

City of

ROSEVILLE

Minnesota



Comprehensive Annual Financial Report

For the fiscal year ended December 31, 2007

Prepared by the Department of Finance

City of Roseville, Minnesota
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended December 31, 2007

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INTRODUCTORY SECTION

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April 29, 2008

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 (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, 2007.

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

The City of Roseville's financial statements have been audited by Malloy, Montague, Karnowski, Radosevich, & Company, P.A. a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Roseville for the fiscal year ended December 31, 2007, 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, 2007, 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 33,969. 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. Council members serve four-year staggered terms, with three council members elected every four years and the mayor and one council member elected in staggered four-year terms. The council and mayor are elected at large.

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

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

The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may make transfers of appropriations within a department. Transfers of appropriations between funds, however, require the special approval of the city council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 33 as part of the basic financial statements for the governmental funds. For governmental funds other than the general fund, and with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, shown on pages 34-35, and 80-83.

Factors Affecting Financial Condition

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

Local economy. The 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 considerable re-development in recent years. The re-development consisted of varied retail that adds 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 45,000 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 is in the planning stages of establishing the City's long-term goals and objectives. Plans include; establishing adequate funding mechanisms for infrastructure replacement, replenishing the City's housing stock, and securing funds for recreational facilities.

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

Cash management policies and practices. Cash temporarily idle during the year was invested in certificates of deposit, obligations of the US Treasury, and government agencies. The maturities of the investments range from 7 days to 12 years, with an average maturity of 48 months. The investment income return for 2007 on all investments was 5.0 percent.

Risk management. The City has actively worked to limit both its liability risk and insurance costs since 1980. The City has self-insured its workers' compensation risk by maintaining a fund of approximately \$2 million and securing stop loss coverage through the state's reinsurance fund. The general liability of the City has been placed with the League of Minnesota Cities Insurance Trust. However, to limit its cost, the City has maintained a deductible of \$100,000 with the appropriate limits. These deductibles are funded from the Risk Management Fund, which maintains a balance of approximately \$430 thousand. The funding for the insurance programs is from a combination of property taxes, insurance rebates, and departmental charges. In 2000, the City added an umbrella policy which will protect the City in the event the state's statutory liability limit would not apply to a claim.

Awards and Acknowledgements

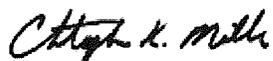
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Roseville for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2006. This was the 28th consecutive year that the city has 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, 2007. 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 also must be given to the Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Roseville's finances.

Respectfully submitted



Christopher K. Miller
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Roseville
Minnesota

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2006

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



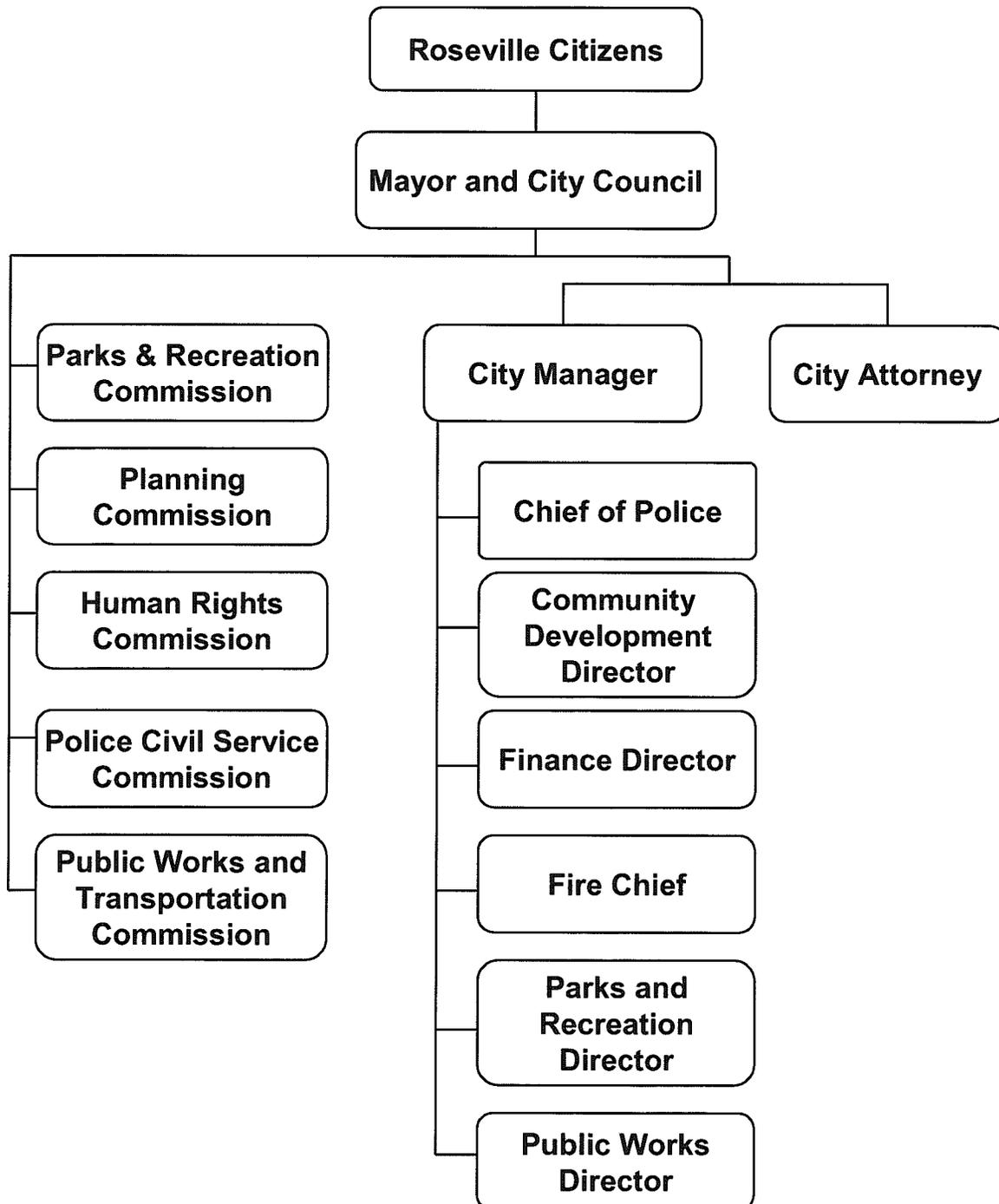
Chas S. Cox

President

Jeffrey R. Emery

Executive Director

Organizational Chart





Elected and Appointed Officials December 31, 2007

Elected Officials

Mayor	Craig Klausung	Term expires 12/31/2008
Council	Tom Kough	Term expires 12/31/2008
Council	Tammy Pust	Term expires 12/31/2008
Council	Dan Roe	Term expires 12/31/2010
Council	Amy Ihlan	Term expires 12/31/2010

Appointed Officials

City Manager	William Malinen
Finance Director	Chris Miller
Police Chief	Carol Sletner
Fire Chief	Rich Gasaway
Public Works Director	Duane Schwartz
Parks & Recreation Director	Lonnie Brokke
Community Development Director	Patrick Trudgeon

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Financial Section

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PRINCIPALS

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

INDEPENDENT AUDITOR'S REPORT

To the City Council and Residents
City of Roseville, Minnesota

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Roseville (the City) as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year partial comparative information presented has been derived from the City's financial statements for the year ended December 31, 2006, and in our report dated May 8, 2007, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of December 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General Fund and major special revenue funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The financial statements include partial prior year comparative information. Such information does not include all of the information required in a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended December 31, 2006, from which such partial information was derived.

(continued)

In accordance with *Government Auditing Standards*, we have also issued a report dated April 29, 2008, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, which follows this report letter, is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

April 29, 2008

Management's Discussion and Analysis

As management of the City of Roseville, we offer readers of the City of Roseville's financial statements this narrative overview and analysis of the financial activities of the City of Roseville for the fiscal year ended December 31, 2007. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-4 of this report.

Financial Highlights

- The assets of the City of Roseville exceeded its liabilities at the close of the most recent fiscal year by \$159,799,277 (Net assets). Of this amount, \$31,998,041 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designations and fiscal policies.
- The City's total net assets from operations increased by \$1,263,408.
- As of the close of the current fiscal year, the City of Roseville's governmental funds reported combined ending unreserved fund balances of \$21,438,126.
- At the end of the current fiscal year, undesignated fund balance for the general fund was \$3,861,976 or 32% percent of total general fund expenditures.
- The City of Roseville total bonded debt decreased by \$920,000 during the current fiscal year.

Overview of the Financial Statements

The discussion and analysis are intended to serve as an introduction to the City of Roseville's basic financial statements. The City of Roseville's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Roseville's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City of Roseville's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Roseville is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Roseville that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Roseville include general government, public safety, public works, economic development, and recreation. The business-type activities of the City of Roseville include water, sanitary sewer, golf, recycling and storm drainage.

The government-wide financial statements can be found on pages 26-27 of this report.

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

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

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

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

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

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

Proprietary funds. The City of Roseville maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the governmental-wide financial statements. The City of Roseville uses enterprise funds to account for its sanitary sewer, water, golf, recycling and storm drainage operations. Internal service funds are accounting devices used to accumulate and allocate costs internally among the City of Roseville's various functions. The City of Roseville uses internal service funds to account for its workers' compensation and general risk management. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sanitary sewer, water, golf, recycling and storm drainage operations. All of which are considered to be major funds of the City of Roseville. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

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

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 45-74 of this report.

Other information. Combining and individual fund statements and schedules can be found on pages 76-92 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Roseville, assets exceeded liabilities by \$159,799,277 at the close of the most recent fiscal year.

By far the largest portion of the City of Roseville's net assets (73% percent) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City of Roseville uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Roseville's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF ROSEVILLE'S NET ASSETS

	Governmental Activities 2007	Governmental Activities 2006	Business- Type 2007	Business- Type 2006	Total 2007	Total 2006
Current and other Assets	39,273,798	\$36,513,287	9,521,781	\$8,900,449	48,795,579	\$45,413,736
Capital assets	109,768,670	112,459,976	17,892,424	17,906,632	127,661,094	130,366,608
Total assets	149,042,468	148,973,263	27,414,205	26,807,081	176,456,673	175,780,344
Long-term liabilities outstanding	11,946,802	12,813,869	-	-	11,946,802	12,813,869
Other liabilities	2,443,769	2,752,221	2,266,825	1,678,385	4,710,594	4,430,606
Total liabilities	14,390,571	15,566,090	2,266,825	1,678,385	16,657,396	17,244,475
Net assets:						
Invested in capital assets net of related debt	98,813,670	100,584,976	17,892,424	17,906,632	116,706,094	118,491,608
Restricted	11,095,142	8,468,097	-	-	11,095,142	8,468,097
Unrestricted	24,743,085	24,354,100	7,254,956	7,222,064	31,998,041	31,576,164
Total net assets	134,651,897	\$133,407,173	25,147,380	\$25,128,696	159,799,277	\$158,535,869

A portion of the of the City of Roseville's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$31,998,041) may be used to meet the City's ongoing obligations to citizens and creditors.

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

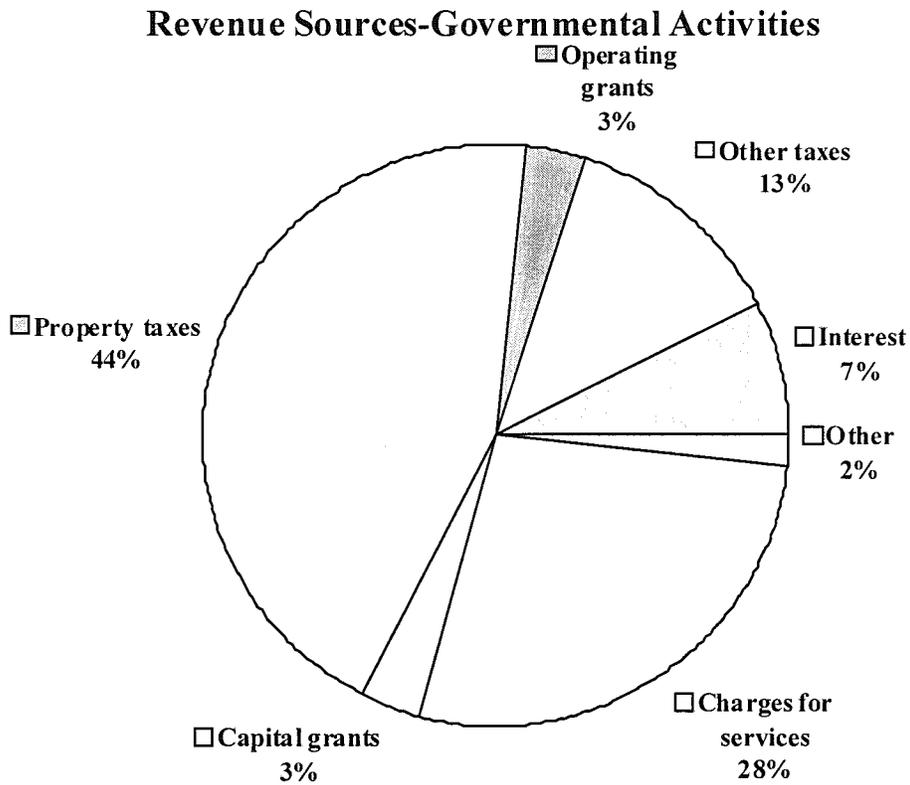
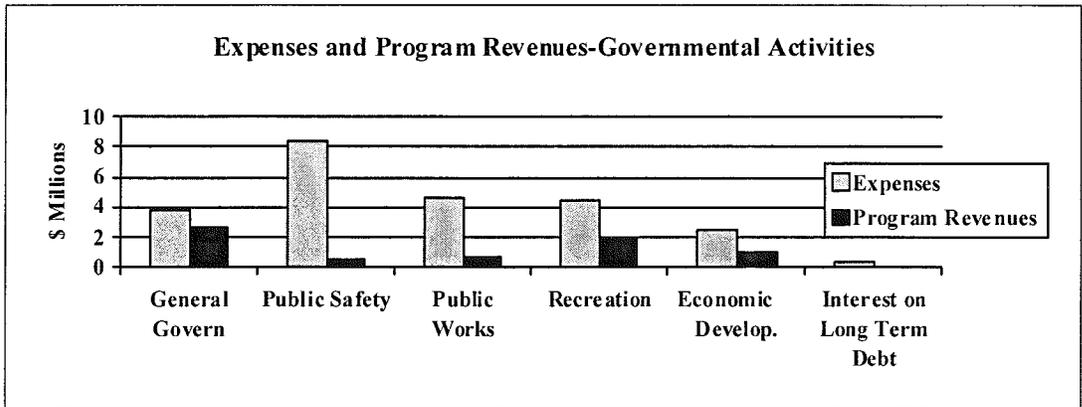
Governmental activities

Governmental activities increased the City of Roseville's net assets by \$1,244,724. Business-type activities increased Roseville's net assets by \$18,684, for an overall increase of \$1,263,408. Key elements of this increase are as follows:

City of Roseville's Changes in Net Assets

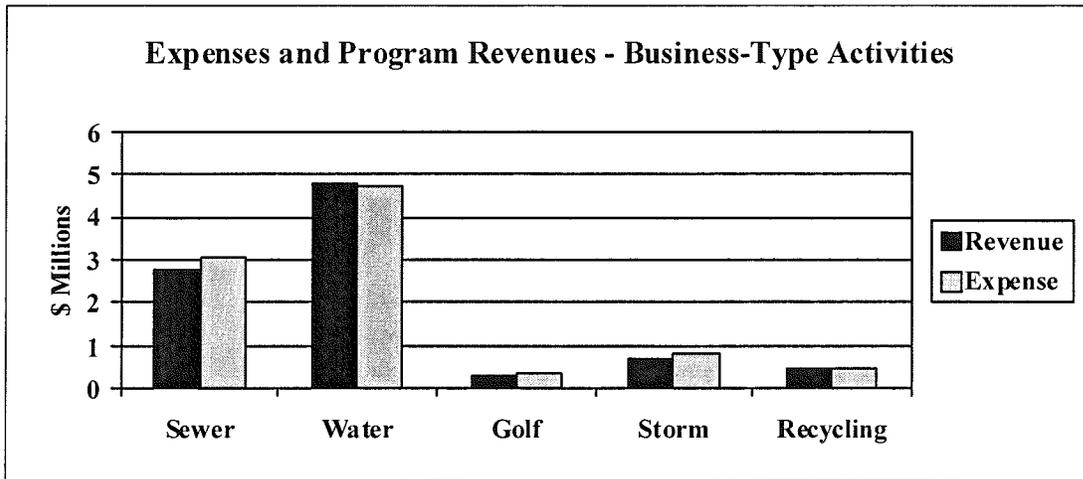
	Governmental Activities 2007	Governmental Activities 2006	Business- Type 2007	Business- Type 2006	Total 2007	Total 2006
Revenues:						
Program revenues:						
Charges for services	\$6,995,978	\$6,825,275	\$8,997,581	\$8,458,060	\$15,993,559	\$15,283,335
Operating grants and Contributions	872,349	881,421	63,861	64,216	936,210	945,637
Capital grants and Contributions	806,147	3,182,023	-	-	806,147	3,182,023
General revenues:						
Property taxes	11,246,116	10,684,683	-	-	11,246,116	10,684,683
Other taxes	3,191,803	2,927,772	-	-	3,191,803	2,927,772
Grants & Contributions not Restricted to specific Programs	225,497	53,562	-	-	225,497	53,562
Investment earnings	1,888,916	1,205,188	356,442	177,813	2,245,358	1,383,001
Other	-	827,650	-	-	-	827,650
Total revenues	25,226,806	26,587,574	9,417,884	8,700,089	34,644,690	35,287,663
Expenses:						
General government	\$3,830,814	\$3,664,716	\$-	\$-	\$3,830,814	\$3,664,716
Public safety	8,296,894	7,147,499	-	-	8,296,894	7,147,499
Public works	4,604,463	4,716,980	-	-	4,604,463	4,716,980
Economic Development	2,469,226	1,932,608	-	-	2,469,226	1,932,608
Recreation	4,380,187	4,223,244	-	-	4,380,187	4,223,244
Interest on debt	400,498	427,191	-	-	400,498	427,191
Sanitary Sewer	-	-	3,035,274	3,112,372	3,035,274	3,112,372
Water	-	-	4,739,327	4,410,178	4,739,327	4,410,178
Golf	-	-	354,318	347,153	354,318	347,153
Recycling	-	-	443,984	366,769	443,984	366,769
Storm drainage	-	-	826,297	858,746	826,297	858,746
Total expenses	23,982,082	22,097,663	9,399,200	9,095,218	33,381,282	31,195,881
Increase (decrease) in net assets	1,244,724	4,489,911	18,684	(395,129)	1,263,408	4,094,782
Net assets on Jan 1 st	133,407,173	128,917,262	25,128,696	25,523,825	158,535,869	154,441,087
Net assets on Dec 31 st	\$134,651,897	\$133,407,173	\$25,147,380	\$25,128,696	\$159,799,277	\$158,335,869

