supplementary information are an integral part of this statement.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

COMMUNITY DEVELOPMENT FUND

For the Fiscal Year Ended December 31, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES				
Licenses and permits	1,156,110	1,156,110	1,097,097	(59,013)
Charges for services	151,000	151,000	243,679	92,679
Investment income				
Interest earned on investments	-	-	9,299	
Increase (decrease) in fair value of investments	-	-	36,688	36,688
Miscellaneous Revenue	25,000	25,000	21,239	(3,761)
Total Revenues	1,332,110	1,332,110	1,408,002	66,593
EXPENDITURES				
Current				
Public safety	601,080	649,080	648,662	418
Economic development	589,915	600,915	600,963	(48)
Total Expenditures	1,190,995	1,249,995	1,249,625	370
Excess (Deficiency) of Revenue Over (Under) Expenditures	141,115	82,115	158,377	66,963
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(40,000)	(40,000)	-
Total Other Financing Sources (Uses)	-	(40,000)	(40,000)	-
Net Change in Fund Balance	141,115	42,115	118,377	66,963
FUND BALANCE, January 1	595,148	595,148	595,148	-
FUND BALANCE, December 31	736,263	637,263	713,525	66,963

The notes to the required supplementary information are an integral part of this statement.

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%
January 1, 2014	\$ 0	\$ 1,772,661	\$ 1,772,661	0%	\$ 10,706,122	16.6%

* 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.

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 fund with approval of the City's manager, without Council approval. Transfers of appropriations between funds require the approval of the Council. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is at the fund level. The Council made a supplementary budgetary appropriation for the two special revenue funds in 2014. The supplementary budgetary appropriation expenditures in the Community Development fund by \$99,000, and expenditures in the Telecommunications Fund by \$4,000.

Special Revenue Funds

Special revenue funds account and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

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

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

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

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

	Tele- communications	License Center	Charitable Gambling	Information Technology	Total Nonmajor Special Revenue Funds
ASSETS					
Cash and cash equivalents	538,788	1,434,239	14,718	701,663	2,689,408
Investment interest receivable	565	1,180	15	651	2,411
Accounts receivable	111,064	160,391	-	31,725	303,180
Taxes receivable	-	-	-	2,932	2,932
Due from other governmental units	-	-	-	13,683	13,683
TOTAL ASSETS	650,417	1,595,810	14,733	750,654	3,011,614
LIABILITIES					
Accounts payable	11,601	9,722	8,725	64,616	94,664
Accrued payroll	3,313	19,833	124	15,501	38,771
Due to other governmental units	1,771	411,861	64	9,306	423,002
Deposits payable	-	-	-	5,000	5,000
Total Liabilities	16,685	441,416	8,913	94,423	561,437
Deferred Inflows of Resources					
Unavailable Revenue - property taxes	-	-	-	2,562	2,562
Total Deferred Inflows of Resources	-	-	-	2,562	2,562
FUND BALANCE					
Restricted					
Telecommunications	633,732	-	-	-	633,732
Committed					
Special Revenue	-	1,154,394	5,820	653,669	1,813,883
Total Fund Balances	633,732	1,154,394	5,820	653,669	2,447,615
TOTAL LIABILITIES AND FUND BALANCES	650,417	1,595,810	14,733	750,654	3,011,614

City of Roseville, Minnesota
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 For the Fiscal Year Ended December 31, 2014

Statement 11
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	Tele- Communications	License Center	Charticle Gambling	Information Technology	Total Nonmajor Special Revenue Funds
REVENUES					
Taxes	-	-	-	190,713	190,713
Licenses and permits	-	-	200	-	200
Gambling taxes	-	-	77,604	-	77,604
Charges for services	-	1,469,774	-	1,035,357	2,505,131
Cable franchise taxes	448,088	-	-	-	448,088
Donations	-	-	79,013	-	79,013
Investment income					
Interest earned on investments	5,189	11,429	127	5,259	22,004
Increase (decrease) in fair value of investments	19,888	35,472	533	15,958	71,851
Miscellaneous Revenue	56	139	-	413,706	413,901
Total Revenues	<u>473,221</u>	<u>1,516,814</u>	<u>157,477</u>	<u>1,660,993</u>	<u>3,808,505</u>
EXPENDITURES					
Current					
General Government	<u>410,134</u>	<u>1,177,987</u>	<u>141,342</u>	<u>1,416,439</u>	<u>3,145,902</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>63,087</u>	<u>338,827</u>	<u>16,135</u>	<u>244,554</u>	<u>662,603</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	75,000	75,000
Transfers Out	<u>(14,000)</u>	<u>(110,000)</u>	<u>-</u>	<u>(25,000)</u>	<u>(149,000)</u>
Total Other Financing Sources (Uses)	<u>(14,000)</u>	<u>(110,000)</u>	<u>-</u>	<u>50,000</u>	<u>(74,000)</u>
Net Change in Fund Balances	<u>49,087</u>	<u>228,827</u>	<u>16,135</u>	<u>294,554</u>	<u>588,603</u>
FUND BALANCES, January 1	<u>584,645</u>	<u>925,567</u>	<u>(10,315)</u>	<u>359,115</u>	<u>1,859,012</u>
FUND BALANCES, December 31	<u><u>633,732</u></u>	<u><u>1,154,394</u></u>	<u><u>5,820</u></u>	<u><u>653,669</u></u>	<u><u>2,447,615</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

TELECOMMUNICATIONS FUND

For the Fiscal Year Ended December 31, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES				
Cable franchise taxes	435,000	435,000	448,088	13,088
Investment income				
Interest earned on investments	3,000	3,000	5,189	2,189
Increase (decrease) in fair value of investments	-	-	19,888	19,888
Miscellaneous Revenue	-	-	56	56
Total Revenues	438,000	438,000	473,221	35,221
EXPENDITURES				
Current				
General government				
Personal services	215,000	219,000	199,178	19,822
Supplies and materials	2,500	2,500	1,283	1,217
Other services and charges	178,695	178,695	208,621	(29,926)
Capital outlay	10,000	10,000	1,052	8,948
Total Expenditures	406,195	410,195	410,134	61
Excess (Deficiency) of Revenue Over (Under) Expenditures	31,805	27,805	63,087	35,282
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(14,000)	(14,000)	-
Total Other Financing Sources (Uses)	-	(14,000)	(14,000)	-
Net Change in Fund Balance	31,805	13,805	49,087	35,282
FUND BALANCE, January 1	584,645	584,645	584,645	-
FUND BALANCE, December 31	616,450	598,450	633,732	35,282

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

LICENSE CENTER FUND

For the Fiscal Year Ended December 31, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES				
Charges for services	1,388,090	1,388,090	1,469,774	81,684
Investment income				
Interest earned on investments	6,000	6,000	11,429	5,429
Increase (decrease) in fair value of investments	-	-	35,472	35,472
Miscellaneous Revenue	-	-	139	139
Total Revenues	1,394,090	1,394,090	1,516,814	122,724
EXPENDITURES				
Current				
General government				
Personal services	1,064,000	1,064,000	1,034,920	29,080
Supplies and materials	11,600	11,600	13,595	(1,995)
Other services and charges	124,475	124,475	124,137	338
Capital outlay	-	-	5,335	(5,335)
Total Expenditures	1,200,075	1,200,075	1,177,987	22,088
Excess (Deficiency) of Revenue Over (Under) Expenditures	194,015	194,015	338,827	144,812
OTHER FINANCING SOURCES (USES)				
Transfers Out	(75,000)	(110,000)	(110,000)	-
Net Change in Fund Balance	119,015	84,015	228,827	144,812
FUND BALANCE, January 1	925,567	925,567	925,567	-
FUND BALANCE, December 31	1,044,582	1,009,582	1,154,394	144,812

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

CHARTABLE GAMBLING FUND

For the Fiscal Year Ended December 31, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES				
Licenses and permits	-	-	200	200
Gambling taxes	70,000	70,000	77,604	7,604
Donations	90,000	90,000	79,013	(10,987)
Investment income				
Interest earned on investments	-	-	127	127
Increase (decrease) in fair value of investments	-	-	533	533
Total Revenues	160,000	160,000	157,477	(2,523)
EXPENDITURES				
Current				
General government				-
Personal services	6,950	6,950	3,305	3,645
Other services and charges	146,650	146,650	138,037	8,613
Total Expenditures	153,600	153,600	141,342	12,258
Net Change in Fund Balance	6,400	6,400	16,135	9,735
FUND BALANCE, January 1	(10,315)	(10,315)	(10,315)	-
FUND BALANCE, December 31	(3,915)	(3,915)	5,820	9,735

