CITY OF ROSEVILLE, MINNESOTA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED DECEMBER 31, 2016

PREPARED BY:
THE FINANCE DEPARTMENT

Bennett Lake: It occupies 28 acres (11 ha) acres and is known for its shore fishing.[1] The lake is adjacent to Roseville Central Park, the city's largest park.[2][3] A 2005 shore restoration project led to improved water quality,[4] and the nearby Prince of Peace Lutheran Church has constructed rain gardens to restrict the flow of surface runoff into the lake.[5]

Photo Credits:

Bennett Lake - Roseville photo provided by – Garry Bownman – City of Roseville Communications Manager

References

1. Bennett Lake at Minnesota Department of Natural Resources (accessed 2015-01-23).
2. **J** Lynn Underwood and Tim Harlow, "City waters run DEEP; You don't have to go "up to the lake" to revel in the pleasures of cabin life. The Twin Cities offer a variety of opportunities for a urban summer getaway." *Star Tribune*, July 5, 1996 – via HighBeam Research (subscription required).
3. Kathy Berdan, "Roseville's Central Park has plenty of diversions", *Pioneer Press*, June 5, 2011.
4. Sarah McCann, "North Metro Insider; Roseville to address industrial odor, noise." *Star Tribune*, July 27, 2005 – via HighBeam Research (subscription required).
5. Bob Shaw, "Through rain gardens, east metro churches tend to the land, too", *Pioneer Press*, November 8, 2014.

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Introductory Section

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May 1, 2017

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, 2016.

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 BerganKDV, 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, 2016 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, 2016, 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 35,244. 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 80 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 81-82 and 94-98.

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 City of Roseville currently enjoys a favorable economic environment and local indicators point to continued stability and improvement. 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. Each year the goal of the City is to provide residents and businesses with the necessary and desired services in the most efficient manner while limiting the financial burden to taxpayers. Secondary goals center on the allocation of resources to uphold previously identified community aspirations, and meeting the needs identified in the most recent citizen survey. Those aspirations included the following:

City of Roseville Community Aspirations

- Welcoming, inclusive, and respectful;
- Safe and law-abiding;
- Economically prosperous, with a stable and broad tax base;
- Secure in our diverse and quality housing and neighborhoods;
- Environmentally responsible, with well-maintained natural assets;
- Physically and mentally active and healthy;
- Well-connected through transportation and technology infrastructure; and
- Engaged in our community's success as citizens, neighbors, volunteers, leaders, and businesspeople.

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, 2015. This was the 37th 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, 2016. 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

Presented to

City of Roseville

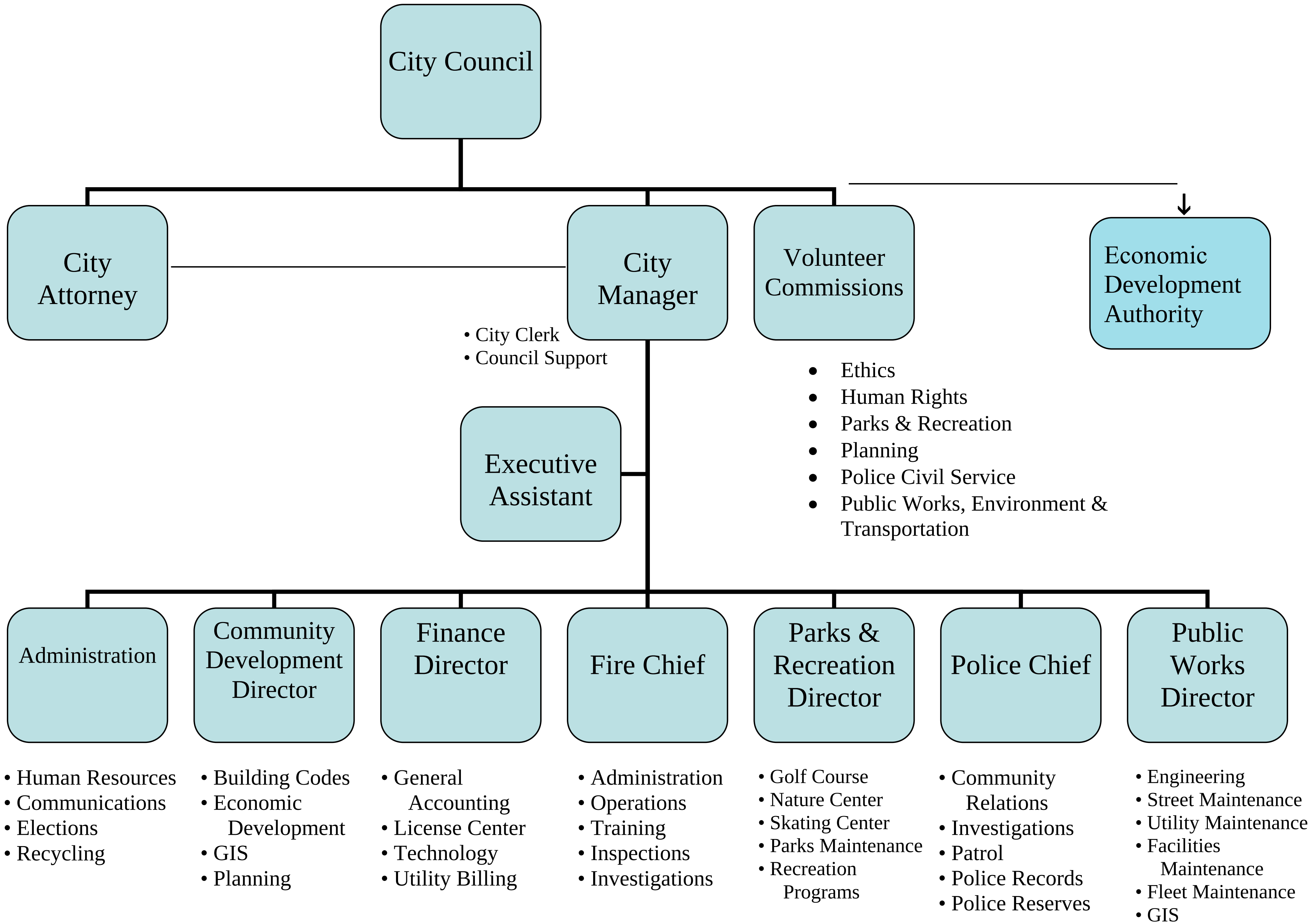
Minnesota

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

City of Roseville Organizational Chart



City of ROSEVILLE Minnesota, USA

Elected and Appointed Officials
December 31, 2016

Elected Officials		
Mayor	Dan Roe	Term expires 12/31/2018
Council	Lisa Laliberte	Term expires 12/31/2020
Council	Jason Etten	Term expires 12/31/2020
Council	Tammy McGehee	Term expires 12/31/2018
Council	Robert Willmus	Term expires 12/31/2018

Appointed Officials	
City Manager	Pat Trudgeon
Finance Director	Chris Miller
Police Chief	Rick Mathwig
Fire Chief	Tim O'Neill
Public Works Director	Marc Culver
Parks & Recreation Director	Lonnie Brokke
Community Development Director	Kari Collins

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Financial Section

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ROSEVILLE

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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, each major fund and the aggregate remaining fund information of the City of Roseville, Minnesota, as of and for the year ended December 31, 2016, and the related notes to 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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bergankdv.com

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Auditors Responsibility (Continued)
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 in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Roseville, Minnesota, as of December 31, 2016, 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, and the remaining Required Supplementary Information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (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.

Other Matters (Continued)

Other Information (Continued)

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 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 May 1, 2017, 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.

BerganKDV Ltd.

Minneapolis, Minnesota
May 1, 2017

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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, 2016. 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 assets and deferred outflows of the City of Roseville exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by $182,756,692 (Net position). Of this amount, $17,853,685 (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 decreased by $3,739,168.
- As of the close of the current fiscal year, the City of Roseville's governmental activities reported combined ending unrestricted net position of $16,617,276.
- At the end of the current fiscal year, unassigned fund balance for the general fund was $5,856,061 or 42% of total general fund expenditures.
- The City of Roseville total bonded debt and certificates of indebtedness decreased by $2,660,000 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 and deferred outflows, and liabilities and deferred inflows of resources, 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 S*tatement 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).

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, storm drainage and recycling.

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 12 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.

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, Storm Drainage and Recycling operations. Internal service

OVERVIEW OF THE FINANCIAL STATEMENTS

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, Storm Drainage and Solid Waste Recycling 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.

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 Activities*. 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 and deferred outflows exceeded liabilities by $182,746,663 as of December 31, 2016. This represents an increase of $811,397 from the previous year.

By far the largest portion of the City of Roseville's net position (82.5% percent) reflects its investment in capital assets (e.g. land, buildings, machinery, equipment and infrastructure) 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 2016	Governmental Activities 2015	Business-Type Activities 2016	Business-Type Activities 2015	Total 2016	Total 2015
Current and other assets	$ 56,560,295	$ 55,905,714	$ 5,902,691	$ 6,278,106	$ 62,462,986	$ 62,183,820
Capital assets	146,696,875	145,928,212	30,729,106	28,391,384	177,425,981	174,319,596
Total Assets	203,257,170	201,833,926	36,631,797	34,669,490	239,888,967	236,503,416
Deferred outflows of resources	19,411,015	2,880,401	670,519	145,138	20,081,534	3,025,539
Long-term liabilities						
Outstanding	63,084,377	47,271,067	1,774,658	1,216,284	64,859,035	48,487,351
Other liabilities	5,368,779	4,727,511	3,047,431	2,642,937	8,416,210	7,370,448
Total Liabilities	68,453,156	51,998,578	4,822,089	3,859,221	73,275,245	55,857,799
Deferred inflows of resources	3,791,067	1,485,173	157,526	96,067	3,948,593	1,581,240
Net Position						
Invested in capital assets net of related debt	119,959,369	120,125,324	30,729,106	28,391,384	150,688,475	148,516,708
Restricted	13,847,317	18,157,117	-	-	13,847,317	18,157,117
Unrestricted	16,617,276	12,948,135	1,593,595	2,467,956	18,210,871	15,416,091
Total Net Position	$ 150,423,962	$ 151,230,576	$ 32,322,701	$ 30,859,340	$ 182,746,663	$ 182,089,916

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 - $18,210,871, 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.

FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

Analysis of the City's Operations – Governmental activities decreased the City of Roseville's net position by $5,357,179. Business-type activities increased Roseville's net position by $1,618,011, for an overall increase of $811,397. Key elements of this increase are as follows:

CONDENSED STATEMENT OF CHANGES IN NET POSITION

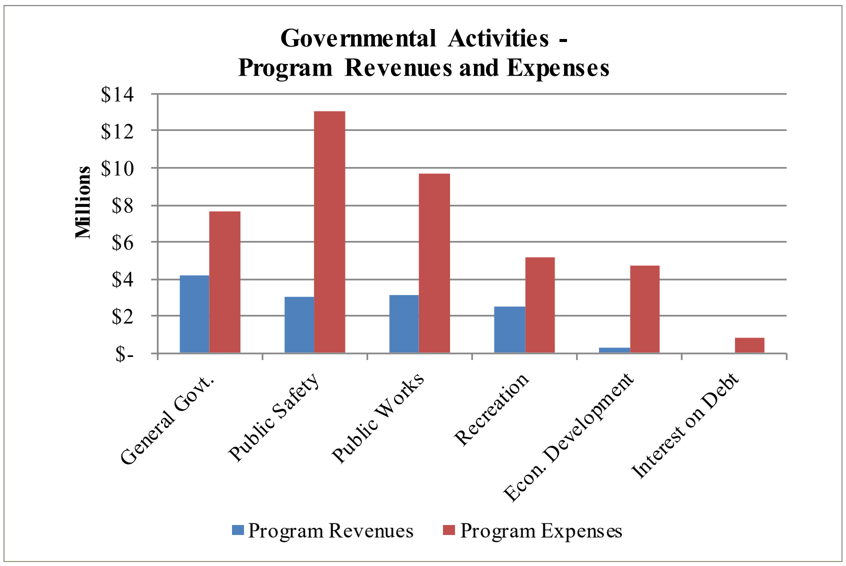
	Governmental Activities 2016	Governmental Activities 2015	Business-Type Activities 2016	Business-Type Activities 2015	Total 2016	Total 2015
Revenues						
Program Revenues						
Charges for services	$ 9,817,035	$ 8,214,172	$ 14,000,057	$ 13,575,343	$ 23,817,092	$ 21,789,515
Operating grants and Contributions	1,219,715	1,055,810	90,533	189,251	1,310,248	1,245,061
Capital grants and Contributions	2,137,095	2,368,626	277,055	2,000	2,414,150	2,370,626
General Revenues						
Property taxes	19,550,627	17,710,161	-	-	19,550,627	17,710,161
Other taxes	2,221,477	2,741,391	-	-	2,221,477	2,741,391
Grants & contributions not Restricted to specific Programs	24,435	24,435	-	-	24,435	24,435
Investment earnings	758,630	579,253	36,658	45,199	795,288	624,452
Net Increase (decrease) in fair value of investments	(897,640)	119,627	(46,107)	5,129	(943,747)	124,756
Gain on Sale of capital asset	129,474	-	7,635	145,442	137,109	145,442
Total Revenues	$ 34,960,848	$ 32,813,475	$ 14,365,831	$ 13,962,364	$ 49,326,679	$ 46,775,839
Expenses						
General government	$ 7,615,373	$ 6,126,713	$ -	$ -	$ 7,615,373	$ 6,126,713
Public safety	13,102,041	10,307,351	-	-	13,102,041	10,307,351
Public works	9,676,272	4,834,914	-	-	9,676,272	4,834,914
Economic development	4,729,987	2,603,186	-	-	4,729,987	2,603,186
Recreation	5,185,845	4,653,377	-	-	5,185,845	4,653,377
Interest on debt	813,509	886,950	-	-	813,509	886,950
Sanitary sewer	-	-	3,815,857	3,541,971	3,815,857	3,541,971
Water	-	-	5,977,512	5,698,196	5,977,512	5,698,196
Golf	-	-	340,677	306,814	340,677	306,814
Storm drainage	-	-	1,327,856	1,120,225	1,327,856	1,120,225
Recycling	-	-	480,918	463,018	480,918	463,018
Total Expenses	$ 41,123,027	$ 29,412,491	$ 11,942,820	$ 11,130,224	$ 53,065,847	$ 40,542,715
Change in Net Position before Transfers	$ (6,162,179)	$ 3,400,984	$ 2,423,011	$ 2,832,140	$ (3,739,168)	$ 6,233,124
Transfers	805,000	782,000	(805,000)	(782,000)	-	-
Increase (decrease) in Net position	(5,357,179)	4,182,984	1,618,011	2,050,140	(3,739,168)	6,233,124
Net position on January 1st, as restated (Note 6)	155,781,141	147,047,592	30,704,690	28,809,200	186,485,831	175,856,792
Net position on December 31st	150,423,962	155,781,141	32,322,701	30,704,690	182,746,663	186,485,831

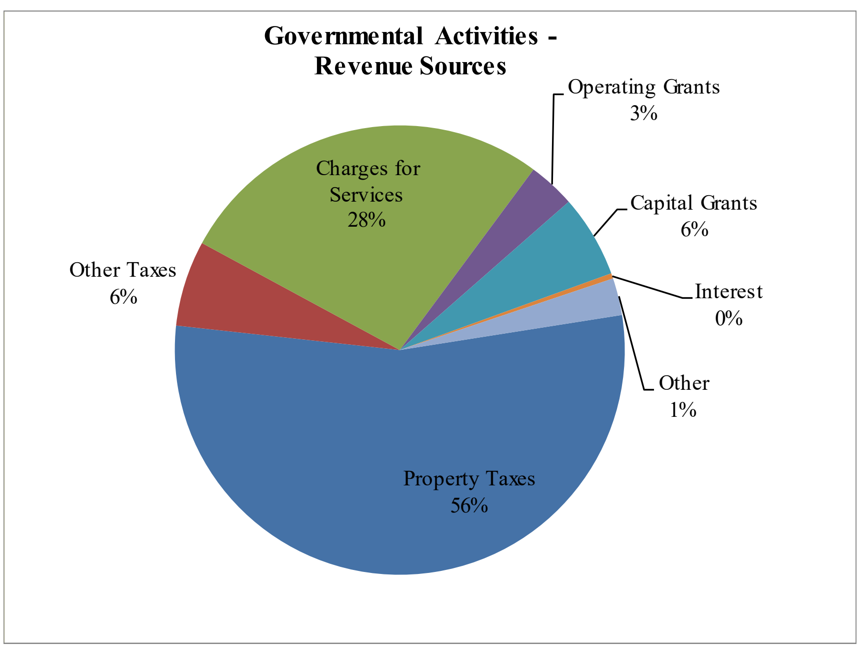
FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

Governmental Activities

The decrease in net position resulted primarily from the one-time return of $2.8 million of surplus monies previously held in the City's Economic Increments Fund. In accordance with State Statute, these monies were returned when the City decertified one of its larger tax increment financing districts. This also resulted in a significant increase in the economic development expenses as compared to 2015.