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

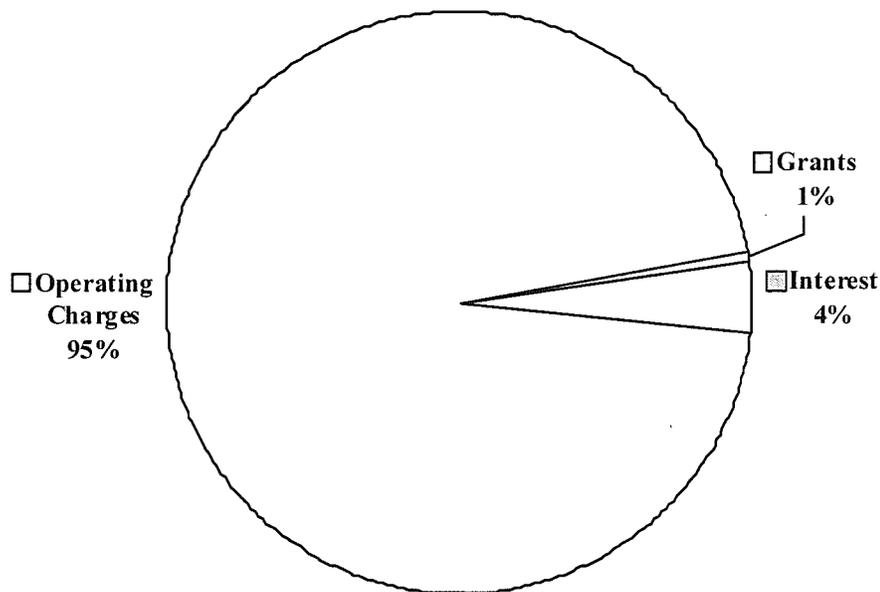


Business-type activities. The increase in net assets in the City's business-type activities was due to higher-than-expected interest earnings.

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



Revenue Sources-Business-Type Activities



Financial Analysis of the Government's funds

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

At the end of the current fiscal year, the City of Roseville's governmental funds reported combined ending fund balances of \$32,533,268. Approximately 66% of this total amount (\$21,438,126) constitutes unreserved fund balance. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed; 1) for law enforcement purposes (\$356,130), and 2) for tax increment financing activities (\$10,739,012).

The Economic Increments Construction Fund accounts for the activities in the City's Tax Increment Financing (TIF) Districts. The Fund's balance increased by \$2,942,587 resulting from the capture of excess tax increment above and beyond the amount needed to pay for City obligations. The entire fund balance of \$10,739,012 is reserved for TIF-related activities.

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

The unrestricted net assets in the respective proprietary funds are Sewer - \$4,300,421, Water - \$26,835, Golf - \$403,919, Recycling - \$124,437 and Storm - \$2,399,344. Due to timing differences in the user fees and capital improvements, increases (or decreases) in net assets can occur from year to year.

Component Unit

The City incorporates the Roseville Housing and Redevelopment Authority (HRA) as a component unit into its financial statements. The HRA accounts for the City's housing-related programs. In 2007, the fund balance increased by \$134,366 due to lower than expected housing loan activity.

General Fund Budgetary Highlights

The General Fund balance decreased by \$1,181,364 in 2007, largely due to the repayment of proceeds from a letter of credit that had been drawn against a redevelopment project the previous year. The Fund also decreased due to a one-time transfer of \$400,000 to the Recreation Fund to strengthen its reserve levels.

Capital Asset and Debt Administration

Capital assets. The City of Roseville's investment in capital assets for its governmental and business type activities as of December 31, 2007, amounts to \$127,661,094 (net of accumulated depreciation). This investment in capital assets includes land, buildings, infrastructure, machinery and equipment.

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

- Completion of \$1.5 million in street improvements.
- Approximately \$600 thousand in improvements to the City's utility system

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

	Governmental Activities 2007	Governmental Activities 2006	Business- Type 2007	Business- Type 2006	Total 2007	Total 2006
Land	\$5,973,904	\$6,012,229	\$352,993	\$352,993	\$6,326,897	\$6,365,222
Buildings	19,881,037	20,870,938	388,673	440,363	20,269,710	21,311,301
Machinery & equipment	5,743,163	6,240,908	800,471	811,727	6,543,634	7,052,635
Infrastructure	77,218,960	78,674,629	16,234,845	16,188,994	93,453,805	94,863,623
Construction in progress	951,606	661,272	115,442	112,553	1,067,048	773,827
Total capital assets	\$109,768,670	\$112,459,976	\$17,892,424	\$17,906,632	\$127,661,094	\$130,366,608

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

Long-term debt. At the end of the current fiscal year, the City of Roseville had total long-term debt outstanding of \$10,955,000; of which \$2,500,000 was for general obligation improvement debt which has financed special assessment construction as part of the City's paving management program, as well as \$8,455,000 for the general obligation municipal building debt which financed the construction of the expansion of City Hall and the Public Works Building. In addition, the City also has long-term debt in the amount of \$991,802 for compensated absences and notes payable.

**City of Roseville's Outstanding Debt
General Obligation Improvement Bonds, Long-Term Notes and Compensated
Absences**

	Governmental Activities 2007	Governmental Activities 2006	Business- Type 2007	Business- Type 2006	Total 2007	Total 2006
General Obligation Improvement bonds	\$2,500,000	\$2,875,000	\$ -	\$ -	\$2,500,000	\$2,875,000
General Obligation Municipal bonds	8,455,000	9,000,000	-	-	8,455,000	9,000,000
Long-term notes pay	4,130	4,425	-	-	4,130	4,425
Compensated absences	987,672	934,444	-	-	987,672	934,444
Total	\$11,946,802	\$12,813,869	\$ -	\$ -	\$11,946,802	\$12,813,869

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

State statutes limit the amount of general obligation debt a Minnesota city may issue to 2% of total Estimated Market Value. The current debt limitation for the City of Roseville is \$84,512,230. \$8,455,000 of the City's outstanding debt is counted against the statutory limitation as the debt is wholly financed by general tax levy.

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

Economic Factors and next year's Budgets and Rates

- The City made significant efforts to strengthen its asset replacement funding mechanisms and reserve levels.
- Recreation program fees were increased to reflect the rising costs of individual programs. In addition, user charges for proprietary funds were also changed to reflect current and anticipated conditions and asset replacement needs.

These factors were considered when the City of Roseville prepared its 2008 budget.

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

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Basic Financial Statements

CITY OF ROSEVILLE, MINNESOTA
STATEMENT OF NET ASSETS
December 31, 2007

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Housing & Redevelopment Authority
ASSETS				
Cash and cash equivalents	\$ 36,010,062	\$ 5,986,916	\$ 41,996,978	\$ 1,033,229
Restricted investments				
Utility customer deposits	0	776,875	776,875	0
Receivables				
Accounts	467,692	1,882,186	2,349,878	0
Taxes	20,900	0	20,900	140
Investment interest	221,139	38,225	259,364	5,832
Special assessments	1,669,587	108,872	1,778,459	0
Due from other governments	522,243	728,707	1,250,950	0
Notes	15,933	0	15,933	1,328,000
Net Pension Obligation	346,242	0	346,242	0
Capital assets not being depreciated:				
Land	5,973,904	352,993	6,326,897	0
Improvements other than buildings	16,112,655	120,716	16,233,371	0
Construction in progress	951,606	115,442	1,067,048	0
Capital assets net of accumulated depreciation:				
Buildings	19,881,037	388,673	20,269,710	0
Improvements other than buildings	2,382,845	904,259	3,287,104	0
Machinery and equipment	5,743,163	800,471	6,543,634	0
Infrastructure	58,723,460	15,209,870	73,933,330	0
Total Assets	<u>149,042,468</u>	<u>27,414,205</u>	<u>176,456,673</u>	<u>2,367,201</u>
LIABILITIES				
Accounts payable	735,247	696,604	1,431,851	689
Accrued payroll	428,665	86,362	515,027	0
Contracts payable	172,813	105,827	278,640	0
Bond interest payable	168,434	0	168,434	0
Due to other governments	353,192	28,307	381,499	831,551
Insurance claim payable	301,678	0	301,678	0
Deposits payable	283,740	776,875	1,060,615	3,600
Unearned Revenue	0	572,850	572,850	0
Noncurrent liabilities:				
Due within one year	1,004,960	0	1,004,960	0
Due in more than one year	10,941,842	0	10,941,842	0
Total Liabilities	<u>14,390,571</u>	<u>2,266,825</u>	<u>16,657,396</u>	<u>835,840</u>
NET ASSETS				
Invested in capital assets net of related debt	98,813,670	17,892,424	116,706,094	0
Restricted for				
Tax increment	10,739,012	0	10,739,012	0
Law enforcement	356,130	0	356,130	0
Unrestricted	<u>24,743,085</u>	<u>7,254,956</u>	<u>31,998,041</u>	<u>1,531,361</u>
Total Net Assets	<u>\$ 134,651,897</u>	<u>\$ 25,147,380</u>	<u>\$ 159,799,277</u>	<u>\$ 1,531,361</u>

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

CITY OF ROSEVILLE, MINNESOTA
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2007

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Units Housing & Redevelopment Authority
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 3,830,814	\$ 2,700,261	\$ 0	\$ 0	\$ (1,130,553)	\$ 0	\$ (1,130,553)	\$ 0
Public safety	8,296,894	566,899	603,794	277,490	(6,848,711)	0	(6,848,711)	0
Public works	4,604,463	774,473	240,377	0	(3,589,613)	0	(3,589,613)	0
Recreation	4,380,187	1,926,806	0	510,482	(1,942,899)	0	(1,942,899)	0
Economic development	2,469,226	1,027,539	28,178	18,175	(1,395,334)	0	(1,395,334)	0
Interest on long-term debt	400,498	0	0	0	(400,498)	0	(400,498)	0
Total governmental activities	<u>23,982,082</u>	<u>6,995,978</u>	<u>872,349</u>	<u>806,147</u>	<u>(15,307,608)</u>	<u>0</u>	<u>(15,307,608)</u>	<u>0</u>
Business-type activities:								
Sewer	3,035,274	2,796,265	0	0	0	(239,009)	(239,009)	0
Water	4,739,327	4,809,523	0	0	0	70,196	70,196	0
Golf	354,318	315,372	0	0	0	(38,946)	(38,946)	0
Recycling	443,984	387,706	63,861	0	0	7,583	7,583	0
Storm Drainage	826,297	688,715	0	0	0	(137,582)	(137,582)	0
Total business- type activities	<u>9,399,200</u>	<u>8,997,581</u>	<u>63,861</u>	<u>0</u>	<u>0</u>	<u>(337,758)</u>	<u>(337,758)</u>	<u>0</u>
Total primary government	<u>\$ 33,381,282</u>	<u>\$ 15,993,559</u>	<u>\$ 936,210</u>	<u>\$ 806,147</u>	<u>\$ (15,307,608)</u>	<u>\$ (337,758)</u>	<u>\$ (15,645,366)</u>	<u>\$ 0</u>
Component unit:								
Housing & Redevelopment Authority								
	<u>\$ 66,259</u>	<u>\$ 14,532</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (51,727)</u>
General revenues:								
Property taxes					11,246,116	0	11,246,116	151,699
Tax increments					2,765,844	0	2,765,844	0
Cable franchise taxes					337,069	0	337,069	0
Gambling taxes					88,890	0	88,890	0
Grants and contributions not restricted to specific programs					225,497	0	225,497	5,218
Unrestricted investment earnings					1,888,916	356,442	2,245,358	29,176
Total general revenues					<u>16,552,332</u>	<u>356,442</u>	<u>16,908,774</u>	<u>186,093</u>
Change in net assets					1,244,724	18,684	1,263,408	134,366
Net assets - beginning					<u>133,407,173</u>	<u>25,128,696</u>	<u>158,535,869</u>	<u>1,396,995</u>
Net assets - ending					<u>\$ 134,651,897</u>	<u>\$ 25,147,380</u>	<u>\$ 159,799,277</u>	<u>\$ 1,531,361</u>

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

**CITY OF ROSEVILLE, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2007**

	Special Revenue			Debt Service
	General	Recreation	Community Development	General Obligation Improvement Bonds
ASSETS				
Cash and cash equivalents	\$ 4,812,847	\$ 499,132	\$ 504,661	\$ 0
Investment interest receivable	27,470	2,593	2,801	6,903
Accounts receivable	31,905	219,691	9,390	0
Taxes receivable:				
Current	14,085	2,997	0	2,904
Notes receivable	0	0	0	0
Special assessments receivable:				
Current	0	0	0	1,104
Deferred	0	1,651	73	620,722
Due from other governments	85,168	0	0	0
Due from other funds	96,625	0	0	0
Total assets	\$ 5,068,100	\$ 726,064	\$ 516,925	\$ 631,633
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 507,074	\$ 126,251	\$ 20,921	\$ 0
Accrued payroll	264,170	87,930	31,334	0
Contracts payable	0	4,400	0	0
Due to other funds	0	0	0	926,950
Due to other governments	3,254	2,827	484	0
Deferred revenue	0	1,651	0	620,722
Deposits payable	75,496	70	203,174	0
Total liabilities	849,994	223,129	255,913	1,547,672
Fund Balance:				
Reserved for:				
Law enforcement	356,130	0	0	0
Tax Increment	0	0	0	0
Unreserved, designated for:				
Future infrastructure replacement	0	0	0	0
Community Development	0	0	261,012	0
Capital projects	0	0	0	0
Unreserved, undesignated reported in:				
General fund	3,861,976	0	0	0
Special revenue funds	0	502,935	0	0
Debt service	0	0	0	(916,039)
Total fund balances	4,218,106	502,935	261,012	(916,039)
Total liabilities and fund balances	\$ 5,068,100	\$ 726,064	\$ 516,925	\$ 631,633

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

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

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

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

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

Capital Projects				
Revolving Improvements	Economic Increments Construction	Street Construction	Other Governmental Funds	Total
\$ 1,322,291	\$ 10,691,863	\$ 13,612,091	\$ 1,805,536	\$ 33,248,421
11,225	64,171	82,071	8,154	205,388
0	0	0	202,422	463,408
681	0	0	233	20,900
0	15,933	0	0	15,933
0	0	9,642	0	10,746
30,285	0	1,006,110	0	1,658,841
349,608	0	62,751	24,716	522,243
365,096	0	926,950	0	1,388,671
<u>\$ 2,079,186</u>	<u>\$ 10,771,967</u>	<u>\$ 15,699,615</u>	<u>\$ 2,041,061</u>	<u>\$ 37,534,551</u>

\$ 8,730	\$ 32,955	\$ 2,393	\$ 17,110	\$ 715,434
0	0	0	45,231	428,665
53,958	0	114,455	0	172,813
0	0	0	461,721	1,388,671
5	0	0	346,622	353,192
30,285	0	1,006,110	0	1,658,768
0	0	0	5,000	283,740
<u>92,978</u>	<u>32,955</u>	<u>1,122,958</u>	<u>875,684</u>	<u>5,001,283</u>

0	0	0	0	356,130
0	10,739,012	0	0	10,739,012
0	0	10,823,292	0	10,823,292
0	0	0	0	261,012
1,986,208	0	3,753,365	1,007,770	6,747,343
0	0	0	0	3,861,976
0	0	0	157,607	660,542
0	0	0	0	(916,039)
<u>1,986,208</u>	<u>10,739,012</u>	<u>14,576,657</u>	<u>1,165,377</u>	<u>32,533,268</u>
<u>\$ 2,079,186</u>	<u>\$ 10,771,967</u>	<u>\$ 15,699,615</u>	<u>\$ 2,041,061</u>	

109,768,670

(12,115,236)