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

INFORMATION TECHNOLOGY FUND

For the Fiscal Year Ended December 31, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes	200,000	200,000	190,713	(9,287)
Charges for services	1,055,810	1,055,810	1,035,357	(20,453)
Investment income				
Interest earned on investments	-	-	5,259	5,259
Increase (decrease) in fair value of investments	-	-	15,958	15,958
Miscellaneous Revenue	371,470	371,470	413,706	42,236
Total Revenues	1,627,280	1,627,280	1,660,993	33,713
EXPENDITURES				
Current				
General government				
Personal services	1,182,000	1,182,000	1,100,010	81,990
Supplies and materials	55,500	55,500	25,673	29,827
Other services and charges	186,500	186,500	49,864	136,636
Capital outlay	190,000	190,000	240,892	(50,892)
Total Expenditures	1,614,000	1,614,000	1,416,439	197,561
Excess (Deficiency) of Revenue Over (Under) Expenditures	13,280	13,280	244,554	231,274
OTHER FINANCING SOURCES (USES)				
Transfers In	75,000	75,000	75,000	-
Transfers Out	(25,000)	(25,000)	(25,000)	-
Total Other Financing Sources (Uses)	50,000	50,000	50,000	-
Net Change in Fund Balance	88,280	88,280	294,554	231,274
FUND BALANCE, January 1	359,115	359,115	359,115	-
FUND BALANCE, December 31	447,395	447,395	653,669	231,274

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Internal Service funds account for the financing of goods or services provided by one department to other departments or to other governmental units.

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

Risk Management Fund: accounts for the revenue and expenses in the administration and servicing of general liability claims.

	Workers' Compensation Self-Insurance	Risk Management	Total Internal Service Funds
ASSETS			
Current Assets			
Cash and cash equivalents	1,425,988	1,556,318	2,982,306
Investments interest receivable	1,494	1,630	3,124
Total Assets	<u>1,427,482</u>	<u>1,557,948</u>	<u>2,985,430</u>
LIABILITIES			
Current Liabilities			
Accounts payable	-	8,361	8,361
Due to other governmental units	1,380	-	1,380
Insurance claims payable	52,398	110,420	162,818
Total Current Liabilities	<u>53,778</u>	<u>118,781</u>	<u>172,559</u>
Noncurrent Liabilities			
Insurance claims payable	89,196	453,493	542,689
Total Noncurrent Liabilities	<u>89,196</u>	<u>453,493</u>	<u>542,689</u>
TOTAL LIABILITIES	<u>142,974</u>	<u>572,274</u>	<u>715,248</u>
NET POSITION			
Unrestricted	<u>1,284,508</u>	<u>985,674</u>	<u>2,270,182</u>
TOTAL NET POSITION	<u><u>1,284,508</u></u>	<u><u>985,674</u></u>	<u><u>2,270,182</u></u>

City of Roseville, Minnesota
 COMBINING STATEMENT OF REVENUES,
 EXPENSES AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 For the Fiscal Year Ended December 31, 2014

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	Workers' Compensation Self-Insurance	Risk Management	Total Internal Service Funds
OPERATING REVENUES			
Departmental charges	50,000	263,020	313,020
Employee charges	-	49,426	49,426
Total Operating Revenues	<u>50,000</u>	<u>312,446</u>	<u>362,446</u>
OPERATING EXPENSES			
Professional services	9,583	27,622	37,205
Insurance	5,159	142,683	147,842
Training	-	299	299
Administrative charges	500	5,921	6,421
Payment of claims	16,479	421,173	437,652
Total Operating Expenses	<u>31,721</u>	<u>597,698</u>	<u>629,419</u>
OPERATING INCOME (LOSS)	<u>18,279</u>	<u>(285,252)</u>	<u>(266,973)</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment Income			
Interest Earned on Investments	14,610	15,303	29,913
Increase (Decrease) in Fair Value of Investments	58,639	57,462	116,101
Total Non-Operating Revenues (Expenses)	<u>73,249</u>	<u>72,765</u>	<u>146,014</u>
Change in Net Position	<u>91,528</u>	<u>(212,487)</u>	<u>(120,959)</u>
NET POSITION, January 1	<u>1,192,980</u>	<u>1,198,161</u>	<u>2,391,141</u>
NET POSITION, December 31	<u><u>1,284,508</u></u>	<u><u>985,674</u></u>	<u><u>2,270,182</u></u>

	Workers' Compensation Self-Insurance	Risk Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers and users, including deposits	50,000	263,020	313,020
Cash payments to suppliers for goods and services	(136,140)	(235,929)	(372,069)
Cash payments to employees and others for resolved claims	-	49,426	49,426
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(86,140)</u>	<u>76,517</u>	<u>(9,623)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments received	15,417	15,917	31,334
Increase (Decrease) in Fair Value of Investments	58,639	57,462	116,101
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	74,056	73,379	147,435
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(12,084)	149,896	137,812
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>1,438,072</u>	<u>1,406,422</u>	<u>2,844,494</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u><u>1,425,988</u></u>	<u><u>1,556,318</u></u>	<u><u>2,982,306</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	<u>18,279</u>	<u>(285,252)</u>	<u>(266,973)</u>
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities			
Changes in elements affecting cash			
Increase (Decrease) in Accounts payable	(20,159)	3,094	(17,065)
Increase (Decrease) in Due to other governmental units	(1,080)	-	(1,080)
Increase (Decrease) in Insurance claim payable	(83,180)	358,675	275,495
Total Adjustments	<u>(104,419)</u>	<u>361,769</u>	<u>257,350</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>(86,140)</u></u>	<u><u>76,517</u></u>	<u><u>(9,623)</u></u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Increase/(Decrease) in fair market value of investments	58,639	57,462	116,101

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	<u>General</u>
ASSETS	
Cash and cash equivalents	1,691,033
Restricted investments	
Cash held in escrow	637,611
Receivables	
Investment interest	1,202
Accounts receivable	1,458
Taxes	8,435
Special assessments	2,073
Notes	1,016,086
Assets held for resale	<u>659,810</u>
 TOTAL ASSETS	 <u><u>4,017,708</u></u>
 LIABILITIES	
Accounts payable	1,217
Deposits payable	<u>-</u>
 Total Liabilities	 <u>1,217</u>
 DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue - property taxes	<u>7,407</u>
 FUND BALANCE	
Nonspendable for:	
Long term receivables	1,016,086
Assets held for resale	659,810
Unassigned	<u>2,333,188</u>
 Total Fund Balances	 <u>4,009,084</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	 <u><u>4,017,708</u></u>
 Other long term assets are not available to pay for current-period expenditures and therefore, are deferred or are not reported in the fund	 <u>7,407</u>
Net position of governmental activities	<u><u>4,016,491</u></u>

City of Roseville, Minnesota
 HOUSING & REDEVELOPMENT AUTHORITY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended December 31, 2014

Statement 16
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	<u>General</u>
REVENUES	
General property taxes	661,581
Charges for services	249
Investment income	
Interest earned on investments	24,236
Increase (decrease) in fair value of investments	49,034
Miscellaneous Revenue	<u>24,689</u>
 Total Revenues	 <u>759,789</u>
EXPENDITURES	
Current	
General Government	<u>265,056</u>
 Net Change in Fund Balance	 494,733
 FUND BALANCES, January 1	 <u>3,514,351</u>
 FUND BALANCES, December 31	 <u><u>4,009,084</u></u>

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES -
DISCRETELY PRESENTED COMPONENT UNIT

For the Fiscal Year Ended December 31, 2014

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

Net change in fund balance	\$	494,733
Adjustment for modified accrual revenue recognition related to delinquent property tax and delinquent tax increment		<u>(2,197)</u>
Change in net assets of governmental activities	\$	<u><u>492,536</u></u>

City of Roseville, Minnesota

AGENCY FUNDS

December 31, 2014

Agency funds account for assets held in a custodial capacity for others and/or other funds.

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 Vistors Association: This fund accounts for the fiscal activities of the Roseville Vistors Association, formed as an independent nonprofit agency to enhance tourist and visitor traffic to the City.

