

City of Roseville, Minnesota  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended December 31, 2008

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# **INTRODUCTORY SECTION**



May 12, 2009

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

Minnesota statutes require all cities to issue an annual report on its financial position and activity prepared in accordance with generally accepted accounting principles in the United States of America (GAAP), and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants or the Office of the State Auditor. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Roseville for the fiscal year ended December 31, 2008.

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, 2008 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, 2008, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

### **Profile of the Government**

The City of Roseville, incorporated in 1948, is a suburban community bordering both Minneapolis and St. Paul, Minnesota in the eastern part of the state. This area is considered to be the major population and economic growth area in the state, and among one of the highly ranked economic growth areas in the country. The City of Roseville currently occupies a land area of 13.7 square miles and serves a population of 34,099. The City of Roseville is empowered to levy a property tax on both real and personal properties located within its boundaries. While it also is empowered by state statute to extend its corporate limits by annexation, Roseville is a completely developed community and is bordered on all sides by other incorporated communities.

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

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

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

The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may make transfers of appropriations within a department. Transfers of appropriations between funds, however, require the special approval of the city council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 33 as part of the basic financial statements for the governmental funds. For governmental funds other than the general fund, and with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, shown on pages 34-35, and 90-93.

### **Factors Affecting Financial Condition**

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

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

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

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

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

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

**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 45 days to 15 years, with an average maturity of 48 months. The investment income return for 2008 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 cash balance of approximately \$590 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, 2007. This was the 29th 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, 2008. 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, 2007

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.



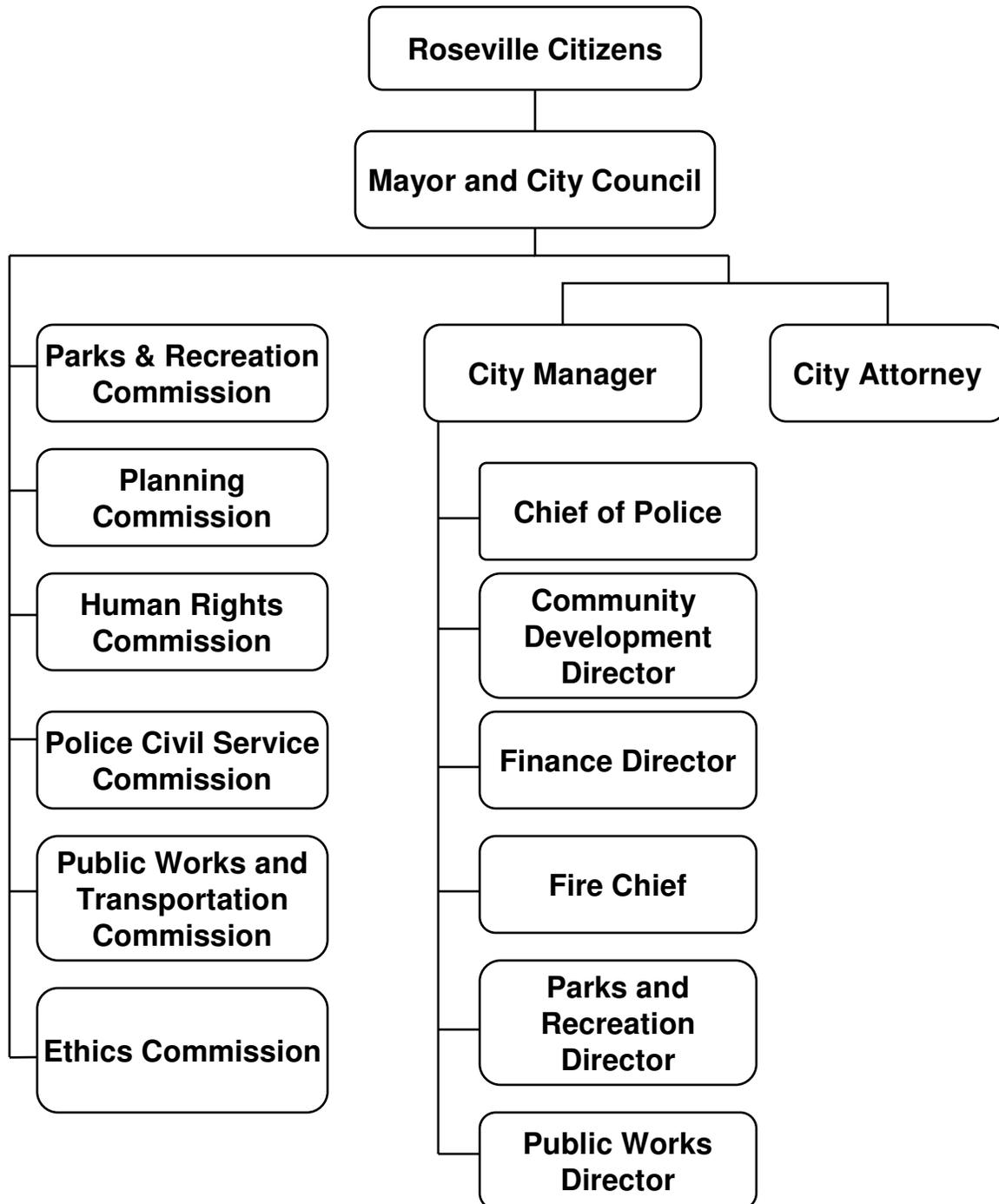
A handwritten signature in black ink, appearing to read "M. L. Post".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