2,460,185

2,005,010

Net Assets of governmental activities \$ 134,651,897

CITY OF ROSEVILLE, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2007

	General	Special Revenue		Debt Service
		Recreation	Community Development	General Obligation Improvement Bonds
REVENUES				
General property taxes	\$ 7,578,944	\$ 1,612,878	\$ 0	\$ 1,562,445
Tax Increments	0	0	0	0
Intergovernmental revenue	1,408,823	55,911	0	54,163
Licenses & permits	286,218	0	940,192	0
Gambling taxes	0	0	0	0
Charges for services	1,190,422	1,632,153	1,307	0
Fines and forfeits	242,630	0	0	0
Cable franchise taxes	0	0	0	0
Rentals	0	59,332	0	0
Donations	32,670	78,543	0	0
Special assessments	2,397	2,960	3,505	255,889
Investment income	173,533	16,780	24,113	14,608
Miscellaneous	242,976	70,026	52,250	0
Total revenues	<u>11,158,613</u>	<u>3,528,583</u>	<u>1,021,367</u>	<u>1,887,105</u>
EXPENDITURES				
Current:				
General government	1,897,890	0	0	0
Public safety	7,260,374	0	0	0
Public works	2,074,778	0	0	0
Economic development	866,935	0	1,103,384	0
Recreation	0	3,510,091	0	0
Capital outlay	0	0	0	0
Debt service	0	0	0	1,331,327
Total expenditures	<u>12,099,977</u>	<u>3,510,091</u>	<u>1,103,384</u>	<u>1,331,327</u>
Excess of revenues over (under) expenditures	<u>(941,364)</u>	<u>18,492</u>	<u>(82,017)</u>	<u>555,778</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	160,000	428,729	0	0
Transfers (out)	(400,000)	0	0	0
Sale of capital assets	0	0	0	0
Total other financing sources (uses)	<u>(240,000)</u>	<u>428,729</u>	<u>0</u>	<u>0</u>
Net change in fund balances	(1,181,364)	447,221	(82,017)	555,778
Fund balances - beginning	<u>5,399,470</u>	<u>55,714</u>	<u>343,029</u>	<u>(1,471,817)</u>
Fund balances - ending	<u>\$ 4,218,106</u>	<u>\$ 502,935</u>	<u>\$ 261,012</u>	<u>\$ (916,039)</u>

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

Capital Projects				
Revolving Improvements	Economic Increments Construction	Street Construction	Other Governmental Funds	Total
\$ 366,334	\$ 0	\$ 0	\$ 125,515	\$ 11,246,116
0	2,765,844	0	0	2,765,844
523,181	46,353	(188,789)	4,351	1,903,993
1,125	0	0	1,285,278	2,512,813
0	0	0	88,890	88,890
0	0	6,666	555,708	3,386,256
0	0	0	0	242,630
0	0	0	337,069	337,069
0	0	0	0	59,332
0	0	0	104,166	215,379
30,285	0	294,011	0	589,047
92,479	671,055	820,128	76,220	1,888,916
132,858	0	0	158,889	656,999
<u>1,146,262</u>	<u>3,483,252</u>	<u>932,016</u>	<u>2,736,086</u>	<u>25,893,284</u>
0	0	0	2,100,923	3,998,813
0	0	0	0	7,260,374
0	0	0	0	2,074,778
0	540,665	0	0	2,510,984
0	0	0	0	3,510,091
924,365	0	579,295	494,666	1,998,326
0	0	0	0	1,331,327
<u>924,365</u>	<u>540,665</u>	<u>579,295</u>	<u>2,595,589</u>	<u>22,684,693</u>
<u>221,897</u>	<u>2,942,587</u>	<u>352,721</u>	<u>140,497</u>	<u>3,208,591</u>
0	0	0	60,000	648,729
0	0	0	(220,000)	(620,000)
14,238	0	0	63,812	78,050
<u>14,238</u>	<u>0</u>	<u>0</u>	<u>(96,188)</u>	<u>106,779</u>
236,135	2,942,587	352,721	44,309	3,315,370
<u>1,750,073</u>	<u>7,796,425</u>	<u>14,223,936</u>	<u>1,121,068</u>	<u>29,217,898</u>
<u>\$ 1,986,208</u>	<u>\$ 10,739,012</u>	<u>\$ 14,576,657</u>	<u>\$ 1,165,377</u>	<u>\$ 32,533,268</u>

**CITY OF ROSEVILLE, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2007**

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

Net change in fund balances--total governmental funds	\$ 3,315,370
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount represents the difference between capital outlays and depreciation in the current period.	(2,250,044)
The effect of transactions involving capital assets including losses on disposals, which decrease net assets.	(441,262)
Payments on general obligation debt	920,000
Payments on notes payable	295
Net change due to internal service funds incorporated into statement of activities	(162,558)
Net change due to the fire relief pension obligation	(45,471)
Changes in compensated absences	(53,228)
Changes in bond interest payable	10,829
Special assessments, property tax and tax increment collected for prior years	<u>(49,207)</u>
Change in net assets of governmental activities	<u>\$ 1,244,724</u>

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

CITY OF ROSEVILLE, MINNESOTA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES -BUDGET AND ACTUAL
For the Year Ended December 31, 2007

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
General property taxes	\$ 7,882,370	\$ 7,882,370	\$ 7,578,944	\$ (303,426)
Intergovernmental revenue	865,000	865,000	1,408,823	543,823
Licenses and permits	312,500	312,500	286,218	(26,282)
Charges for services	980,000	980,000	1,190,422	210,422
Fines and forfeits	194,300	194,300	242,630	48,330
Donations	0	0	32,670	32,670
Special Assessments	0	0	2,397	2,397
Investment Income	354,989	354,989	173,533	(181,456)
Miscellaneous	30,000	30,000	242,976	212,976
Total revenues	<u>10,619,159</u>	<u>10,619,159</u>	<u>11,158,613</u>	<u>539,454</u>
EXPENDITURES				
Current				
General government	1,952,894	1,952,894	1,897,890	55,004
Public safety	6,919,870	7,269,870	7,260,374	9,496
Public works	1,927,115	2,077,115	2,074,778	2,337
Economic development	0	870,000	866,935	3,065
Total expenditures	<u>10,799,879</u>	<u>12,169,879</u>	<u>12,099,977</u>	<u>69,902</u>
Excess of revenue over (under) expenditures	<u>(180,720)</u>	<u>(1,550,720)</u>	<u>(941,364)</u>	<u>609,356</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	160,000	160,000	160,000	0
Transfers (out)	0	0	(400,000)	(400,000)
Total other financing sources (uses)	<u>160,000</u>	<u>160,000</u>	<u>(240,000)</u>	<u>(400,000)</u>
Net change in fund balances	(20,720)	(1,390,720)	(1,181,364)	209,356
Fund balances - beginning	<u>5,399,470</u>	<u>5,399,470</u>	<u>5,399,470</u>	<u>0</u>
Fund balances - ending	<u>\$ 5,378,750</u>	<u>\$ 4,008,750</u>	<u>\$ 4,218,106</u>	<u>\$ 209,356</u>

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

**CITY OF ROSEVILLE, MINNESOTA
RECREATION FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended December 31, 2007**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
General property taxes	\$ 1,677,450	\$ 1,677,450	\$ 1,612,878	\$ (64,572)
Intergovernmental revenue	0	0	55,911	55,911
Charges for services	1,593,941	1,593,941	1,632,153	38,212
Rentals	50,000	50,000	59,332	9,332
Donations	67,724	67,724	78,543	10,819
Special assessments	0	0	2,960	2,960
Investment income	0	0	16,780	16,780
Miscellaneous	47,300	47,300	70,026	22,726
Total revenues	<u>3,436,415</u>	<u>3,436,415</u>	<u>3,528,583</u>	<u>92,168</u>
EXPENDITURES				
Current				
Personal services	2,158,155	2,193,655	2,189,110	4,545
Supplies & materials	263,600	263,600	253,501	10,099
Other services & charges	1,012,160	1,011,660	1,017,869	(6,209)
Capital outlay	2,500	41,304	49,611	(8,307)
Total expenditures	<u>3,436,415</u>	<u>3,510,219</u>	<u>3,510,091</u>	<u>128</u>
Excess of revenue over (under) expenditures	<u>0</u>	<u>(73,804)</u>	<u>18,492</u>	<u>92,296</u>
OTHER FINANCING SOURCES				
Transfers in	<u>0</u>	<u>0</u>	<u>428,729</u>	<u>428,729</u>
Net change in fund balances	0	(73,804)	447,221	521,025
Fund deficit - beginning	<u>55,714</u>	<u>55,714</u>	<u>55,714</u>	<u>0</u>
Fund balance - ending	<u>\$ 55,714</u>	<u>\$ (18,090)</u>	<u>\$ 502,935</u>	<u>\$ 521,025</u>

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

**CITY OF ROSEVILLE, MINNESOTA
COMMUNITY DEVELOPMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended December 31, 2007**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses and permits	\$ 1,033,575	\$ 1,033,575	\$ 940,192	\$ (93,383)
Charges for services	0	0	1,307	1,307
Investment income	10,000	10,000	24,113	14,113
Special assessments	0	0	3,505	3,505
Miscellaneous	75,000	75,000	52,250	(22,750)
Total revenues	<u>1,118,575</u>	<u>1,118,575</u>	<u>1,021,367</u>	<u>(97,208)</u>
EXPENDITURES				
Current				
Personal services	875,600	875,600	830,297	45,303
Supplies and materials	13,950	13,950	12,881	1,069
Other services and charges	212,025	212,025	258,770	(46,745)
Capital outlay	17,000	17,000	1,436	15,564
Total expenditures	<u>1,118,575</u>	<u>1,118,575</u>	<u>1,103,384</u>	<u>15,191</u>
Net change in fund balances	0	0	(82,017)	(82,017)
Fund balances - beginning	<u>343,029</u>	<u>343,029</u>	<u>343,029</u>	<u>0</u>
Fund balances - ending	<u>\$ 343,029</u>	<u>\$ 343,029</u>	<u>\$ 261,012</u>	<u>\$ (82,017)</u>

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

CITY OF ROSEVILLE, MINNESOTA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2007
With Partial Comparative Information as of December 31, 2006

	Sanitary Sewer Current Year	Sanitary Sewer Prior Year	Water Current Year	Water Prior Year	Business-Type Golf Course Current Year
ASSETS					
Current assets					
Cash and cash equivalents	\$ 3,172,754	\$ 3,149,148	\$ 0	\$ 767	\$ 434,700
Investment interest receivable	20,818	22,458	1,524	0	2,451
Restricted cash, cash equivalents and investments:					
Customer deposits	0	0	776,875	778,894	0
Accounts receivable	701,997	610,891	914,825	782,076	0
Special Assessments	108,872	1,012	0	0	0
Due from other funds	506,836	843,000	0	0	0
Due from other governments	572,850	0	155,857	459,194	0
Total current assets	<u>5,084,127</u>	<u>4,626,509</u>	<u>1,849,081</u>	<u>2,020,931</u>	<u>437,151</u>
Property and equipment					
Property and equipment	9,806,311	9,622,283	12,835,330	12,750,917	1,112,679
Less accumulated depreciation	<u>(4,748,724)</u>	<u>(4,582,289)</u>	<u>(7,133,810)</u>	<u>(6,967,129)</u>	<u>(590,074)</u>
Net property and equipment	<u>5,057,587</u>	<u>5,039,994</u>	<u>5,701,520</u>	<u>5,783,788</u>	<u>522,605</u>
 Total assets	 <u>10,141,714</u>	 <u>9,666,503</u>	 <u>7,550,601</u>	 <u>7,804,719</u>	 <u>959,756</u>
LIABILITIES					
Current liabilities					
Accounts payable	187,117	143,697	483,081	486,044	9,477
Contracts payable	0	2,430	888	18,182	0
Customer deposits payable	0	0	776,875	778,894	0
Accrued payroll	23,722	18,722	26,405	21,784	23,740
Due to other funds	0	0	506,836	839,000	0
Due to other governments	17	76,359	28,161	28,049	15
Unearned revenue	572,850	0	0	0	0
Insurance claims payable	0	0	0	0	0
Total current liabilities	<u>783,706</u>	<u>241,208</u>	<u>1,822,246</u>	<u>2,171,953</u>	<u>33,232</u>
NET ASSETS					
Invested in capital assets	5,057,587	5,039,994	5,701,520	5,783,788	522,605
Unrestricted	<u>4,300,421</u>	<u>4,385,301</u>	<u>26,835</u>	<u>(151,022)</u>	<u>403,919</u>
Total Net Assets	<u>\$ 9,358,008</u>	<u>\$ 9,425,295</u>	<u>\$ 5,728,355</u>	<u>\$ 5,632,766</u>	<u>\$ 926,524</u>

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

Activities--Enterprise Funds						Governmental
Golf Course Prior Year	Solid Waste Recycling Current Year	Solid Waste Recycling Prior Year	Storm Drainage Current Year	Storm Drainage Prior Year	Totals Current Year	Activities- Internal Service Funds
\$ 429,018	\$ 22,820	\$ 269	\$ 2,356,642	\$ 2,379,312	\$ 5,986,916	\$ 2,761,641
2,411	129	0	13,303	13,386	38,225	15,751
0	0	0	0	0	776,875	0
0	107,604	91,286	157,760	148,308	1,882,186	4,284
0	0	0	0	0	108,872	0
0	0	0	0	0	506,836	0
0	0	32,019	0	0	728,707	0
<u>431,429</u>	<u>130,553</u>	<u>123,574</u>	<u>2,527,705</u>	<u>2,541,006</u>	<u>10,028,617</u>	<u>2,781,676</u>
1,133,389	0	0	15,673,333	15,240,941	39,427,653	0
(587,535)	0	0	(9,062,621)	(8,703,945)	(21,535,229)	0
<u>545,854</u>	<u>0</u>	<u>0</u>	<u>6,610,712</u>	<u>6,536,996</u>	<u>17,892,424</u>	<u>0</u>
<u>977,283</u>	<u>130,553</u>	<u>123,574</u>	<u>9,138,417</u>	<u>9,078,002</u>	<u>27,921,041</u>	<u>2,781,676</u>
12,155	4,837	5,950	12,092	50,590	696,604	19,813
0	0	0	104,939	0	105,827	0
144	0	0	0	0	776,875	0
21,987	1,277	0	11,218	12,927	86,362	0
0	0	4,000	0	0	506,836	0
19	2	379	112	73	28,307	0
0	0	0	0	0	572,850	0
0	0	0	0	0	0	301,678
<u>34,305</u>	<u>6,116</u>	<u>10,329</u>	<u>128,361</u>	<u>63,590</u>	<u>2,773,661</u>	<u>321,491</u>
545,854	0	0	6,610,712	6,536,996	17,892,424	0
<u>397,124</u>	<u>124,437</u>	<u>113,245</u>	<u>2,399,344</u>	<u>2,477,416</u>	<u>7,254,956</u>	<u>2,460,185</u>
<u>\$ 942,978</u>	<u>\$ 124,437</u>	<u>\$ 113,245</u>	<u>\$ 9,010,056</u>	<u>\$ 9,014,412</u>	<u>\$ 25,147,380</u>	<u>\$ 2,460,185</u>

CITY OF ROSEVILLE, MINNESOTA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007
With Partial Comparative Information for Year Ended December 31, 2006

	Business-Type				
	Sanitary Sewer Current Year	Sanitary Sewer Prior Year	Water Current Year	Water Prior Year	Golf Course Current Year
Sales and cost of sales					
Sales	\$ 0	\$ 0	\$ 0	\$ 0	\$ 22,837
Cost of sales	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,684</u>
Gross profit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,153</u>
Operating revenues					
User charges	2,712,272	2,611,501	4,805,655	4,442,028	301,623
Delinquency collections	83,733	82,482	0	0	0
Other	260	0	3,868	3,256	2,596
Total operating revenues	<u>2,796,265</u>	<u>2,693,983</u>	<u>4,809,523</u>	<u>4,445,284</u>	<u>304,219</u>
Operating expense					
Personal service	394,772	412,934	320,979	308,582	234,482
Supplies	30,230	27,585	76,625	63,622	33,928
Other services and charges	2,424,617	2,495,864	4,140,634	3,823,160	66,140
Depreciation	185,655	175,989	201,089	214,814	19,768
Total operating expenses	<u>3,035,274</u>	<u>3,112,372</u>	<u>4,739,327</u>	<u>4,410,178</u>	<u>354,318</u>
Operating income (loss)	(239,009)	(418,389)	70,196	35,106	(38,946)
Nonoperating revenues (expenses)					
Investment income	171,722	154,672	25,393	(66,065)	22,492
Intergovernmental operating grants	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total nonoperating revenues (expenses)	<u>171,722</u>	<u>154,672</u>	<u>25,393</u>	<u>(66,065)</u>	<u>22,492</u>
Net income before transfers	<u>(67,287)</u>	<u>(263,717)</u>	<u>95,589</u>	<u>(30,959)</u>	<u>(16,454)</u>
Transfers					
Transfers (out)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Change in net assets	(67,287)	(263,717)	95,589	(30,959)	(16,454)
Total net assets - beginning	<u>9,425,295</u>	<u>9,689,012</u>	<u>5,632,766</u>	<u>5,663,725</u>	<u>942,978</u>
Total net assets - ending	<u>\$ 9,358,008</u>	<u>\$ 9,425,295</u>	<u>\$ 5,728,355</u>	<u>\$ 5,632,766</u>	<u>\$ 926,524</u>

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

Activites--Enterprise Funds						Governmental
Golf Course Prior Year	Solid Waste Recycling Current Year	Solid Waste Recycling Prior Year	Storm Drainage Current Year	Storm Drainage Prior Year	Totals Current Year	Activities- Internal Service Funds
\$ 21,787	\$ 0	\$ 0	\$ 0	\$ 0	\$ 22,837	\$ 0
12,574	0	0	0	0	11,684	0
9,213	0	0	0	0	11,153	0
290,689	272,411	262,232	686,460	664,055	8,778,421	272,435
0	0	0	0	0	83,733	0
2,504	115,295	86,714	2,255	3,386	124,274	595
293,193	387,706	348,946	688,715	667,441	8,986,428	273,030
224,317	34,938	0	202,196	262,278	1,187,367	0
28,101	423	0	37,453	46,431	178,659	0
58,123	408,623	366,769	297,977	264,821	7,337,991	548,505
36,612	0	0	288,671	285,216	695,183	0
347,153	443,984	366,769	826,297	858,746	9,399,200	548,505
(44,747)	(56,278)	(17,823)	(137,582)	(191,305)	(401,619)	(275,475)
14,695	3,609	(463)	133,226	74,974	356,442	141,646
0	63,861	64,216	0	0	63,861	0
14,695	67,470	63,753	133,226	74,974	420,303	141,646
(30,052)	11,192	45,930	(4,356)	(116,331)	18,684	(133,829)
0	0	0	0	0	0	(28,729)
(30,052)	11,192	45,930	(4,356)	(116,331)	18,684	(162,558)
973,030	113,245	67,315	9,014,412	9,130,743	25,128,696	2,622,743
\$ 942,978	\$ 124,437	\$ 113,245	\$ 9,010,056	\$ 9,014,412	\$ 25,147,380	\$ 2,460,185