	East Metro SWAT	Roseville Islamic Cemetery Fund	Roseville Visitors Association	Total Agency Funds
ASSETS				
Cash and cash equivalents	\$ 2,625	\$ 89,941	\$ 387,596	\$ 480,162
Receivables				
Investment interest receivable	3	94	470	567
Accounts receivable	-	-	43,289	43,289
Prepaid items	-	-	44,252	44,252
TOTAL ASSETS	\$ 2,628	\$ 90,035	\$ 475,607	\$ 568,270
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 14,902	\$ 14,902
Accrued payroll	-	-	6,148	6,148
Due to other governments units	-	-	191	191
Due to other organizations	2,628	90,035	454,366	547,029
TOTAL LIABILITIES	\$ 2,628	\$ 90,035	\$ 475,607	\$ 568,270

	<u>January 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>December 31, 2014</u>
ASSETS				
Cash and cash equivalents	\$ 464,937	\$ 764,593	\$ 749,368	\$ 480,162
Receivables				
Investment interest receivable	1,727	799	1,959	567
Accounts receivable	36,440	43,289	36,440	43,289
Due from Other Governmental Units	3,176	-	3,176	-
Prepaid items	24,151	44,252	24,151	44,252
TOTAL ASSETS	<u>\$ 530,431</u>	<u>\$ 852,933</u>	<u>\$ 815,094</u>	<u>\$ 568,270</u>
LIABILITIES				
Accounts payable	\$ 21,015	\$ 558,056	\$ 564,169	\$ 14,902
Accrued payroll	3,987	221,015	218,854	6,148
Due to other governmental units	105	64,745	64,659	191
Due to other organizations	505,324	88,057	46,352	547,029
TOTAL LIABILITIES	<u>\$ 530,431</u>	<u>\$ 931,873</u>	<u>\$ 894,034</u>	<u>\$ 568,270</u>

<u>East Metro SWAT</u>	<u>January 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>December 31, 2014</u>
ASSETS				
Cash and cash equivalents	\$ (3,176)	\$ 16,115	\$ 10,314	\$ 2,625
Investment interest receivable	-	3	-	3
Due from other governmental units	3,176	-	3,176	-
TOTAL ASSETS	\$ -	\$ 16,118	\$ 13,490	\$ 2,628
LIABILITIES				
Due to other organizations	\$ -	\$ 2,628	\$ -	\$ 2,628
TOTAL LIABILITIES	\$ -	\$ 2,628	\$ -	\$ 2,628
<u>Roseville Islamic Cemetery</u>	<u>January 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>December 31, 2014</u>
ASSETS				
Cash and cash equivalents	\$ 85,471	\$ 4,470	\$ -	\$ 89,941
Investment interest receivable	137	94	137	94
TOTAL ASSETS	\$ 85,608	\$ 4,564	\$ 137	\$ 90,035
LIABILITIES				
Due to other organizations	\$ 85,608	\$ 4,564	\$ 137	\$ 90,035
TOTAL LIABILITIES	\$ 85,608	\$ 4,564	\$ 137	\$ 90,035
<u>Roseville Vistors Association</u>	<u>January 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>December 31, 2014</u>
ASSETS				
Cash and cash equivalents	\$ 382,642	\$ 744,008	\$ 739,054	\$ 387,596
Investment interest receivable	1,590	702	1,822	470
Accounts receivables	36,440	43,289	36,440	43,289
Prepaid items	24,151	44,252	24,151	44,252
TOTAL ASSETS	\$ 444,823	\$ 832,251	\$ 801,467	\$ 475,607
LIABILITIES				
Accounts payable	\$ 21,015	\$ 558,056	\$ 564,169	\$ 14,902
Accrued payroll	3,987	221,015	218,854	6,148
Due to other governmental units	105	64,745	64,659	191
Due to other organizations	419,716	80,865	46,215	454,366
TOTAL LIABILITIES	\$ 444,823	\$ 924,681	\$ 893,897	\$ 475,607

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	99-107
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	109-115
These schedules contain information to help the reader assess the City of Roseville's most significant local revenue source, the property tax.	
Debt Capacity	116-119
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	120-121
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	123-127
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.	

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City of Roseville, Minnesota
NET POSITION BY COMPONENT
 Last Ten Fiscal Years
(accrual basis of accounting)

Table 1
 (Page 1 of 1)
Unaudited

	Fiscal Year				
	2005	2006	2007	2008	2009
Governmental Activities					
Net Investment in Capital Assets	\$ 97,878,949	\$ 100,584,976	\$ 98,813,670	\$ 96,932,095	\$ 103,987,033
Restricted	20,185,016	8,468,097	11,095,142	13,648,619	10,789,610
Unrestricted	10,852,297	24,354,100	24,743,085	23,757,872	23,842,146
Total Governmental Activities Net Position	<u>128,916,262</u>	<u>133,407,173</u>	<u>134,651,897</u>	<u>134,338,586</u>	<u>138,618,789</u>
Business-Type Activities					
Net Investment in Capital Assets	17,862,240	17,906,632	17,892,424	17,799,877	19,019,599
Restricted	-	-	-	-	-
Unrestricted	7,661,585	7,222,064	7,254,956	7,098,164	5,180,356
Total Business-Type Activities Net Position	<u>25,523,825</u>	<u>25,128,696</u>	<u>25,147,380</u>	<u>24,898,041</u>	<u>24,199,955</u>
Primary Government					
Net Investment in Capital Assets	115,741,189	118,491,608	116,706,094	114,731,972	123,006,632
Restricted	20,185,016	8,468,097	11,095,142	13,648,619	10,789,610
Unrestricted	18,513,882	31,576,164	31,998,041	30,856,036	29,022,502
Total Primary Government Net Position	<u>\$ 154,440,087</u>	<u>\$ 158,535,869</u>	<u>\$ 159,799,277</u>	<u>\$ 159,236,627</u>	<u>\$ 162,818,744</u>

	Fiscal Year				
	2010	2011	2012	2013	2014
Governmental Activities					
Net Investment in Capital Assets	\$ 114,015,800	\$ 114,666,064	\$ 114,334,627	\$ 114,983,470	\$ 116,028,830
Restricted	4,438,169	8,733,361	10,796,300	13,094,255	14,072,227
Unrestricted	25,508,724	23,237,740	24,940,748	23,751,419	25,475,158
Total Governmental Activities Net Position	<u>143,962,693</u>	<u>146,637,165</u>	<u>150,071,675</u>	<u>151,829,144</u>	<u>155,576,215</u>
Business-Type Activities					
Net Investment in Capital Assets	18,803,521	19,493,159	20,244,092	21,814,228	25,215,099
Restricted	-	-	-	-	-
Unrestricted	5,734,880	5,150,432	5,543,380	5,945,451	4,563,269
Total Business-Type Activities Net Position	<u>24,538,401</u>	<u>24,643,591</u>	<u>25,787,472</u>	<u>27,759,679</u>	<u>29,778,368</u>
Primary Government					
Net Investment in Capital Assets	132,819,321	134,159,223	134,578,719	136,797,698	141,243,929
Restricted	4,438,169	8,733,361	10,796,300	13,094,255	14,072,227
Unrestricted	31,243,604	28,388,172	30,484,128	29,696,870	30,038,427
Total Primary Government Net Position	<u>\$ 168,501,094</u>	<u>\$ 171,280,756</u>	<u>\$ 175,859,147</u>	<u>\$ 179,588,823</u>	<u>\$ 185,354,583</u>

City of Roseville, Minnesota
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