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



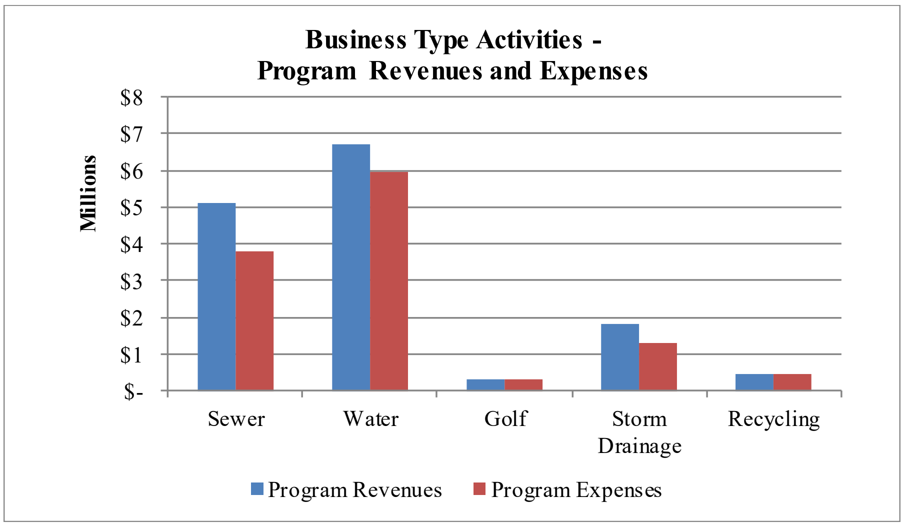


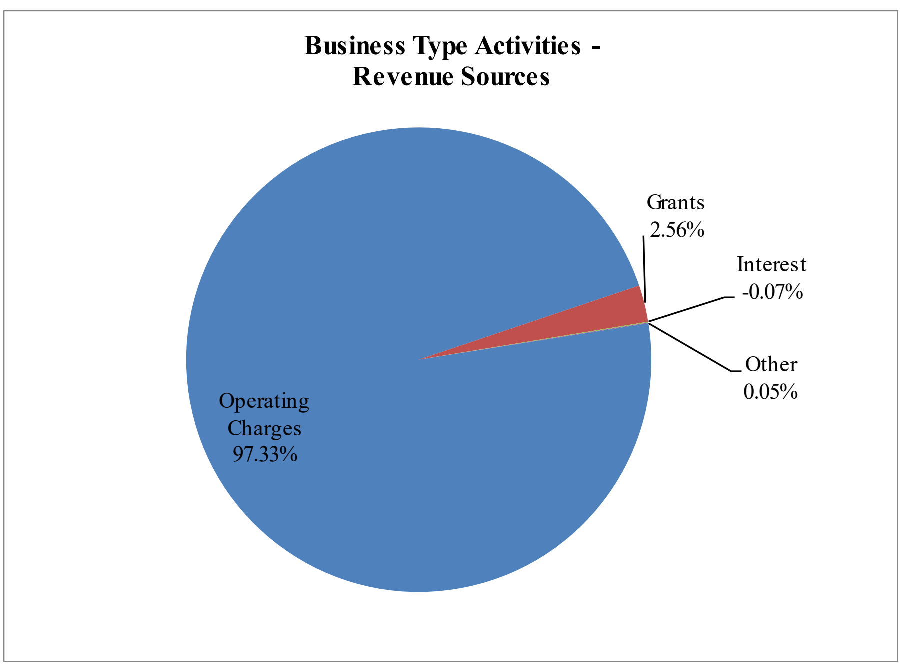
Business-type Activities

FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

The increase in net position for business-type activities reflects improved cost containment. Storm Drainage and Recycling rate increases in 2016 were also implemented to offset declining interest earnings and other non-tax revenue sources. The rate increases were also implemented to provide yearly contributions for future funding of capital asset replacement.

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





FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds

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

At the end of the current fiscal year, the City of Roseville's governmental funds reported combined ending fund balances of $43,982,955. Approximately 61.1% of this total amount $26,876,384; 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 - $4,097,180, 2) for tax increment financing activities - $6,586,003, 3) bond funded capital improvements - $2,902,068, 4) debt service - $2,693,499 and 5) housing and economic development - $827,821.

The fund balances of governmental funds declined by $5,379,976 in 2016. The decline is due to the spend down of bond proceeds on capital improvement projects and a return of surplus tax increment financing funds.

The Economic Increments Construction Fund accounts for the activities in the City's Tax Increment Financing (TIF) Districts. The Fund's balance decreased by $5,673,270. The decline is due to the one-time return of $2.8 million of surplus monies previously held in the City's Economic Increments Fund for a decertified tax increment district. Also the City had $4.7 million of infrastructure improvements in it's Twin Lakes Area.

The Street Construction Fund decreased by $1,030,789 largely due a budgeted spend down of reserves for various capital improvement projects.

The Revolving Improvements Fund decreased $851,308 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 - $681,734; Water – $294,660; Golf - $103,111; Storm - $390,410 and Recycling - $123,679. Overall net position increased $1,618,011 reflecting positive cash flow from utility rates which were designated for future capital replacements.

General Fund Budgetary Highlights

The General Fund balance increased by $1,204,544 in 2016 which was primarily due to the release of $1.1 million of excess tax increment by the county from the decertification of tax increment district No. 13.

CAPITAL ASSETS

The City of Roseville's investment in capital assets for its governmental and business type activities as of December 31, 2016, amounts to $177,425,981 (net of accumulated depreciation) – a 1.8% 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 $1.1 million in the construction of projects for the Parks Renewal Program.
- Approximately $2.8 million in improvements to the City's streets and sidewalks
- Approximately $3.7 million in improvements to the City's sewer line, water lines, lift station and storm drainage infrastructure.

CAPITAL ASSETS AT YEAR-END NET OF ACCUMULATED DEPRECIATION

	Governmental Activities 2016	Governmental Activities 2015	Business-Type Activities 2016	Business-Type Activities 2015	Total 2016	Total 2014
Land & easements	$ 35,638,651	$ 34,322,821	$ 893,298	$ 893,298	$ 36,531,949	$ 35,216,119
Buildings	23,088,547	23,550,973	73,096	87,664	23,161,643	23,638,637
Improvements other Than buildings	6,515,740	3,584,737	499,434	557,645	7,015,174	4,142,382
Machinery & equipment	8,148,760	6,266,532	815,691	1,080,160	8,964,451	7,346,692
Infrastructure	60,373,620	62,369,789	26,920,823	24,236,458	87,294,443	86,606,247
Construction in progress	12,931,557	15,833,360	1,526,764	1,536,159	14,458,321	17,369,519
Total Capital Assets	$ 146,696,875	$ 145,928,212	$ 30,729,106	$ 28,391,384	$ 177,425,981	$ 174,319,596

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.

LONG-TERM OBLIGATIONS

At the end of the current fiscal year, The City of Roseville had total long-term debt outstanding of $28,585,000. Of this amount: $2,420,000 was for general obligation refunding bonds to refinance the debt originally issued to construct an expansion of City Hall, $8,195,000 for the general obligation to finance the construction of a new fire station and to make various park improvements, $13,500,000 for the general obligation for remaining construction of a new fire station and for various parks renewal projects, $770,000 for housing improvements, $3,060,000 in general obligation tax increment revenue bonds to finance public improvements within Tax Increment Financing District No. 17, and $640,000 of general obligation certificate of indebtedness for the replacement of the Ice Arena refrigeration system.

OUTSTANDING DEBT GENERAL OBLIGATION IMPROVEMENT BONDS AND CERTIFICATES OF INDEBTEDNESS

	Governmental Activities 2016	Governmental Activities 2015	Business-Type Activities 2016	Business-Type Activities 2015	Total 2016	Total 2015
General obligation						
Tax Increment Revenue Bonds	$ 3,060,000	$ 3,060,000	$ -	$ -	$ 3,060,000	$ 3,060,000
Municipal bonds	24,885,000	27,240,000	-	-	24,885,000	27,240,000
Certificates of Indebtedness	640,000	945,000	-	-	640,000	945,000
Total Outstanding Debt	$ 28,585,000	$ 31,245,000	$ -	$ -	$ 28,585,000	$ 31,245,000

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 $122,012,310. $28,585,000 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-H this report.

CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS

Financial Outlook

A number of local economic factors played a role in setting next year's budget, utility rates and fee schedule:

- The City made operational adjustments including a modest property tax increase and the limited use of cash reserves to ensure that the City's core services are funded in a manner that preserves the greatest value to the community.

- New building permit fees were added, existing permit fees and plan review fees were increased to reflect the rising administrative, attorney and inspection costs incurred by the City. 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 2017 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		
	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and cash equivalents	47,869,143	1,364,895	49,234,038
Restricted investments			
Utility customer deposits	-	981,445	981,445
Cash held in escrow	665,848	-	665,848
Receivables			
Accounts	765,726	2,770,692	3,536,418
Taxes	714,015	-	714,015
Investment interest	99,796	4,761	104,557
Special assessments	1,076,747	330,797	1,407,544
Due from other goverments	168,350	214,716	383,066
Notes	1,967,507	-	1,967,507
Prepaids	82,641	235,385	318,026
Net pension obligation fire relief	3,150,522	-	3,150,522
Capital Assets Not Being Depreciated			
Land	27,906,758	893,298	28,800,056
Easements	7,731,893	-	7,731,893
Construction in Progress	12,931,557	1,526,764	14,458,321
Capital Assets Net of Accumulated Depreciation			
Buildings	23,088,547	73,096	23,161,643
Improvements other than Buildings	6,515,740	499,434	7,015,174
Machinery, equipment, and vehicles	8,148,760	815,691	8,964,451
Infrastructure	60,373,620	26,920,823	87,294,443
Total Assets	203,257,170	36,631,797	239,888,967
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension resources	19,411,015	670,519	20,081,534
LIABILITIES			
Accounts payable	931,751	857,606	1,789,357
Accrued payroll	402,144	44,930	447,074
Contracts and retainage payable	1,202,206	54,106	1,256,312
Bond interest payable	259,855	-	259,855
Due to other governmental units	1,834,413	896,786	2,731,199
Deposits payable	738,410	1,194,003	1,932,413
Noncurrent Liabilities:			
Due Within One Year	3,278,491	19,430	3,297,921
Due in More than One Year	59,805,886	1,755,228	61,561,114
Total Liabilities	68,453,156	4,822,089	73,275,245
DEFERRED INFLOWS OF RESOURCES			
Deferred pension resources	3,791,067	157,526	3,948,593
NET POSITION			
Net Investment in Capital Assets	119,959,369	30,729,106	150,688,475
Restricted for:			
Law enforcement	446,436	-	446,436
Telecommunication	436,616	-	436,616
Lawful Gambling	81,118	-	81,118
Community development	1,759,147	-	1,759,147
Park dedication	1,373,738	-	1,373,738
Tax increment	6,476,063	-	6,476,063
Debt service	2,446,378	-	2,446,378
Housing and Economic Development	827,821	-	827,821
Unrestricted	16,617,276	1,593,595	18,210,871
Total Net Position	150,423,962	32,322,701	182,746,663

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

		Program Revenues			Net (Expense) Revenue and Changes in Net Position – Primary Government		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	$ 7,615,373	$ 4,059,091	$ 83,874	$ 71,856	$ (3,400,552)	$ -	$ (3,400,552)
Public safety	13,102,041	2,358,147	694,543	-	(10,049,351)	-	(10,049,351)
Public works	9,676,272	747,179	338,768	2,065,239	(6,525,086)	-	(6,525,086)
Economic development	4,729,987	262,150	-	-	(4,467,837)	-	(4,467,837)
Recreation	5,185,845	2,390,468	102,530	-	(2,692,847)	-	(2,692,847)
Interest on long-term debt	813,509	-	-	-	(813,509)	-	(813,509)
Total governmental activities	41,123,027	9,817,035	1,219,715	2,137,095	(27,949,182)	-	(27,949,182)
Business-type activities:							
Sewer	3,815,857	4,808,303	1,705	277,055	-	1,271,206	1,271,206
Water	5,977,512	6,687,934	2,208	-	-	712,630	712,630
Golf	340,677	333,222	676	-	-	(6,779)	(6,779)
Storm Drainage	1,327,856	1,798,727	1,490	-	-	472,361	472,361
Recycling	480,918	371,871	84,454	-	-	(24,593)	(24,593)
Total business-type activities	11,942,820	14,000,057	90,533	277,055	-	2,424,825	2,424,825
Total primary government	$ 53,065,847	$ 23,817,092	$ 1,310,248	$ 2,414,150	$ (27,949,182)	$ 2,424,825	$ (25,524,357)
General revenues:							
Property taxes					19,550,627	-	19,550,627
Tax increments					1,677,742	-	1,677,742
Cable franchise taxes					449,920	-	449,920
Gambling taxes					93,815	-	93,815
Grants and contributions not restricted to specific programs					24,435	-	24,435
Unrestricted investment earnings					758,630	36,658	795,288
Unrestricted net increase(decrease) in the fair value of investments					(897,640)	(46,107)	(943,747)
Gain on sale of capital assets					129,474	7,635	137,109
Transfers					805,000	(805,000)	-
Total general revenues and transfers					22,592,003	(806,814)	21,785,189
Change in net position					(5,357,179)	1,618,011	(3,739,168)
Net position, January 1, as restated (Note 6)					155,781,141	30,704,690	186,485,831
Net position - ending					$ 150,423,962	$ 32,322,701	$ 182,746,663

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

		Special Revenue		
	General	Recreation	Community Development	Debt Service
ASSETS				
Cash and investments	7,925,320	1,635,931	2,182,203	2,628,029
Restricted investments				
Cash held in escrow	-	-	-	-
Investment interest receivable	16,137	3,338	4,421	5,333
Accounts receivable	73,191	218,954	2,882	-
Taxes receivable	338,649	77,552	-	104,689
Special assessments receivable	8,232	-	202	202,569
Due from other governments	16,321	-	-	-
Notes receivable	-	-	1,064,988	-
Prepaid items	80,717	624	1,300	-
TOTAL ASSETS	8,458,567	1,936,399	3,255,996	2,940,620
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	325,985	106,153	31,453	-
Accrued payroll	231,544	91,451	19,959	-
Contracts and retention payable	-	-	-	-
Due to other governmental units	201,193	67,154	1,090,334	-
Deposits payable	378,557	-	354,853	-
Total Liabilities	1,137,279	264,758	1,496,599	-
Deferred Inflows of Resources				
Unavailable Revenue - property taxes	148,058	33,906	-	45,770
Unavailable Revenue - special assessments	-	-	125	201,351
Total Deferred Inflows of Resoures	148,058	33,906	125	247,121
FUND BALANCE				
Nonspendable	80,717	624		-
Restricted				
Law Enforcement	446,436	-	-	-
Telecommunications	-	-	-	-
Lawful Gambling	-	-	-	-
Community Development	-	-	1,759,272	-
Park Dedication	-	-	-	-
Tax Increment	-	-	-	-
Debt Service	-	-	-	2,693,499
Bond Funded Capital Improvements	-	-	-	-
Housing and Economic Development	-	-	-	-
Committed				
Parks and Recreation Programs and Maintenance	-	1,637,111	-	-
License Center Improvements	-	-	-	-
Equipment Replacement	-	-	-	-
Street Replacement	-	-	-	-
Assigned				
Engineering Services	772,697	-	-	-
Accounting Service	17,319	-	-	-
Capital Projects	-	-	-	-
Housing and Economic Development	-	-	-	-
Unassigned	5,856,061	-	-	-
Total Fund Balances	7,173,230	1,637,735	1,759,272	2,693,499
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	8,458,567	1,936,399	3,255,996	2,940,620

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

	Capital Projects				
	Revolving Improvements	Economic Increments Construction	Street Construction	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	8,202,954	7,512,903	9,405,001	5,490,945	44,983,286
Restricted investments					
Cash held in escrow	-	-	-	665,848	665,848
Investment interest receivable	16,741	15,258	20,413	12,299	93,940
Accounts receivable	21,435	-	105,370	343,894	765,726
Taxes receivable	56,777	115,915	9,746	10,687	714,015
Special assessments receivable	-	-	860,520	5,224	1,076,747
Due from other governments	-	-	-	152,029	168,350
Notes receivable	-	-	-	902,519	1,967,507
Prepaid items	-	-	-	-	82,641
TOTAL ASSETS	8,297,907	7,644,076	10,401,050	7,583,445	50,518,060
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	72,512	320,773	7,414	62,563	926,853
Accrued payroll	-	-	-	59,190	402,144
Contracts and retention payable	394,829	627,360	180,017	-	1,202,206
Due to other governmental units	-	-	259	475,473	1,834,413
Deposits payable	-	-	-	5,000	738,410
Total Liabilities	467,341	948,133	187,690	602,226	5,104,026
Deferred Inflows of Resources					
Unavailable Revenue - property taxes	24,823	109,940	4,261	6,087	372,845
Unavailable Revenue - special assessments	-	-	854,638	2,120	1,058,234
Total Deferred Inflows of Resoures	24,823	109,940	858,899	8,207	1,431,079
Fund Balance					
Nonspendable	-	-	-	409,457	490,798
Restricted					
Law Enforcement	-	-	-	-	446,436
Telecommunications	-	-	-	436,616	436,616
Lawful Gambling	-	-	-	81,118	81,118
Community Development	-	-	-	-	1,759,272
Park Dedication	1,373,738	-	-	-	1,373,738
Tax Increment	-	6,586,003	-	-	6,586,003
Debt Service	-	-	-	-	2,693,499
Bond Funded Capital Improvements	2,902,068	-	-	-	2,902,068
Housing and Economic Development	-	-	-	827,821	827,821
Committed					
Parks and Recreation Programs and Maintenance	-	-	-	-	1,637,111
License Center Improvements	-	-	-	1,172,926	1,172,926
Equipment Replacement	-	-	-	1,041,002	1,041,002
Street Replacement	-	-	9,354,461	-	9,354,461
Assigned					
Engineering Services	-	-	-	-	772,697
Accounting Service	-	-	-	-	17,319
Capital Projects	3,529,937	-	-	-	3,529,937
Housing and Economic Development	-		-	3,004,072	3,004,072
Unassigned	-	-	-	-	5,856,061
Total Fund Balances	7,805,743	6,586,003	9,354,461	6,973,012	43,982,955
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	8,297,907	7,644,076	10,401,050	7,583,445	50,518,060

Capital assets (net of depreciation) used in governmental activities and are not financial resources and therefore, are not reported in the funds.	146,696,875
Long term liabilities including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.	(63,081,934)
Internal service funds are used by management to charge the cost of insurance to individual funds.	2,624,517
Other long term assets are not available to pay for current-period expenditures and, therefore, are deferred or are not reported in the funds.	4,581,601
Governmental funds do not report long term amounts related to pensions	
Deferred outflow of resources	19,411,015
Deferred inflow of resources	(3,791,067)
Net position of governmental activities	$ 150,423,962