**CITY OF ROSEVILLE, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended December 31, 2007

With Partial Comparative Information for Year Ended December 31, 2006

	Business-Type				
	Sanitary Sewer Current Year	Sanitary Sewer Prior Year	Water Current Year	Water Prior Year	Golf Course Current Year
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers and users, including deposits	\$ 2,516,244	\$ 2,586,789	\$ 4,974,225	\$ 4,205,859	\$ 324,459
Cash received from delinquent charges collected	80,796	85,992	0	0	0
Cash received from other governments	0	0	0	0	0
Cash payments to suppliers for goods and services	(2,490,199)	(2,393,781)	(4,237,404)	(3,782,344)	(111,096)
Cash payments to employees	(389,772)	(414,364)	(316,358)	(319,173)	(232,729)
Other operating revenues	260	0	3,868	3,256	2,596
Net cash provided (used) by operating activities	<u>(282,671)</u>	<u>(135,364)</u>	<u>424,331</u>	<u>107,598</u>	<u>(16,770)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal payments on notes payable	0	0	0	0	0
Purchase of capital assets	(203,249)	(183,727)	(118,822)	(401,708)	0
Net cash used for capital and related financing activities	<u>(203,249)</u>	<u>(183,727)</u>	<u>(118,822)</u>	<u>(401,708)</u>	<u>0</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers from (to) other funds	0	0	0	0	0
Cash borrowed from (repaid to) other funds	336,164	(370,000)	(332,164)	366,000	0
Net cash provided (used) by non-capital financing activities	<u>336,164</u>	<u>(370,000)</u>	<u>(332,164)</u>	<u>366,000</u>	<u>0</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received on investments	173,362	154,232	23,869	(60,137)	22,452
Net cash provided (used) by investing activities	<u>173,362</u>	<u>154,232</u>	<u>23,869</u>	<u>(60,137)</u>	<u>22,452</u>
Net increase (decrease) in cash and cash equivalents	23,606	(534,859)	(2,786)	11,753	5,682
Cash and cash equivalents, January 1	<u>3,149,148</u>	<u>3,684,007</u>	<u>779,661</u>	<u>767,908</u>	<u>429,018</u>
Cash and cash equivalents, December 31	<u>\$ 3,172,754</u>	<u>\$ 3,149,148</u>	<u>\$ 776,875</u>	<u>\$ 779,661</u>	<u>\$ 434,700</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	\$ (239,009)	\$ (418,389)	\$ 70,196	\$ 35,106	\$ (38,946)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	185,655	175,989	201,089	214,814	19,768
Other non-operating revenue	0	0	0	0	0
(Gain) loss on disposal of assets	0	0	0	0	3,481
Changes in elements affecting cash:					
(Increase) Decrease Accounts receivable	(91,105)	(24,712)	(132,749)	(52,203)	0
(Increase) Decrease Special assessments	(107,860)	3,510	0	0	0
(Increase) Decrease Due from other governments	(572,850)	0	303,338	(195,027)	0
Increase (Decrease) Accounts payable	43,420	55,750	(2,963)	69,873	(2,678)
Increase (Decrease) Accrued payroll	5,000	(1,430)	4,621	(10,591)	1,753
Increase (Decrease) Due to other governments	(76,342)	71,488	112	16,383	(4)
Increase (Decrease) Contracts payable	(2,430)	2,430	(17,294)	18,182	0
Increase (Decrease) Unearned Revenue	572,850	0	0	0	0
Increase (Decrease) Insurance claim payable	0	0	0	0	0
Increase (Decrease) Customer deposits	0	0	(2,019)	11,061	(144)
Total adjustments	<u>(43,662)</u>	<u>283,025</u>	<u>354,135</u>	<u>72,492</u>	<u>22,176</u>
Net cash provided (used) by operating activities	<u>\$ (282,671)</u>	<u>\$ (135,364)</u>	<u>\$ 424,331</u>	<u>\$ 107,598</u>	<u>\$ (16,770)</u>

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

Activities--Enterprise Funds						Governmental
Golf Course	Solid Waste Recycling	Solid Waste Recycling	Storm Drainage	Storm Drainage	Totals	Activities-Internal Service Funds
Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year	
\$ 312,691	\$ 256,093	\$ 236,421	\$ 677,008	\$ 653,902	\$ 8,748,029	\$ 269,096
0	0	0	0	0	80,796	0
0	95,880	32,197	0	0	95,880	0
(89,720)	(410,536)	(366,779)	(297,318)	(242,149)	(7,546,553)	(180,093)
(218,728)	(33,661)	0	(203,905)	(257,191)	(1,176,425)	(284,327)
2,504	115,295	86,714	2,255	3,386	124,274	0
6,747	23,071	(11,447)	178,040	157,948	326,001	(195,324)
0	0	0	0	0	0	0
0	0	0	(334,019)	(199,954)	(656,090)	0
0	0	0	(334,019)	(199,954)	(656,090)	0
0	0	0	0	0	0	(28,729)
0	(4,000)	4,000	0	0	0	0
0	(4,000)	4,000	0	0	0	(28,729)
14,840	3,480	(412)	133,309	76,337	356,472	141,894
14,840	3,480	(412)	133,309	76,337	356,472	141,894
21,587	22,551	(7,859)	(22,670)	34,331	26,383	(82,159)
407,431	269	8,128	2,379,312	2,344,981	6,737,408	2,843,800
\$ 429,018	\$ 22,820	\$ 269	\$ 2,356,642	\$ 2,379,312	\$ 6,763,791	\$ 2,761,641
\$ (44,747)	\$ (56,278)	\$ (17,823)	\$ (137,582)	\$ (191,305)	\$ (401,619)	\$ (275,475)
36,612	0	0	288,671	285,216	695,183	0
0	63,861	64,216	0	0	63,861	0
0	0	0	(28,367)	28,367	(24,886)	0
71	(16,318)	(25,811)	(9,452)	(11,304)	(249,624)	(3,934)
0	0	0	0	0	(107,860)	0
0	32,019	(32,019)	0	1,151	(237,493)	0
9,084	(1,113)	564	(38,498)	40,663	(1,832)	11,304
5,589	1,277	0	(1,709)	5,087	10,942	0
(6)	(377)	(574)	39	73	(76,572)	0
0	0	0	104,938	0	85,214	0
0	0	0	0	0	572,850	0
0	0	0	0	0	0	72,781
144	0	0	0	0	(2,163)	0
51,494	79,349	6,376	315,622	349,253	727,620	80,151
\$ 6,747	\$ 23,071	\$ (11,447)	\$ 178,040	\$ 157,948	\$ 326,001	\$ (195,324)

CITY OF ROSEVILLE, MINNESOTA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2007

	Investment Trust	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 1,313,301	\$ 696,427
Investment interest receivable	7,414	5,554
Accounts receivable	0	42,014
Prepaid items	0	40,000
Net capital assets	0	24,317
Total Assets	1,320,715	808,312
LIABILITIES		
Accounts payable	0	45,818
Accrued payroll	0	11,456
Due to other organizations	0	751,038
Total Liabilities	0	808,312
NET ASSETS		
Held in trust for pool participant	\$ 1,320,715	\$ 0

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

CITY OF ROSEVILLE, MINNESOTA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For the Year Ended December 31, 2007

	<u>Investment Trust</u>
ADDITIONS:	
Operations	
Net Investment gain	\$ 81,874
Total net assets - beginning	<u>1,238,841</u>
Total net assets - ending	<u>\$ 1,320,715</u>

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

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CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting entity

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

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

B. Government-wide and fund financial statements

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

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

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

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

The City reports the following major governmental funds:

General

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

Special Revenue

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

Debt Service

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

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Capital

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

The City reports the following major proprietary funds:

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

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

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

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

Additionally, the City reports the following fund types:

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

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

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

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

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

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

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

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

2. Receivables and payables

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

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

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

2. Receivables and payables (Continued)

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

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

3. Restricted Assets

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

4. Capital Assets

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

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

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Capital Assets (Continued)

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

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

5. Compensated absences

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

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. Long-term obligations

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

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

7. Fund equity

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

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

8. Comparative data

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

CITY OF ROSEVILLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

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

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

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

Long-term debt:

Bonds payable	\$	(10,955,000)
Bond interest payable		(168,434)
Notes payable		(4,130)
Compensated absences		<u>(987,672)</u>
 Change to Net Assets	 \$	 (12,115,236)
 Internal service funds		 2,460,185
Capital assets (net of depreciation)		109,768,670
Net Pension Obligation		346,242
Addition of long-term deferred revenues		<u>1,658,768</u>
 Net change to net assets - governmental activities	 \$	 <u><u>102,118,629</u></u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the governmental-wide statement of activities

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

Capital outlay	\$	1,793,615
Depreciation expense		<u>(4,043,659)</u>
Net change in fund-balances-total governmental funds and change in net assets of governmental activities		<u><u>\$ (2,250,044)</u></u>

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary information

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

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

The appropriated budget is prepared by fund, function and department. The City's department heads may make transfers of appropriations within a department with approval of the City's manager. 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 several supplementary budgetary appropriations for the general fund and various special revenue funds in 2007. Those supplementary budgetary appropriations increased budgeted expenditures in the General Fund by \$1,370,000 and Recreation Fund by \$73,804.

B. Deficit fund equity

The general obligation improvement bonds, charitable gambling, and information technology funds had deficit balances of \$916,039, \$91,111, and \$359,826, respectively. These fund deficits are expected to be covered from future fund revenues or transfers from other funds

NOTE 4 - DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

1. Components of Cash and Investments

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

Deposits	\$ 15,654,967
Investments	30,153,369
Cash on hand	<u>8,474</u>
Total	<u>\$ 45,816,810</u>

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 4 - DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and investments (Continued)

1. Components of Cash and Investments (Continued)

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

Statement of Net Assets - Government Wide	
Cash and cash equivalents - Primary Government	\$ 41,996,978
Cash and cash equivalents - Component Unit	1,033,229
Restricted investments	776,875
Statement of Fiduciary Net Assets	
Cash and cash equivalents - Investment Trust Fund	1,313,301
Cash and cash equivalents - Agency Funds	696,427
	<hr/>
Total	<u>\$ 45,816,810</u>

2. Deposits

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

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

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

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

At year-end, the carrying amount of the City’s deposits was \$15,654,967 while the balance on the bank records was \$16,171,283. At December 31, 2007, of the total deposits, \$12,216,248 was covered by federal depository insurance, surety bonds, or by collateral held by the City’s agent in the City’s name, while \$3,438,719 was not.

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 4 - DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and investments (Continued)

3. Investments

The City has the following investments at year end:

<u>Investment Type</u>	<u>Rating</u>	<u>Agency</u>	<u>Interest Risk - Maturity Duration in Years</u>			<u>Total</u>
			<u>1 to 5</u>	<u>5 to 10</u>	<u>10 to 15</u>	
U.S. Treasuries	n/a	n/a	\$ 6,649,900	\$ 0	\$ 0	\$ 6,649,900
U.S. Agencies	Aaa	Moody's	8,434,924	10,056,873	5,011,672	23,503,469
Total Investments			<u>\$15,084,824</u>	<u>\$10,056,873</u>	<u>\$ 5,011,672</u>	<u>\$30,153,369</u>

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

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

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

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 4 - DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and investments (Continued)

3. Investments (Continued)

Concentration risk – This is the risk associated with investing a significant portion of the City’s investment (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as Treasuries), investment pools, and mutual funds. The City does not have an investment policy that limits the concentration of investments. The City holds 22% of its portfolio with the US Treasury, and 78% with Federal Home Loan Mortgage.

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 does not have an investment policy limiting the duration of investments. The City holds all investments to maturity.

B. Receivables

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

Special assessments, (Recreation)	\$ 1,651
Special assessments (Revolving improvements)	30,285
Special assessments (G.O. improvement bonds)	620,722
Special assessments (Street construction)	<u>1,006,110</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 1,658,768</u>

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 4 - DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital assets

Capital asset activity for the year ended December 31, 2007 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 6,012,229	\$ 0	\$ 38,325	\$ 0	\$ 5,973,904
Land improvements	16,112,655	0	0	0	16,112,655
Construction in progress	<u>661,272</u>	<u>951,606</u>	<u>0</u>	<u>(661,272)</u>	<u>951,606</u>
Total capital assets not being depreciated	22,786,156	951,606	38,325	(661,272)	23,038,165
Capital assets being depreciated:					
Buildings	27,789,745	11,239	772,401	83,268	27,111,851
Improvements other than buildings	4,014,663	100,887	0	0	4,115,550
Machinery and equipment	13,601,343	650,355	535,246	0	13,716,452
Infrastructure	<u>86,536,216</u>	<u>79,528</u>	<u>0</u>	<u>578,004</u>	<u>87,193,748</u>
Total capital assets being depreciated	131,941,967	842,009	1,307,647	661,272	132,137,601
Less accumulated depreciation for:					
Buildings	6,918,807	722,486	410,479	0	7,230,814
Improvements other than buildings	1,578,902	153,803	0	0	1,732,705
Machinery and equipment	7,360,435	1,107,085	494,231	0	7,973,289
Infrastructure	<u>26,410,003</u>	<u>2,060,285</u>	<u>0</u>	<u>0</u>	<u>28,470,288</u>
Total accumulated depreciation	42,268,147	4,043,659	904,710	0	45,407,096
Total capital assets, being depreciated, net	<u>89,673,820</u>	<u>(3,201,650)</u>	<u>402,937</u>	<u>661,272</u>	<u>86,730,505</u>
Governmental activities capital assets, net	<u>\$ 112,459,976</u>	<u>\$ (2,250,044)</u>	<u>\$ 441,262</u>	<u>\$ 0</u>	<u>\$ 109,768,670</u>

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 4 - DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital assets (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 352,993	\$ 0	\$ 0	\$ 0	\$ 352,993
Land improvements	120,716	0	0	0	120,716
Construction in progress	<u>112,555</u>	<u>115,442</u>	<u>0</u>	<u>(112,555)</u>	<u>115,442</u>
Total capital assets not being depreciated	586,264	115,442	0	(112,555)	589,151
Capital assets being depreciated:					
Buildings	1,707,667	0	19,220	0	1,688,447
Improvements other than buildings	1,068,626	265,978	0	9,085	1,343,689
Machinery and equipment	3,029,910	13,901	63,119	103,470	3,084,162
Infrastructure	<u>32,461,433</u>	<u>260,771</u>	<u>0</u>	<u>0</u>	<u>32,722,204</u>
Total capital assets being depreciated	38,161,266	540,650	82,339	112,555	38,838,502
Less accumulated depreciation for:					
Buildings	1,267,304	51,690	19,220	0	1,299,774
Improvements other than buildings	393,078	46,352	0	0	439,430
Machinery and equipment	2,189,818	153,509	59,636	0	2,283,691
Infrastructure	<u>17,068,702</u>	<u>443,632</u>	<u>0</u>	<u>0</u>	<u>17,512,334</u>
Total accumulated depreciation	20,840,898	695,183	78,856	0	21,535,229
Total capital assets, being depreciated, net	<u>17,320,368</u>	<u>(154,533)</u>	<u>3,483</u>	<u>112,555</u>	<u>17,303,273</u>
Business-type activities capital assets, net	<u>\$ 17,906,632</u>	<u>\$ (39,091)</u>	<u>\$ 3,483</u>	<u>\$ 0</u>	<u>\$ 17,892,424</u>

CITY OF ROSEVILLE
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2007

NOTE 4 - DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital assets (Continued)

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

Governmental activities:

General government	\$ 309,332
Public safety	612,661
Public works including depreciation of infrastructure	2,347,650
Recreation	774,016
	774,016
Total depreciation expense - governmental activities	\$ 4,043,659

Business-type activities:

Sanitary sewer	\$ 185,655
Water	201,089
Golf	19,768
Storm drainage	288,671
	288,671
Total depreciation expense - business-type activities	\$ 695,183

D. Construction commitments

The City has a couple of construction projects in progress as of December 31, 2007. The projects include the improvement of existing streets, water, sewer, and storm systems, and expansion/remodel of the skating center. At year- end the commitments with these contractors are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Skating Center Expansion	\$ 559,674	\$ 29,605
Residential streets, water, and storm construction	\$ 1,179,291	\$ 60,314

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund receivables, payables, and transfers

The composition of interfund balances as of December 31, 2007, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
General	Non-major Governmental funds	\$ 96,625
Sanitary Sewer Fund	Water Fund	506,836
Street Construction	General Obligation Improvement Bond	926,950
Revolving Improvements	Non-major Governmental funds	<u>365,096</u>
Total		<u><u>\$ 1,895,507</u></u>

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

Interfund transfers:

<u>Transfers out</u>	<u>Transfers in</u>			<u>Total</u>
	<u>General</u>	<u>Recreation</u>	<u>Non-major Governmental Funds</u>	
General	\$ 0	\$ 400,000	\$ 0	\$ 400,000
Non-major governmental fund	160,000	0	60,000	220,000
Internal Service	0	28,729	0	28,729
Total	<u><u>\$ 160,000</u></u>	<u><u>\$ 428,729</u></u>	<u><u>\$ 60,000</u></u>	<u><u>\$ 648,729</u></u>

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

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 4 - DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases

The City leases office facilities and copiers under noncancelable operating leases. Total costs for such leases were \$88,248 for the year ended December 31, 2007. The future minimum lease payments for these leases are as follows:

<u>Year Ending Dec. 31</u>	<u>Amount</u>
2008	\$ 65,398
2009	61,632
2010	63,882
2011	65,682
2012	7,416
Total	<u>\$ 264,010</u>

G. Long-term debt

The City issues general obligation bonds 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 are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 15-year bonds with equal debt service payments each year. The original amount of general obligation bonds for the issues listed below is \$14,950,000.