Table 2
(Page 1 of 2)
Unaudited

Expenses	Fiscal Year				
	2005	2006	2007	2008	2009
Governmental activities:					
General government	\$ 3,215,084	\$ 3,664,716	\$ 3,830,814	\$ 4,283,715	\$ 5,150,773
Public safety	6,987,914	7,147,499	8,296,894	8,007,678	8,161,100
Public works	4,084,363	4,716,980	4,604,463	4,720,546	4,470,830
Parks and recreation	3,946,034	4,210,261	4,380,187	4,935,218	4,770,793
Economic development	1,856,151	1,931,016	2,469,226	2,337,776	1,742,174
Interest on long-term debt	509,484	427,191	400,498	392,527	508,970
Total governmental activities expenses	20,599,030	22,097,663	23,982,082	24,677,460	24,804,640
Business-type activities:					
Sewer	2,750,350	3,112,372	3,035,274	3,504,577	3,520,566
Water	4,235,357	4,410,178	4,739,327	4,881,489	5,399,949
Golf	333,832	347,153	354,318	344,445	318,890
Recycling	346,035	366,769	443,984	467,847	499,501
Storm Drainage	796,605	858,746	826,297	707,675	850,575
Total business-type activities expenses	8,462,179	9,095,218	9,399,200	9,906,033	10,589,481
Total primary government expenses	\$ 29,061,209	\$ 31,192,881	\$ 33,381,282	\$ 34,583,493	\$ 35,394,121
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 2,141,438	\$ 2,377,143	\$ 2,700,261	\$ 2,445,389	\$ 2,869,646
Public safety	1,585,436	568,337	566,899	549,931	1,454,107
Parks and recreation	2,210,202	1,946,946	1,926,806	1,765,969	1,917,605
Other activities	338,795	1,932,849	1,802,012	1,491,065	2,991,563
Operating grants and contributions	803,696	881,421	872,349	877,723	819,160
Capital grants and contributions	1,413,066	3,182,023	806,147	371,295	1,987,239
Total governmental activities program revenues	8,492,633	10,888,719	8,674,474	7,501,372	12,039,320
Business-type activities:					
Charges for Services:					
Sewer	2,628,060	2,693,983	2,796,265	2,893,260	3,090,778
Water	4,048,162	4,445,284	4,809,523	5,024,591	5,144,355
Golf	297,202	302,406	315,372	310,921	312,200
Recycling	250,537	348,946	387,706	426,249	345,218
Storm Drainage	655,211	667,441	688,715	736,688	812,831
Operating grants and contributions	97,462	64,216	63,861	66,661	75,349
Capital grants and contributions	1,151	-	-	-	-
Total business-type activities program revenues	7,977,785	8,522,276	9,061,442	9,458,370	9,780,731
Total primary government program revenues	\$ 16,470,418	\$ 19,410,995	\$ 17,735,916	\$ 16,959,742	\$ 21,820,051
Net (expense)/revenue					
Governmental activities	\$ (12,106,397)	\$ (11,208,944)	\$ (15,307,608)	\$ (17,176,088)	\$ (12,765,320)
Business-type activities	(484,394)	(572,942)	(337,758)	(447,663)	(808,750)
Total primary government net expense	\$ (12,590,791)	\$ (11,781,886)	\$ (15,645,366)	\$ (17,623,751)	\$ (13,574,070)
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes	\$ 9,866,249	\$ 10,684,683	\$ 11,246,116	\$ 12,417,024	\$ 12,553,187
Tax increments	2,350,538	2,535,830	2,765,844	2,956,413	3,288,562
Cable franchisetaxes	285,184	310,790	337,069	372,706	375,551
Gambling taxes	69,145	81,152	88,890	70,488	81,274
Grants and contributions not restricted to specific programs	29,153	53,562	225,497	227,048	26,477
Unrestricted investment earnings	641,583	1,205,188	1,888,916	1,353,641	695,472
Miscellaneous	-	827,650	-	-	-
Unrestricted net increase (decrease) in the fair value of Investments	-	-	-	-	-
Transfers	-	-	-	25,000	25,000
Total governmental activities	13,241,852	15,698,855	16,552,332	17,422,320	17,045,523
Business-type activities:					
Unrestricted investment earnings	117,453	177,813	356,442	257,409	135,664
Unrestricted net increase(decrease) in the fair value of investments	-	-	-	-	-
Gain on sale of capital assets	-	-	-	-	-
Transfers	-	-	-	(25,000)	(25,000)
Total business-type activities	117,453	177,813	356,442	232,409	110,664
Total primary government	\$ 13,359,305	\$ 15,876,668	\$ 16,908,774	\$ 17,654,729	\$ 17,156,187
Change in Net Position					
Governmental activities	\$ 1,135,455	\$ 4,489,911	\$ 1,244,724	\$ 246,232	\$ 4,280,203
Business-type activities	(366,941)	(395,129)	18,684	(215,254)	(698,086)
Total primary government	\$ 768,514	\$ 4,094,782	\$ 1,263,408	\$ 30,978	\$ 3,582,117

City of Roseville, Minnesota
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

Table 2
(Page 2 of 2)
Unaudited

Expenses	Fiscal Year				
	2010	2011	2012	2013	2014
Governmental activities:					
General government	\$ 4,266,736	\$ 4,395,483	\$ 4,654,650	\$ 5,376,860	\$ 5,856,306
Public safety	9,442,966	8,572,723	9,417,458	9,792,587	9,254,988
Public works	2,800,235	4,868,114	4,475,774	4,399,267	5,249,925
Parks and recreation	4,698,518	4,737,072	4,794,338	5,523,875	5,690,332
Economic development	10,950,324	1,696,156	1,261,035	954,315	1,671,768
Interest on long-term debt	429,094	427,003	685,377	1,160,953	881,887
Total governmental activities expenses	32,587,873	24,696,551	25,288,632	27,207,857	28,605,206
Business-type activities:					
Sewer	3,763,009	3,403,703	3,638,421	3,575,823	3,651,174
Water	5,058,883	5,417,818	6,307,221	5,915,805	5,553,800
Golf	338,860	332,480	360,518	345,816	339,911
Recycling	478,471	527,581	549,113	550,285	449,490
Storm Drainage	797,535	1,073,180	1,000,570	942,598	1,324,675
Total business-type activities expenses	10,436,758	10,754,762	11,855,843	11,330,327	11,319,050
Total primary government expenses	\$ 43,024,631	\$ 35,451,313	\$ 37,144,475	\$ 38,538,184	\$ 39,924,256
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 2,611,668	\$ 2,857,048	\$ 3,007,628	\$ 3,488,493	\$ 3,382,230
Public safety	1,545,830	1,890,436	1,807,988	1,925,320	1,804,563
Parks and recreation	1,919,896	2,430,291	1,976,761	2,591,924	2,000,010
Other activities	697,435	560,173	351,514	1,173,925	292,365
Operating grants and contributions	870,158	983,149	905,922	1,029,327	967,703
Capital grants and contributions	3,283,978	2,294,488	2,355,429	1,046,150	1,013,102
Total governmental activities program revenues	10,928,965	11,015,585	10,405,242	11,255,139	9,459,973
Business-type activities:					
Charges for Services:					
Sewer	3,600,334	3,087,514	3,740,826	4,105,523	4,225,532
Water	5,048,473	5,580,048	6,607,234	6,628,378	6,662,997
Golf	302,610	270,434	299,555	271,095	291,036
Recycling	499,773	545,695	453,259	455,271	367,469
Storm Drainage	840,743	956,350	1,526,792	1,647,924	1,722,757
Operating grants and contributions	69,775	70,267	104,891	69,613	70,419
Capital grants and contributions	321,188	250,858	20,858	259,550	470,967
Total business-type activities program revenues	10,682,896	10,761,166	12,753,415	13,437,354	13,811,177
Total primary government program revenues	\$ 21,611,861	\$ 21,776,751	\$ 23,158,657	\$ 24,692,493	\$ 23,271,150
Net (expense)/revenue					
Governmental activities	\$ (21,658,908)	\$ (13,680,966)	\$ (14,883,390)	\$ (15,952,718)	\$ (19,145,233)
Business-type activities	246,138	6,404	897,572	2,107,027	2,492,127
Total primary government net expense	\$ (21,412,770)	\$ (13,674,562)	\$ (13,985,818)	\$ (13,845,691)	\$ (16,653,106)
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes	\$ 15,611,387	\$ 13,501,068	\$ 15,085,154	\$ 16,895,804	\$ 17,318,833
Tax increments	1,966,665	1,592,214	2,342,447	1,607,882	1,927,267
Cable franchisetaxes	380,108	393,657	415,385	424,812	448,088
Gambling taxes	80,282	86,952	74,504	76,272	77,604
Grants and contributions not restricted to specific programs	25,577	25,738	24,693	24,928	249,375
Unrestricted investment earnings	1,122,891	730,809	350,717	288,600	474,218
Miscellaneous	-	-	-	-	-
Unrestricted net increase (decrease) in the fair value of Investments	-	-	-	(1,535,227)	1,614,919
Transfers	84,007	25,000	25,000	(72,884)	782,000
Total governmental activities	19,270,917	16,355,438	18,317,900	17,710,187	22,892,304
Business-type activities:					
Unrestricted investment earnings	176,315	123,786	39,801	25,662	56,806
Unrestricted net increase(decrease) in the fair value of investments	-	-	47,384	(233,366)	241,243
Gain on sale of capital assets	-	-	-	-	10,513
Transfers	(84,007)	(25,000)	(25,000)	72,884	(782,000)
Total business-type activities	92,308	98,786	62,185	(134,820)	(473,438)
Total primary government	\$ 19,363,225	\$ 16,454,224	\$ 18,380,085	\$ 17,575,367	\$ 22,418,866
Change in Net Position					
Governmental activities	\$ (2,387,991)	\$ 2,674,472	\$ 3,434,510	\$ 1,757,469	\$ 3,747,071
Business-type activities	338,446	105,190	959,757	1,972,207	2,018,689
Total primary government	\$ (2,049,545)	\$ 2,779,662	\$ 4,394,267	\$ 3,729,676	\$ 5,765,760