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended December 31, 2016

		Special Revenue		
	General	Recreation	Community Development	Debt Service
REVENUES				
General property taxes	11,919,681	2,438,555	-	3,291,852
Tax increment	-	-	-	-
Intergovernmental revenue	1,213,476	102,530	-	-
Licenses and permits	484,004	-	1,929,899	-
Gambling taxes	-	-	-	-
Charges for services	535,975	1,931,179	255,597	-
Fines and forfeits	107,229	-		-
Cable franchise taxes	-	-	-	-
Rentals	-	59,250	-	-
Donations	15,705	100,317	-	-
Special assessments	-	-	-	41,986
Investment income				
Interest earned on investments	98,187	24,622	31,489	24,052
Increase (decrease) in fair value of investments	(136,768)	(28,349)	(35,341)	(47,498)
Miscellaneous Revenue	57,894	43,422	22,365	-
Total Revenues	14,295,383	4,671,526	2,204,009	3,310,392
EXPENDITURES				
Current				
General government	2,560,587	-	-	-
Public safety	9,229,332	-	702,104	-
Public works	2,238,271	-	-	-
Economic development	-	-	719,959	-
Recreation	-	4,318,652	-	-
Capital outlay	-	-	-	-
Debt service				
Bond principal	-	-	-	2,660,000
Interest and other charges - Bonds	-	-	-	848,823
Total Expenditures	14,028,190	4,318,652	1,422,063	3,508,823
Excess (Deficiency) of Revenues Over (Under) Expenditures	267,193	352,874	781,946	(198,431)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,164,000	-	-	658,127
Transfers out	(230,000)	-	(45,000)	(401,718)
Sale of capital assets	3,351	-	775	-
Total Other Financing Sources (Uses)	937,351	-	(44,225)	256,409
Net Change in Fund Balances	1,204,544	352,874	737,721	57,978
FUND BALANCES, January 1, as restated (Note 6)	5,968,686	1,284,861	1,021,551	2,635,521
FUND BALANCES, December 31	7,173,230	1,637,735	1,759,272	2,693,499

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended December 31, 2016

	Capital Projects				
	Revolving Improvements	Economic Increments Construction	Street Construction	Other Governmental Funds	Total Governmental Funds
REVENUES					
General property taxes	1,785,310	-	306,449	271,311	20,013,158
Tax increment	-	1,677,742	-	-	1,677,742
Intergovernmental revenue	-	962,647	1,102,592	-	3,381,245
Licenses and permits	-	-	-	200	2,414,103
Gambling taxes	-	-	-	93,815	93,815
Charges for services	-	-		3,165,295	5,888,046
Fines and forfeits	-	-	-	-	107,229
Cable franchise taxes	-	-	-	449,920	449,920
Rentals	-	-	-	-	59,250
Donations	-	-	-	110,017	226,039
Special assessments	-	56,013	204,101	-	302,100
Investment income					
Interest earned on investments	131,309	140,217	168,527	95,362	713,765
Increase (decrease) in fair value of investments	(151,259)	(155,265)	(183,062)	(108,540)	(846,082)
Miscellaneous Revenue	262,850	-	-	495,787	882,318
Total Revenues	2,028,210	2,681,354	1,598,607	4,573,167	35,362,648
EXPENDITURES					
Current					
General government	224,300	-	-	4,037,222	6,822,109
Public safety	154,347	-	-	-	10,085,783
Public works	257,650	-	3,350	-	2,499,271
Economic development	-	3,550,974	-	331,451	4,602,384
Recreation	61,472	-	-	-	4,380,124
Capital outlay	2,350,345	4,650,882	2,752,405	68,220	9,821,852
Debt service					
Bond principal	-	-	-	-	2,660,000
Interest and other charges - Bonds	-	-	-	-	848,823
Total Expenditures	3,048,114	8,201,856	2,755,755	4,436,893	41,720,346
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,019,904)	(5,520,502)	(1,157,148)	136,274	(6,357,698)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	631,718	125,000	2,578,845
Transfers out	-	(152,768)	(505,359)	(439,000)	(1,773,845)
Sale of capital assets	168,596	-	-	-	172,722
Total Other Financing Sources (Uses)	168,596	(152,768)	126,359	(314,000)	977,722
Net Change in Fund Balances	(851,308)	(5,673,270)	(1,030,789)	(177,726)	(5,379,976)
FUND BALANCES, January 1, as restated (Note 6)	8,657,051	12,259,273	10,385,250	7,150,738	49,362,931
FUND BALANCES, December 31	7,805,743	6,586,003	9,354,461	6,973,012	43,982,955

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, 2016

Net Change in Fund Balances - Total Governmental Funds	$	(5,379,976)
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.		803,360
Net effect of sales, trade-ins and retirements of capital assets		(34,697)
Payments on general obligation debt		2,660,000
Premium on general obligation bonds amortized		128,592
Net change due to internal service funds incorporated into statement of activities		111,008
Net change in net pension obligation - City		(3,494,495)
Net change in net pension obligation - Fire Relief		508,263
Net change in net pension obligation - OPEB		(98,824)
Change in compensated absences		(71,143)
Change in bond interest payable		35,314
Adjustment for modified accrual revenue recognition related to Special assessments, delinquent property tax and delinquent tax increment		(524,581)
Change in Net Position of Governmental Activities	$	(5,357,179)

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

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	Business-Type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Sanitary Sewer	Water	Golf Course	Storm Drainage	Solid Waste Recycling	Totals	
ASSETS							
Current Assets							
Cash and cash equivalents	733,685	-	266,952	325,589	38,669	1,364,895	2,885,857
Restricted cash and cash equivalents and investments:							
Customer deposits	-	981,445	-	-	-	981,445	-
Investment interest receivable	1,489	1,992	542	660	78	4,761	5,856
Accounts receivable	1,059,223	1,190,585	-	431,562	89,321	2,770,691	-
Special assessments	330,797	-	-	-	-	330,797	-
Due from other governmental units	-	193,637	-	-	21,079	214,716	-
Prepaid Items	234,685	-	700	-	-	235,385	-
Total Current Assets	2,359,879	2,367,659	268,194	757,811	149,147	5,902,690	2,891,713
Noncurrent Assets							
Capital Assets							
Land	-	-	319,892	573,407	-	893,299	-
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	1,041,505	1,314,299	202,612	1,226,407	-	3,784,823	-
Infrastructure	16,175,613	15,880,048	-	17,698,772	-	49,754,433	-
Construction in Progress	539,333	838,462	-	148,969	-	1,526,764	-
Less: Accumulated Depreciation	(6,744,950)	(9,204,119)	(678,940)	(11,710,219)	-	(28,338,228)	-
Total Noncurrent Assets	11,062,067	10,331,446	393,240	8,942,354	-	30,729,107	-
TOTAL ASSETS	13,421,946	12,699,105	661,434	9,700,165	149,147	36,631,797	2,891,713
DEFERRED OUTFLOWS OF RESOURCES							
Deferred pension resources	183,812	238,124	72,909	160,640	15,034	670,519	-
LIABILITIES							
Current Liabilities (Payable from Current Assets)							
Accounts Payable	807,480	34,992	2,731	12,283	120	857,606	4,898
Accrued payroll	10,118	14,009	6,344	13,814	645	44,930	-
Compensated absences payable	4,339	5,573	4,731	4,787	-	19,430	-
Contracts and retainage payable	600	26,396	-	27,110	-	54,106	-
Customer deposits payable	-	1,194,003	-	-	-	1,194,003	-
Due to other governmental units	512,661	362,334	3,780	17,616	395	896,786	-
Insurance claims payable	-	-	-	-	-	-	52,314
Total Current Liabilities	1,335,198	1,637,307	17,586	75,610	1,160	3,066,861	57,212
Noncurrent Liabilities							
Compensated absences payable	17,354	22,290	18,924	19,146	-	77,714	-
Net other postemployment benefits obligation	28,408	28,407	10,694	12,925	-	80,434	-
Net Pension liability	437,814	567,176	173,659	382,621	35,810	1,597,080	-
Insurance claims payable	-	-	-	-	-	-	209,984
Total Noncurrent Liabilities	483,576	617,873	203,277	414,692	35,810	1,755,228	209,984
TOTAL LIABILITIES	1,818,774	2,255,180	220,863	490,302	36,970	4,822,089	267,196
DEFERRED INFLOWS OF RESOURCES							
Deferred pension resources	43,183	55,943	17,129	37,739	3,532	157,526	-
NET POSITION							
Net Investment in Capital Assets	11,062,067	10,331,446	393,240	8,942,354	-	30,729,107	-
Unrestricted	681,734	294,660	103,111	390,410	123,679	1,593,594	2,624,517
TOTAL NET POSITION	11,743,801	10,626,106	496,351	9,332,764	123,679	32,322,701	2,624,517

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

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended December 31, 2016

	Business Type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Sanitary Sewer	Water	Golf Course	Storm Drainage	Solid Waste Recycling	Totals	
SALES AND COST OF SALES							
Sales	-	-	23,719	222	40	23,981	-
Cost of sales	-	-	(11,870)	-	(1,431)	(13,301)	-
Gross profit	-	-	11,849	222	(1,391)	10,680	-
OPERATING REVENUES							
User charges	4,790,819	6,675,524	290,546	1,796,024	357,588	13,910,501	313,020
Delinquency collections	17,484	-	-	-	-	17,484	-
Miscellaneous	-	12,410	30,827	2,481	15,674	61,392	114,426
Total Operating Revenues	4,808,303	6,687,934	321,373	1,798,505	373,262	13,989,377	427,446
OPERATING EXPENSES							
Personal service	464,036	609,423	246,441	399,376	35,782	1,755,058	-
Supplies	49,915	177,085	35,617	75,328	1,141	339,086	-
Other services and charges	2,932,848	4,862,883	42,675	412,238	443,995	8,694,639	309,745
Depreciation	369,058	328,121	15,944	440,914	-	1,154,037	-
Total Operating Expenses	3,815,857	5,977,512	340,677	1,327,856	480,918	11,942,820	309,745
OPERATING INCOME (LOSS)	992,446	710,422	(7,455)	470,871	(109,047)	2,057,237	117,701
NON-OPERATING REVENUES (EXPENSES)							
Investment Income							
Interest Earned on Investments	11,226	15,231	4,632	4,802	767	36,658	44,865
Increase (Decrease) in Fair Value of Investments	(12,759)	(19,213)	(4,777)	(8,456)	(902)	(46,107)	(51,558)
Intergovernmental Revenue	1,705	2,208	676	1,490	84,454	90,533	-
Gain on Sale of Capital Assets	-	1,625	-	6,010	-	7,635	-
Total Non-Operating Revenues (Expenses)	172	(149)	531	3,846	84,319	88,719	(6,693)
Income (Loss) Before Capital Contributions and Transfers	992,618	710,273	(6,924)	474,717	(24,728)	2,145,956	111,008
Capital Contributions	277,055	-	-	-	-	277,055	-
Transfers Out	(285,000)	(385,000)	(20,000)	(100,000)	(15,000)	(805,000)	-
Change in Net Position	984,673	325,273	(26,924)	374,717	(39,728)	1,618,011	111,008
NET POSITION, January 1, as restated (Note 6)	10,759,128	10,300,833	523,275	8,958,047	163,407	30,704,690	2,513,509
NET POSITION, December 31	11,743,801	10,626,106	496,351	9,332,764	123,679	32,322,701	2,624,517

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	4,601,059	6,514,689	302,395
Cash payments to suppliers for goods and services	(2,723,626)	(5,054,272)	(78,667)
Cash payments to employees	(436,468)	(583,384)	(234,744)
Other operating revenues	-	12,410	30,827
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	1,440,965	889,443	19,811
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers Out to Other Funds	(285,000)	(385,000)	(20,000)
Subsidy from governmental grants	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(285,000)	(385,000)	(20,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(1,336,988)	(916,948)	-
Subsidy from governmental grants	277,055	-	-
Proceeds from sale of capital assets	-	1,625	-
NET CASH PROVIDED (USED) IN CAPITAL AND RELATED FINANCING ACTIVITIES	(1,059,933)	(915,323)	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received on investments	10,834	15,616	4,546
Increase (Decrease) in Fair Value of Investments	(12,759)	(19,213)	(4,777)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(1,925)	(3,597)	(231)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	94,107	(414,477)	(420)
CASH AND CASH EQUIVALENTS, JANUARY 1	639,578	1,395,922	267,372
CASH AND CASH EQUIVALENTS, DECEMBER 31	733,685	981,445	266,952
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	992,446	710,422	(7,455)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities			
Depreciation	369,058	328,121	15,944
Pension related activity	23,420	16,961	4,104
Changes in elements affecting cash:			
(Increase) Decrease in Accounts receivable	(154,334)	(174,002)	-
(Increase) Decrease in Special assessments	(52,910)	-	-
(Increase) Decrease in Due from other governmental untis	-	13,167	-
(Increase) Decrease in Prepaid items	(234,685)	-	(700)
Increase (Decrease) in Accounts payable	101,028	(71,634)	(757)
Increase (Decrease) in Accrued payroll	2,721	4,176	1,385
Increase (Decrease) in Compensated absences	(611)	2,864	5,699
Increase (Decrease) in Contracts payable	(76,717)	20,702	-
Increase (Decrease) in Customer deposits	-	61,289	-
Increase (Decrease) in Due to other governmental units	469,511	(24,661)	1,082
Increase (Decrease) in Net other postemployment benefits obligation	2,038	2,038	509
Increase (Decrease) in Insurance claim payable	-	-	-
Total Adjustments	448,519	179,021	27,266
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	1,440,965	889,443	19,811
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Increase/(Decrease) in fair market value of investments	(12,759)	(19,213)	(4,777)

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

	Business-type Activities - Enterprise Funds			Governmental Activities -
	Storm Drainage	Solid Waste Recycling	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users, including deposits	1,764,426	337,124	13,519,693	313,020
Cash payments to suppliers for goods and services	(573,873)	(444,954)	(8,875,392)	(405,317)
Cash payments to employees	(359,567)	(29,449)	(1,643,612)	114,426
Other operating revenues	2,481	15,674	61,392	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	833,467	(121,605)	3,062,081	22,129
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers Out to Other Funds	(100,000)	(15,000)	(805,000)	-
Subsidy from governmental grants	(154,650)	84,315	(70,335)	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(254,650)	69,315	(875,335)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(1,237,824)		(3,491,760)	-
Subsidy from governmental grants	-	-	277,055	-
Proceeds from sale of capital assets	6,010	-	7,635	-
NET CASH PROVIDED (USED) IN CAPITAL AND RELATED FINANCING ACTIVITIES	(1,231,814)	-	(3,207,070)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received on investments	5,817	844	37,657	43,902
Increase (Decrease) in Fair Value of Investments	(8,456)	(902)	(46,107)	(51,558)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(2,639)	(58)	(8,450)	(7,656)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(655,636)	(52,348)	(1,028,774)	14,473
CASH AND CASH EQUIVALENTS, JANUARY 1	981,225	91,017	3,375,114	2,871,384
CASH AND CASH EQUIVALENTS, DECEMBER 31	325,589	38,669	2,346,340	2,885,857
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	470,871	(109,047)	2,057,237	117,701
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities				
Depreciation	440,914	-	1,154,037	-
Pension related activity	36,619	6,105	87,209	-
Changes in elements affecting cash:				
(Increase) Decrease in Accounts receivable	(31,820)	(20,307)	(380,463)	-
(Increase) Decrease in Special assessments	-	-	(52,910)	-
(Increase) Decrease in Due from other governmental untis	-	1,234	14,401	-
(Increase) Decrease in Prepaid items	-	-	(235,385)	-
Increase (Decrease) in Accounts payable	4,938	75	33,650	3,476
Increase (Decrease) in Accrued payroll	2,266	228	10,776	-
Increase (Decrease) in Compensated absences	(604)	-	7,348	-
Increase (Decrease) in Contracts payable	(98,776)	-	(154,791)	-
Increase (Decrease) in Customer deposits	-	-	61,289	-
Increase (Decrease) in Due to other governmental units	7,531	107	453,570	(6,740)
Increase (Decrease) in Net other postemployment benefits obligation	1,528	-	6,113	-
Increase (Decrease) in Insurance claim payable	-	-	-	(92,308)
Total Adjustments	362,596	(12,558)	1,004,844	(95,572)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	833,467	(121,605)	3,062,081	22,129
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Increase/(Decrease) in fair market value of investments	(8,456)	(902)	(46,107)	(51,558)

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, 2016

Statement 9

(Page 1 of 1)

ASSETS	
Cash and cash equivalents	632,823
Receivables	
Investment interest receivable	194
Special assessments receivable	119,291
Prepaid items	25,948
TOTAL ASSETS	846,093
LIABILITIES	
Accounts Payable	40,247
Accrued payroll	8,823
Due to other governmental units	125,600
Due to other organizations	671,423
TOTAL LIABILITIES	846,093

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:

Blended Component unit. The Roseville Economic Development Authority (EDA) was established to facilitate development and redevelopment in the City. The governing board consists of the members of the City Council. The City approves the levy and appropriations for the EDA annually as part of the City's budget process. Any sale of bonds or obligations issued by the EDA must be approved by the City Council before issuance and the City Council may require the EDA to transfer any portion of the reserves generated by activities of the EDA to the City to reduce the tax levies for bonded indebtedness of the City. The EDA does not issue separate financial statements. Financial information may be obtained at the City's offices.

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

The recycling fund accounts for the resources and expenditures related to the operation of a solid waste recycling 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, St. Paul Port Authority, 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, the component unit, and the Roseville Visitor's Association are reported at fair value.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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 for the Economic Development 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 acquisition 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 outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until that time. The City has one item that qualifies for reporting in this category. The presents deferred outflows of resources on the Statement(s) of Net position for deferred outflows of resources related to pensions. Deferred outflows of resources related to pensions results from the difference between projected and actual earnings, changes in actuarial assumptions and employer contribution paid to PERA subsequent to the measurement date.

In addition to liabilities, the statement of financial position and fund financial statements 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 City has two items that qualify for reporting in this category. The City presents deferred inflows of resources on the Governmental Fund Balance Sheet as unavailable revenue. 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. The City presents deferred inflows of resources on the Statement(s) of Net Position for deferred inflows of resources related to pensions. Deferred inflows of resources related to pensions results from the net difference expected and actual economic experience and changes in proportion.