## Organizational Chart





## **Elected and Appointed Officials December 31, 2008**

### Elected Officials

Mayor	Craig Klausung	Term expires 12/31/2008
Council	Bob Willmus	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 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, 2008, 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, 2007, and in our report dated April 29, 2008, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of December 31, 2008, 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.

As described in Note 7 of the notes to basic financial statements, the City has implemented Governmental Accounting Standards Board Statement No. 45, "Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions," during the year ended December 31, 2008.

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, 2007, from which such partial information was derived.

(continued)

In accordance with *Government Auditing Standards*, we have also issued a report dated May 12, 2009, 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 and the Schedule of Funding Progress for the City's other post-employment benefits plan, as listed in the table of contents, are not required parts of the basic financial statements, but are 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.*

May 12, 2009

## 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, 2008. 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 \$159,236,627 (Net assets). Of this amount, \$30,856,036 (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 \$30,978.
- As of the close of the current fiscal year, the City of Roseville's governmental funds reported combined ending unreserved fund balances of \$21,057,567.
- At the end of the current fiscal year, undesignated fund balance for the general fund was \$3,305,144 or 28% percent of total general fund expenditures.
- The City of Roseville total bonded debt and certificates of indebtedness increased by \$1,615,000 during the current fiscal year.

### Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

The City of Roseville maintains seven individual major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, two special revenue funds, the debt service fund, and three capital funds, all of which are considered to be major funds. Data from the other 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 45-79 of this report.

**Other information.** Schedule of Funding Progress for Other Post Employment Benefits can be found on page 78 of this report. Combining and individual fund statements and schedules can be found on pages 86-102 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 \$159,236,627 at the close of the most recent fiscal year.

By far the largest portion of the City of Roseville's net assets (72% 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 2008	Business- Type 2007	Business- Type 2008	Total 2007	Total 2008
Current and other Assets	39,273,798	40,951,125	9,521,781	9,401,178	48,795,579	50,352,303
Capital assets	109,768,670	109,502,095	17,892,424	17,799,877	127,661,094	127,301,972
Total assets	149,042,468	150,453,220	27,414,205	27,201,055	176,456,673	177,654,275
Long-term liabilities outstanding	11,946,802	13,772,978	-	-	11,946,802	13,772,978
Other liabilities	2,443,769	2,341,656	2,266,825	2,303,014	4,710,594	4,644,670
Total liabilities	14,390,571	16,114,634	2,266,825	2,303,014	16,657,396	18,417,648
Net assets:						
Invested in capital assets net of related debt	98,813,670	96,392,095	17,892,424	17,799,877	116,706,094	114,731,972
Restricted	11,095,142	13,648,619	-	-	11,095,142	13,648,619
Unrestricted	24,743,085	23,757,872	7,254,956	7,098,164	31,998,041	30,856,036
Total net assets	134,651,897	134,338,586	25,147,380	24,898,041	159,799,277	159,236,627

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 (\$30,856,036) 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.