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City of Roseville, Minnesota
GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE
 Last Ten Fiscal Years
(accrual basis of accounting)

Table 3
 (Page 1 of 1)
Unaudited

Fiscal Year	Property Tax	Tax Increments	Cable Franchise Taxes	Gambling Taxes	Total
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
2012	15,085,154	2,342,447	415,385	74,504	17,917,490
2013	16,895,804	1,607,882	424,812	76,272	19,004,770
2014	17,318,833	1,927,267	448,088	77,604	19,771,792

City of Roseville, Minnesota
FUND BALANCES, GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 4
 (Page 1 of 2)
Unaudited

	Fiscal Year				
	2005	2006	2007	2008	2009
General Fund					
Reserved	\$ 244,605	\$ 279,959	\$ 356,130	\$ 404,952	\$ 402,564
Unreserved	29,955,540	5,119,511	3,861,976	3,305,144	3,171,949
Restricted					
Law enforcement	-	-	-	-	-
Assigned					
Engineering services	-	-	-	-	-
Accounting services	-	-	-	-	-
Unassigned	-	-	-	-	-
Total General Fund	\$ 30,200,145	\$ 5,399,470	\$ 4,218,106	\$ 3,710,096	\$ 3,574,513
All Other Governmental Funds					
Reserved	\$ 19,940,411	\$ 7,796,425	\$ 10,739,012	\$ 13,243,667	\$ 10,387,046
Unreserved, reported in:					
Special revenue funds	133,475	389,451	921,554	946,069	1,220,099
Debt Service	(1,620,955)	(1,471,817)	(916,039)	(458,367)	843,046
Capital projects funds	5,192,817	17,104,369	17,570,635	17,264,721	16,856,123
Restricted					
Telecommunications	-	-	-	-	-
Community Development	-	-	-	-	-
Park Dedication	-	-	-	-	-
Tax Increment	-	-	-	-	-
Debt Service	-	-	-	-	-
Bond Funded Capital Improvements	-	-	-	-	-
Committed					
Special Revenue	-	-	-	-	-
Street Replacement	-	-	-	-	-
Assigned					
Capital project funds	-	-	-	-	-
Unassigned	-	-	-	-	-
Total All Other Governmental Funds	\$ 23,645,748	\$ 23,818,428	\$ 28,315,162	\$ 30,996,090	\$ 29,306,314

(1) The implementation of Governmental Accounting Standards Board Statement No. 54 in 2011 resulted in a significant change in the City's fund balance classifications.

City of Roseville, Minnesota
FUND BALANCES, GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 4
 (Page 2 of 2)
Unaudited

	Fiscal Year				
	2010	2011 (1)	2012	2013	2014
General Fund					
Reserved	\$ 402,564	\$ -	\$ -	\$ -	\$ -
Unreserved	5,234,095	-	-	-	-
Restricted					
Law enforcement	-	346,904	383,025	441,412	479,360
Assigned					
Engineering services	-	658,760	596,685	596,341	577,352
Accounting services	-	15,599	16,677	18,869	19,941
Unassigned	-	5,190,027	5,568,600	5,151,271	5,205,951
Total General Fund	\$ 5,636,659	\$ 6,211,290	\$ 6,564,987	\$ 6,207,893	\$ 6,282,604
All Other Governmental Funds					
Reserved	\$ 4,035,605	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	1,131,336	-	-	-	-
Debt Service	1,452,411	-	-	-	-
Capital projects funds	16,347,739	-	-	-	-
Restricted					
Telecommunications	-	521,444	591,108	584,645	633,732
Community Development	-	163,163	367,417	595,148	713,525
Park Dedication	-	692,203	702,615	1,287,496	1,094,437
Tax Increment	-	5,202,462	6,884,619	7,692,065	7,870,539
Debt Service	-	1,425,518	6,884,619	6,362,028	2,726,165
Bond Funded Capital Improvements	-	10,000,000	23,073,514	17,485,834	7,751,174
Committed					
Special Revenue	-	1,351,502	1,939,853	2,395,843	2,912,894
Street Replacement	-	11,078,323	10,308,674	9,393,137	9,965,641
Assigned					
Capital project funds	-	4,295,277	5,689,502	5,283,935	5,308,484
Unassigned	-	(47,403)	(29,777)	(10,315)	-
Total All Other Governmental Funds	\$ 22,967,091	\$ 34,682,489	\$ 56,412,144	\$ 51,069,816	\$ 38,976,591

City of Roseville, Minnesota
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 (amounts expressed in thousands)

Table 5
 (Page 1 of 2)
Unaudited

	Fiscal Year				
	2005	2006	2007	2008	2009
Revenues					
Taxes	\$ 12,571	\$ 13,613	\$ 14,438	\$ 15,817	\$ 16,299
Intergovernmental	2,246	4,117	1,904	1,476	2,833
Licenses and permits	2,363	2,620	2,513	1,374	1,335
Charges for services	2,844	3,610	3,386	4,439	5,797
Fines and forfeits	196	256	242	232	197
Special assessments	628	561	589	423	1,542
Investment earnings	642	1,205	1,889	1,354	634
Miscellaneous	1,336	844	932	751	513
Total revenues	22,826	26,826	25,893	25,866	29,150
Expenditures					
General government	\$ 3,475	\$ 3,881	\$ 3,999	\$ 4,236	\$ 4,194
Public safety	6,446	7,039	7,260	7,589	7,393
Public works	1,781	1,933	2,075	2,256	2,082
Economic development	1,806	1,915	2,511	2,310	1,756
Recreation	3,015	3,359	3,510	3,611	3,506
Capital outlay	2,981	5,543	1,998	4,988	11,899
Debt service					
Principal	1,055	1,245	920	935	984
Interest	482	443	411	385	439
Other Charges	-	-	-	25	48
Total expenditures	21,041	25,358	22,684	26,335	32,301
Excess of revenues over (under) expenditures	1,785	1,468	3,209	(469)	(3,151)
Other financing sources (uses)					
Transfers in	\$ 433	\$ 297	\$ 649	\$ 133	\$ 144
Transfers out	(433)	(284)	(620)	(108)	(119)
Refunding bonds issued	-	-	-	-	1,070
Discount on bonds issued	-	-	-	-	(6)
Bonds issued	-	-	-	2,550	1,155
Premium on bonds issued	-	-	-	17	22
Payments to refunded bond escrow agent	-	-	-	-	(1,045)
Proceeds from letter of credit	-	827	-	-	-
Sale of assets	64	24	78	50	105
Total other financing sources (uses)	64	864	107	2,642	1,326
Net change in fund balances	\$ 1,849	\$ 2,332	\$ 3,315	\$ 2,173	\$ (1,825)
Debt service as a percentage of noncapital expenditures	8.44%	8.56%	6.37%	6.19%	6.67%

City of Roseville, Minnesota
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 (amounts expressed in thousands)