General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Net Interest Rates</u>	<u>Amount</u>
Governmental activities	2.0% - 5.2%	<u>\$ 10,955,000</u>

CITY OF ROSEVILLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 4 - DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-term debt (Continued)

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

Year Ending December 31	Government Activities			
	General Obligation Bonds		Special Assessment Debt with Government Commitment	
	Principal	Interest	Principal	Interest
2008	\$ 565,000	\$ 302,115	\$ 370,000	\$ 83,232
2009	580,000	285,646	405,000	71,375
2010	605,000	267,115	395,000	58,204
2011	625,000	246,346	435,000	43,765
2012	650,000	223,221	450,000	27,925
2013-2017	3,700,000	718,348	445,000	10,350
2018-2019	1,730,000	71,659	0	0
Total	<u>\$ 8,455,000</u>	<u>\$ 2,114,450</u>	<u>\$ 2,500,000</u>	<u>\$ 294,851</u>

Changes in long-term liabilities

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
General obligation bonds	\$ 9,000,000	\$ 0	\$ 545,000	\$ 8,455,000	\$ 565,000
Special assessment debt with gov't commitment	2,875,000	0	375,000	2,500,000	370,000
Total bonds payable	<u>11,875,000</u>	<u>0</u>	<u>920,000</u>	<u>10,955,000</u>	<u>935,000</u>
Long-term notes payable	4,425	0	295	4,130	4,130
Compensated absences	934,444	741,591	688,363	987,672	65,830
Governmental activities - Long-term liabilities	<u>\$ 12,813,869</u>	<u>\$ 741,591</u>	<u>\$ 1,608,658</u>	<u>\$ 11,946,802</u>	<u>\$ 1,004,960</u>

Compensated absences are liquidated by the fund in which an employee is assigned, but roughly, half the employees are assigned to the general fund.

CITY OF ROSEVILLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 4 - DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-term debt (Continued)

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2007, there were eleven series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$71 million.

H. Restricted assets

The balances of the restricted asset accounts in the enterprise funds are as follows:

Customer deposits - Water fund	\$ 776,875
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NOTE 5 - OTHER INFORMATION

A. Risk management

The City is exposed to various risks of loss related to torts; theft of damage to, and the destruction of assets; errors and omissions; injuries to employees and natural disasters. During the fiscal years of 1980 and 1987, the City established a Workers' Compensation Fund and a Risk Management Fund, respectively (internal service funds) to account for and finance its uninsured risks of loss. Under this program, for the year 2007, the Worker's Compensation Fund provided coverage up to a maximum of \$400,000 for each occurrence. The City purchases excess loss coverage from the Workers' Compensation Reinsurance Association, a nonprofit organization established by Minnesota State Statutes.

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 5 - OTHER INFORMATION (Continued)

A. Risk management (Continued)

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

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 2007.

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, 2007, were \$ 2,029,838 and \$ 430,347 for the Workers' Compensation Fund and Risk Management Fund, respectively. The claims liability of \$ 134,063 and \$ 167,615, respectively, reported in both funds at December 31, 2007 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 2006 and 2007 were:

		Workers' Compensation Fund			
		Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Ending of Fiscal Year Liability
2006	\$	141,671	\$ 45,976	\$ 93,386	\$ 94,261
2007	\$	94,261	\$ 160,584	\$ 120,782	\$ 134,063

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 5 - OTHER INFORMATION (Continued)

A. Risk management (Continued)

		Risk Management Fund			
		Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Ending of Fiscal Year Liability
2006	\$	232,450	\$ (17,583)	\$ 80,231	\$ 134,636
2007	\$	134,636	\$ 269,305	\$ 236,326	\$ 167,615

B. Contingent liabilities

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

C. Employee retirement systems and pension plans

1. Defined benefit pension plans - statewide employees plan

a. Plan Description

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

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

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

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 5 - OTHER INFORMATION (Continued)

C. Employee retirement systems and pension plans (Continued)

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

a. Plan Description (Continued)

Two methods are used to compute benefits for PERFs Coordinated Plan members. The retiring member receives the higher of step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate is 2.2 percent of average salary for each of the first 10 years and 2.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 1.2 percent for each year of service. For PEPFF members, the annuity accrual rate is 3.0 percent for each year of service. For all PEPFF members and PERF members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 55 for PEPFF members and 65 for Coordinated members hired prior to July 1, 1989.

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

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

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

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

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 5 - OTHER INFORMATION (Continued)

C. Employee retirement systems and pension plans (Continued)

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

b. Funding policy

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The City makes annual contributions to the pension plans equal to the amount required by State Statutes. PERF Coordinated Plan members are required to contribute 5.75%, respectively, of their annual covered salary. PEPFF members are required to contribute 7.80% of their annual covered salary. The City of Roseville is required to contribute the following percentages of annual covered payroll: 6.25% for Coordinated Plan PERF members, and 11.70% for PEPFF members. The City's contributions to the Public Employees Retirement Fund for the years ending December 31, 2007, 2006, and 2005 were \$380,694, \$349,113, and \$301,283, respectively. The City's contributions to the Public Employees Police & Fire Fund for the years ending December 31, 2007, 2006 and 2005 were \$413,623, \$351,864, and \$289,776, respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statute.

2. Defined Contribution Plan

a. Plan description

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

b. Funding policy

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

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

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 5 - OTHER INFORMATION (Continued)

C. Employee retirement systems and pension plans (Continued)

2. Defined Contribution Plan (Continued)

b. Funding policy (Continued)

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

Total contributions made by the City during fiscal year 2007 were:

	Amount		Percentage of Covered Payroll		Required Rates
	Employees	Employer	Employees	Employer	
PEDCP	\$ 1,518	\$ 1,518	5.00%	5.00%	5.00%

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

a. Plan description

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

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

Full benefits are available after 20 years of service by the member and having attained the age of 50. The current benefit is calculated at \$29 per year of service per month up to a maximum of 30 years. The retiree may also select a one-time lump-sum payment upon retirement of \$2,900 per year of service.

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 5 - OTHER INFORMATION (Continued)

C. Employee retirement systems and pension plans (Continued)

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

a. Plan description (Continued)

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

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

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

b. Funding policy

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

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

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 5 - OTHER INFORMATION (Continued)

C. Employee retirement systems and pension plans (Continued)

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

b. Funding policy (Continued)

Year	Schedule of Contributions Six Year Period					
	Minnesota State Aid Contributions	City of Roseville Contributions	Total Contributions	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2002	\$ 152,658	\$ 179,295	\$ 331,953	\$ 351,364	94.5%	\$(210,789)
2003	186,223	298,670	484,893	484,467	100.1%	(211,215)
2004	238,102	210,568	448,670	348,275	128.8%	(311,610)
2005	227,083	121,587	348,670	331,325	105.2%	(328,955)
2006	234,587	114,083	348,670	285,912	122.0%	(391,713)
2007	201,120	48,880	250,000	295,471	84.6%	(346,242)

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

D. Annual pension cost and net pension obligation

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

Annual required contribution	\$ 265,246
Interest on net pension obligation	(19,586)
Adjustment to annual required contribution	49,811
Annual pension cost	295,471
Contributions made	(250,000)
Increase (decrease) in net pension obligation	45,471
Negative net pension obligation beginning of year	(391,713)
Negative net pension obligation end of year	<u>\$ (346,242)</u>

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 5 – OTHER INFORMATION (Continued)

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

The annual required contribution was determined as part of the January 1, 2007 actuarial valuation. The actuarial assumptions included (a) 5% investment rate of return (net of administrative expenses); (b) a mortality table of the 1983 Group Annuity Mortality Table for Males and Females; (c) termination of 6 percent rate from age 20-30, grading to no terminations after age 50; (d) disability rates based upon 75 percent of the Railroad Retirement Board Disability Rates; (e) entry age actuarial cost method based upon age on employment date; (f) retirement age based upon the later of age 55 or 20 years of service; (g) 85 percent of members are assumed to be married, with wives three years younger than husbands; (h) normal form of payment based upon joint and 100 percent to survivor annuity; (i) asset basis based upon market value; and (j) level dollar amortization which is sufficient to amortize the unfunded actuarial accrued liability by a closed period ending December 31, 2017 and a closed period of 20 years for Plan amendments.

The latest actuarial value of plan liability on December 31, 2007 was \$8,336,812. The value of the plan assets, valued at market, totaled \$8,328,320 on December 31, 2007. A six-year summary of Assets, Liabilities and funding ratios are listed below:

Year	Actuarial Value of Assets	Actuarial Accrued Liability (Entry Age)	Unfunded (Overfunded) Accrued Liability	Funded Ratio
2002	\$ 5,127,888	\$ 7,489,194	\$ 2,361,306	68.5%
2003	6,195,089	7,760,496	1,565,407	79.8%
2004	6,812,594	7,873,859	1,061,265	86.5%
2005	7,165,225	8,099,640	934,415	88.5%
2006	8,007,935	8,197,703	189,768	97.7%
2007	8,328,320	8,336,812	8,492	99.9%

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

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 6 - INVESTMENT TRUST

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

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

As of December 31, 2007, the fair value (carrying value) of the commission investment trust is \$1,320,715. No separate report(s) are issued.

Condensed financial statements of the investment pool are as follows:

COMBINING STATEMENT OF NET ASSETS
December 31, 2007

	Internal Investment Pool	External Investment Pool	
	City of Roseville	North Suburban Cable Commission	Total
ASSETS			
Cash and cash equivalents	\$ 44,503,509	\$ 1,313,301	\$ 45,816,810
Investment interest receivable	270,750	7,414	278,164
Total assets	<u>44,774,259</u>	<u>1,320,715</u>	<u>46,094,974</u>
LIABILITIES			
	<u>0</u>	<u>0</u>	<u>0</u>
NET ASSETS			
Held in trust for pool participants	<u>\$ 44,774,259</u>	<u>\$ 1,320,715</u>	<u>\$ 46,094,974</u>

CITY OF ROSEVILLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 6 - INVESTMENT TRUST (Continued)

COMBINING STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended December 31, 2007

	Internal Investment Pool <u>City of Roseville</u>	External Investment Pool <u>North Suburban Cable Commission</u>	<u>Total</u>
ADDITIONS			
Interest	\$ 2,482,086	\$ 81,874	\$ 2,563,960
Purchase of units for participant	57,309,651	0	57,309,651
Total Additions	<u>59,791,737</u>	<u>81,874</u>	<u>59,873,611</u>
DEDUCTIONS			
Net cash basis for non-investing transactions	55,689,056	0	55,689,056
Distributions to participant	0	0	0
Total Deductions	<u>55,689,056</u>	<u>0</u>	<u>55,689,056</u>
Change in net assets	4,102,681	81,874	4,184,555
Net assets - beginning	<u>40,671,578</u>	<u>1,238,841</u>	<u>41,910,419</u>
Net assets - ending	<u>\$ 44,774,259</u>	<u>\$ 1,320,715</u>	<u>\$ 46,094,974</u>

Non Major Funds

Special Revenue

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes

Tele-Communications - accounts for the revenue and expenditures in the administration, maintenance, and participant activities divisions for the culture and recreation functions.

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

Charitable Gambling - accounts for the revenue and expenditures used to promote economic development

Information Technology - accounts for the revenue and expenditures used to promote economic development

Capital Projects

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

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

**CITY OF ROSEVILLE, MINNESOTA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
December 31, 2007**

SPECIAL REVENUE

	Tele- Communications	License Center	Charitable Gambling	Information Technology	Total
ASSETS					
Cash and cash equivalents	\$ 109,356	\$ 693,845	\$ 0	\$ 0	\$ 803,201
Investment interest receivable	617	1,879	0	0	2,496
Accounts receivable	85,532	97,938	9,591	9,361	202,422
Taxes receivable:					
Current	0	0	0	0	0
Due from other governments	0	0	0	24,716	24,716
Total assets	\$ 195,505	\$ 793,662	\$ 9,591	\$ 34,077	\$ 1,032,835
LIABILITIES					
Accounts payable	\$ 4,131	\$ 1,608	\$ 3,232	\$ 7,683	\$ 16,654
Accrued payroll	3,402	24,912	845	16,072	45,231
Due to other funds	0	0	96,625	365,096	461,721
Due to other governments	270	346,300	0	52	346,622
Deposits payable	0	0	0	5,000	5,000
Total liabilities	7,803	372,820	100,702	393,903	875,228
FUND BALANCE					
Unreserved					
Designated for capital projects	0	0	0	0	0
Undesignated	187,702	420,842	(91,111)	(359,826)	157,607
Total fund balances	187,702	420,842	(91,111)	(359,826)	157,607
Total liabilities and fund balances	\$ 195,505	\$ 793,662	\$ 9,591	\$ 34,077	\$ 1,032,835

CAPITAL
PROJECTS
FUND

<u>Equipment</u>	<u>Total Nonmajor Funds</u>
\$ 1,002,335	\$ 1,805,536
5,658	8,154
0	202,422
233	233
0	24,716
<u>\$ 1,008,226</u>	<u>\$ 2,041,061</u>
\$ 456	\$ 17,110
0	45,231
0	461,721
0	346,622
0	5,000
<u>456</u>	<u>875,684</u>
1,007,770	1,007,770
0	157,607
<u>1,007,770</u>	<u>1,165,377</u>
<u>\$ 1,008,226</u>	<u>\$ 2,041,061</u>

CITY OF ROSEVILLE, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2007

SPECIAL REVENUE FUNDS

	Tele- Communications	License Center	Charitable Gambling	Information Technology	Total
REVENUES					
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	0	0	0	0	0
Licenses & permits	0	1,284,443	835	0	1,285,278
Gambling taxes	0	0	88,890	0	88,890
Charges for services	0	0	0	555,708	555,708
Cable franchise taxes	337,069	0	0	0	337,069
Donations	0	0	104,166	0	104,166
Investment income	5,183	31,521	735	4	37,443
Miscellaneous	1,137	0	0	18,131	19,268
Total revenues	<u>343,389</u>	<u>1,315,964</u>	<u>194,626</u>	<u>573,843</u>	<u>2,427,822</u>
EXPENDITURES					
Current					
General government	297,207	891,938	173,026	738,752	2,100,923
Capital outlay	0	0	0	0	0
Total expenditures	<u>297,207</u>	<u>891,938</u>	<u>173,026</u>	<u>738,752</u>	<u>2,100,923</u>
Excess of revenues over (under) expenditures	<u>46,182</u>	<u>424,026</u>	<u>21,600</u>	<u>(164,909)</u>	<u>326,899</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	0	0	0	60,000	60,000
Transfers (out)	0	(220,000)	0	0	(220,000)
Sale of capital assets	0	0	0	0	0
Total other financing sources (uses)	<u>0</u>	<u>(220,000)</u>	<u>0</u>	<u>60,000</u>	<u>(160,000)</u>
Net change in fund balances	46,182	204,026	21,600	(104,909)	166,899
Fund balances - beginning	<u>141,520</u>	<u>216,816</u>	<u>(112,711)</u>	<u>(254,917)</u>	<u>(9,292)</u>
Fund balances - ending	<u>\$ 187,702</u>	<u>\$ 420,842</u>	<u>\$ (91,111)</u>	<u>\$ (359,826)</u>	<u>\$ 157,607</u>

CAPITAL
PROJECTS
FUND

<u>Equipment</u>	<u>Total NonMajor Funds</u>
\$ 125,515	\$ 125,515
4,351	4,351
0	1,285,278
0	88,890
0	555,708
0	337,069
0	104,166
38,777	76,220
<u>139,621</u>	<u>158,889</u>
<u>308,264</u>	<u>2,736,086</u>
0	2,100,923
<u>494,666</u>	<u>494,666</u>
<u>494,666</u>	<u>2,595,589</u>
<u>(186,402)</u>	<u>140,497</u>
0	60,000
0	(220,000)
<u>63,812</u>	<u>63,812</u>
<u>63,812</u>	<u>(96,188)</u>
(122,590)	44,309
<u>1,130,360</u>	<u>1,121,068</u>
<u>\$ 1,007,770</u>	<u>\$ 1,165,377</u>

**CITY OF ROSEVILLE, MINNESOTA
TELECOMMUNICATIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended December 31, 2007**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Cable franchise taxes	\$ 263,540	\$ 263,540	\$ 337,069	\$ 73,529
Investment Income	5,000	5,000	5,183	183
Miscellaneous revenue	0	0	1,137	1,137
Total revenues	<u>268,540</u>	<u>268,540</u>	<u>343,389</u>	<u>74,849</u>
EXPENDITURES				
Current				
General government				
Personal services	111,000	121,000	120,439	561
Supplies & materials	6,000	6,000	899	5,101
Other services & charges	141,540	161,540	163,457	(1,917)
Capital outlay	10,000	10,000	12,412	(2,412)
Total expenditures	<u>268,540</u>	<u>298,540</u>	<u>297,207</u>	<u>1,333</u>
Net change in fund balances	0	(30,000)	46,182	76,182
Fund balances - beginning	<u>141,520</u>	<u>141,520</u>	<u>141,520</u>	<u>0</u>
Fund balances - ending	<u>\$ 141,520</u>	<u>\$ 111,520</u>	<u>\$ 187,702</u>	<u>\$ 76,182</u>