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. Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and the relief association and additions to/deductions from PERA's and the relief association's fiduciary net position have been determined on the same basis as they are reported by PERA and the relief association except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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	$ (27,945,000)	
Premium on bonds payable	(1,342,505)	
Certificates of indebtedness	(640,000)	
Bond interest payable	(259,855)	
Net OPEB obligation	(1,031,724)	
Net Pension liabilty	(30,236,947)	
Compensated absences	(1,625,903)	
Net change due to long-term liabilities		$ (63,081,934)
Other long-term assets:		
Net pension obligation - fire relief	$ 3,150,522	
Addition of long-term deferred inflows	1,431,083	
Net change in other long-term assets		$ 4,581,605

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	$ 5,530,335
Depreciation expense	(4,726,975)
Net change in fund-balances-total governmental funds and change in net position of governmental activities	$ 803,360

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, 2016 consist of the following:

Deposits	$ 13,532,135
Investments	37,970,719
Cash on Hand	11,300
Total	$ 51,514,154

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

Statement of Net Positions - Government Wide	
Cash and cash equivalents	$ 49,234,038
Restricted investments	1,647,293
Statement of Fiduciary Net Posititons	
Cash and cash equivalents - Agency Funds	632,823
Total	$ 51,514,154

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 $13,532,135 while the balance on the bank records was $13,547,178. At December 31, 2016, 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, 2016:

	Investment Maturities (in Years)				
Investment Type	Less Than 1	1-5	6-10	Over 10 Years	Total
U.S. agency securities	$ -	$8,539,684	$14,617,000	$14,592,946	$37,749,630
Stock funds-Fidelity	$ -	$144,902	$ -	$ -	$144,902
Bond funds-Fidelity	$ -	$74,958	$ -	$ -	$74,958
Short-term funds-Fidelity	$ -	$1,229	$ -	$ -	$1,229
Total investments in cash and investment pool	$0	$8,760,773	$14,617,000	$14,592,946	$37,970,719

Included in the total investment pool of $37,970,719 is an investment pool with Fidelity Investments of $221,089 of the Roseville Visitor's Association, in which the City is a fiduciary agent. The remaining amount of $37,749,630 belongs to the City.

The City has the following recurring fair value measurements as of December 31, 2016:

- U.S. agency securities of $37,749,630 are valued using a matrix pricing model (Level 2 inputs)
- Stock funds-Fidelity of $144,902 are valued using a quoted market prices (Level 1 inputs)
- Bond funds-Fidelity of $74,958 are valued using a quoted market prices (Level 1 inputs)
- Short -term funds-Fidelity of $1,229 are valued using a quoted market prices (Level 1 inputs)

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 Unite 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 charted 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 53% with Federal Home Bank, 39.3% with Fannie Mae and 7.7% 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:

	Unavailable
Delinquent property taxes (General)	$ 148,058
Delinquent property taxes (Recreation)	33,906
Delinquent property taxes (Debt service)	45,770
Delinqeunt property taxes (Revolving Improvlements)	24,823
Delinquent property taxes (Economic Development)	109,940
Delinquent property taxes (Street Construction)	4,261
Delinquent property taxes (Information Technology)	3,574
Delinquent property taxes (EDA)	2,513
Delinquent special assessments (Community Development)	125
Delinquent special assessments (Debt Service)	118
Delinquent special assessments (Street Construction)	16,747
Delinquent special assessments (EDA)	2,120
Special assessments not yet due (G.O. Improvement Bonds)	201,233
Special assessments not yet due (Street Construction)	837,891
Total deferred inflows for governmental funds	$ 1,431,079

C. Capital assets

Capital asset activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Completed Construction & Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	$ 26,590,928	$ 132,972	$ -	$ 1,182,858	$ 27,906,758
Permanent Easements	7,731,893	-	-	-	7,731,893
Construction in progress	15,833,360	9,052,977	4,830,937	(7,123,843)	12,931,557
Total capital assets not being depreciated	50,156,181	9,185,949	4,830,937	(5,940,985)	48,570,208
Capital assets being depreciated:					
Buildings	35,325,329	-	995,127	407,402	34,737,604
Improvements other than buildings	5,904,599	123,054	-	3,118,571	9,146,224
Machinery and equipment	16,139,541	1,052,269	419,222	2,001,539	18,774,127
Infrastructure	108,103,765	-	-	413,473	108,517,238
Total capital assets being depreciated	165,473,234	1,175,323	1,414,349	5,940,985	171,175,193
Less accumulated depreciation for:					
Buildings	11,774,356	869,828	995,127	-	11,649,057
Improvements other than buildings	2,319,862	310,622	-	-	2,630,484
Machinery and equipment	9,873,009	1,136,883	384,525	-	10,625,367
Infrastructure	45,733,976	2,409,642	-	-	48,143,618
Total accumulated depreciation	69,701,203	4,726,975	1,379,652	-	73,048,526
Total capital assets, being depreciated, net	95,772,031	(3,551,652)	34,697	5,940,985	98,126,667
Governmental activities capital assets, net	$ 145,928,212	$ 5,634,297	$ 4,865,634	$ -	$ 146,696,875

	Beginning Balance	Increases	Decreases	Completed Construction & Transfers	Ending Balance
Business-type activities:					
Capital assets not being depreciated:					
Land	$ 893,298	$ -	$ -	$ -	$ 893,298
Construction in progress	1,536,159	3,714,039	251,882	(3,471,552)	1,526,764
Total capital assets not being depreciated	2,429,457	3,714,039	251,882	(3,471,552)	2,420,062
Capital assets being depreciated:					
Buildings	1,696,987	-	-	-	1,696,987
Improvements other than buildings	1,411,029	-	-	-	1,411,029
Machinery and equipment	3,793,223	24,592	32,992		3,784,823
Infrastructure	46,277,871	5,010	-	3,471,552	49,754,433
Total capital assets being depreciated	53,179,110	29,602	32,992	3,471,552	56,647,272
Less accumulated depreciation for:					
Buildings	1,609,323	14,568	-	-	1,623,891
Improvements other than buildings	853,384	58,211	-	-	911,595
Machinery and equipment	2,713,063	289,061	32,992		2,969,132
Infrastructure	22,041,413	792,197	-	-	22,833,610
Total accumulated depreciation	27,217,183	1,154,037	32,992	-	28,338,228
Total capital assets, being depreciated, net	25,961,927	(1,124,435)	-	3,471,552	28,309,044
Business-type activities capital assets, net	$ 28,391,384	$ 2,589,604	$ 251,882	$ -	$ 30,729,106

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

Governmental activities:	
General government	$ 480,850
Public safety	661,462
Public works including depreciation of infrastructure	2,727,171
Recreation	857,492
Total depreciation expense - governmental activities	$ 4,726,975
Business-type activities:	
Sanitary sewer	
Water	369,058
Golf	328,121
Storm drainage	15,944
	440,914
Total depreciation expense - business-type activities	$ 1,154,037

D. Construction commitments

The City has construction projects in progress as of December 31, 2016. 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:

Project	Spent-to-Date	Remaining Commitment
Parks renewal project	$ 14,913,765	$ 877,123
Twin Lakes Parkway Phase 3	$ 2,900,093	$ 237,834
Twin Lakes East Collector	$ 65,621	$ 20,561
Twin Lakes I-35W Ramp	$ 1,603,797	$ 23,782
Twin Lakes Area Signals	$ 42,835	$ 7,116
Cleveland Lift Station Replacement	$ 45,710	$ 11,170
Heinel Watermain Relining	$ 583,553	$ 53,272
Drainage Pond Maintenance	$ 793	$ 9,707

E. Interfund receivables, payables, and transfers

The following is a schedule of interfund transfers as of December 31, 2016:

Interfund transfers:

	Transfer In				
Transfers Out	General	Street Construction	Debt Service	Non-major Governmental	Total
General	$ -	$ 230,000	$ -	$ -	$ 230,000
Debt Service	-	401,718	-	-	401,718
Economic Increments Construction	-	-	152,768	-	152,768
Street Construction	-	-	505,359	-	505,359
Non-major Governmental	384,000	-	-	100,000	484,000
Sanitary Sewer	285,000	-	-	-	285,000
Water	360,000	-	-	25,000	385,000
Golf Course	20,000	-	-	-	20,000
Storm Drainage	100,000	-	-	-	100,000
Solid Waste Recycling	15,000	-	-	-	15,000
Total	$ 1,164,000	$ 631,718	$ 658,127	$ 125,000	$ 2,578,845

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

F. Tax Increment Financing

The City has entered into two Tax Increment Financing agreements, which meet the criteria for disclosure under *Governmental Accounting Standards Board Statement No. 77 Tax Abatement Disclosures.* The City's authority to enter into these agreements comes from Minnesota Statute 469. The City entered into these agreements for the purpose of economic development.
Under each agreement, the City and developer agree on an amount of development costs to be reimbursed to the developer by the City though tax revenues from the additional taxable value of the property generated by the development (tax increment). A "pay-as-you-go" note is established for this amount, on which the City makes payments for a fixed period of time with available tax increment revenue after deducting for certain administrative costs.

During the year ended December 31, 2016, the City generated $1,677,742 in tax increment revenue and made $234,988 in payments to developers.

One agreement exceeded 10% of the total tax increment generated throughout the year.

- TIF District No. 19 was established in 2010 for the purpose of site improvements including landscaping, grading/earthwork, on site utilities, storm water ponding, etc... Under the agreement, up to $659,000 of development costs will be reimbursed through tax increment over a 9-year period. During the year ended December 31, 2016, the City generated $212,304 of tax increment revenue and made payments on the pay-as-you-go note of $169,843. The note's balance at year-end was $450,852.

G. Leases

The City leases office facilities and copiers under noncancelable operating leases. Total costs for such leases were $99,200 for the year ended December 31, 2016. The future minimum lease payments for these leases are as follows:

Year Ending Dec. 31	Amount
2017	14,302
2018	3,708
2019	3,708
2020	3,708
2021	3,708
2022	927
Total	$ 30,061

H. Long-term debt

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

General obligation bonds and certificates of indebtedness are direct obligations and pledge the full faith and credit of the government. The original amount of general obligation bonds and certificates of indebtedness for the issues listed below is $36,430,000

General obligation debt currently outstanding is as follows:

Purpose	Net Interest Rates	Amount
Governmental activities	.85% - 5.6%	$ 28,585,000

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

Government Activities				
Year Ending	General Obligation Bonds		Certificate of Indebtedness	
December 31	Principal	Interest	Principal	Interest
2017	$ 2,445,000	$ 772,308	$ 315,000	$ 16,893
2018	2,555,000	723,778	325,000	5,769
2019	2,675,000	666,071	-	-
2020	1,900,000	603,881	-	-
2021	2,020,000	540,786	-	-
2022-2026	10,795,000	1,660,749	-	-
2027-2031	5,310,000	242,538	-	-
2032	245,000	3,675	-	-
Total	$ 27,945,000	$ 5,213,786	$ 640,000	$ 22,662

<u>Changes in long-term liabilities</u>

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable:					
General Obligation Bonds	$ 27,240,000	$ -	$ 2,355,000	$ 24,885,000	$ 2,420,000
Premium on GO Bonds	1,471,097	-	128,592	1,342,505	140,996
Tax Increment Revenue Bonds	3,060,000	-	-	3,060,000	25,000
Total Bonds Payable	31,771,097	-	2,483,592	29,287,505	2,585,996
General Obligation Certificate of Indebtedness	945,000	-	305,000	640,000	315,000
Compensated Absences	1,554,760	1,292,222	1,221,079	1,625,903	325,181
Insurance Claims Payable	354,605	43,649	135,956	262,298	52,314
Governmental activities - Long-Term Liabilities	$ 34,625,462	$ 1,335,871	$ 4,145,627	$ 31,815,706	$ 3,278,491
Business-Type Activities:					
Compensated Absences	89,796	91,515	84,167	97,144	19,430
Business type activities- Long-Term Liabilities	$ 89,796	$ 91,515	$ 84,167	$ 97,144	$ 19,430

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, 2016, there were eight series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of $44.9 million.

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 2016, 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 2016.

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, 2016, were $1,282,264 and $1,342,253 for the Workers' Compensation Fund and Risk Management Fund, respectively. The claims liability of $26,372 and $235,926, respectively, reported in both funds at December 31, 2016 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 2015 and 2016 were:

Workers' Compensation Fund

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Ending of Fiscal Year Liability
2015	$ 141,594	$ 55,438	$ 119,298	$ 77,734
2016	77,734	(3,377)	47,985	26,372

Risk Management Fund

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Ending of Fiscal Year Liability
2015	$ 563,913	$ (76,617)	$ 210,425	$ 276,871
2016	276,871	88,163	129,108	235,926

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 in not presently determinable, in the opinion of the government's legal counsel the resolution of these mater will not have a material adverse effect on the financial condition of the government.

C. Employee retirement systems and pension plans

The city participates in various pension plans, total pension expense for the year ended December 31, 2016 was $4,864,427. The components of pension expense are noted in the following plan summaries.

1. Public Employees' Retirement Association

A. Plan Description

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by PERA. PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 ad 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Plan (General Employees Plan (accounted for in the General Employees Fund)

All full-time and certain part-time employees of the City are covered by the General Employees Plan. General Employees Plan members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. The Basic Plan was closed to new members in 1967. All new members must participate in the Coordinated Plan.

Public Employees Police and Fire Plan (Police and Fire Plan (accounted for in the Police and Fire Fund)

The Police and Fire Plan originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the Police and Fire Plan also covers police officers and firefighters belonging to a local relief association that elected to merge with and transfer assets and administration to PERA.

B. Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature.

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. Members in plans that are at least 90% funded for two consecutive years are given 2.5% increases. Members in plans that have not exceeded 90% funded, or have fallen below 80%, are given 1% increases.

The benefit provisions stated in the following 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.

General Employees Plan Benefits

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% of average salary for each of the first ten years of service and 2.7% for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2% of average salary for each of the first ten years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 2.7% of average salary for Basic Plan members and 1.7% for Coordinated Plan members for each year of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66. Disability benefits are available for vested members, and are based upon years of service and average high-five salaries.

Police and Fire Plan Benefits

Benefits for the Police and Fire Plan members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50% after five years up to 100% after ten years of credited service. Benefits for the Police and Fire Plan members first hired after June 30, 2014, vest on a prorated basis from 50% after ten years up to 100% after twenty years of credited service. The annuity accrual rate is 3% of average salary for each year of service. For Police and Fire Plan who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

C. Contributions

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

General Employees Fund Contributions

Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.50%, respectively, of their annual covered salary in calendar year 2016. The City was required to contribute 11.78% of pay for Basic Plan members and 7.50% for Coordinated Plan members in calendar year 2016. The City's contributions to the General Employees Fund for the year ended December 31, 2016, were $659,339. The City's contributions were equal to the required contributions as set by state statute.

Police and Fire Fund Contributions

Plan members were required to contribute 10.8% of their annual covered salary in calendar year 2016. The City was required to contribute 16.20% of pay for PEPFF members in calendar year 2016. The City's contributions to the Police and Fire Fund for the year ended December 31, 2016, were $825,632. The City's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

General Employees Fund Pension Costs

At December 31, 2016, the City reported a liability of $11,326,708 for its proportionate share of the General Employees Fund′s net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of $6 million to the fund in 2016. The State of Minnesota is considered a non-employer contributing entity and the State's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled $147,908. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City′s proportion of the net pension liability was based on the City′s contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2015, through June 30, 2016, relative to the total employer contributions received from all of PERA′s participating employers. At June 30, 2016, the City′s proportion share was 0.1395%, which was an increase of 0.0015% from its proportion measured as of June 30, 2015.

For the year ended December 31, 2016, the City recognized pension expense of $1,573,598 for its proportionate share of General Employees Plan′s pension expense. In addition, the City recognized an additional $44,102 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of $6 million to the General Employees Fund.

At December 31, 2016, the City reported its proportionate share of General Employees Plan′s deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experiences	$ -	$ 920,127
Changes in acturial assumptions	2,217,779	-
Differences between projected and actual investment earnings	2,149,857	-
Changes in proportion	58,107	197,065
Contributions paid to PERA subsequent to the measurement date	329,670	-
	$ 4,755,413	$ 1,117,192

D. Pension Costs (Continued)

$329,670 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense Amount
2017	$ 893,132
2018	893,125
2019	1,113,159
2020	409,135
2021	-
Thereafter	-
Total	$ 3,308,551

Police and Fire Fund Pension Costs

At December 31, 2016, the City reported a liability of $20,461,329 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2015, through June 30, 2016, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2016, the City's proportion was 0.5110%, which was an increase of 0.017% from its proportion measured as of June 30, 2015. For the year ended December 31, 2016, the City recognized pension expense of $3,576,951 for its proportionate share of the Police and Fire Fund pension expense. The City also recognized $45,990 for the year ended December 31, 2016, as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund. Legislation passed in 2013 required the State of Minnesota to begin contributing $9 million to the Police and Fire Fund each year, starting in fiscal year 2014.

At December 31, 2016, the City reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experiences	$ -	$ 2,352,580
Changes in acturial assumptions	11,286,075	-
Differences between projected and actual investment earnings	3,129,562	-
Changes in proportion	159,541	14,895
Contributions paid to PERA subsequent to the measurement date	412,816	-
	$ 14,987,994	$ 2,367,475

$412,816 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense Amount
2017	$ 2,622,832
2018	2,622,832
2019	2,622,841
2020	2,369,929
2021	1,969,269
Thereafter	-
Total	$ 12,207,703

E. Actuarial Assumptions

The total pension liability in the June 30, 2016, actuarial valuation was determined using the entry age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.50% Per Year
Active Member Payroll Growth	3.25% Per Year
Investment Rate of Return	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants were based on RP-2000 tables for males or females, as appropriate, with slight adjustments. Benefit increases for retirees are assumed to be 1% effective every January 1st through 2026 and 2.5% thereafter.

Actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2015. The experience study for Police and Fire Plan was for the period July 1, 2004 through June 30, 2009.

The following changes in actuarial assumptions occurred in 2016:

General Employees Fund
- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Police and Fire Fund
- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2037 and 2.5% thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 5.6%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Stocks	45%	5.50%
International Stock	15%	6.00%
Bonds	18%	1.45%
Alternative Assets	20%	6.40%
Cash	2%	0.50%
Total	100%	

F. Discount Rate

The discount rate used to measure the total pension liability in 2016 was 7.5%, a reduction from the 7.9% used in 2015. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members and employers will be made at rates set in *Minnesota Statutes*. Based on those assumptions, the fiduciary net position of the General Employees Fund was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In the Police and Fire Fund, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through June 30, 2056. Beginning in fiscal years ended June 30, 2057 for the Police and Fire Fund, when projected benefit payments exceed the funds' projected fiduciary net position, benefit payments were discounted at the municipal bond rate of 2.85% based on an index of 20-year general obligation bonds with an average AA credit rating at the measurement date. An equivalent single discount rate of 5.60% for the Police and Fire Fund was determined that produced approximately the same present value of projected benefits when applied to all years of projected benefits as the present value of projected benefits using 7.50% applied to all years of projected benefits through the point of asset depletion and 2.85% after.