Table 5
 (Page 2 of 2)
Unaudited

	Fiscal Year				
	2010	2011	2012	2013	2014
Revenues					
Taxes	\$ 17,958	\$ 15,574	\$ 17,462	\$ 18,844	\$ 19,962
Intergovernmental	3,900	3,299	2,995	1,880	1,523
Licenses and permits	1,098	1,638	1,532	1,630	1,514
Charges for services	5,117	5,190	5,248	5,665	4,743
Fines and forfeits	214	227	314	237	205
Special assessments	530	295	308	179	214
Investment earnings	1,030	668	326	280	444
Miscellaneous	1,106	1,338	804	980	2,450
Total revenues	30,953	28,229	28,989	29,695	31,055
Expenditures					
General government	\$ 4,525	\$ 4,590	\$ 4,821	\$ 5,651	\$ 5,339
Public safety	8,794	8,314	8,780	9,111	9,353
Public works	2,361	2,279	2,183	2,334	2,397
Economic development	8,639	1,190	1,052	1,017	1,280
Recreation	3,638	3,623	3,688	3,808	4,070
Capital outlay	5,668	4,078	6,996	10,155	14,098
Debt service					
Principal	1,246	1,385	1,435	1,230	6,355
Interest	447	401	509	925	990
Other Charges		46	118	83	-
Total expenditures	35,318	25,906	29,582	34,314	43,882
Excess of revenues over (under) expenditures	(4,365)	2,323	(593)	(4,619)	(12,827)
Other financing sources (uses)					
Transfers in	\$ 203	\$ 1,115	\$ 257	\$ 75	\$ 1,001
Transfers out	(178)	(1,090)	(231)	(50)	(219)
Refunding bonds issued	-	-	-	-	-
Discount on bonds issued	-	(100)	-	-	-
Bonds issued	-	10,000	-	-	-
Premium on bonds issued	-	-	1,445	194	-
Payments to refunded bond escrow agent	-	-	-	-	-
Proceeds from letter of credit	-	-	15,685	3,980	-
Sale of assets	63	42	31	210	27
Total other financing sources (uses)	88	9,967	17,187	4,409	809
Net change in fund balances	\$ (4,277)	\$ 12,290	\$ 16,593	\$ (210)	\$ (12,018)
Debt service as a percentage of noncapital expenditures	5.59%	8.39%	8.43%	8.64%	21.28%

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City of Roseville, Minnesota
GOVERNMENTAL FUNDS TAX REVENUES BY SOURCE
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 (amounts expressed in thousands)

Table 6
 (Page 1 of 1)
Unaudited

<u>Fiscal Year</u>	<u>General Property Taxes (1)</u>	<u>Tax Increment Districts</u>	<u>Franchise Fee</u>	<u>Gambling Taxes</u>	<u>Total Taxes</u>
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
2012	14,815	2,158	415	75	17,463
2013	16,862	1,481	425	76	18,844
2014	17,393	2,043	448	78	19,962

(1) General Property Taxes excludes Market Value Homestead Credit.
 General Property Taxes includes current and prior year collections.

City of Roseville, Minnesota
ASSESSED VALUE AND ESTIMATED ACTUAL
VALUE OF TAXABLE PROPERTY
 Last Ten Fiscal Years

Table 7
 (Page 1 of 2)
Unaudited

Fiscal Year Ended December 31	Real Property			Gas & Electric	Personal Property Leased Machinery & Equipment
	Residential Property	Commercial Property	Other		
2005	21,549,325	18,050,301	7,054,033	465,320	44,478
2006	24,486,956	19,534,538	6,929,309	476,114	50,436
2007	27,000,307	20,573,742	7,027,178	501,988	49,406
2008	27,963,022	23,644,984	7,951,147	483,564	87,052
2009	34,976,945	16,599,228	7,706,785	471,602	93,052
2010	33,951,760	16,112,699	7,480,896	470,187	29,739
2011	31,104,614	14,761,512	6,853,559	500,574	42,639
2012	29,774,292	14,130,173	6,560,437	535,063	55,906
2013	28,559,312	13,553,572	6,292,730	575,028	55,906
2014	29,146,350	13,832,166	6,422,077	579,255	55,197

Sources: Ramsey County & League of MN Cities

City of Roseville, Minnesota
ASSESSED VALUE AND ESTIMATED ACTUAL
VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

Table 7
(Page 2 of 2)
Unaudited

Fiscal Year Ended December 31	Less: TIF & Fiscal Disparity Contribution (Net)	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assesed Value as a Percentage of Actual Value
2005	(7,266,305)	39,897,152	24.52%	3,551,712,100	1.12%
2006	(7,286,743)	44,190,610	23.21%	3,918,199,200	1.13%
2007	(8,158,721)	46,993,900	23.01%	4,225,611,500	1.11%
2008	(8,447,095)	51,682,674	23.38%	4,522,375,200	1.14%
2009	(9,487,097)	48,558,184	24.55%	4,455,162,600	1.13%
2010	(8,191,870)	45,071,027	27.37%	4,288,071,400	1.16%
2011	(7,769,452)	45,459,056	29.76%	3,985,073,200	1.14%
2012	(8,386,165)	42,669,706	33.45%	3,751,962,400	1.14%
2013	(6,191,131)	42,845,417	38.90%	3,735,196,900	1.15%
2014	(7,114,388)	42,920,657	40.12%	3,814,082,800	1.13%

City of Roseville, Minnesota
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years

Table 8
(Page 1 of 2)
Unaudited

Fiscal Year	City of Roseville			Ramsey County	Special Districts
	Operating Tax Capacity	Debt Service Tax Capacity	Total City Tax Capacity	Total County Tax Capacity	Tax Capacity
2005	20.19%	4.37%	24.56%	49.21%	6.17%
2006	19.29%	3.93%	23.21%	46.62%	7.93%
2007	19.31%	3.70%	23.01%	44.94%	8.25%
2008	20.34%	3.04%	23.38%	44.02%	8.30%
2009	21.11%	3.43%	24.54%	46.55%	8.13%
2010	23.59%	3.78%	27.37%	50.25%	8.69%
2011	26.82%	2.94%	29.76%	54.68%	9.11%
2012	30.12%	3.33%	33.45%	61.32%	10.79%
2013	33.42%	5.48%	38.90%	65.24%	12.05%
2014	34.09%	6.03%	40.12%	63.74%	11.79%

Sources: Ramsey County & League of MN Cities

(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).

City of Roseville, Minnesota
 PROPERTY TAX RATES
 DIRECT AND OVERLAPPING GOVERNMENTS
 Last Ten Fiscal Years

Table 8
 (Page 2 of 2)
Unaudited

Fiscal Year	Overlapping Rates (1)		School District - ISD#623		Total Direct & Overlapping Tax Capacity
	School District - ISD#621				
	Tax Capacity Based	Market Value Based Tax Rate	Total Capacity Based	Market Value Based Tax Rate	
2005	22.11%	0.12131%	16.71%	0.16244%	118.76%
2006	23.42%	0.12803%	16.66%	0.15115%	117.85%
2007	23.26%	0.18163%	12.37%	0.16932%	111.85%
2008	20.38%	0.18924%	10.62%	0.18134%	106.71%
2009	22.94%	0.18685%	12.98%	0.22290%	115.14%
2010	24.56%	0.18882%	13.07%	0.20374%	123.93%
2011	25.57%	0.19536%	14.57%	0.19715%	133.68%
2012	29.04%	0.21242%	17.07%	0.19591%	151.66%
2013	29.44%	0.22834%	15.46%	0.24553%	161.10%
2014	29.73%	0.21069%	16.25%	0.25826%	161.63%

City of Roseville, Minnesota
PRINCIPAL PROPERTY TAXPAYERS
 Current Year and Nine Years Ago

Table 9
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Unaudited

Taxpayer	2014			2005		
	Taxes Levied	Rank	Percentage of Total Taxes Levied	Taxes Levied	Rank	Percentage of Total Taxes Levied
Compass Retail, Inc.	\$ 1,092,205	1	6.06%	\$ 369,177	1	3.47%
PPF Rosedale Shopping Center	767,017	2	4.25%	59,106	8	0.56%
Gateway Washington Inc.	445,515	3	2.47%	-	-	-
St Paul Fire and Marine Insurance Co	408,097	4	2.26%	-	-	-
Wilcal Crossroads LLC	346,580	5	1.92%	-	-	-
Magellan Pipeline	329,399	6	1.83%	-	-	-
Rosedale Square, LLC	258,345	7	1.43%	-	-	-
Target Corporation	222,968	8	1.24%	-	-	-
Rosedale Commons	220,897	9	1.23%	-	-	-
CSM Investors Inc.	207,576	10	1.15%	-	-	-
Bradley Real Estate Trust	-	-	-	122,887	2	1.16%
M & J Crossroads LP	-	-	-	98,242	3	0.92%
Stonewater UIS Funding, LLC	-	-	-	73,181	4	0.69%
BIT Investment Eleven, LLC	-	-	-	73,010	5	0.69%
Williams Bros Pipeline	-	-	-	69,472	6	0.65%
Tanurb Developments, Inc.	-	-	-	59,106	7	0.56%
The May Dept. Stores	-	-	-	59,106	9	0.56%
MN Industrial Properties	-	-	-	54,228	10	0.51%
	<u>\$ 4,298,599</u>		<u>23.84%</u>	<u>\$ 1,037,515</u>		<u>9.77%</u>