**CITY OF ROSEVILLE, MINNESOTA
 LICENSE CENTER FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended December 31, 2007**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
License and permits	\$ 1,080,305	\$ 1,080,305	\$ 1,284,443	\$ 204,138
Investment Income	0	0	31,521	31,521
Total revenues	<u>1,080,305</u>	<u>1,080,305</u>	<u>1,315,964</u>	<u>235,659</u>
EXPENDITURES				
Current				
General government				
Personal services	725,000	755,000	747,446	7,554
Supplies & materials	14,000	14,000	12,145	1,855
Other services & charges	121,305	126,305	125,428	877
Capital Outlay	0	0	6,919	(6,919)
Total expenditures	<u>860,305</u>	<u>895,305</u>	<u>891,938</u>	<u>3,367</u>
Excess of revenues over (under) expenditures	<u>220,000</u>	<u>185,000</u>	<u>424,026</u>	<u>239,026</u>
Other Financing Uses				
Transfer (out)	<u>(220,000)</u>	<u>(220,000)</u>	<u>(220,000)</u>	<u>0</u>
Net change in fund balances	0	(35,000)	204,026	239,026
Fund balances - beginning	<u>216,816</u>	<u>216,816</u>	<u>216,816</u>	<u>0</u>
Fund balances - ending	<u>\$ 216,816</u>	<u>\$ 181,816</u>	<u>\$ 420,842</u>	<u>\$ 239,026</u>

**CITY OF ROSEVILLE, MINNESOTA
 CHARITABLE GAMBLING FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended December 31, 2007**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses & permits	\$ 0	\$ 0	\$ 835	\$ 835
Gambling taxes	65,600	65,600	88,890	23,290
Donations	65,000	110,000	104,166	(5,834)
Investment income	0	0	735	735
Total revenues	<u>130,600</u>	<u>175,600</u>	<u>194,626</u>	<u>19,026</u>
EXPENDITURES				
Current				
General government				
Personal services	25,600	25,600	22,386	3,214
Other services & charges	105,000	150,000	150,640	(640)
Total expenditures	<u>130,600</u>	<u>175,600</u>	<u>173,026</u>	<u>2,574</u>
Net change in fund balances	0	0	21,600	21,600
Fund deficit - beginning	<u>(112,711)</u>	<u>(112,711)</u>	<u>(112,711)</u>	<u>0</u>
Fund deficit - ending	<u>\$ (112,711)</u>	<u>\$ (112,711)</u>	<u>\$ (91,111)</u>	<u>\$ 21,600</u>

**CITY OF ROSEVILLE, MINNESOTA
INFORMATION TECHNOLOGY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended December 31, 2007**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 624,160	\$ 624,160	\$ 555,708	\$ (68,452)
Investment income	0	0	4	4
Miscellaneous revenue	0	0	18,131	18,131
Total revenues	<u>624,160</u>	<u>624,160</u>	<u>573,843</u>	<u>(50,317)</u>
EXPENDITURES				
Current				
Personal services	545,000	545,000	497,030	47,970
Supplies	5,600	5,600	15,801	(10,201)
Other services & charges	58,560	58,560	77,145	(18,585)
Capital outlay	75,000	130,000	148,776	(18,776)
Total expenditures	<u>684,160</u>	<u>739,160</u>	<u>738,752</u>	<u>408</u>
Excess of revenues over (under) expenditures	<u>(60,000)</u>	<u>(115,000)</u>	<u>(164,909)</u>	<u>(49,909)</u>
OTHER FINANCING SOURCES				
Transfer in	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>0</u>
Net change in fund balances	0	(55,000)	(104,909)	(49,909)
Fund deficit - beginning	<u>(254,917)</u>	<u>(254,917)</u>	<u>(254,917)</u>	<u>0</u>
Fund deficit - ending	<u>\$ (254,917)</u>	<u>\$ (309,917)</u>	<u>\$ (359,826)</u>	<u>\$ (49,909)</u>

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Internal Service Funds

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

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

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

**CITY OF ROSEVILLE, MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
December 31, 2007**

	<u>Workers' Compensation Self-Insurance</u>	<u>Risk Management</u>	<u>Total</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 2,168,132	\$ 593,509	\$ 2,761,641
Investment interest receivable	12,239	3,512	15,751
Accounts receivable	0	4,284	4,284
Total Assets	<u>2,180,371</u>	<u>601,305</u>	<u>2,781,676</u>
LIABILITIES			
Current liabilities			
Accounts payable	16,470	3,343	19,813
Insurance claims payable	134,063	167,615	301,678
Total Liabilities	<u>150,533</u>	<u>170,958</u>	<u>321,491</u>
NET ASSETS			
Unrestricted	<u>\$ 2,029,838</u>	<u>\$ 430,347</u>	<u>\$ 2,460,185</u>

**CITY OF ROSEVILLE, MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
For the Year Ended December 31, 2007**

	Workers' Compensation Self-Insurance Fund	Risk Management	Total
	<u> </u>	<u> </u>	<u> </u>
Operating revenues:			
Departmental charges	\$ 100,000	\$ 172,435	\$ 272,435
Other	0	595	595
Total operating revenues	<u>100,000</u>	<u>173,030</u>	<u>273,030</u>
Operating expenses:			
Other services and charges			
Professional Services	15,630	14,714	30,344
Insurance	46,751	112,045	158,796
Training	205	1,942	2,147
Administrative charges	0	110	110
Payment of claims	120,782	236,326	357,108
Total operating expense	<u>183,368</u>	<u>365,137</u>	<u>548,505</u>
Operating income (loss)	(83,368)	(192,107)	(275,475)
Nonoperating revenues			
Investment income	117,610	24,036	141,646
Income (loss) before transfers	34,242	(168,071)	(133,829)
Transfers			
Transfer (out)	0	(28,729)	(28,729)
Change in net assets	34,242	(196,800)	(162,558)
Total net assets - beginning	<u>1,995,596</u>	<u>627,147</u>	<u>2,622,743</u>
Total net assets - ending	<u>\$ 2,029,838</u>	<u>\$ 430,347</u>	<u>\$ 2,460,185</u>

**CITY OF ROSEVILLE, MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2007**

	Workers' Compensation Self-Insurance Fund	Risk Management	Total
CASH FLOWS FROM			
OPERATING ACTIVITIES			
Cash received from users, including deposits	\$ 100,000	\$ 169,096	\$ 269,096
Cash payments to suppliers for good and services	(47,972)	(132,121)	(180,093)
Cash payments to employees and others for resolved claims	(80,980)	(203,347)	(284,327)
Net cash provided (used) by operating activities	(28,952)	(166,372)	(195,324)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from (to) other funds	0	(28,729)	(28,729)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	117,073	24,821	141,894
Net increase (decrease) in cash and cash equivalents	88,121	(170,280)	(82,159)
Cash and cash equivalents, January 1	2,080,011	763,789	2,843,800
Cash and cash equivalents, December 31	\$ 2,168,132	\$ 593,509	\$ 2,761,641
Reconciliation of operating income (loss) to net cash (used) by operating income:			
Operating (loss)	\$ (83,368)	\$ (192,107)	\$ (275,475)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Changes in elements affecting cash			
(Increase) Decrease in accounts receivable	0	(3,934)	(3,934)
Increase (Decrease) in accounts payable	14,614	(3,310)	11,304
Increase (Decrease) in insurance claim payable	39,802	32,979	72,781
Net cash provided (used) by operating activities	\$ (28,952)	\$ (166,372)	\$ (195,324)

Agency Funds

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

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

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

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

CITY OF ROSEVILLE, MINNESOTA
COMBINING STATEMENT OF FIDUCIARY NET ASSETS - AGENCY FUNDS
December 31, 2007

	Grass Lake Water Management Fund	Roseville Islamic Cemetery Fund	Roseville Visitors Association	Total
ASSETS				
Cash and cash equivalents	\$ 219,555	\$ 107,316	\$ 369,556	\$ 696,427
Investment interest receivable	1,239	606	3,709	5,554
Accounts receivable	0	0	42,014	42,014
Prepaid items	0	0	40,000	40,000
Net capital assets	0	0	24,317	24,317
	<u>0</u>	<u>0</u>	<u>24,317</u>	<u>24,317</u>
 Total Assets	 <u>\$ 220,794</u>	 <u>\$ 107,922</u>	 <u>\$ 479,596</u>	 <u>\$ 808,312</u>
 LIABILITIES				
Accounts payable	\$ 24,428	\$ 0	\$ 21,390	\$ 45,818
Accrued payroll	0	0	11,456	11,456
Due to other organizations	196,366	107,922	446,750	751,038
	<u>196,366</u>	<u>107,922</u>	<u>446,750</u>	<u>751,038</u>
 Total Liabilities	 <u>\$ 220,794</u>	 <u>\$ 107,922</u>	 <u>\$ 479,596</u>	 <u>\$ 808,312</u>

**CITY OF ROSEVILLE, MINNESOTA
 COMBINING STATEMENT OF CHANGES IN
 ASSETS AND LIABILITIES - AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2007**

	Balance January 1, 2007	Additions	Deductions	Balance December 31, 2007
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Cash and cash equivalents	\$ 798,487	\$ 879,889	\$ 981,949	\$ 696,427
Investment interest receivable	6,295	5,554	6,295	5,554
Accounts receivable	44,992	42,014	44,992	42,014
Prepaid items	18,082	40,000	18,082	40,000
Net capital assets	<u>33,202</u>	<u>0</u>	<u>8,885</u>	<u>24,317</u>
 Total assets	 <u>\$ 901,058</u>	 <u>\$ 967,457</u>	 <u>\$ 1,060,203</u>	 <u>\$ 808,312</u>
 LIABILITIES				
Accounts payable	\$ 32,646	\$ 660,881	\$ 647,709	\$ 45,818
Accrued payroll	11,613	227,778	227,935	11,456
Due to other organizations	<u>856,799</u>	<u>78,798</u>	<u>184,559</u>	<u>751,038</u>
 Total liabilities	 <u>\$ 901,058</u>	 <u>\$ 967,457</u>	 <u>\$ 1,060,203</u>	 <u>\$ 808,312</u>

CITY OF ROSEVILLE, MINNESOTA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND - GRASS LAKE WATER MANAGEMENT ORGANIZATION
Year Ended December 31, 2007

	Balance January 1, 2007	Additions	Deductions	Balance December 31, 2007
ASSETS				
Cash and cash equivalents	\$ 254,906	\$ 71,332	\$ 106,683	\$ 219,555
Investment interest receivable	<u>1,434</u>	<u>1,239</u>	<u>1,434</u>	<u>1,239</u>
Total assets	<u>\$ 256,340</u>	<u>\$ 72,571</u>	<u>\$ 108,117</u>	<u>\$ 220,794</u>
LIABILITIES				
Accounts payable	\$ 0	\$ 24,428	\$ 0	\$ 24,428
Due to Grass Lake Water Management Organization	<u>256,340</u>	<u>48,143</u>	<u>108,117</u>	<u>196,366</u>
Total liabilities	<u>\$ 256,340</u>	<u>\$ 72,571</u>	<u>\$ 108,117</u>	<u>\$ 220,794</u>

CITY OF ROSEVILLE, MINNESOTA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND - ROSEVILLE ISLAMIC CEMETERY
Year Ended December 31, 2007

	Balance January 1, 2007	Additions	Deductions	Balance December 31, 2007
ASSETS				
Cash and cash equivalents	\$ 105,827	\$ 13,948	\$ 12,459	\$ 107,316
Investment interest receivable	<u>596</u>	<u>606</u>	<u>596</u>	<u>606</u>
Total assets	<u>\$ 106,762</u>	<u>\$ 14,554</u>	<u>\$ 13,055</u>	<u>\$ 107,922</u>
LIABILITIES				
Due to other organizations	<u>106,423</u>	<u>14,554</u>	<u>13,055</u>	<u>107,922</u>
Total liabilities	<u>\$ 106,423</u>	<u>\$ 14,554</u>	<u>\$ 13,055</u>	<u>\$ 107,922</u>

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND - ROSEVILLE VISITORS ASSOCIATION
Year Ended December 31, 2007

	Balance January 1, 2007	Additions	Deductions	Balance December 31, 2007
ASSETS				
Cash and cash equivalents	\$ 437,754	\$ 794,609	\$ 862,807	\$ 369,556
Investment interest receivable	4,265	3,709	4,265	3,709
Accounts receivable	44,992	42,014	44,992	42,014
Prepaid items	18,082	40,000	18,082	40,000
Net capital assets	<u>33,202</u>	<u>0</u>	<u>8,885</u>	<u>24,317</u>
Total assets	<u>\$ 538,295</u>	<u>\$ 880,332</u>	<u>\$ 939,031</u>	<u>\$ 479,596</u>
LIABILITIES				
Accounts payable	\$ 32,646	\$ 636,453	\$ 647,709	\$ 21,390
Accrued payroll	11,613	227,778	227,935	11,456
Due to other organizations	<u>494,036</u>	<u>16,101</u>	<u>63,387</u>	<u>446,750</u>
Total liabilities	<u>\$ 538,295</u>	<u>\$ 880,332</u>	<u>\$ 939,031</u>	<u>\$ 479,596</u>

Statistical Section

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

<u>Contents:</u>	<u>Page</u>
Financial Trends	96-103
These schedules contain trend information to help the reader understand how the City of Roseville's financial performance and well-being have changed over time.	
Revenue Capacity	104-111
These schedules contain information to help the reader assess the City of Roseville's most significant local revenue source, the property tax.	
Debt Capacity	112-117
These schedules present information to help the reader assess the affordability of the City of Roseville's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	118-119
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City of Roseville's financial activities take place.	
Operating Indicators	120-125
These schedules contain service and infrastructure data to help the reader understand how the information in the City of Roseville's financial report relates to the services the City provides, and the activities it performs.	

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>
Governmental activities			
Invested in capital assets, net of related debt	71,853,301	93,183,644	96,613,757
Restricted	15,169,812	4,060,495	17,636,917
Unrestricted	31,362,604	31,451,743	16,242,410
Total governmental activities net assets	<u>\$ 118,385,717</u>	<u>\$ 128,695,882</u>	<u>\$ 130,493,084</u>
Business-type activities			
Invested in capital assets, net of related debt	27,787,522	27,622,610	26,972,178
Restricted	0	0	0
Unrestricted	8,099,574	8,142,501	7,369,326
Total business-type activities net assets	<u>\$ 35,887,096</u>	<u>\$ 35,765,111</u>	<u>\$ 34,341,504</u>
Primary government			
Invested in capital assets, net of related debt	99,640,823	120,806,254	123,585,935
Restricted	15,169,812	4,060,495	17,636,917
Unrestricted	39,462,178	39,594,244	23,611,736
Total primary government net assets	<u>\$ 154,272,813</u>	<u>\$ 164,460,993</u>	<u>\$ 164,834,588</u>

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
98,124,347	98,037,804	97,878,949	100,584,976	98,813,670
19,069,579	18,269,971	20,185,016	8,468,097	11,095,142
13,268,393	11,162,422	10,853,297	24,354,100	24,743,085
<u>\$ 130,462,319</u>	<u>\$ 127,470,197</u>	<u>\$ 128,917,262</u>	<u>\$ 133,407,173</u>	<u>\$ 134,651,897</u>
18,191,864	17,950,057	17,862,240	17,906,632	17,892,424
0	0	0	0	0
8,146,474	7,940,709	7,661,585	7,222,064	7,254,956
<u>\$ 26,338,338</u>	<u>\$ 25,890,766</u>	<u>\$ 25,523,825</u>	<u>\$ 25,128,696</u>	<u>\$ 25,147,380</u>
116,316,211	115,987,861	115,741,189	118,491,608	116,706,094
19,069,579	18,269,971	20,185,016	8,468,097	11,095,142
21,414,867	19,103,131	18,514,882	31,576,164	31,998,041
<u>\$ 156,800,657</u>	<u>\$ 153,360,963</u>	<u>\$ 154,441,087</u>	<u>\$ 158,535,869</u>	<u>\$ 159,799,277</u>