G. Pension Liability Sensitivity

The following table presents the City's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate 6.5%	Discount Rate 7.5%	1% Increase in Discount Rate 8.5%
City's proportionate share of the GERF net pension liability	$ 16,087,282	$ 11,326,708	$ 7,405,291

	1% Decrease in Discount Rate 4.6%	Discount Rate 5.6%	1% Increase in Discount Rate 6.6%
City's proportionate share of the PEPFF net pension liability	$ 28,707,525	$ 20,507,319	$ 13,807,128

H. Pension Plan Fiduciary Position

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. 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.

I. Defined Contribution Plan

The Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by PERA, covers four council members and the mayor of the City of Roseville. 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 plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5% of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. 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 seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2% of employer contributions and twenty-five hundredths of 1% (.0025) of the assets in each member's account annually.

Total contributions made by the City during fiscal year 2016 were:

	Amount		Percentage of Covered Payroll		Required
	Employees	Employer	Employees	Employer	Rates
2016 PEDCP	$ 816	$ 816	5.00%	5.00%	5.00%

2. Defined Benefit Pension Plan – Volunteer Fire Fighter's Relief Association

A. Plan Description

The Roseville Firefighter Relief Association is the administrator of a single employer defined benefit pension plan established to provide benefits for members of the City of Roseville Fire Department per *Minnesota State Statutes*.
The Association issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Roseville Firefighters' Relief Association, 2701 N. Lexington Ave., Roseville, MN 55113.

B. Benefits Provided

Volunteer firefighters of the City are members of the Roseville Firefighter Relief Association. Full retirement benefits are payable to members who have reached age 50 and have completed 15 years of service for monthly service pension, or 10 years of service for lump sum service pension. Partial benefits are payable to members who have reached 50 and have completed 10 years of service. Disability benefits, widow, and children's survivor benefits are also payable to members or their beneficiaries based upon requirements set forth in the bylaws. These benefit provisions and all other requirements are consistent with enabling state statutes.

C. Employees Covered by Benefit Terms

At December 31, 2016, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	59
Inactive employees entitled to but not yet receiving benefits	13
Active employees	25
Total	97

D. Contributions

Minnesota Statutes Chapter 424A.092 specifies minimum support rates required on an annual basis. The minimum support rates from the municipality and from State aids are determined as the amount required to meet the normal cost plus amortizing any existing prior service costs over a ten year period. The City's obligation is the financial requirement for the year less state aids. Any additional payments by the City shall be used to amortize the unfunded liability of the relief association. The Association is comprised of volunteers: therefore, there are no payroll expenditures (i.e. there are no covered payroll percentage calculations). During the year, the City recognized as revenue and as an expenditure an on behalf payment of $ 221,324 made by the State of Minnesota for the Relief Association.

E. Net Pension Liability

The City's net pension liability was measured as of December 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:
The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.75%
Discount rate	7.50% percent average, including inflation
Investment Rate of Return	7.50% percent , net of pension plan investment expense including inflation

The value of death benefits is similar to the value of the retirement pension. Because of low retirement ages, the plan assumes no pre-retirement mortality. Post-retirement mortality does not apply as the benefit structure and form of payment do not reflect lifetime benefits.

The long-term return on assets has been set based on the plan's target investment allocation along with long-term return expectations by asset class. When there is sufficient historical evidence of market outperformance, historical average returns may be considered. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of the measurement date are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	67.05%	5.58%
International equity	5.26%	5.71%
Fixed income	25.44%	2.27%
Real estate and alternatives	0.00%	4.44%
Cash and equivalents	2.25%	0.84%
Total	100%	

Discount rate:
The discount rate used to measure the total pension liability was 6.75%. Assets were projected using expected benefit payments and expected asset returns. Expected benefit payments by year were discounted using the expected asset return assumption for years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the municipal bond rate. The equivalent single rate is the discount rate.

F. Change in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at January 1, 2016	$ 7,991,694	$ 9,828,926	$ (1,837,232)
Changes for the year			
Service cost	85,623	-	85,623
Interest	525,989	-	525,989
Differences between expected and actual experience	(389,429)	-	(389,429)
Changes in assumptions	(492,447)	-	(492,447)
Contibutions - state and local	-	221,324	(221,324)
Contibutions - employee	-	-	-
Net investment income	-	846,802	(846,802)
Benefit payments, including refunds			-
of employee contibutions	(569,784)	(569,784)	-
Administrative expense	-	(25,100)	25,100
Other charges	-	-	-
Net Charges	$ (840,048)	$ 473,242	$ (1,313,290)
Balances at December 31, 2016	$ 7,151,646	$ 10,302,168	$ (3,150,522)

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.50%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:+

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Net pension liability	$ (2,451,748)	$ (3,150,522)	$ (3,744,153)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued relief association financial report.

G. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2016, the City recognized pension expense of $(286,939). At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual liability	$ -	$ 204,866
Changes in acturial assumptions	101,300	259,060
Net difference between projected and actual investment earnings	236,827	-
	$ 338,127	$ 463,926

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2017	$ (269,863)
2018	90,855
2019	91,811
2020	(38,602)
Total	$ (125,799)

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, 2016 to December 31, 2016 monthly premiums paid for Police or Firefighters disabled in the line of duty are:

Plan	Single	Two Person	Family
Health Partners Choice	$ 567	$ 1,110	$ 1,543
Health Partners National One	$ 542	$ 1,063	$ 1,473
Heath Partners Empower High Deductible	$ 394	$ 781	$ 1,063

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	146
Total	160

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, 2016, was calculated as follows:

Annual required contribution	$ 221,969
Interest on OPEB obligation	45,325
Adjustment to annual required contribution	(64,306)
Annual OPEB cost	202,988
Contributions made	(98,053)
Increase (decrease) in net OPEB obligation	104,935
Net OPEB obligation beginning of year	1,007,223
Net OPEB obligation end of year	$ 1,112,158

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, 2016, the City's annual OPEB cost (expense) is $202,988. The

City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2016 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
2015	205,856	84,647	41.1%	1,007,221
2016	202,988	98,053	48.3%	1,112,158

F. Funded Status and Funding Progress

The City has no assets that have been irrevocably 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, 2015, is 22 years.

Note 6 PRIOR PERIOD ADJUSTMENT AND CHANGE IN ACCOUNTING PRINCIPLE

Prior Period Adjustment

The government-wide and proprietary-fund financial statements were adjusted for an error in earned revenue for $154,650, which was determined to be unearned as of December 31, 2016. The unearned grant funds were returned to the granting agency in 2016.

The government-wide and proprietary fund statements were adjusted for the errors indicated above.

A summary of the corrections to net position are as follows:

	Government-Wide Business-Type Activities	Proprietary Funds Storm Drainage
Net position, January 1	$ 30,859,340	$ 9,112,697
Net position increase (decrease):		
Overstated revenue correction	(154,650)	(154,650)
Net position, January 1, as restated	$ 30,704,690	$ 8,958,047

Change in Accounting Principle

In the last quarter of 2015, the Roseville City Council took steps to dissolve the Roseville Housing and Redevelopment Authority's (HRA) Council and appoint themselves as the new board. This was done as an initial step so in 2016 the HRA could be converted to the new Roseville Economic Development Authority (REDA). In past years, the resources and activity of the HRA were presented in the City's financial statements as a discretely presented component unit. In 2016, a change in presentation to a blended component unit had to be made to better reflect the relationship between the City and the newly created REDA. The restated net position for the governmental activities on the Statement of Activities is the inclusion of $4,550,565, the REDA's 2016 beginning net position. The newly created REDA is its own taxing authority and therefore is included in the governmental non-major special revenue funds combining balance sheet and statement of revenues, expenditures and changes in fund balance.

A summary of the restatements to net position are as follows:

	Government-Wide Governmental Activities	Governmental Funds Roseville Economic Development Authority
Net position, January 1	$ 151,230,576	$ -
Net position increase (decrease):		
REDA's beginning net postion	4,550,565	4,550,565
Net position, January 1, as restated	$ 155,781,141	$ 4,550,565

Note 7 GASB STATEMENTS ISSUED BUT NOT YET IMPLEMENTED

GASB has issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The new statement requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (RSI) about OPEB liabilities.

Required Supplementary Information

Schedule 1
(Page 1 of 1)

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes				
General property taxes	10,771,905	10,771,905	11,919,681	1,147,776
Licenses and permits	443,500	443,500	484,004	40,504
Intergovernmental revenue	919,000	919,000	1,213,476	294,476
Charges for services	288,730	288,730	535,975	247,245
Fines and forfeits	240,000	240,000	107,229	(132,771)
Donations	-	-	15,705	15,705
Investment income				
Interest earned on investments	35,000	35,000	98,187	63,187
Increase (decrease) in fair value of investments	-	-	(136,768)	(136,768)
Miscellaneous Revenue	62,500	62,500	57,894	(4,606)
Total Revenues	12,760,635	12,760,635	14,295,383	1,534,748
EXPENDITURES				
Current				
General government	2,550,375	2,550,375	2,560,587	(10,212)
Public safety	9,220,485	9,220,485	9,229,332	(8,847)
Public works	2,588,575	2,588,575	2,238,271	350,304
Total Expenditures	14,359,435	14,359,435	14,028,190	331,245
Excess (Deficiency) of Revenue Over (Under) Expenditures	(1,598,800)	(1,598,800)	267,193	1,865,993
OTHER FINANCING SOURCES (USES)				
Transfers In	1,148,000	1,148,000	1,164,000	16,000
Sale of Capital Assets	-	-	3,351	3,351
Total Other Financing Sources (Uses)	1,148,000	1,148,000	937,351	(210,649)
Net Change in Fund Balance	(450,800)	(450,800)	1,204,544	1,655,344
FUND BALANCE, January 1	5,968,686	5,968,686	5,968,686	-
FUND BALANCE, December 31	5,517,886	5,517,886	7,173,230	1,655,344

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

City of Roseville, Minnesota
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL
RECREATION FUND
For the Fiscal Year Ended December 31, 2016

Schedule 2

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes				
General property taxes	2,466,815	2,466,815	2,438,555	(28,260)
Intergovernmental revenue	-	-	102,530	102,530
Charges for services	1,924,970	1,924,970	1,931,179	6,209
Rentals	65,000	65,000	59,250	(5,750)
Donations	68,125	68,125	100,317	32,192
Special assessments	500	500	-	(500)
Investment income				
Interest earned on investments	3,300	3,300	24,622	21,322
Increase (decrease) in fair value of investments	-	-	(28,349)	(28,349)
Miscellaneous Revenue	23,000	23,000	43,422	20,422
Total Revenues	4,551,710	4,551,710	4,671,526	119,816
EXPENDITURES				
Current				
Recreation				
Personal services	2,937,360	2,937,360	2,815,370	121,990
Supplies and materials	332,865	332,865	282,377	50,488
Other services and charges	1,278,485	1,278,485	1,220,905	57,580
Capital outlay	3,000	3,000	-	3,000
Total Expenditures	4,551,710	4,551,710	4,318,652	233,058
Net Change in Fund Balance	-	-	352,874	352,874
FUND BALANCE, January 1	1,284,861	1,284,861	1,284,861	-
FUND BALANCE, December 31	1,284,861	1,284,861	1,637,735	352,874

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, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
REVENUES				
Licenses and permits	1,263,500	1,263,500	1,929,899	666,399
Charges for services	186,000	186,000	255,597	69,597
Investment income				
Interest earned on investments	8,000	8,000	31,489	23,489
Increase (decrease) in fair value of investments	-	-	(35,341)	(35,341)
Miscellaneous Revenue	25,000	25,000	22,365	(2,635)
Total Revenues	1,482,500	1,482,500	2,204,009	721,509
EXPENDITURES				
Current				
Public safety	770,155	770,155	702,104	68,051
Economic development	795,615	795,615	719,959	75,656
Total Expenditures	1,565,770	1,565,770	1,422,063	143,707
Excess (Deficiency) of Revenue Over (Under) Expenditures	(83,270)	(83,270)	781,946	865,216
OTHER FINANCING SOURCES (USES)				
Transfers Out	(45,000)	(45,000)	(45,000)	-
Sale of Capital Assets	-	-	775	775
Total Other Financing Sources (Uses)	(45,000)	(45,000)	(44,225)	775
Net Change in Fund Balance	(128,270)	(128,270)	737,721	865,991
FUND BALANCE, January 1	1,021,551	1,021,551	1,021,551	-
FUND BALANCE, December 31	893,281	893,281	1,759,272	865,991

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.

SCHEDULE OF EMPLOYER'S SHARE OF PERA NET PENSION
LIABILITY - GENERAL EMPLOYEES RETIREMENT FUND
For the Fiscal Year Ended December 31, 2016

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a % of Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a % of the Total Pension Liability
6/30/2015	0.1380%	$ 7,151,786	$ -	$ 7,151,786	$ 7,974,720	89.7%	78.20%
6/30/2016	0.1395%	$ 11,326,708	$ 147,908	$ 11,474,616	$ 8,657,720	132.5%	68.91%

The City implemented the Provisions of Governmental Accounting Standards Board Statement No. 68 for the year ended December 31, 2015. The schedules within the Required Supplementary Information Section required a ten year presentation, but does not require retroactive reporting. Information prior to 2015 is not available.

REQUIRED SUPPLEMENATRY INFORMATION
SCHEDULE OF EMPLOYER'S PERA CONTRIBUTIONS
- GENERAL EMPLOYEES RETIREMENT FUND
For the Fiscal Year Ended December 31, 2016

Year Ending	Statutorily Required Contibution (a)	Contributions in Relation to the Statutorily Required Contibution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/2015	$ 619,013	$ 619,013	$ 0	$ 8,253,507	7.5%
12/31/2016	$ 659,339	$ 659,339	$ 0	$ 8,791,187	7.5%

The City implemented the Provisions of Governmental Accounting Standards Board Statement No. 68 for the year ended December 31, 2015. The schedules within the Required Supplementary Information Section required a ten year presentation, but does not require retroactive reporting. Information prior to 2015 is not available.

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a % of Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a % of the Total Pension Liability
6/30/2015	0.494%	$ 5,612,996	$ 0	$ 5,612,996	$ 4,399,667	127.6%	86.6%
6/30/2016	0.511%	$ 20,507,319	$ 0	$ 20,507,319	$ 4,920,648	416.8%	63.88%

The City implemented the Provisions of Governmental Accounting Standards Board Statement No. 68 for the year ended December 31, 2015. The schedules within the Required Supplementary Information Section required a ten year presentation, but does not require retroactive reporting. Information prior to 2015 is not available.

Year Ending	Statutorily Required Contibution (a)	Contributions in Relation to the Statutorily Required Contibution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/2015	$ 763,596	$ 763,596	$ 0	$ 4,713,556	16.2%
12/31/2016	$ 825,632	$ 825,632	$ 0	$ 5,096,494	16.2%

The City implemented the Provisions of Governmental Accounting Standards Board Statement No. 68 for the year ended December 31, 2015. The schedules within the Required Supplementary Information Section required a ten year presentation, but does not require retroactive reporting. Information prior to 2015 is not available.

	2016	2015	2014
Total Pension Liability (TPL, actuarial accrued liability)			
Service cost	$ 85,626	$ 69,632	$ 67,768
Interest	525,989	509,635	508,985
Differences between expected and actual experience	(389,429)	-	-
Changes of assumptions	(492,447)	213,856	-
Changes of benefit terms		-	-
Benefit payments, including member contributions	(569,784)	(563,896)	(574,072)
Net change in total pension liability	(840,045)	229,227	2,681
Total Pension Liability - beginning of year	7,991,694	7,762,467	7,759,786
Total Pension Liability - end of year	$ 7,151,649	$ 7,991,694	$ 7,762,467
Plan Fiduciary Net Position (FNP, assets)			
Contributions - State and local	$ 221,324	$ 220,012	$ 341,617
Contributions - donations and other income	-	-	-
Contributions - members	-	-	-
Net investment income	846,802	22,193	882,050
Other additions (e.g. receivables)		-	-
Benefit payments, including member contributions	(569,784)	(563,896)	(574,072)
Administrative expense	(25,100)	(20,569)	(23,479)
Other deductions (e.g. payables)		-	-
Net change in plan fiduciary net position	473,242	(342,260)	626,116
Plan Fiduciary Net Position - beginning of year	9,828,926	10,171,186	9,545,070
Plan Fiduciary Net Position - end of year	$ 10,302,168	$ 9,828,926	$ 10,171,186
Net Pension Liability (NPL) - end of year	$ (3,150,522)	$ (1,837,232)	$ (2,408,719)
Plan Fiduciary Net Position (FNP, assets)	144.05%	122.99%	131.03%

The City implemented the Provisions of Governmental Accounting Standards Board Statement No. 68 for the year ended December 31, 2015. The schedules within the Required Supplementary Information Section required a ten year presentation, but does not require retroactive reporting. Information prior to 2014 is not available.

	2007	2008	2009	2010	2011
Employer					
Actuarially determined contribution (ADC)	$ 265,246	$ 128,137	$ 128,137	$ 128,137	$ 353,384
Contribution in relation to the ADC	49,870	128,975	63,875	216,500	166,284
Contribution deficiency (excess)	215,376	(838)	64,262	(88,363)	187,100
Non-Employer					
Contribution	$ 201,120	$ 172,025	$ 145,353	$ 149,002	$ 146,733

	2012	2013	2014	2015	2016
Employer					
Actuarially determined contribution (ADC)	$ 353,384	$ 298,233	$ 173,096	$ 115,204	$ 55,689
Contribution in relation to the ADC	205,630	89,220	130,996	-	-
Contribution deficiency (excess)	147,754	209,013	42,100	115,204	55,689
Non-Employer					
Contribution	$ 149,754	$ 210,012	$ 210,621	$ 220,012	$ 221,324

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 one special revenue fund in 2016. The supplementary budgetary appropriation increased expenditures in the Chartible Gambling Fund by $15,000.