Source: Ramsey County

Fiscal Year Ended Decemebr 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy			Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy	Collections from Homestead Credit		Amount	Percentage of Levy
2005	\$ 10,637,965	\$ 9,866,249	92.75%	\$ -	\$ -	\$ 9,866,249	92.75%
2006	11,169,865	10,684,682	95.66%	-	-	10,684,682	95.66%
2007	11,696,360	11,246,116	96.15%	423,246	-	11,669,362	99.77%
2008	12,896,360	12,305,759	95.42%	402,488	-	12,707,947	98.54%
2009	13,138,860	12,553,187	95.54%	-	-	12,553,187	95.54%
2010	14,282,404	14,099,407	98.72%	-	-	14,099,407	98.72%
2011	14,703,044	13,501,068	91.82%	-	-	13,501,068	91.82%
2012	14,962,294	14,814,570	99.01%	-	-	14,814,570	99.01%
2013	17,319,826	16,861,841	97.36%	-	-	16,861,841	97.36%
2014	18,028,721	17,318,833	96.06%	-	-	17,318,833	96.06%

City of Roseville, Minnesota
RATIO OF OUTSTANDING DEBT BY TYPE
 Last Ten Fiscal Years

Table 11
 (Page 1 of 1)
 Unaudited

<u>Governmental Activities</u>						
Fiscal Year	General Obligation Bonds	Special Assessment Bonds	Certificate of Indebtedness	Total Primary Government	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2005	\$ 9,535,000	\$ 3,585,000	-	\$ 13,120,000	0.37%	\$ 387
2006	9,000,000	2,875,000	-	11,875,000	0.30%	350
2007	8,455,000	2,500,000	-	10,955,000	0.26%	323
2008	7,890,000	2,130,000	2,550,000	12,570,000	0.28%	369
2009	8,465,000	1,750,000	2,550,000	12,765,000	0.29%	374
2010	7,860,000	1,330,000	2,330,000	11,520,000	0.29%	337
2011	17,175,000	890,000	2,070,000	20,135,000	0.51%	598
2012	33,594,996	435,000	1,800,000	35,829,996	0.95%	1,060
2013	36,927,216	225,000	1,525,000	38,677,216	1.04%	1,122
2014	29,540,000	-	1,240,000	30,780,000	0.81%	893

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.

Fiscal Year	General Obligation Debt	Resources Restricted for Repayment (4)	Net General Bonded Debt (4)	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
2005	\$ 13,120,000	N/A	N/A	0.37%	\$ 387.23	\$ 1,385,197,806	0.95%
2006	11,875,000	N/A	N/A	0.30%	349.58	1,315,007,728	0.90%
2007	10,955,000	N/A	N/A	0.26%	322.50	1,593,883,946	0.69%
2008	12,570,000	N/A	N/A	0.28%	368.63	1,602,820,426	0.78%
2009	12,765,000	N/A	N/A	0.29%	374.35	1,632,080,437	0.78%
2010	11,520,000	N/A	N/A	0.27%	337.06	1,561,148,506	0.74%
2011	20,135,000	1,807,185	18,327,815	0.51%	598.19	1,582,289,280	1.27%
2012	35,829,996	1,683,056	36,994,160	0.95%	1,010.06	1,644,947,199	2.18%
2013	38,677,216	2,493,489	32,203,727	1.04%	933.82	1,590,632,264	2.43%
2014	30,780,000	3,024,612	27,755,388	0.81%	805.06	1,604,133,804	1.92%

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.
- (4) Implementation of GASB 54 in 2011

Governmental Unit	Gross Debt Net of Refunding	Cash Held in Debt Service Fund	Net Debt Outstanding	Percentage Applicable to Roseville	Amount Applicable to Roseville
Direct Debt:					
City of Roseville	\$ 30,780,000	\$ 2,715,758	\$ 28,064,242	100%	\$ 28,064,242
Overlapping Debt*					
School District #621	\$ 109,550,000	\$ 12,893,101	\$ 96,656,899	8%	\$ 7,732,552
School District #623	41,585,000	1,807,189	39,777,811	61%	24,264,465
Special School District #916	2,695,000	475,383	2,219,617	8%	177,569
Metropolitan Council	1,507,019,856	350,189,864	1,156,829,992	1%	11,568,300
Metropolitan Airports Commission	1,350,710,000	193,507,529	1,157,202,471	1%	11,572,025
Ramsey County	206,362,000	25,048,840	181,313,160	9%	16,318,184
Total Overlapping Debt	3,217,921,856	583,921,906	2,633,999,950		71,633,095
Total Direct and Overlapping Debt	\$ 3,248,701,856	\$ 586,637,664	\$ 2,662,064,192		\$ 99,697,337

*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.

	Fiscal Year				
	2005	2006	2007	2008	2009
Debt Limit	\$ 71,034,242	\$ 78,363,984	\$ 84,512,230	\$ 135,671,256	\$ 133,654,878
Total net debt applicable to limit	9,535,000	9,000,000	8,455,000	10,440,000	11,015,000
Legal debt margin	<u>\$ 61,499,242</u>	<u>\$ 69,363,984</u>	<u>\$ 76,057,230</u>	<u>\$ 125,231,256</u>	<u>\$ 122,639,878</u>
Total net debt applicable to the limit as a percentage of debt limit	13.42%	11.48%	10.00%	7.70%	8.24%

	Fiscal Year				
	2010	2011	2012	2013	2014
Debt Limit	\$ 128,642,142	\$ 119,552,196	\$ 112,558,872	\$ 112,055,907	\$ 114,422,484
Total net debt applicable to limit	9,035,000	18,090,000	32,795,000	37,297,216	29,875,000
Legal debt margin	<u>\$ 119,607,142</u>	<u>\$ 101,462,196</u>	<u>\$ 79,763,872</u>	<u>\$ 74,758,691</u>	<u>\$ 84,547,484</u>
Total net debt applicable to the limit as a percentage of debt limit	8.24%	15.13%	29.14%	33.28%	26.11%

Legal Debt Margin Calculation for Fiscal Year 2014

Estimated Market Value	<u>\$ 3,814,082,800</u>
Debt Limit (3% of total estimated market value)	114,422,484
Debt applicable to limit:	
Total Bonded Debt	30,780,000
Less:	
Special Assessment Bonds	-
Housing Bonds	905,000
Total net debt applicable to limit	<u>29,875,000</u>
Legal Debt Margin	<u>\$ 84,547,484</u>

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	Population (1)	Estimated Personal Income (2)	Per Capita Personal income (3)	School Enrollment District #623 (4)	School Enrollment District #621 (4)	Unemployment Rate (5)
2005	33,882	\$ 1,385,198,806	\$ 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%
2012	33,807	1,644,947,199	48,657	6,804	9,948	4.4%
2013	34,486	1,590,632,264	46,124	7,587	10,236	4.3%
2014	34,476	1,604,133,804	46,529	7,397	10,504	3.2%

- (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 2009 - 2011 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 Moundview School Districts.
- (5) Annual average unemployment provided by the Minnesota Department of Employment & Economic Development

<u>Employer</u>	<u>2014</u>			<u>2005</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>
Roseville Area Schools	897	1	2.60%	547	4	2.49%
Northwestern College	700	2	2.03%	500	6	2.27%
Metz Baking Co	600	3	1.74%	-	-	-
MN Dept. of Education	500	4	1.45%	-	-	-
Symantec	500	5	1.45%	-	-	-
Medtox Scientific	400	6	1.16%	-	-	-
Old Dutch Foods	400	7	1.16%	-	-	-
Byerly's	377	8	1.09%	-	-	-
Pentair Hypro	375	9	1.09%	-	-	-
Eagle Crest Retirement	330	10	0.96%	-	-	-
Presbyterian Homes Housing	-	-	-	560	3	2.55%
MN Dept. of Transportation	-	-	-	450	10	2.05%
Target	-	-	-	500	8	2.27%
McGough Construction	-	-	-	800	1	3.64%
Marshall Fields	-	-	-	531	5	2.41%
Unisys	-	-	-	800	2	3.64%
Sara Lee Baking Company	-	-	-	500	7	2.27%
Veritas Corporation	-	-	-	500	9	2.27%
Total	5,079		14.73%	5,688		25.86%