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

Expenses	2000	2001	2002	2003	2004	2005	2006	2007
Governmental activities:								
General government	\$ 2,547,714	\$ 3,093,209	\$ 2,670,864	\$ 2,756,291	\$ 3,386,266	\$ 3,215,084	\$ 3,664,716	\$ 3,830,814
Public safety	5,375,589	4,788,431	5,139,220	6,542,900	8,002,018	6,987,914	7,147,499	8,296,894
Public works	4,354,892	4,747,838	4,438,832	3,709,870	3,780,222	4,084,363	4,716,980	4,604,463
Parks and recreation	4,301,848	3,075,464	3,462,058	3,926,557	4,055,505	3,946,034	4,210,261	4,380,187
Economic development	1,901,045	2,620,988	2,744,125	2,970,466	1,954,642	1,856,151	1,931,016	2,469,226
Interest on long-term debt	1,472,535	1,167,809	1,509,635	557,984	604,523	509,484	427,191	400,498
Total governmental activities expenses	19,953,623	19,493,739	19,964,734	20,464,068	21,783,176	20,599,030	22,097,663	23,982,082
Business-type activities:								
Sewer	2,550,163	3,096,717	2,984,055	2,489,956	2,806,813	2,750,350	3,112,372	3,035,274
Water	3,851,875	4,202,803	3,701,411	4,069,841	3,938,498	4,235,357	4,410,178	4,739,327
Golf	326,769	320,316	331,368	358,726	352,023	333,832	347,153	354,318
Recycling	474,742	208,891	292,617	235,179	299,456	346,035	366,769	441,984
Storm Drainage	233,384	563,376	1,404,576	696,187	805,366	796,605	858,746	826,297
Total business-type activities expenses	7,436,933	8,392,103	8,714,027	7,849,889	8,202,156	8,462,179	9,095,218	9,399,290
Total primary government expenses	\$ 27,390,556	\$ 27,885,842	\$ 28,678,761	\$ 28,313,957	\$ 29,985,332	\$ 29,061,209	\$ 31,192,881	\$33,381,282
Program Revenues								
Governmental activities:								
Charges for services:								
General government	\$ 1,906,633	\$ 2,241,053	\$ 1,845,248	\$ 1,788,963	\$ 2,296,912	\$ 2,141,438	\$ 2,377,143	\$ 2,700,261
Public safety	74,868	1,187,551	1,333,556	1,345,874	1,088,309	1,585,436	568,337	566,899
Parks and recreation	1,623,855	1,642,602	1,583,019	1,596,571	1,549,105	2,210,202	1,946,946	1,926,806
Other activities	1,058,463	1,281,272	1,145,009	784,122	489,119	338,795	1,932,849	1,802,012
Operating grants and contributions	871,511	993,065	824,173	863,338	830,643	803,696	881,421	872,349
Capital grants and contributions	4,990,008	2,987,122	494,392	524,071	484,147	1,413,066	3,182,023	806,147
Total governmental activities program revenues	10,525,338	10,332,665	7,225,397	6,902,939	6,738,235	8,492,633	10,888,719	8,674,474
Business-type activities:								
Charges for Services:								
Sewer	3,247,466	2,718,972	2,743,879	2,512,282	2,539,180	2,628,060	2,693,983	2,796,265
Water	4,238,244	4,067,477	3,368,871	4,084,416	3,909,172	4,048,162	4,445,284	4,809,523
Golf	320,817	278,568	267,922	303,708	310,629	297,202	302,406	315,372
Recycling	184,172	184,342	199,008	208,170	236,740	250,537	348,946	387,706
Storm Drainage	568,416	592,418	585,013	596,031	643,828	655,211	667,441	688,715
Operating grants and contributions	103,894	0	117,992	29,291	29,291	97,462	64,216	63,861
Capital grants and contributions	0	0	0	366,184	3,450	1,151	0	0
Total business-type activities program revenues	8,663,009	7,841,777	7,282,685	8,100,082	7,672,290	7,977,785	8,522,276	9,061,442
Total primary government program revenues	\$ 19,188,347	\$ 18,174,442	\$ 14,508,082	\$ 15,003,021	\$ 14,410,525	\$ 16,470,418	\$ 19,410,995	\$17,735,916
Net (expense)/revenue								
Governmental activities	(9,428,285)	(9,161,074)	(12,739,337)	(13,561,129)	(15,044,941)	(12,106,397)	(11,208,944)	(15,307,608)
Business-type activities	1,226,076	(550,326)	(1,431,342)	250,193	(529,866)	(484,394)	(572,942)	(337,758)
Total primary government net expense	\$ (8,202,209)	\$ (9,711,400)	\$ (14,170,679)	\$ (13,310,936)	\$ (15,574,807)	\$ (12,590,791)	\$ (11,781,886)	#####
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Taxes								
Property taxes	\$ 6,497,037	\$ 6,883,908	\$ 7,870,430	\$ 8,031,962	\$ 9,249,016	\$ 9,866,249	\$ 10,684,683	\$ 11,246,116
Tax increments	7,701,875	8,658,076	2,827,790	2,509,792	2,521,708	2,350,538	2,535,830	2,765,844
Cable franchise taxes	207,928	0	234,658	241,053	259,808	285,184	310,790	337,069
Gambling taxes	59,331	0	50,531	57,875	65,935	69,145	81,152	88,890
Unrestricted grants and contributions	1,959,161	1,932,765	816,482	25,353	25,653	29,153	53,562	225,497
Unrestricted investment earnings	4,593,167	2,462,733	3,015,307	1,322,877	1,236,808	641,583	1,205,188	1,888,916
Miscellaneous	151,833	(466,243)	(254,460)	0	0	0	827,650	0
Transfers	0	0	(24,200)	0	0	0	0	0
Total governmental activities	21,170,332	19,471,239	14,536,538	12,188,912	13,358,928	13,241,852	15,698,855	16,552,332
Business-type activities:								
Unrestricted investment earnings	743,574	394,036	523,927	317,371	236,689	117,453	177,813	356,442
Miscellaneous	12,548	34,305	558	0	0	0	0	0
Transfers	0	0	24,200	0	0	0	0	0
Total business-type activities	756,122	428,341	548,685	317,371	236,689	117,453	177,813	356,442
Total primary government	\$ 21,926,454	\$ 19,899,580	\$ 15,085,223	\$ 12,506,283	\$ 13,595,617	\$ 13,359,305	\$ 15,876,668	\$ 16,908,774
Change in Net Assets								
Governmental activities	\$ 11,742,047	\$ 10,310,165	\$ 1,797,201	\$ (1,372,217)	\$ (1,686,013)	\$ 1,135,455	\$ 4,489,911	\$ 1,244,724
Business-type activities	1,982,198	(121,985)	(882,657)	567,564	(293,177)	(366,941)	(395,129)	18,684
Total primary government	\$ 13,724,245	\$ 10,188,180	\$ 914,544	\$ (804,653)	\$ (1,979,190)	\$ 768,514	\$ 4,094,782	\$ 1,263,408

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

Fiscal Year	Property Tax	Tax Increments	Cable Franchise Taxes	Gambling Taxes	Total
1998	\$ 6,257,192	\$ 5,757,813	\$ 152,135	\$ 72,311	\$ 12,239,451
1999	6,378,973	6,362,839	294,427	66,932	13,103,171
2000	6,497,037	7,701,875	207,928	59,331	14,466,171
2001	6,883,908	8,658,076	242,292	23,623	15,807,899
2002	7,870,430	2,827,790	234,658	50,531	10,983,409
2003	8,031,962	2,509,792	241,053	57,875	10,840,682
2004	9,249,016	2,521,708	259,808	65,935	12,096,467
2005	9,866,249	2,350,538	285,184	69,145	12,571,116
2006	10,684,683	2,535,830	310,790	81,152	13,612,455
2007	11,246,116	2,765,844	337,069	88,890	14,437,919

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

	Fiscal Year			
	1998	1999	2000	2001
General Fund				
Reserved	\$ 6,838	\$ 4,907	\$ 8,746	\$ 8,746
Unreserved	4,559,752	4,604,103	4,627,744	4,644,801
Total general fund	<u>\$ 4,566,590</u>	<u>\$ 4,609,010</u>	<u>\$ 4,636,490</u>	<u>\$ 4,653,547</u>
All other governmental funds				
Reserved	\$ 3,498,491	\$ 5,336,209	\$ 7,569,388	\$ 14,123,604
Unreserved, reported in:				
Special revenue funds	(986,678)	(686,045)	439,946	(78,477)
Debt Service	0	0	0	(1,378,721)
Capital projects funds	20,104,958	12,367,992	16,038,906	12,223,266
Permanent funds	2,292,431	10,823,292	12,004,181	0
Total all other governmental funds	<u>\$ 24,909,202</u>	<u>\$ 27,841,448</u>	<u>\$ 36,052,421</u>	<u>\$ 24,889,672</u>

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$ 122,689	\$ 113,717	\$ 189,754	\$ 244,605	\$ 279,959	\$ 356,130
4,784,397	5,636,721	4,004,398	2,995,554	5,119,511	3,861,976
<u>\$ 4,907,086</u>	<u>\$ 5,750,438</u>	<u>\$ 4,194,152</u>	<u>\$ 3,240,159</u>	<u>\$ 5,399,470</u>	<u>\$ 4,218,106</u>
\$ 14,520,616	\$ 14,167,788	\$ 14,177,837	\$ 19,940,411	\$ 7,796,425	\$ 10,739,012
(565,527)	(902,425)	(21,103)	133,475	389,451	921,554
(3,531,006)	(4,367,838)	(1,939,074)	(1,620,955)	(1,471,817)	(916,039)
12,023,475	17,044,915	8,624,773	5,192,817	17,104,369	17,570,635
0	0	0	0	n/a	n/a
<u>\$ 22,447,558</u>	<u>\$ 25,942,440</u>	<u>\$ 20,842,433</u>	<u>\$ 23,645,748</u>	<u>\$ 23,818,428</u>	<u>\$ 28,315,162</u>

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

	Fiscal Year									
	1998	1999	2000 (1)	2001	2002	2003	2004	2005	2006	2007
Revenues										
Taxes	\$ 12,239,451	\$ 13,103,171	\$ 14,466,171	\$ 15,807,899	\$ 10,983,409	\$ 10,840,682	\$ 12,096,467	\$ 12,571,116	\$ 13,612,455	\$ 14,437,919
Intergovernmental	5,449,204	3,553,368	5,225,996	5,922,067	2,075,741	1,412,762	1,340,443	2,245,915	4,117,006	1,903,993
Licenses and permits	1,538,112	1,572,052	1,784,060	1,767,291	1,813,263	2,017,417	1,936,887	2,363,280	2,620,323	2,512,813
Charges for services	2,648,592	2,213,681	2,611,852	2,843,323	3,092,152	2,956,205	2,773,918	2,844,007	3,610,219	3,386,256
Fines and forfeits	145,514	175,099	187,199	203,164	203,353	181,567	147,140	195,814	255,585	242,630
Special assessments	1,898,422	1,437,914	1,363,072	1,121,568	920,038	885,226	843,496	628,237	561,329	589,047
Investment earnings	3,378,956	1,077,193	4,583,751	2,462,733	2,667,321	1,322,877	1,236,808	641,583	1,205,188	1,888,916
Miscellaneous	2,248,608	1,754,359	2,202,725	950,685	772,552	696,319	465,705	1,336,239	844,230	931,710
Total revenues	29,546,859	24,886,837	32,424,826	31,078,930	22,527,829	20,313,055	20,840,864	22,826,191	26,826,335	25,893,284
Expenditures										
General government	\$ 2,223,335	\$ 2,251,863	\$ 2,257,557	\$ 2,919,031	\$ 2,819,465	\$ 2,879,022	\$ 3,081,907	\$ 3,474,651	\$ 3,880,695	\$ 3,998,813
Public safety	4,521,238	4,530,375	4,853,978	5,245,869	5,570,040	5,984,321	6,281,298	6,445,851	7,038,424	7,260,374
Public works	1,426,909	1,457,823	1,560,077	1,655,133	1,645,242	1,573,348	1,709,263	1,780,147	1,933,040	2,074,778
Economic development	928,679	1,049,035	2,177,682	2,520,962	2,661,460	2,929,120	2,376,765	1,805,789	1,915,379	2,510,984
Recreation	2,633,965	2,817,793	3,133,691	2,919,061	3,112,957	2,913,099	3,078,500	3,015,485	3,358,817	3,510,091
Other	207,989	244,996	242,852	0	0	0	0	0	0	0
Capital outlay	8,998,137	6,518,585	8,835,054	6,117,144	2,353,542	8,584,582	7,664,593	2,981,084	5,543,286	1,998,326
Debt service										
Principal	4,365,000	3,035,000	4,920,000	11,674,992	5,310,000	1,765,000	1,330,000	1,055,000	1,245,000	920,000
Interest	2,348,663	1,670,121	1,542,348	855,735	880,089	300,237	742,442	482,566	443,871	411,327
Other Charges	793,792	495,512	655,458	294,059	3,940	55,000	30,752	-	-	-
Total expenditures	28,447,707	24,071,103	30,178,697	34,201,986	24,356,735	26,983,729	26,295,520	21,040,573	25,358,512	22,684,693
Excess of revenues over (under) expenditures	1,099,152	815,734	2,246,129	(3,123,056)	(1,828,906)	(6,670,674)	(5,454,656)	1,785,618	1,467,823	3,208,591

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Other financing sources (uses)										
Transfers in	\$ 4,010,678	\$ 1,499,825	\$ 2,638,197	\$ 9,993,648	\$ 2,785,928	\$ 2,671,056	\$ 5,015,776	\$ 432,827	\$ 296,700	\$ 648,729
Transfers out	(3,809,219)	(1,499,825)	(2,638,197)	(9,993,648)	(2,810,127)	(2,671,056)	(5,015,776)	(432,827)	(284,452)	(620,000)
Abatement for Rosedale Mall	0	0	0	0	0	0	0	0	0	0
Refunding bonds issued	(14,780,000)	0	0	0	0	0	1,725,000	0	0	0
Bonds issued	13,209,138	2,477,563	0	0	0	9,700,000	0	0	0	0
Premium on bonds issued	0	0	0	0	0	0	22,118	0	0	0
Discount on bonds issued	0	0	0	0	0	0	0	0	0	0
Payments to refunded bond escrow agent	0	0	0	(8,045,000)	(355,000)	0	(1,715,000)	0	0	0
Capital leases	0	0	0	0	0	0	0	0	0	0
Proceeds from letter of credit	0	0	0	0	0	0	0	0	0	0
Sale of capital assets	0	0	0	33,664	19,532	1,308,908	72,354	63,704	827,650	78,050
Total other financing sources (uses)	(1,369,403)	2,477,563	0	(8,011,336)	(359,667)	11,008,908	104,472	63,704	864,168	106,779
Net change in fund balances	\$ (270,251)	\$ 3,293,297	\$ 2,246,129	\$ (11,134,392)	\$ (2,188,573)	\$ 4,338,234	\$ (5,350,184)	\$ 1,849,322	\$ 2,331,991	\$ 3,315,370
Debt service as a percentage of noncapital expenditures	38.60%	29.63%	33.35%	45.66%	28.15%	11.52%	11.29%	8.51%	8.52%	6.44%

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

Fiscal Year	Property Tax	Tax Increments	Franchise Taxes	Gambling Taxes	Total
1998	\$ 6,257,192	\$ 5,757,813	\$ 152,135	\$ 72,311	\$ 12,239,451
1999	6,378,973	6,362,839	294,427	66,932	13,103,171
2000	6,497,037	7,701,875	207,928	59,331	14,466,171
2001	6,883,908	8,658,076	242,292	23,623	15,807,899
2002	7,870,430	2,827,790	234,658	50,531	10,983,409
2003	8,031,962	2,509,792	241,053	57,875	10,840,682
2004	9,249,016	2,521,708	259,808	65,935	12,096,467
2005	9,866,249	2,350,538	285,184	69,145	12,571,116
2006	10,684,683	2,535,830	310,790	81,152	13,612,455
2007	11,246,116	2,765,844	337,069	88,890	14,437,919

(1) The City adopted the GASB 34 Reporting Model in the year 2000. Accordingly, the reporting for certain expense categories was changed from prior years.

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

Fiscal Year Ended December 31	Real Property			Personal Property	
	Residential Property	Commercial Property	Other	Commercial (1)	Gas & Electric (1)
1998	\$ 15,430,455	\$ 19,632,667	\$ 15,430,455	\$ 842,133	\$ 0
1999	15,396,350	18,264,258	6,675,651	751,838	0
2000	16,335,726	20,372,438	7,216,886	756,878	0
2001	18,141,101	23,327,095	7,922,223	0	706,621
2002	15,274,319	15,452,817	5,701,004	0	419,260
2003	16,846,793	16,947,191	6,365,236	0	439,808
2004	18,758,099	18,019,249	6,684,420	0	446,312
2005	21,549,325	18,050,301	7,054,033	0	465,320
2006	24,486,956	19,534,538	6,929,309	0	476,114
2007	27,000,307	20,573,742	7,027,178	0	501,988

Source: Ramsey County

(1) The Commercial Personal Property column represents both Gas & Electric, and Leased Machinery & Equipment columns for years prior to 2001.

<u>Personal Property Leased Machinery & Equipment (1)</u>	<u>Less: TIF & Fiscal Disparity Contribution (Net)</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assesed Value as a Percentage of Actual Value</u>
\$ 0	\$ (9,470,607)	\$ 41,865,102	19.25%	\$ 1,868,114,050	2.24%
0	(9,352,951)	31,735,145	19.99%	2,003,074,080	1.58%
0	(11,287,553)	33,394,375	19.03%	2,187,737,052	1.53%
64,971	(13,018,254)	37,143,757	18.52%	2,412,333,500	1.54%
60,381	(6,721,553)	30,186,228	29.41%	2,649,745,900	1.14%
69,832	(6,697,449)	33,971,411	25.73%	2,954,240,000	1.15%
70,994	(6,898,473)	37,080,600	23.83%	3,247,056,900	1.14%
44,478	(7,266,305)	39,897,152	24.52%	3,551,712,100	1.12%
50,436	(7,286,743)	44,190,610	23.21%	3,918,199,200	1.13%
49,406	(8,158,721)	46,993,900	23.01%	4,225,611,500	1.11%

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

Fiscal Year	City of Roseville			Ramsey County	Overlapping Rates (1) School District - ISD#621		
	Operating Millage	Debt Service Millage	Total City Millage	Total County Millage (2)	Operating Millage	Debt Service Millage	Total School Millage
1998	15.214	4.040	19.254	46.618	44.172	5.992	50.164
1999	16.057	3.940	19.997	47.021	42.601	5.640	48.241
2000	15.718	3.310	19.028	44.839	42.401	4.020	46.421
2001	15.312	3.210	18.522	42.166	40.592	8.993	49.585
2002	25.570	3.840	29.410	55.659	11.400	13.979	25.379
2003	23.224	2.510	25.734	54.603	9.428	12.556	21.984
2004	19.109	4.724	23.833	53.135	20.649	1.194	21.843
2005	20.191	4.367	24.558	49.210	11.178	10.934	22.112
2006	19.286	3.928	23.214	46.623	12.625	10.794	23.419
2007	19.313	3.701	23.014	44.943	11.700	11.564	23.264

Source: Ramsey County and Roseville Area Schools

(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).