Special Revenue Funds

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

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

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

Chartible Gambling: accounts for the revenue and expenditures used from chartible gambling

Roseville Economic Development Authority: accounts for the revenue and expenditures used for the activity of the Roseville Economic Development Authority general operations

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2016

	Information Technology	Tele-communications	License Center	Charitable Gambling	Roseville Economic Development Authority	Total Nonmajor Special Revenue Funds
ASSETS						
Cash and investments	895,008	331,500	1,518,098	89,691	2,656,648	5,490,945
Restricted investments						
Cash held in escrow	-	-	-	-	665,848	665,848
Investment interest receivable	1,839	643	3,091	195	6,531	12,299
Accounts receivable	64,185	116,506	152,948	-	10,255	343,894
Taxes receivable	8,174	-	-	-	2,513	10,687
Special assessments receivable	-	-	-	-	5,224	5,224
Due from other governmental units	152,029				-	152,029
Notes receivable	-	-	-	-	902,519	902,519
TOTAL ASSETS	1,121,235	448,649	1,674,137	89,886	4,249,538	7,583,445
LIABILITIES						
Accounts payable	26,206	5,487	19,143	8,557	3,170	62,563
Accrued payroll	27,598	4,133	27,320	139	-	59,190
Due to other governmental units	17,855	2,413	454,748	72	385	475,473
Deposits payable	5,000	-	-	-	-	5,000
Total Liabilities	76,659	12,033	501,211	8,768	3,555	602,226
Deferred Inflows of Resources						
Unavailable Revenue - property taxes	3,574	-	-	-	2,513	6,087
Unavailable Revenue - special assessments	-	-	-	-	2,120	2,120
Total Deferred Inflows of Resoures	3,574	-	-	-	4,633	8,207
FUND BALANCE						
Nonspendable	-	-	-	-	409,457	409,457
Restricted						
Telecommunications	-	436,616	-	-	-	436,616
Lawful Gambling	-	-	-	81,118	-	81,118
Housing and Economic Development	-	-	-	-	827,821	827,821
Committed						
License Center Improvements	-	-	1,172,926	-	-	1,172,926
Equipment Replacement	1,041,002	-	-	-	-	1,041,002
Assigned						
Housing and Economic Development	-	-	-	-	3,004,072	3,004,072
Total Fund Balances	1,041,002	436,616	1,172,926	81,118	4,241,350	6,973,012
TOTAL LIABILITIES AND FUND BALANCES	1,121,235	448,649	1,674,137	89,886	4,249,538	7,583,445

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended December 31, 2016

	Information Technology	Tele-Communications	License Center	Charitable Gambling	Roseville Economic Development Authority	Total Nonmajor Special Revenue Funds
REVENUES						
Taxes	257,021	-	-	-	14,290	271,311
Licenses and permits	-	-	-	200	-	200
Gambling taxes	-	-	-	93,815	-	93,815
Charges for services	1,465,222	-	1,700,073	-		3,165,295
Cable franchise taxes	-	449,920	-	-	-	449,920
Donations	-	-	-	110,017	-	110,017
Investment income						
Interest earned on investments	12,859	4,978	20,763	1,267	55,495	95,362
Increase (decrease) in fair value of investments	(16,288)	(5,869)	(25,729)	(1,530)	(59,124)	(108,540)
Miscellaneous Revenue	478,631	-	-	-	17,156	495,787
Total Revenues	2,197,445	449,029	1,695,107	203,769	27,817	4,573,167
EXPENDITURES						
Current						
General Government	2,063,106	464,766	1,344,084	165,266	-	4,037,222
Economic development	-	-	-	-	331,451	331,451
Capital outlay	62,639	-	-	-	5,581	68,220
Total Expenditures	2,125,745	464,766	1,344,084	165,266	337,032	4,436,893
Excess (Deficiency) of Revenues Over (Under) Expenditures	71,700	(15,737)	351,023	38,503	(309,215)	136,274
OTHER FINANCING SOURCES (USES)						
Transfers In	125,000	-	-	-	-	125,000
Transfers Out	-	(17,000)	(422,000)	-	-	(439,000)
Total Other Financing Sources (Uses)	125,000	(17,000)	(422,000)	-	-	(314,000)
Net Change in Fund Balances	196,700	(32,737)	(70,977)	38,503	(309,215)	(177,726)
FUND BALANCES, January 1, as restated (Note 6)	844,302	469,353	1,243,903	42,615	4,550,565	7,150,738
FUND BALANCES, December 31	1,041,002	436,616	1,172,926	81,118	4,241,350	6,973,012

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL
INFORMATION TECHNOLOGY FUND
For the Fiscal Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	260,000	260,000	257,021	(2,979)
Charges for services	1,444,120	1,444,120	1,465,222	21,102
Investment income				
Interest earned on investments	2,000	2,000	12,859	10,859
Increase (decrease) in fair value of investments	-	-	(16,288)	(16,288)
Miscellaneous Revenue	440,000	440,000	478,631	38,631
Total Revenues	2,146,120	2,146,120	2,197,445	51,325
EXPENDITURES				
Current				
General government				
Personal services	1,749,500	1,749,500	1,531,212	218,288
Supplies and materials	30,500	30,500	26,567	3,933
Other services and charges	195,020	195,020	505,327	(310,307)
Capital outlay	275,000	275,000	62,639	212,361
Total Expenditures	2,250,020	2,250,020	2,125,745	124,275
Excess (Deficiency) of Revenue Over (Under) Expenditures	(103,900)	(103,900)	71,700	175,600
OTHER FINANCING SOURCES (USES)				
Transfers In	125,000	125,000	125,000	-
Total Other Financing Sources (Uses)	125,000	125,000	125,000	-
Net Change in Fund Balance	21,100	21,100	196,700	175,600
FUND BALANCE, January 1	844,302	844,302	844,302	-
FUND BALANCE, December 31	865,402	865,402	1,041,002	175,600

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

TELECOMMUNCATIONS FUND

For the Fiscal Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
REVENUES				
Cable franchise taxes	475,000	475,000	449,920	(25,080)
Investment income				
Interest earned on investments	5,000	5,000	4,978	(22)
Increase (decrease) in fair value of investments	-	-	(5,869)	(5,869)
Total Revenues	480,000	480,000	449,029	(30,971)
EXPENDITURES				
Current				
General government				
Personal services	238,900	238,900	234,895	4,005
Supplies and materials	2,500	2,500	4,937	(2,437)
Other services and charges	237,875	237,875	224,934	12,941
Capital outlay	10,000	10,000	-	10,000
Total Expenditures	489,275	489,275	464,766	24,509
Excess (Deficiency) of Revenue Over (Under) Expenditures	(9,275)	(9,275)	(15,737)	(6,462)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(17,000)	(17,000)	(17,000)	-
Total Other Financing Sources (Uses)	(17,000)	(17,000)	(17,000)	-
Net Change in Fund Balance	(26,275)	(26,275)	(32,737)	(6,462)
FUND BALANCE, January 1	469,353	469,353	469,353	-
FUND BALANCE, December 31	443,078	443,078	436,616	(6,462)

SUPPLEMENTARY INFORMATION

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

LICENSE CENTER FUND

For the Fiscal Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
REVENUES				
Charges for services	1,593,500	1,593,500	1,700,073	106,573
Investment income				
Interest earned on investments	10,000	10,000	20,763	10,763
Increase (decrease) in fair value of investments	-	-	(25,729)	(25,729)
Total Revenues	1,603,500	1,603,500	1,695,107	91,607
EXPENDITURES				
Current				
General government				
Personal services	1,295,900	1,295,900	1,189,040	106,860
Supplies and materials	13,300	13,300	16,781	(3,481)
Other services and charges	124,925	124,925	138,263	(13,338)
Capital outlay	21,500	21,500	-	21,500
Total Expenditures	1,455,625	1,455,625	1,344,084	111,541
Excess (Deficiency) of Revenue Over (Under) Expenditures	147,875	147,875	351,023	203,148
OTHER FINANCING SOURCES (USES)				
Transfers Out	(422,000)	(422,000)	(422,000)	-
Net Change in Fund Balance	(274,125)	(274,125)	(70,977)	203,148
FUND BALANCE, January 1	1,243,903	1,243,903	1,243,903	-
FUND BALANCE, December 31	969,778	969,778	1,172,926	203,148

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL
CHARTABLE GAMBLING FUND
For the Fiscal Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
REVENUES				
Licenses and permits	-	-	200	200
Gambling taxes	75,000	75,000	93,815	18,815
Donations	76,150	76,150	110,017	33,867
Investment income				
Interest earned on investments	-	-	1,267	1,267
Increase (decrease) in fair value of investments	-	-	(1,530)	(1,530)
Total Revenues	151,150	151,150	203,769	52,619
EXPENDITURES				
Current				
General government				
Personal services	4,500	4,500	3,365	1,135
Other services and charges	146,650	161,650	161,901	(251)
Total Expenditures	151,150	166,150	165,266	884
Net Change in Fund Balance	-	(15,000)	38,503	53,503
FUND BALANCE, January 1	42,615	42,615	42,615	-
FUND BALANCE, December 31	42,615	27,615	81,118	53,503

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL
ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY FUND
For the Fiscal Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	-	-	14,290	14,290
Investment income				
Interest earned on investments				
Increase (decrease) in fair value of investments	-	-	55,495	55,495
Interest Earned - Other	-	-	(59,124)	(59,124)
Miscellaneous Revenue	-	-	17,156	17,156
Total Revenues	-	-	27,817	27,817
EXPENDITURES				
Current				
Economic development				
Personal services	142,215	142,215	160,585	(18,370)
Supplies and materials	-	-	35	(35)
Other services and charges	581,690	581,690	170,831	410,859
Capital outlay	-	-	5,581	(5,581)
Total Expenditures	723,905	723,905	337,032	386,873
Net Change in Fund Balance	(723,905)	(723,905)	(309,215)	414,690
FUND BALANCE, January 1	4,550,565	4,550,565	4,550,565	-
FUND BALANCE, December 31	3,826,660	3,826,660	4,241,350	414,690

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 expenditures in the administration and servicing of workers' compensation claims.

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

	Workers' Compensation Self-Insurance	Risk Management	Total Internal Service Funds
ASSETS			
Current Assets			
Cash and cash equivalents	1,305,964	1,579,893	2,885,857
Investments interest receivable	2,672	3,184	5,856
Total Assets	1,308,636	1,583,077	2,891,713
LIABILITIES			
Current Liabilities			
Accounts payable	-	4,898	4,898
Insurance claims payable	17,425	34,889	52,314
Total Current Liabilities	17,425	39,787	57,212
Noncurrent Liabilities			
Insurance claims payable	8,947	201,037	209,984
Total Noncurrent Liabilities	8,947	201,037	209,984
TOTAL LIABILITIES	26,372	240,824	267,196
NET POSITION			
Unrestricted	1,282,264	1,342,253	2,624,517
TOTAL NET POSITION	1,282,264	1,342,253	2,624,517

COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended December 31, 2016

	Workers' Compensation Self-Insurance	Risk Management	Total Internal Service Funds
OPERATING REVENUES			
Departmental charges	50,000	263,020	313,020
Employee charges	-	114,426	114,426
Total Operating Revenues	50,000	377,446	427,446
OPERATING EXPENSES			
Professional services	10,030	25,219	35,249
Insurance	14,898	172,943	187,841
Training	-	1,495	1,495
Administrative charges	-	750	750
Payment of claims	(3,754)	88,164	84,410
Total Operating Expenses	21,174	288,571	309,745
OPERATING INCOME (LOSS)	28,826	88,875	117,701
NON-OPERATING REVENUES (EXPENSES)			
Investment Income			
Interest Earned on Investments	20,820	24,045	44,865
Increase (Decrease) in Fair Value of Investments	(23,637)	(27,921)	(51,558)
Total Non-Operating Revenues (Expenses)	(2,817)	(3,876)	(6,693)
Change in Net Position	26,009	84,999	111,008
NET POSITION, January 1	1,256,255	1,257,254	2,513,509
NET POSITION, December 31	1,282,264	1,342,253	2,624,517

	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	(79,641)	(325,676)	(405,317)
Cash payments to employees and others for resolved claims	-	114,426	114,426
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(29,641)	51,770	22,129
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments received	20,430	23,472	43,902
Increase (Decrease) in Fair Value of Investments	(23,637)	(27,921)	(51,558)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(3,207)	(4,449)	(7,656)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(32,848)	47,321	14,473
CASH AND CASH EQUIVALENTS, JANUARY 1	1,338,812	1,532,572	2,871,384
CASH AND CASH EQUIVALENTS, DECEMBER 31	1,305,964	1,579,893	2,885,857
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	28,826	88,875	117,701
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities			
Changes in elements affecting cash			
Increase (Decrease) in Accounts payable	(364)	3,840	3,476
Increase (Decrease) in Due to other governmental units	(6,740)	-	(6,740)
Increase (Decrease) in Insurance claim payable	(51,363)	(40,945)	(92,308)
Total Adjustments	(58,467)	(37,105)	(95,572)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(29,641)	51,770	22,129
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Increase/(Decrease) in fair market value of investments	(23,637)	(27,921)	(51,558)

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

St Paul Port Authority: The fund accounts for the fiscal activities for the Property Assessed Clean Energy Program as administered by the St Paul Port Authority on behalf of the City

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

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

	East Metro SWAT	St Paul Port Authority	Rosevile Islamic Cemetery Fund	Roseville Visitors Association	Total Agency Funds
ASSETS					
Cash and cash equivalents	$ 6,808	$ -	$ 88,914	$ 537,101	$ 632,823
Receivables					
Investment interest receivable	14	-	180	-	194
Accounts receivable	-	-	-	67,837	67,837
Special assessments receivable	-	119,291	-	-	119,291
Prepaid items	-	-	-	25,948	25,948
TOTAL ASSETS	$ 6,822	$ 119,291	$ 89,094	$ 630,886	$ 846,093
LIABILITIES					
Accounts payable	$ 630	$ -	$ -	$ 39,617	$ 40,247
Accrued payroll	-	-	-	8,823	8,823
Due to other governments units	6,192	119,291	-	117	125,600
Due to other organizations	-	-	89,094	582,329	671,423
TOTAL LIABILITIES	$ 6,822	$ 119,291	$ 89,094	$ 630,886	$ 846,093

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITES
ALL AGENCY FUNDS
December 31, 2016

	January 1, 2016	Additions	Deductions	December 31, 2016
ASSETS				
Cash and cash equivalents	$ 528,727	$ 1,081,859	$ 977,763	$ 632,823
Receivables				
Investment interest receivable	955	194	955	194
Accounts receivable	39,028	67,837	39,028	67,837
Special assessments receivable	119,000	291	-	119,291
Due from Other Governmental Units	307	-	307	-
Prepaid items	37,310	25,948	37,310	25,948
TOTAL ASSETS	$ 725,327	$ 1,176,129	$ 1,055,363	$ 846,093
LIABILITIES				
Accounts payable	$ 21,659	$ 641,269	$ 622,681	$ 40,247
Accrued payroll	7,269	64,016	62,462	8,823
Due to other governmental units	119,191	408	191	119,408
Due to other organizations	577,208	470,019	369,612	677,615
TOTAL LIABILITIES	$ 725,327	$ 1,175,712	$ 1,054,946	$ 846,093

East Metro SWAT	January 1, 2016	Additions	Deductions	December 31, 2016
ASSETS				
Cash and cash equivalents	$ 2,813	$ 18,114	$ 14,119	$ 6,808
Investment interest receivable	5	14	5	14
Due from other governmental units	307	-	307	-
TOTAL ASSETS	$ 3,125	$ 18,128	$ 14,431	$ 6,822
LIABILITIES				
Accounts payable	$ 3,125	$ 11,519	$ 14,014	$ 630
Due to other organizations	$ -	$ 6,192	$ -	$ 6,192
TOTAL LIABILITIES	$ 3,125	$ 17,711	$ 14,014	$ 6,822

St Paul Port Authority	January 1, 2016	Additions	Deductions	December 31, 2016
ASSETS				
Special assessments receivable	119,000	291	-	119,291
TOTAL ASSETS	$ 119,000	$ 291	$ -	$ 119,291
LIABILITIES				
Due to other governments units	$ 119,000	$ 291	$ -	$ 119,291
TOTAL LIABILITIES	$ 119,000	$ 291	$ -	$ 119,291

Roseville Islamic Cemetery	January 1, 2016	Additions	Deductions	December 31, 2016
ASSETS				
Cash and cash equivalents	$ 91,088	$ 1,425	$ 3,599	$ 88,914
Investment interest receivable	155	180	155	180
TOTAL ASSETS	$ 91,243	$ 1,605	$ 3,754	$ 89,094
LIABILITIES				
Due to other organizations	$ 91,243	$ 1,605	$ 3,754	$ 89,094
TOTAL LIABILITIES	$ 91,243	$ 1,605	$ 3,754	$ 89,094

Roseville Vistors Association	January 1, 2016	Additions	Deductions	December 31, 2016
ASSETS				
Cash and cash equivalents	$ 434,826	$ 1,062,320	$ 960,045	$ 537,101
Investment interest receivable	795	-	795	-
Accounts receivables	39,028	67,837	39,028	67,837
Prepaid items	37,310	25,948	37,310	25,948
TOTAL ASSETS	$ 511,959	$ 1,156,105	$ 1,037,178	$ 630,886
LIABILITIES				
Accounts payable	$ 18,534	$ 629,750	$ 608,667	$ 39,617
Accrued payroll	7,269	64,016	62,462	8,823
Due to other governmental units	191	117	191	117
Due to other organizations	485,965	462,222	365,858	582,329
TOTAL LIABILITIES	$ 511,959	$ 1,156,105	$ 1,037,178	$ 630,886

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.