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

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Function	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government	29.25	31.25	32.5	33.5	33.5	34	34	35.5	39.3	40.75
Public safety										
Police	56.5	57.5	57.5	58	58	56.5	56.5	57	54.25	54.5
Fire	4.5	4.5	7.5	8	8	8	7	6	6	11
Public Works	17.25	17.25	17.25	17.25	17.25	16.75	16.74	16.47	15.75	15.75
Recreation	22.25	22.25	22.25	22.25	22.25	21.25	20.25	22.25	23	24
Economic Development	10.9	10.4	10.9	10.9	10.9	10.9	10.9	9.9	10	11
Water	6.17	6.17	6.17	6.17	6.17	6.17	7.29	7.54	6.62	6.97
Sewer	5.16	5.16	5.16	5.16	5.16	5.66	3.71	3.71	5.47	5.12
Golf	2.5	2.5	2.5	2.5	2.5	2.5	2.5	1.75	1.75	1.75
Recycling	-	-	-	-	-	-	-	-	0.3	0.3
Storm Drainage	3.42	3.42	3.42	3.42	3.42	3.42	4.01	4.03	4.87	4.87
Total	159.65	157.90	160.40	165.15	167.15	167.15	162.90	164.15	167.31	176.01

Function	Fiscal Year				
	2005	2006	2007 (1)	2008	2009
Police					
Serious offenses	3,002	3,068	3,036	3,001	2,669
Public Assistance Calls	39,897	37,632	38,598	38,052	35,000
Traffic citations	7,763	9,312	9,219	8,062	8,138
Fire					
Fire incidents	890	931	4,313	4,300	4,036
Fire inspections	1,725	1,740	1,740	1,800	1,051
Public Works					
Street patching (tons)	890	800	900	1,006	1,000
Sealcoating (miles)	14	16	13	15	14
Snow / ice control (miles)	123	123	123	125	125
Sign repair / replacements	300	250	335	197	300
Recreation					
Recreation and leisure participations	109,879	112,061	113,250	112,725	112,800
Facility usage permits	1,007	1,093	1,125	1,115	1,095
Economic Development					
Building permits issued	1,404	1,270	1,302	1,254	1,307
Number of inspections	7,651	6,532	7,313	6,051	5,509
Planning / zoning cases	72	100	69	45	35
Water					
Meters repaired / replaced	394	402	407	554	519
Water main breaks	20	30	39	38	33
Hydrants repaired / flushed	1,708	1,701	1,711	1,706	1,711
Annual water pumped (thousands of gallons)	2,021,000	2,115,219	2,156,057	2,066,694	2,081,975
Sewer					
Sewer pipes repaired / replaced (linear feet)	840	5,098	4,849	5,000	8,162
Sewer pipes cleaned (linear feet)	296,000	257,000	235,000	276,000	237,000
Sewer pipes televised (linear feet)	12,800	9,400	43,755	61,497	72,772
Annual sewer flow (thousands of gallons)	2,021,000	2,115,219	2,156,057	2,066,694	2,081,976
Golf					
Number of rounds played	31,914	31,139	31,794	31,147	30,458
Recycling					
Materials collected (tons)	3,123	3,402	3,681	3,750	2,697
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	171	167	71	350
Infrastructure repair / replace (linear feet)	890	3,072	625	188	242

Sources: Various city departments

(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.

Function	Fiscal Year				
	2010	2011	2012	2013	2014
Police					
Serious offenses	2,551	2,810	2,758	2,522	3,008
Public Assistance Calls	38,000	36,571	34,665	34,942	32,624
Traffic citations	8,551	8,404	10,503	10,823	9,250
Fire					
Fire incidents	4,225	4,290	4,383	4,468	4,701
Fire inspections	1,011	1,050	473	673	565
Public Works					
Street patching (tons)	900	920	715	810	770
Sealcoating (miles)	14	15	14	13	10
Snow / ice control (miles)	125	125	125	125	125
Sign repair / replacements	524	254	150	140	131
Recreation					
Recreation and leisure participations	112,700	112,750	112,730	112,825	113,000
Facility usage permits	1,080	1,075	1,060	1,170	1,200
Economic Development					
Building permits issued	1,146	1,714	1,508	1,763	1,539
Number of inspections	5,306	4,826	5,020	5,574	5,246
Planning / zoning cases	29	30	35	27	33
Water					
Meters repaired / replaced	592	780	590	900	1,100
Water main breaks	29	29	21	27	49
Hydrants repaired / flushed	1,711	1,836	1,799	1,875	1,875
Annual water pumped (thousands of gallons)	1,807,879	1,857,404	1,996,677	1,826,482	1,650,069
Sewer					
Sewer pipes repaired / replaced (linear feet)	5,457	15,109	21,900	39,827	33,312
Sewer pipes cleaned (linear feet)	261,000	274,560	274,673	255,672	230,923
Sewer pipes televised (linear feet)	89,260	59,567	67,794	40,166	15,312
Annual sewer flow (thousands of gallons)	1,157,210	1,399,720	1,213,440	1,243,730	1,248,820
Golf					
Number of rounds played	28,325	25,518	25,929	24,282	25,186
Recycling					
Materials collected (tons)	3,321	3,244	3,173	3,226	3,150
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	258	500	400	200	113
Infrastructure repair / replace (linear feet)	96	128	70	1,049	1,233

Function	Fiscal Year				
	2005	2006	2007	2008	2009
Public Safety					
Police:					
Stations	1	1	1	1	1
Patrol Units	26	27	27	27	27
Fire Stations	3	3	3	3	3
Public Works					
Streets (miles)	121	123	123	123	123
Street Lights	1,124	1,125	1,125	1,125	1,125
Recreation					
Parks and playgrounds	30	30	30	30	30
Lighted park shelters	8	8	8	8	8
Parks Acreage	685	685	685	685	685
Skating Rinks					
Outdoor	10	10	10	8	8
Indoor	1	1	1	1	1
Golf Course	1	1	1	1	1
Ballfields	41	41	41	41	41
Soccer/football fields	8	8	8	8	8
Tennis Courts	17	17	17	17	17
Volleyball Courts	9	9	9	9	9
Basketball Courts	8	8	8	8	8
Miles of Trails	69	69	69	69	69
Water					
Number of connections	10,237	10,135	10,256	10,271	10,300
Water mains (miles)	165	166	166	166	166
Fire Hydrants	1,699	1,701	1,711	1,711	1,711
Water purchased from St. Paul (thousands of gallons)	2,021,459	2,115,219	2,156,057	2,066,694	2,081,975
Sewer					
Number of connections	10,115	10,083	10,199	10,015	10,021
Sanitary sewers (miles)	156	156	156	156	156
Storm drainage					
Storm sewers (miles)	144	145	145	145	145

Sources: Various city departments

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

Function	Fiscal Year				
	2010	2011	2012	2013	2014
Public Safety					
Police:					
Stations	1	1	1	1	1
Patrol Units	34	36	33	38	38
Fire Stations	3	2	2	1	1
Public Works					
Streets (miles)	122	125	125	125	125
Street Lights	1,125	1,125	1,133	1,133	1,133
Recreation					
Parks and playgrounds	30	30	30	30	30
Lighted park shelters	8	8	8	8	5
Parks Acreage	685	685	685	685	685
Skating Rinks					
Outdoor	8	8	12	10	10
Indoor	1	1	1	1	1
Golf Course	1	1	1	1	1
Ballfields	41	41	41	41	21
Soccer/football fields	8	8	8	8	19
Tennis Courts	17	17	17	17	17
Volleyball Courts	9	9	6	6	5
Basketball Courts	8	8	8	9	15
Miles of Trails	69	69	69	69	71
Water					
Number of connections	10,261	10,303	10,303	10,303	10,303
Water mains (miles)	166	166	166	166	166
Fire Hydrants	1,711	1,711	1,711	1,711	1,711
Water purchased from St. Paul (thousands of gallons)	1,807,879	1,857,404	1,996,677	1,826,482	1,650,069
Sewer					
Number of connections	10,188	10,200	10,130	10,130	10,130
Sanitary sewers (miles)	156	156	156	156	156
Storm drainage					
Storm sewers (miles)	145	145	145	145	145

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