(2) The break down between operating and debt service tax rates is not available.

School District - ISD#623		Total
Total	Special	Direct &
School	Districts	Overlapping
Millage (2)		Rates
45.028	6.604	167.67
57.014	6.743	179.02
51.942	6.687	168.92
41.129	7.069	158.47
10.447	4.964	125.86
12.486	6.559	121.37
15.431	6.028	120.27
16.713	6.165	118.76
16.664	7.934	117.85
12.372	8.254	111.85

City of Roseville
Principal Property Taxpayers
December 31, 2007 Compared To December 31, 1998
(amounts expressed in whole dollars)

<u>Taxpayer</u>	<u>2007</u>			<u>1998</u>		
	<u>Taxes Levied</u>	<u>Rank</u>	<u>Percentage of Total Taxes Levied</u>	<u>Taxes Levied</u>	<u>Rank</u>	<u>Percentage of Total Taxes Levied</u>
Compass Retail, Inc.	377,456	1	3.23%	-	-	-
Gateway Washington Inc.	133,594	2	1.14%	-	-	-
M & J Crossroads LP	127,343	3	1.09%	133,632	4	1.12%
AEW Capital Management LP	82,950	4	0.71%	128,281	5	1.08%
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%	80,477	7	0.68%
Rosedale Commons LP	62,282	9	0.53%	-	-	-
Palisades Limited PTSP	61,068	10	0.52%	-	-	-
Equitable Life Assurance	-	-	-	638,857	1	5.38%
Bradley Real Estate Trust	-	-	-	234,749	2	1.98%
Dayton Hudson Corp.	-	-	-	162,413	3	1.37%
Space Center Enterprises	-	-	-	101,689	6	0.86%
RREEF MidAmerica/East-V	-	-	-	75,687	8	0.64%
NCR Corporation	-	-	-	68,939	9	0.58%
J.C. Penney Properties Inc.	-	-	-	57,165	10	0.48%
	<u>1,128,114</u>		<u>9.64%</u>	<u>1,681,890</u>		<u>14.15%</u>

Source: Ramsey County

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

Fiscal Year Ended Decemebr 31	Total Tax Levy for Fiscal Year(1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years(3)
		Amount(2)	Percentage of Levy	
1998	\$ 11,883,474	\$ 11,881,218	99.98%	\$ 133,787
1999	12,732,207	12,701,252	99.76	40,560
2000	14,199,751	14,034,114	98.83	12,545
2001	16,679,271	15,541,984	93.18	53,337
2002	8,922,884	7,870,430	88.21	0
2003	8,827,884	8,031,962	90.98	0
2004	9,760,674	9,249,016	94.76	0
2005	10,637,965	9,866,249	92.75	0
2006	11,169,865	10,684,682	95.66	0
2007	11,696,360	11,246,116	96.15	0

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

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

(3)Starting in 2002 subsequent year collections are included in the amount collected in the subsequent year because of state fluctuations in local government aid.

Total Collections to Date

<u>Amount</u>	<u>Percentage of Levy</u>
\$ 12,015,005	101.11%
12,741,812	100.08
14,046,659	98.92
15,595,321	93.50
7,870,430	88.21
8,031,962	90.98
9,249,016	94.76
9,866,249	92.75
10,684,682	95.66
11,246,116	96.15

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

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Special Assessment Bonds	General Obligation Tax Increment Bonds			
1998	\$ 0	\$ 18,480,000	\$ 18,880,000	\$ 37,360,000	2.00%	\$ 1,092.59
1999	0	18,275,000	18,550,000	36,825,000	1.84%	1,073.43
2000	0	15,380,000	16,525,000	31,905,000	1.46%	947.02
2001	0	11,055,000	1,815,000	12,870,000	0.53%	379.10
2002	0	7,560,000	0	7,560,000	0.29%	222.69
2003	9,700,000	5,795,000	0	15,495,000	0.52%	454.40
2004	9,700,000	4,475,000	0	14,175,000	0.44%	415.93
2005	9,535,000	3,585,000	0	13,120,000	0.37%	387.23
2006	9,000,000	2,875,000	0	11,875,000	0.30%	349.58
2007	8,455,000	2,500,000	0	10,955,000	0.26%	322.50

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

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

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

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
1998	\$ 37,360,000	\$ 5,614,470	\$ 31,745,530	1.70%	\$ 928.39
1999	36,825,000	5,993,095	30,831,905	1.54%	898.73
2000	31,905,000	5,427,156	26,477,844	1.21%	785.93
2001	12,870,000	0	12,870,000	0.53%	379.10
2002	7,560,000	0	7,560,000	0.29%	222.69
2003	15,495,000	0	15,495,000	0.52%	454.40
2004	14,175,000	0	14,175,000	0.44%	415.93
2005	13,120,000	0	13,120,000	0.37%	387.23
2006	11,875,000	0	11,875,000	0.30%	349.58
2007	10,955,000	0	10,955,000	0.26%	322.50

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.

City of Roseville
Direct and Overlapping Governmental Activities Debt
As of December 31, 2007
(amounts expressed in whole dollars)

<u>Governmental Unit</u>	<u>Gross Debt Net of Refunding</u>	<u>Debt Service</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to Roseville</u>	<u>Amount Applicable to Roseville</u>
Direct Debt:					
City of Roseville	\$ 10,955,000	\$ 0	\$ 10,955,000	100%	\$ 10,955,000
Total Direct Debt					<u>\$ 10,955,000</u>
Overlapping Debt*					
School District #621	\$ 123,638,495	\$ 10,749,661	\$ 112,888,834	8%	\$ 9,031,107
School District #623	37,790,000	2,103,789	35,686,211	61%	21,768,589
Special School District #916	11,030,000	425,277	10,604,723	8%	848,378
Metropolitan Council	1,079,036,911	106,533,041	972,503,870	1%	9,725,039
Metropolitan Airports Commission	290,155,000	69,502,150	220,652,850	1%	2,206,529
Ramsey County Library	8,385,000	1,190,156	7,194,844	17%	1,223,123
Ramsey County	202,647,000	16,590,610	186,056,390	9%	16,745,075
Total Overlapping Debt	<u>\$ 1,752,682,406</u>	<u>\$ 207,094,684</u>	<u>\$ 1,545,587,722</u>		<u>\$ 61,547,839</u>
Total Direct and Overlapping Debt	<u>\$ 1,763,637,406</u>	<u>\$ 207,094,684</u>	<u>\$ 1,556,542,722</u>		<u>\$ 72,502,839</u>

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

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

	Fiscal Year			
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Debt Limit	\$ 37,362,281	\$ 39,630,406	\$ 43,754,741	\$ 48,246,670
Total net debt applicable to limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Legal debt margin	<u>\$ 37,362,281</u>	<u>\$ 39,630,406</u>	<u>\$ 43,754,741</u>	<u>\$ 48,246,670</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

Note: Under Minnesota state law, the City of Roseville's net debt cannot exceed 2 percent of the estimated market value of property.

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$ 52,994,918	\$ 59,084,800	\$ 64,941,138	\$ 71,034,242	\$ 78,363,984	\$ 84,512,230
0	9,700,000	9,700,000	9,535,000	9,000,000	8,455,000
<u>\$ 52,994,918</u>	<u>\$ 49,384,800</u>	<u>\$ 55,241,138</u>	<u>\$ 61,499,242</u>	<u>\$ 69,363,984</u>	<u>\$ 76,057,230</u>
0.00%	16.42%	14.94%	13.42%	11.48%	10.00%

Legal Debt Margin Calculation for Fiscal Year 2007

Estimated Market Value	<u>\$ 4,225,611,500</u>
Debt Limit (2% of total estimated market value)	\$ 84,512,230
Debt applicable to limit:	
Total Bonded Debt	10,955,000
Less:	
Special Assessment Bonds	<u>(2,500,000)</u>
Total net debt applicable to limit	<u>\$ 8,455,000</u>

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

Fiscal Year	Population (1)	Estimated (2) Personal Income (amounts expressed in whole dollars)	Per Capita Personal income (3)	School Enrollment District #623 (4)	School Enrollment District #621 (4)	Unemployment Rate (5)
1998	34,306	\$ 1,048,803,032	\$ 30,572	6,766	11,767	1.4%
1999	34,548	1,080,488,700	31,275	6,795	11,617	1.6%
2000	33,690	1,125,043,860	33,394	6,705	11,426	2.4%
2001	33,949	1,171,070,755	34,495	6,738	11,095	3.2%
2002	34,100	1,214,232,800	35,608	6,638	10,742	3.9%
2003	34,080	1,252,780,800	36,760	6,522	10,316	3.8%
2004	34,080	1,341,695,520	39,369	6,255	10,006	3.8%
2005	33,882	1,385,197,806	40,883	6,383	10,456	3.4%
2006	33,969	1,315,007,928	38,712	6,396	9,929	3.4%
2007	33,969	1,393,883,946	41,034	6,420	9,705	3.9%

- (1) Population and per capita income figures, other than census year, are estimates provided by the Metropolitan Council. The last census was taken in the year 2000.
- (2) This estimated personal income number is calculated by taking the per capita personal income of Ramsey County and multiplying it by the City population. Also see note (3) regarding the Per Capita Personal Income figures.
- (3) The per capita personal income used is for that of Ramsey County, in which the city resides, the smallest region applicable to the City that this information is available for. In addition, the 2006 - 2007 figures are an estimate for the State of Minnesota provided by the Bureau of Economic Analysis as there were no other relevant estimates available at the time of this report.
- (4) The City is served by two independent school districts.
District #623 covers approximately 67% of the City, while District #621 covers approximately 33% of the City. Accordingly, not all students enrolled in District #621 live in the City of Roseville.
Information is provided by the Roseville and Moundview School Districts.
- (5) Annual average unemployment provided by the Minnesota Department of Employment & Economic Development

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

<u>Employer</u>	<u>2007</u>			<u>1998</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
MN Dept. of Transportation	1,150	1	3.11%	450	7	1.29%
Roseville Area Schools	950	2	2.57%	-	-	-
Symantic	600	3	1.62%	-	-	-
Presbyterian Homes Housing	560	4	1.51%	-	-	-
McGough Construction	512	5	1.38%	-	-	-
Macy's	500	6	1.35%	-	-	-
Northwestern College	500	7	1.35%	-	-	-
Target	475	8	1.28%	500	5	1.43%
MN Department of Education	435	9	1.18%	450	7	1.29%
Unisys	400	10	1.08%	450	7	1.29%
Dayton's	-	-	-	800	1	2.29%
Health Span Home Care	-	-	-	600	2	1.71%
MN State Lottery	-	-	-	525	3	1.50%
JC Penny	-	-	-	500	4	1.43%
Advance Circuits	-	-	-	500	6	1.43%
Deltak Corporation	-	-	-	335	9	0.96%
Total	6,082		16.44%	5,110		14.60%

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

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

Function	Full-time Equivalent Employees as of December 31						
	1998	1999	2000	2001	2002	2003	2004
General government	23.15	23.25	26.5	26.5	28.5	27.5	27.5
Public safety							
Police	51	51	52	54	54	55	57
Fire	2.5	3.5	3.5	3.5	4.5	4.5	4.5
Public Works	18	18	16.75	16.75	18	18.25	18.25
Recreation	23.75	24.25	24.25	24.25	25.25	24.25	24.25
Economic Development	11	11	11	11	11	10.9	10.9
Water	6.16	6.16	6.16	6.16	6.17	6.17	6.17
Sewer	5.16	5.16	5.16	5.16	5.16	5.16	5.16
Golf	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Recycling	0	0	0	0	0	0	0
Storm Drainage	3.17	3.17	3.17	3.17	3.17	3.42	3.42
Total	146.39	147.99	150.99	152.99	158.25	157.65	159.65

<u>2005</u>	<u>2006</u>	<u>2007</u>
29.25	31.25	32.5
56.5	57.5	57.5
4.5	4.5	7.5
17.25	17.25	17.25
22.25	22.25	22.25
10.9	10.4	10.9
6.17	6.17	6.17
5.16	5.16	5.16
2.5	2.5	2.5
0	0	0
<u>3.42</u>	<u>3.42</u>	<u>3.42</u>
157.90	160.40	165.15

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

Function	1998	1999	2000	2001	2002	2003
Police						
Serious offenses	3,384	3,296	3,163	3,523	3,146	2,596
Public assistance calls	18,243	19,523	19,805	20,144	18,492	22,770
Traffic citations	6,725	7,654	7,264	9,043	8,461	6,281
Fire						
Fire incidents	647	626	584	831	681	609
Fire inspections	1,350	1,405	1,420	1,480	1,500	1,530
Public Works						
Street patching (tons)	825	875	900	950	950	1,000
Sealcoating (miles)	13	15	14	16	12	15
Snow / ice control (miles)	119	119	120	120	120	123
Sign repair / replacements	294	61	234	289	290	81
Recreation						
Recreation and leisure participations	99,941	100,858	103,243	104,391	107,310	108,112
Facility usage permits	885	794	732	783	810	849
Economic Development						
Building permits issued	1,564	2,019	1,607	1,599	1,578	1,584
Number of inspections	7,448	9,614	7,127	7,639	7,880	7,255
Planning / zoning cases	83	88	88	77	86	106
Water						
Meters repaired / replaced	423	431	411	426	408	415
Water main breaks	33	38	20	32	32	28
Hydrants repaired / flushed	1,666	1,675	1,679	1,686	1,691	1,696
Annual water pumped (thousands of gallons)	3,019,944	2,270,460	2,272,080	2,352,300	1,988,600	2,136,020
Sewer						
Sewer pipes repaired / replaced (lineal feet)	530	196	246	160	220	310
Sewer pipes cleaned (linear feet)	245,200	231,000	215,893	240,900	233,506	242,729
Sewer pipes televised (linear feet)	21,200	19,400	16,900	17,200	14,400	12,300
Annual sewer flow (thousands of gallons)	3,019,944	2,270,460	2,272,080	2,352,300	1,988,600	2,136,020
Golf						
Number of green fees sold	N/A*	N/A*	39,800	34,300	28,000	35,000
Recycling						
Materials collected (tons)	2,855	3,032	2,977	2,789	2,840	2,815
Storm Drainage						
Sweeping (centerline miles)	125	125	125	125	125	125
Leaf collection (Cubic yards)	20,000	20,000	20,000	20,000	20,000	20,000
Structure inspections	3,000	3,000	3,000	3,000	3,000	3,000
Infrastructure repair / replace (lineal feet)	2,410	1,942	1,770	1,995	2,940	1,860

Sources: Various city departments

N/A* - Information not available for these years

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

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007 (1)</u>
3,075	3,002	3,068	3,036
33,092	39,897	37,632	38,598
3,679	7,763	9,312	9,219
634	890	931	4,313
1,550	1,725	1,740	1,740
1,000	890	800	900
14	14	16	13
123	123	123	123
194	300	250	335
110,466	109,879	112,061	113,250
964	1,007	1,093	1,125
1,378	1,404	1,270	1,302
7,151	7,651	6,532	7,313
69	72	100	69
412	394	402	407
41	20	30	39
1,702	1,708	1,701	1,711
1,421,732	2,021,000	2,115,219	2,156,057
1,740	840	5,098	4,849
242,475	296,000	257,000	235,000
13,600	12,800	9,400	43,755
1,421,732	2,021,000	2,115,219	2,156,057
36,000	31,914	31,139	31,794
2,902	3,123	3,402	3,681
125	125	125	125
20,000	20,000	20,000	20,000
3,000	3,000	171	167
1,400	890	3,072	625

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

Function	Fiscal Year					
	1998	1999	2000	2001	2002	2003
Public Safety						
Police:						
Stations	1	1	1	1	1	1
Patrol Units	24	24	26	26	26	26
Fire Stations	3	3	3	3	3	3
Public Works						
Streets (miles)	115	115	115	120	122	123
Street Lights	1,161	1,161	1,160	1,466	1,466	1,195
Recreation						
Parks and playgrounds	28	28	28	28	28	28
Lighted park shelters	8	8	8	8	8	8
Parks Acreage	644	680	680	680	680	680
Skating Rinks						
Outdoor	18	18	14	14	14	11
Indoor	1	1	1	1	1	1
Golf Course	1	1	1	1	1	1
Ballfields	34	34	51	34	41	41
Soccer/football fields	7	7	5	5	5	5
Tennis Courts	17	17	17	17	17	17
Volleyball Courts	8	8	8	8	9	9
Basketball Courts	10	10	10	10	8	8
Miles of Trails	55.5	45	47	50	50	50
Water						
Number of connections	10,378	10,378	10,378	10,045	10,097	10,060
Water mains (miles)	180	180	180	180	164	165
Fire Hydrants	1,671	1,671	1,671	1,691	1,696	1,692
Water purchased from St. Paul (thousands of gallons)	3,019,944	2,270,460	2,272,080	2,352,300	1,988,600	2,136,020
Sewer						
Number of connections	10,524	10,524	10,524	10,173	9,978	9,931
Sanitary sewers (miles)	190	190	200	141	153	153
Storm drainage						
Storm sewers (miles)	125	125	125	137	139	139

Sources: Various city departments

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

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

2004	2005	2006	2007
1	1	1	1
26	26	27	27
3	3	3	3
123	121	123	123
1,144	1,124	1,125	1,125
30	30	30	30
8	8	8	8
685	685	685	685
11	10	10	10
1	1	1	1
1	1	1	1
41	41	41	41
5	8	8	8
17	17	17	17
9	9	9	9
8	8	8	8
69	69	69	69
10,196	10,237	10,135	10,256
165	165	166	166
1,702	1,699	1,701	1,711
1,421,732	2,021,459	2,115,219	2,156,057
10,053	10,115	10,083	10,199
156	156	156	156
141	144	145	145

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