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	Fiscal Year				
	2007	2008	2009	2010	2011
Governmental Activities					
Net Investment in Capital Assets	$ 98,813,670	$ 96,932,095	$ 103,987,033	$ 114,015,800	$ 114,666,064
Restricted	11,095,142	13,648,619	10,789,610	4,438,169	8,733,361
Unrestricted	24,743,085	23,757,872	23,842,146	25,508,724	23,237,740
Total Governmental Activities Net Position	134,651,897	134,338,586	138,618,789	143,962,693	146,637,165
Business-Type Activities					
Net Investment in Capital Assets	17,892,424	17,799,877	19,019,599	18,803,521	19,493,159
Restricted	-	-	-	-	-
Unrestricted	7,254,956	7,098,164	5,180,356	5,734,880	5,150,432
Total Business-Type Activities Net Position	25,147,380	24,898,041	24,199,955	24,538,401	24,643,591
Primary Government					
Net Investment in Capital Assets	116,706,094	114,731,972	123,006,632	132,819,321	134,159,223
Restricted	11,095,142	13,648,619	10,789,610	4,438,169	8,733,361
Unrestricted	31,998,041	30,856,036	29,022,502	31,243,604	28,388,172
Total Primary Government Net Position	$ 159,799,277	$ 159,236,627	$ 162,818,744	$ 168,501,094	$ 171,280,756

	Fiscal Year				
	2012	2013	2014	2015	2016
Governmental Activities					
Net Investment in Capital Assets	$ 114,334,627	$ 114,983,470	$ 116,028,830	$ 120,125,324	$ 119,959,369
Restricted	10,796,300	13,094,255	14,072,227	18,157,117	13,847,317
Unrestricted	24,940,748	23,751,419	25,475,158	12,948,135	16,617,276
Total Governmental Activities Net Position	150,071,675	151,829,144	155,576,215	151,230,576	150,423,962
Business-Type Activities					
Net Investment in Capital Assets	20,244,092	21,814,228	25,215,099	28,391,384	30,729,106
Restricted	-	-	-	-	-
Unrestricted	5,543,380	5,945,451	4,563,269	2,467,956	1,593,595
Total Business-Type Activities Net Position	25,787,472	27,759,679	29,778,368	30,859,340	32,322,701
Primary Government					
Net Investment in Capital Assets	134,578,719	136,797,698	141,243,929	148,516,708	150,688,475
Restricted	10,796,300	13,094,255	14,072,227	18,157,117	13,847,317
Unrestricted	30,484,128	29,696,870	30,038,427	15,416,091	18,210,871
Total Primary Government Net Position	$ 175,859,147	$ 179,588,823	$ 185,354,583	$ 182,089,916	$ 182,746,663

	Fiscal Year				
Expenses	**2007**	**2008**	**2009**	**2010**	**2011**
Governmental activities:					
General government	$ 3,830,814	$ 4,283,715	$ 5,150,773	$ 4,266,736	$ 4,395,483
Public safety	8,296,894	8,007,678	8,161,100	9,442,966	8,572,723
Public works	4,604,463	4,720,546	4,470,830	2,800,235	4,868,114
Parks and recreation	4,380,187	4,935,218	4,770,793	4,698,518	4,737,072
Economic development	2,469,226	2,337,776	1,742,174	10,950,324	1,696,156
Interest on long-term debt	400,498	392,527	508,970	429,094	427,003
Total governmental activities expenses	23,982,082	24,677,460	24,804,640	32,587,873	24,696,551
Business-type activities:					
Sewer	3,035,274	3,504,577	3,520,566	3,763,009	3,403,703
Water	4,739,327	4,881,489	5,399,949	5,058,883	5,417,818
Golf	354,318	344,445	318,890	338,860	332,480
Storm Drainage	826,297	707,675	850,575	797,535	1,073,180
Recycling	443,984	467,847	499,501	478,471	527,581
Total business-type activities expenses	9,399,200	9,906,033	10,589,481	10,436,758	10,754,762
Total primary government expenses	$ 33,381,282	$ 34,583,493	$ 35,394,121	$ 43,024,631	$ 35,451,313
Program Revenues					
Governmental activities:					
Charges for services:					
General government	$ 2,700,261	$ 2,445,389	$ 2,869,646	$ 2,611,668	$ 2,857,048
Public safety	566,899	549,931	1,454,107	1,545,830	1,890,436
Parks and recreation	1,926,806	1,765,969	1,917,605	1,919,896	2,430,291
Other activities	1,802,012	1,491,065	2,991,563	697,435	560,173
Operating grants and contributions	872,349	877,723	819,160	870,158	983,149
Capital grants and contributions	806,147	371,295	1,987,239	3,283,978	2,294,488
Total governmental activities program revenues	8,674,474	7,501,372	12,039,320	10,928,965	11,015,585
Business-type activities:					
Charges for Services:					
Sewer	2,796,265	2,893,260	3,090,778	3,600,334	3,087,514
Water	4,809,523	5,024,591	5,144,355	5,048,473	5,580,048
Golf	315,372	310,921	312,200	302,610	270,434
Storm Drainage	688,715	736,688	812,831	840,743	956,350
Recycling	387,706	426,249	345,218	499,773	545,695
Operating grants and contributions	63,861	66,661	75,349	69,775	70,267
Capital grants and contributions	-	-	-	321,188	250,858
Total business-type activities program revenues	9,061,442	9,458,370	9,780,731	10,682,896	10,761,166
Total primary government program revenues	$ 17,735,916	$ 16,959,742	$ 21,820,051	$ 21,611,861	$ 21,776,751
Net (expense)/revenue					
Governmental activities	$ (15,307,608)	$ (17,176,088)	$ (12,765,320)	$ (21,658,908)	$ (13,680,966)
Business-type activities	(337,758)	(447,663)	(808,750)	246,138	6,404
Total primary government net expense	$ (15,645,366)	$ (17,623,751)	$ (13,574,070)	$ (21,412,770)	$ (13,674,562)
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes	$ 11,246,116	$ 12,417,024	$ 12,553,187	$ 15,611,387	$ 13,501,068
Tax increments	2,765,844	2,956,413	3,288,562	1,966,665	1,592,214
Cable franchisetaxes	337,069	372,706	375,551	380,108	393,657
Gambling taxes	88,890	70,488	81,274	80,282	86,952
Grants and contributions not restricted to specific programs	225,497	227,048	26,477	25,577	25,738
Unrestricted investment earnings	1,888,916	1,353,641	695,472	1,122,891	730,809
Unrestricted net increase (decrease) in the fair value of Investments	-	-	-	-	-
Gain on sale of capital assets	-	-	-	-	-
Transfers	-	25,000	25,000	84,007	25,000
Total governmental activities	16,552,332	17,422,320	17,045,523	19,270,917	16,355,438
Business-type activities:					
Unrestricted investment earnings	356,442	257,409	135,664	176,315	123,786
Unrestricted net increase(decrease) in the fair value of investments	-	-	-	-	-
Gain on sale of capital assets	-	-	-	-	-
Transfers	-	(25,000)	(25,000)	(84,007)	(25,000)
Total business-type activities	356,442	232,409	110,664	92,308	98,786
Total primary government	$ 16,908,774	$ 17,654,729	$ 17,156,187	$ 19,363,225	$ 16,454,224
Change in Net Position					
Governmental activities	$ 1,244,724	$ 246,232	$ 4,280,203	$ (2,387,991)	$ 2,674,472
Business-type activities	18,684	(215,254)	(698,086)	338,446	105,190
Total primary government	$ 1,263,408	$ 30,978	$ 3,582,117	$ (2,049,545)	$ 2,779,662

	Fiscal Year				
Expenses	**2012**	**2013**	**2014**	**2015**	**2016**
Governmental activities:					
General government	$ 4,654,650	$ 5,376,860	$ 5,856,306	$ 6,126,713	$ 7,615,373
Public safety	9,417,458	9,792,587	9,254,988	10,307,351	13,102,041
Public works	4,475,774	4,399,267	5,249,925	4,834,914	9,676,272
Parks and recreation	4,794,338	5,523,875	5,690,332	4,653,377	5,185,845
Economic development	1,261,035	954,315	1,671,768	2,603,186	4,729,987
Interest on long-term debt	685,377	1,160,953	881,887	886,950	813,509
Total governmental activities expenses	25,288,632	27,207,857	28,605,206	29,412,491	41,123,027
Business-type activities:					
Sewer	3,638,421	3,575,823	3,651,174	3,541,971	3,815,857
Water	6,307,221	5,915,805	5,553,800	5,698,196	5,977,512
Golf	360,518	345,816	339,911	306,814	340,677
Storm Drainage	1,000,570	942,598	1,324,675	1,120,225	1,327,856
Recycling	549,113	550,285	449,490	463,018	480,918
Total business-type activities expenses	11,855,843	11,330,327	11,319,050	11,130,224	11,942,820
Total primary government expenses	$ 37,144,475	$ 38,538,184	$ 39,924,256	$ 40,542,715	$ 53,065,847
Program Revenues					
Governmental activities:					
Charges for services:					
General government	$ 3,007,628	$ 3,488,493	$ 3,382,230	$ 3,738,297	$ 4,059,091
Public safety	1,807,988	1,925,320	1,804,563	1,772,335	2,358,147
Parks and recreation	1,976,761	2,591,924	2,000,010	2,297,610	2,390,468
Other activities	351,514	1,173,925	292,365	405,930	1,009,329
Operating grants and contributions	905,922	1,029,327	967,703	1,055,810	1,219,715
Capital grants and contributions	2,355,429	1,046,150	1,013,102	2,368,626	2,137,095
Total governmental activities program revenues	10,405,242	11,255,139	9,459,973	11,638,608	13,173,845
Business-type activities:					
Charges for Services:					
Sewer	3,740,826	4,105,523	4,225,532	4,561,235	4,808,303
Water	6,607,234	6,628,378	6,662,997	6,643,628	6,687,934
Golf	299,555	271,095	291,036	325,460	333,222
Storm Drainage	1,526,792	1,647,924	1,722,757	1,696,055	1,798,727
Recycling	453,259	455,271	367,469	348,965	371,871
Operating grants and contributions	104,891	69,613	70,419	189,251	90,533
Capital grants and contributions	20,858	259,550	470,967	2,000	277,055
Total business-type activities program revenues	12,753,415	13,437,354	13,811,177	13,766,594	14,367,645
Total primary government program revenues	$ 23,158,657	$ 24,692,493	$ 23,271,150	$ 25,405,202	$ 27,541,490
Net (expense)/revenue					
Governmental activities	$ (14,883,390)	$ (15,952,718)	$ (19,145,233)	$ (17,773,883)	$ (27,949,182)
Business-type activities	897,572	2,107,027	2,492,127	2,636,370	2,424,825
Total primary government net expense	$ (13,985,818)	$ (13,845,691)	$ (16,653,106)	$ (15,137,513)	$ (25,524,357)
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes	$ 15,085,154	$ 16,895,804	$ 17,318,833	$ 17,710,161	$ 19,550,627
Tax increments	2,342,447	1,607,882	1,927,267	2,220,661	1,677,742
Cable franchisetaxes	415,385	424,812	448,088	436,851	449,920
Gambling taxes	74,504	76,272	77,604	83,879	93,815
Grants and contributions not restricted to specific programs	24,693	24,928	249,375	24,435	24,435
Unrestricted investment earnings	350,717	288,600	474,218	579,253	758,630
Unrestricted net increase (decrease) in the fair value of Investments	-	(1,535,227)	1,614,919	119,627	(897,640)
Gain on sale of capital assets	-	-	-	-	129,474
Transfers	25,000	(72,884)	782,000	782,000	805,000
Total governmental activities	18,317,900	17,710,187	22,892,304	21,956,867	22,592,003
Business-type activities:					
Unrestricted investment earnings	39,801	25,662	56,806	45,199	36,658
Unrestricted net increase(decrease) in the fair value of investments	47,384	(233,366)	241,243	5,129	(46,107)
Gain on sale of capital assets	-	-	10,513	145,442	7,635
Transfers	(25,000)	72,884	(782,000)	(782,000)	(805,000)
Total business-type activities	62,185	(134,820)	(473,438)	(586,230)	(806,814)
Total primary government	$ 18,380,085	$ 17,575,367	$ 22,418,866	$ 21,370,637	$ 21,785,189
Change in Net Position					
Governmental activities	$ 3,434,510	$ 1,757,469	$ 3,747,071	$ 4,182,984	$ (5,357,179)
Business-type activities	959,757	1,972,207	2,018,689	2,050,140	1,618,011
Total primary government	$ 4,394,267	$ 3,729,676	$ 5,765,760	$ 6,233,124	$ (3,739,168)

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Fiscal Year	Property Tax	Tax Increments	Cable Franchise Taxes	Gambling Taxes	Total
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
2015	17,710,161	2,220,661	436,851	83,879	20,451,552
2016	19,550,637	1,677,742	449,920	93,815	21,772,114

	Fiscal Year				
	2007	2008	2009	2010	2011 (1)
General Fund					
Reserved	$ 356,130	$ 404,952	$ 402,564	$ 402,564	$ -
Unreserved	3,861,976	3,305,144	3,171,949	5,234,095	-
Nonspendable	-	-	-	-	-
Restricted					
Law enforcement	-	-	-	-	346,904
Assigned					
Engineering services	-	-	-	-	658,760
Accounting services	-	-	-	-	15,599
Unassigned	-	-	-	-	5,190,027
Total General Fund	$ 4,218,106	$ 3,710,096	$ 3,574,513	$ 5,636,659	$ 6,211,290
All Other Governmental Funds					
Reserved	$ 10,739,012	$ 13,243,667	$ 10,387,046	$ 4,035,605	$ -
Unreserved, reported in:					
Special revenue funds	921,554	946,069	1,220,099	1,131,336	-
Debt Service	(916,039)	(458,367)	843,046	1,452,411	-
Capital projects funds	17,570,635	17,264,721	16,856,123	16,347,739	-
Nonspendable	-	-	-	-	-
Restricted					
Telecommunications	-	-	-	-	521,444
Lawful Gambling	-	-	-	-	-
Community Development	-	-	-	-	163,163
Park Dedication	-	-	-	-	692,203
Tax Increment	-	-	-	-	5,202,462
Debt Service	-	-	-	-	1,425,518
Bond Funded Capital Improvements	-	-	-	-	10,000,000
Housing and Economic Development	-	-	-	-	-
Committed					
Parks and Recreation Programs and Maintenance	-	-	-	-	643,912
License Center Improvements	-	-	-	-	598,391
Equipment Replacement	-	-	-	-	109,199
Street Replacement	-	-	-	-	11,078,323
Assigned					
Capital project funds	-	-	-	-	4,295,277
Housing and Economic Development	-	-	-	-	-
Unassigned	-	-	-	-	(47,403)
Total All Other Governmental Funds	$ 28,315,162	$ 30,996,090	$ 29,306,314	$ 22,967,091	$ 34,682,489

(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.

	Fiscal Year				
	2012	2013	2014	2015	2016
General Fund					
Reserved	$ -	$ -	$ -	$ -	$ -
Unreserved	-	-	-	-	-
Nonspendable	-	-	-	25,891	80,717
Restricted					
Law enforcement	383,025	441,412	479,360	481,341	446,436
Assigned					
Engineering services	596,685	596,341	577,352	623,387	772,697
Accounting services	16,677	18,869	19,941	20,209	17,319
Unassigned	5,568,600	5,151,271	5,205,951	4,817,858	5,856,061
Total General Fund	$ 6,564,987	$ 6,207,893	$ 6,282,604	$ 5,968,686	$ 7,173,230
All Other Governmental Funds					
Reserved	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Debt Service	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Nonspendable	-	-	-	2,165	410,081
Restricted					
Telecommunications	591,108	584,645	633,732	469,353	436,616
Lawful Gambling	-	-	5,820	42,615	81,118
Community Development	367,417	595,148	713,525	1,021,351	1,759,272
Park Dedication	702,615	1,287,496	1,094,437	1,247,663	1,373,738
Tax Increment	6,884,619	7,692,065	7,870,539	12,259,273	6,586,003
Debt Service	6,884,619	6,362,028	2,726,165	2,635,521	2,693,499
Bond Funded Capital Improvements	23,073,514	17,485,834	7,751,174	4,083,564	2,902,068
Housing and Economic Development	-	-	-	-	827,821
Committed					
Parks and Recreation Programs and Maintenance	922,537	1,111,161	1,099,011	1,282,896	1,637,111
License Center Improvements	790,951	925,567	1,154,394	1,243,903	1,172,926
Equipment Replacement	226,365	359,115	653,669	844,302	1,041,002
Street Replacement	10,308,674	9,393,137	9,965,641	10,098,522	9,354,461
Assigned					
Capital project funds	5,689,502	5,283,935	5,308,484	3,612,552	3,529,937
Housing and Economic Development	-	-	-	-	3,004,072
Unassigned	(29,777)	(10,315)	-	-	-
Total All Other Governmental Funds	$ 56,412,144	$ 51,069,816	$ 38,976,591	$ 38,843,680	$ 36,809,725

(amounts expressed in thousands)

	Fiscal Year				
	2007	**2008**	**2009**	**2010**	**2011**
Revenues					
Taxes	$ 14,438	$ 15,817	$ 16,299	$ 17,958	$ 15,574
Intergovernmental	1,904	1,476	2,833	3,900	3,299
Licenses and permits	2,513	1,374	1,335	1,098	1,638
Charges for services	3,386	4,439	5,797	5,117	5,190
Fines and forfeits	242	232	197	214	227
Special assessments	589	423	1,542	530	295
Investment earnings	1,889	1,354	634	1,030	668
Miscellaneous	932	751	513	1,106	1,338
Total revenues	25,893	25,866	29,150	30,953	28,229
Expenditures					
General government	$ 3,999	$ 4,236	$ 4,194	$ 4,525	$ 4,590
Public safety	7,260	7,589	7,393	8,794	8,314
Public works	2,075	2,256	2,082	2,361	2,279
Economic development	2,511	2,310	1,756	8,639	1,190
Recreation	3,510	3,611	3,506	3,638	3,623
Capital outlay	1,998	4,988	11,899	5,668	4,078
Debt service					
Principal	920	935	984	1,246	1,385
Interest	411	385	439	447	401
Other Charges	-	25	48		46
Total expenditures	22,684	26,335	32,301	35,318	25,906
Excess of revenues over (under) expenditures	3,209	(469)	(3,151)	(4,365)	2,323
Other financing sources (uses)					
Transfers in	$ 649	$ 133	$ 144	$ 203	$ 1,115
Transfers out	(620)	(108)	(119)	(178)	(1,090)
Refunding bonds issued	-	-	1,070	-	-
Discount on bonds issued	-	-	(6)	-	(100)
Bonds issued	-	2,550	1,155	-	10,000
Premium on bonds issued	-	17	22	-	-
Payments to refunded bond escrow agent	-	-	(1,045)	-	-
Proceeds from letter of credit	-	-	-	-	-
Sale of assets	78	50	105	63	42
Total other financing sources (uses)	107	2,642	1,326	88	9,967
Net change in fund balances	$ 3,315	$ 2,173	$ (1,825)	$ (4,277)	$ 12,290
Debt service as a percentage of noncapital expenditures	6.43%	6.18%	6.97%	5.71%	8.18%

(1) General Obligation Bonds Series 2003A were refunded with the General Obligation Bonds Series 2013A issuance.
This caused an unusually high debt service as a percentage of noncapital expenditures percentage.

(amounts expressed in thousands)

	Fiscal Year				
	2012	**2013**	**2014**	**2015**	**2016**
Revenues					
Taxes	$ 17,462	$ 18,844	$ 19,962	$ 20,042	$ 22,235
Intergovernmental	2,995	1,880	1,523	3,515	3,381
Licenses and permits	1,532	1,630	1,514	1,755	2,414
Charges for services	5,248	5,665	4,743	5,188	5,888
Fines and forfeits	314	237	205	136	107
Special assessments	308	179	214	171	302
Investment earnings	326	280	444	661	(132)
Miscellaneous	804	980	2,450	1,204	1,168
Total revenues	28,989	29,695	31,055	32,672	35,363
Expenditures					
General government	$ 4,821	$ 5,651	$ 5,339	$ 5,752	$ 6,822
Public safety	8,780	9,111	9,353	9,683	10,086
Public works	2,183	2,334	2,397	2,488	2,499
Economic development	1,052	1,017	1,280	1,114	4,602
Recreation	3,688	3,808	4,070	4,617	4,380
Capital outlay	6,996	10,155	14,098	10,552	9,822
Debt service					
Principal	1,435	1,230	6,355	2,595	2,660
Interest	509	925	990	877	849
Other Charges	118	83	-		
Total expenditures	29,582	34,314	43,882	37,678	41,720
Excess of revenues over (under) expenditures	(593)	(4,619)	(12,827)	(5,006)	(6,357)
Other financing sources (uses)					
Transfers in	$ 257	$ 75	$ 1,001	$ 1,419	$ 2,579
Transfers out	(231)	(50)	(219)	(637)	(1,774)
Refunding bonds issued	-	-	-	-	-
Discount on bonds issued	-	-	-	-	-
Bonds issued	-	-	-	3,060	-
Premium on bonds issued	1,445	194	-	186	-
Payments to refunded bond escrow agent	-	-	-	-	-
Proceeds from letter of credit	15,685	3,980	-	-	-
Sale of assets	31	210	27	531	173
Total other financing sources (uses)	17,187	4,409	809	4,559	978
Net change in fund balances	$ 16,593	$ (210)	$ (12,018)	$ (447)	$ (5,379)
Debt service as a percentage of noncapital expenditures	8.61%	8.92%	24.66% **(1)**	12.80%	11.00%

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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

Fiscal Year	General Property Taxes (1)	Tax Increment Districts	Franchise Fee	Gambling Taxes	Total Taxes
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
2015	17,593	1,928	437	84	20,042
2016	20,013	1,678	450	94	22,235

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

Fiscal Year Ended December 31	Real Property Residential Property	Commercial Property	Other	Gas & Electric	Personal Property Leased Machinery & Equipment
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
2015	25,829,116	24,279,369	1,549,747	644,147	67,716
2016	25,839,545	16,230,896	9,066,597	707,709	65,466

Sources: Ramsey County & League of MN Cities

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
2007	(8,158,721)	46,993,900	23.01%	4,225,611,500	1.13%
2008	(8,447,095)	51,682,674	23.38%	4,522,375,200	1.11%
2009	(9,487,097)	48,558,184	24.54%	4,455,162,600	1.14%
2010	(8,191,870)	45,071,027	27.37%	4,288,071,400	1.13%
2011	(7,769,452)	45,459,056	29.76%	3,985,073,200	1.16%
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%
2015	(7,468,963)	44,901,131	39.33%	4,033,873,100	1.11%
2016	(6,700,122)	45,983,266	39.32%	4,067,077,000	1.13%

	City of Roseville			Ramsey County	
Fiscal Year	**Operating Tax Capacity**	**Debt Service Tax Capacity**	**Total City Tax Capacity**	**Total County Tax Capacity**	**Special Districts Tax Capacity**
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%
2015	33.78%	5.55%	39.33%	58.92%	11.13%
2016	33.78%	5.55%	39.33%	58.89%	9.52%

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).

	Overlapping Rates (1)				
	School District - ISD#621		**School District - ISD#623**		**Total**
Fiscal Year	**Tax Capacity Based**	**Market Value Based Tax Rate**	**Total Capacity Based**	**Market Value Based Tax Rate**	**Direct & Overlapping Tax Capacity**
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%
2015	27.38%	0.21901%	17.18%	0.25930%	153.94%
2016	26.25%	0.22261%	20.96%	0.22104%	154.94%

	2016			2007		
Taxpayer	**Taxes Levied**	**Rank**	**Percentage of Total Taxes Levied**	**Taxes Levied**	**Rank**	**Percentage of Total Taxes Levied**
Gateway Washington Inc	$ 426,418	1	2.25%	$ 133,594	2	1.14%
Magellan Pipeline Co LP	354,367	2	1.87%			
St Paul Fire And Marine Ins Co	326,507	3	1.72%	-	-	-
Wilcal Crossroads LLC	325,907	4	1.72%	-	-	-
PPF Rtl Rosedale Shopping Ctr LLC	291,196	5	1.54%	-	-	-
Rosedale Square LLC	267,389	6	1.41%	-	-	-
Rosedale Commons LP	214,706	7	1.13%	62,282	9	0.53%
Wal-mart Realty Company 2087	209,199	8	1.10%			
Veritas Technologies LLC	205,011	9	1.08%	-	-	-
BRE Timberwolf Property Owner LLC	195,651	10	1.03%	-	-	-
Compass Retail, Inc.				377,456	1	3.23%
M & J Crossroads LP	-	-	-	127,343	3	1.09%
AEW Capital Management LP	-	-	-	82,950	4	0.71%
Tanurb Developments, Inc.	-	-	-	76,630	5	0.66%
Unisys Corp.	-	-	-	72,418	6	0.62%
Target Corporation				67,662	7	0.58%
Williams Bros Pipeline	-	-	-	66,711	8	0.57%
Palisades Limited PTSP				61,068	10	0.52%
	$ 2,816,349		14.87%	$ 1,128,114		9.65%

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
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%
2015	18,276,902	17,592,866	96.26%	-	-	17,592,866	96.26%
2016	18,944,720	17,663,506	93.24%	-	-	17,663,506	93.24%

	Governmental Activities						
Fiscal Year	**General Obligation Bonds**	**Special Assessment Bonds**	**Tax Increment Revenue Bonds**	**Certificate of Indebtedness**	**Total Primary Government**	**Percentage of Estimated Actual Taxable Value of Property (1)**	**Per Capita (2)**
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
2015	27,240,000	-	3,060,000	945,000	31,245,000	0.77%	885
2016	24,885,000	-	3,060,000	640,000	28,585,000	0.70%	811

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
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%
2015	28,185,000	2,635,521	25,549,479	0.77%	723.66	1,660,052,814	1.88%
2016	25,525,000	2,693,499	22,831,501	0.70%	647.81	1,707,818,508	1.67%

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**	**Percentage Applicable to Roseville**		**Amount Applicable to Roseville**
Direct Debt:					
City of Roseville	$	25,525,000	100%	$	25,525,000
Overlapping Debt*					
School District #621	$	108,810,000	8%	$	8,704,800
School District #623		37,255,000	61%	$	22,725,550
Special School District #916		80,750,000	8%	$	6,460,000
Metropolitan Council		1,446,291,908	1%	$	14,462,919
Metropolitan Airports Commission		1,499,640,000	1%	$	14,996,400
Ramsey County		209,862,000	9%	$	18,887,580
Total Overlapping Debt		3,382,608,908			86,237,249
Total Direct and Overlapping Debt	$	3,408,133,908		$	111,762,249

*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, theentire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that everytaxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

	Fiscal Year				
	2007	**2008**	**2009**	**2010**	**2011**
Debt Limit	$ 84,512,230	$ 135,671,256	$ 133,654,878	$ 128,642,142	$ 119,552,196
Total net debt applicable to limit	8,455,000	10,440,000	11,015,000	9,035,000	18,090,000
Legal debt margin	$ 76,057,230	$ 125,231,256	$ 122,639,878	$ 119,607,142	$ 101,462,196
Total net debt applicable to the limit as a percentage of debt limit	10.00%	7.70%	8.24%	8.24%	15.13%

	Fiscal Year				
	2012	**2013**	**2014**	**2015**	**2016**
Debt Limit	$ 112,558,872	$ 112,055,907	$ 114,422,484	$ 121,016,193	$ 122,012,310
Total net debt applicable to limit	32,795,000	37,297,216	29,875,000	28,185,000	28,585,000
Legal debt margin	$ 79,763,872	$ 74,758,691	$ 84,547,484	$ 92,831,193	$ 93,427,310
Total net debt applicable to the limit as a percentage of debt limit	29.14%	33.28%	26.11%	23.29%	23.43%

Legal Debt Margin Calculation for Fiscal Year 2016

Estimated Market Value	$ 4,067,077,000
Debt Limit (3% of total estimated market value)	122,012,310
Debt applicable to limit:	
Total Bonded Debt	28,585,000
Less:	
Special Assessment Bonds	-
Housing Bonds	
Total net debt applicable to limit	28,585,000
Legal Debt Margin	$ 93,427,310

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)
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%
2015	35,306	1,660,052,814	47,019	7,507	10,759	3.0%
2016	35,244	1,707,818,508	48,457	7,580	11,145	3.0%

(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 relavent estimates available at the time of this report.
(4) The City is served by two independent school districts.
District #623 covers approximately 67% of the City, while District #621 covers approximately 33% of the City.
Accordingly, not all students enrolled in District #621 live in the City of Roseville.
Information is provided by the Roseville and Moundsview School Districts.
(5) Annual average unemployment provided by the Minnesota Department of Employment & Economic Development

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ROSEVILLE

Employer	2016 Employees	2016 Rank	2016 Percentage of Total City Employment	2007 Employees	2007 Rank	2007 Percentage of Total City Employment
MN Dept. of Transportation	800	1	4.37%	1150	1	3.11%
University-Northwestern-St Pl	700	2	3.82%	500	7	1.35%
Metz Baking Co	600	3	3.28%	-	-	-
Minnesota Department-Education	500	4	2.73%	435	9	1.18%
Symantec Corp	500	5	2.73%	600	3	1.62%
MEDTOX Scientific Inc	400	6	2.18%	-	-	-
Old Dutch Foods LTD	400	7	2.18%	-	-	-
Byerly's Inc	377	8	2.06%	-	-	-
Pentair Hypro	375	9	2.05%	-	-	-
Eagle Crest Retirement Community	330	10	1.80%	-	-	-
McGough Construction	-	-	-	512	5	1.38%
Unisys	-	-	-	400	10	1.08%
Presbyterian Homes Housing	-	-	-	560	4	1.51%
Roseville Area Schools	-	-	-	950	2	2.57%
Macy's				500	6	1.35%
Target	-	-	-	475	8	1.28%
Total	4,982		27.20%	6,082		16.43%

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

	Fiscal Year									
Function	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015 (1)**	**2016**
General government	32.5	33.5	33.5	34	34	35.5	39.3	40.75	41.25	45.19
Public safety										
Police	57.5	58	58	56.5	56.5	57	54.25	54.5	63.5	62.99
Fire	7.5	8	8	8	7	6	6	11	26.5	26.88
Public Works	17.25	17.25	17.25	16.75	16.74	16.47	15.75	15.75	18.5	19.29
Recreation	22.25	22.25	22.25	21.25	20.25	22.25	23	24	45.25	48.76
Economic Development	10.9	10.9	10.9	10.9	10.9	9.9	10	11	13.5	14.06
Water	6.17	6.17	6.17	6.17	7.29	7.54	6.62	6.97	8.5	7.41
Sewer	5.16	5.16	5.16	5.66	3.71	3.71	5.47	5.12	5.75	5.41
Golf	2.5	2.5	2.5	2.5	2.5	1.75	1.75	1.75	4.5	3.28
Recycling	-	-	-	-	-	-	0.3	0.3	0.25	0.3
Storm Drainage	3.42	3.42	3.42	3.42	4.01	4.03	4.87	4.87	4.75	4.9
Total	157.90	160.40	165.15	167.15	167.15	164.15	167.31	176.01	232.25	238.47

(1) In 2015 the Finance Department discovered a new method to calculate and better represent the number of full-time equivalents employed by the City. The new calcuation includes temporary or seasonal employee hours that were previously difficult to account for, which explains the large increase from 2014 to 2015.

	Fiscal Year				
Function	**2007 (1)**	**2008**	**2009**	**2010**	**2011**
Police					
Serious offenses	3,036	3,001	2,669	2,551	2,810
Public Assistance Calls	38,598	38,052	35,000	38,000	36,571
Traffic citations	9,219	8,062	8,138	8,551	8,404
Fire					
Fire incidents	4,313	4,300	4,036	4,225	4,290
Fire inspections	1,740	1,800	1,051	1,011	1,050
Public Works					
Street patching (tons)	900	1,006	1,000	900	920
Sealcoating (miles)	13	15	14	14	15
Snow / ice control (miles)	123	125	125	125	125
Sign repair / replacements	335	197	300	524	254
Recreation					
Recreation and leisure participations	113,250	112,725	112,800	112,700	112,750
Facility usage permits	1,125	1,115	1,095	1,080	1,075
Economic Development					
Building permits issued	1,302	1,254	1,307	1,146	1,714
Number of inspections	7,313	6,051	5,509	5,306	4,826
Planning / zoning cases	69	45	35	29	30
Water					
Meters repaired / replaced	407	554	519	592	780
Water main breaks	39	38	33	29	29
Hydrants repaired / flushed	1,711	1,706	1,711	1,711	1,836
Annual water pumped (thousands of gallons)	2,156,057	2,066,694	2,081,975	1,807,879	1,857,404
Sewer					
Sewer pipes repaired / replaced (linear feet)	4,849	5,000	8,162	5,457	15,109
Sewer pipes cleaned (linear feet)	235,000	276,000	237,000	261,000	274,560
Sewer pipes televised (linear feet)	43,755	61,497	72,772	89,260	59,567
Annual sewer flow (thousands of gallons)	2,156,057	2,066,694	2,081,976	1,157,210	1,399,720
Golf					
Number of rounds played	31,794	31,147	30,458	28,325	25,518
Recycling					
Materials collected (tons)	3,681	3,750	2,697	3,321	3,244
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	167	71	350	258	500
Infrastructure repair / replace (linear feet)	625	188	242	96	128

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.
(2) In 2015, the leaf collection program was cancelled and not used in 2016.

	Fiscal Year				
Function	**2012**	**2013**	**2014**	**2015**	**2016**
Police					
Serious offenses	2,758	2,522	3,008	3,096	3,243
Public Assistance Calls	34,665	34,942	32,624	33,549	36,058
Traffic citations	10,503	10,823	9,250	6,138	4,232
Fire					
Fire incidents	4,383	4,468	4,701	4,746	4,997
Fire inspections	473	673	565	495	285
Public Works					
Street patching (tons)	715	810	770	655	612
Sealcoating (miles)	14	13	10	0	0
Snow / ice control (miles)	125	125	125	125	125
Sign repair / replacements	150	140	131	369	490
Recreation					
Recreation and leisure participations	112,730	112,825	113,000	115,000	110,000
Facility usage permits	1,060	1,170	1,200	1,440	1,595
Economic Development					
Building permits issued	1,508	1,763	1,539	1,874	1,625
Number of inspections	5,020	5,574	5,246	5,685	5,543
Planning / zoning cases	35	27	33	26	32
Water					
Meters repaired / replaced	590	900	1,100	5,836	1,000
Water main breaks	21	27	49	31	40
Hydrants repaired / flushed	1,799	1,875	1,875	1,875	1,885
Annual water pumped (thousands of gallons)	1,996,677	1,826,482	1,650,069	1,645,610	1,653,881
Sewer					
Sewer pipes repaired / replaced (linear feet)	21,900	39,827	33,312	30,348	31,042
Sewer pipes cleaned (linear feet)	274,673	255,672	230,923	282,740	258,564
Sewer pipes televised (linear feet)	67,794	40,166	15,312	95,044	71,804
Annual sewer flow (thousands of gallons)	1,213,440	1,243,730	1,248,820	1,134,520	1,133,420
Golf					
Number of rounds played	25,929	24,282	25,186	25,663	25,905
Recycling					
Materials collected (tons)	3,173	3,226	3,150	3,305	3,241
Storm Drainage					
Sweeping (centerline miles)	125	125	125	125	125
Leaf collection (Cubic yards) (2)	20,000	20,000	20,000	20,000	0
Structure inspections	400	200	113	169	181
Infrastructure repair / replace (linear feet)	70	1,049	1,233	2,074	2,940

Function	Fiscal Year				
	2007	**2008**	**2009**	**2010**	**2011**
Public Safety					
Police:					
Stations	1	1	1	1	1
Patrol Units	27	27	27	34	36
Fire Stations	3	3	3	3	2
Public Works					
Streets (miles)	123	123	123	122	125
Street Lights	1,125	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	8	8	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	10,256	10,271	10,300	10,261	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)	2,156,057	2,066,694	2,081,975	1,807,879	1,857,404
Sewer					
Number of connections	10,199	10,015	10,021	10,188	10,200
Sanitary sewers (miles)	156	156	156	156	156
Storm drainage					
Storm sewers (miles)	145	145	145	145	145

Sources: Various city departments
Note: No capital asset indicators are available for the general government function

	Fiscal Year				
Function	**2012**	**2013**	**2014**	**2015**	**2016**
Public Safety					
Police:					
Stations	1	1	1	1	1
Patrol Units	33	38	38	38	
Fire Stations	2	1	1	1	1
Public Works					
Streets (miles)	125	125	125	125	125
Street Lights	1,133	1,133	1,133	1,133	1,145
Recreation					
Parks and playgrounds	30	30	30	30	32
Lighted park shelters	8	8	5	5	5
Parks Acreage	685	685	685	685	685
Skating Rinks					
Outdoor	12	10	10	11	11
Indoor	1	1	1	1	1
Golf Course	1	1	1	1	1
Ballfields	41	41	21	21	21
Soccer/football fields	8	8	19	19	19
Tennis Courts	17	17	17	17	17
Volleyball Courts	6	6	5	5	5
Basketball Courts	8	9	15	15	15
Miles of Trails	69	69	71	71	71
Water					
Number of connections	10,303	10,303	10,303	10,311	10,224
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)	1,996,677	1,826,482	1,650,069	1,645,610	1,653,881
Sewer					
Number of connections	10,130	10,130	10,130	10,135	10,159
Sanitary sewers (miles)	156	156	156	156	156
Storm drainage					
Storm sewers (miles)	145	145	145	145	145

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