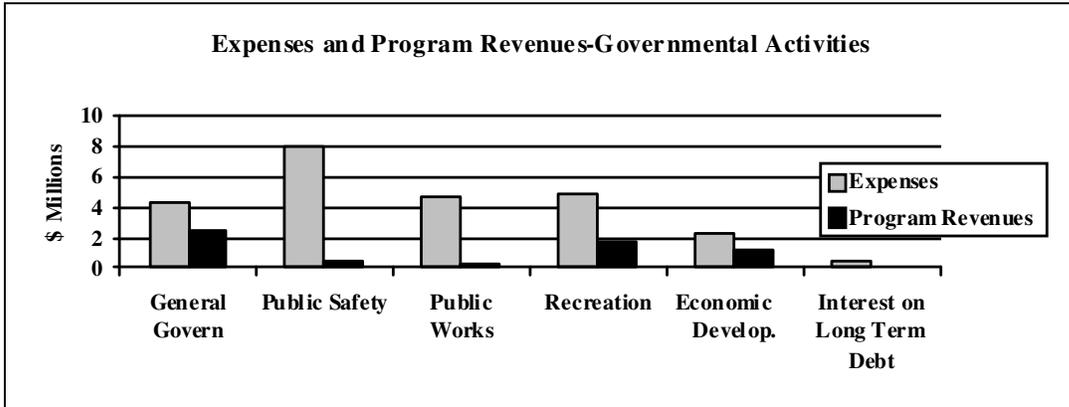
### Governmental activities

Governmental activities increased the City of Roseville's net assets by \$246,232. Business-type activities decreased Roseville's net assets by \$215,254, for an overall increase of \$30,978. Key elements of this increase are as follows:

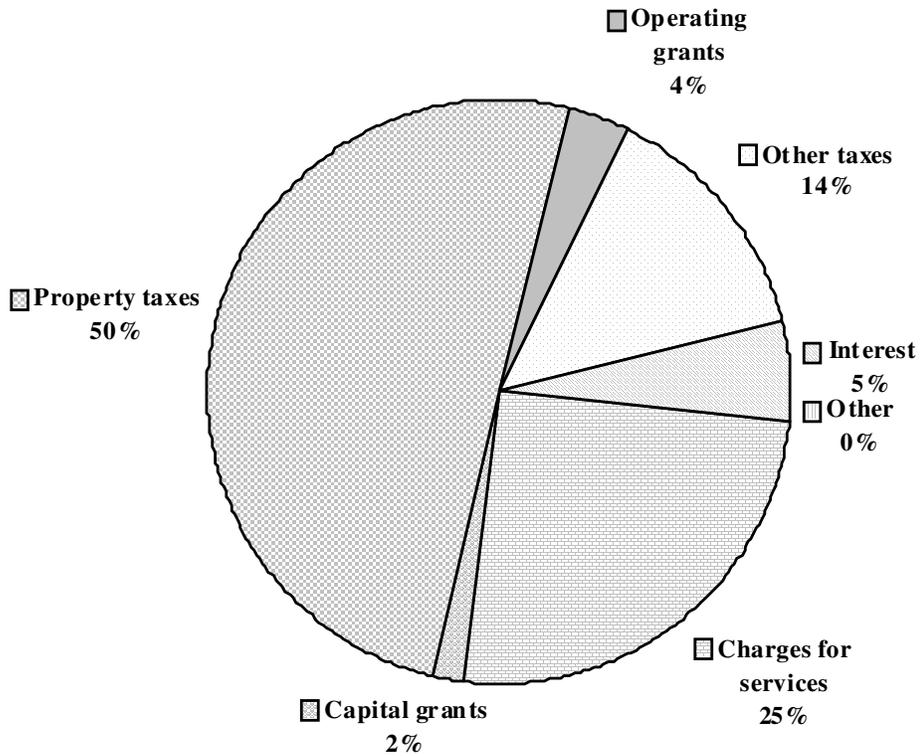
#### City of Roseville's Changes in Net Assets

	Governmental Activities 2007	Governmental Activities 2008	Business- Type 2007	Business- Type 2008	Total 2007	Total 2008
Revenues:						
Program revenues:						
Charges for services	\$6,995,978	\$6,252,354	\$8,997,581	\$9,391,709	\$15,993,559	\$15,644,063
Operating grants and Contributions	872,349	877,723	63,861	66,661	936,210	944,384
Capital grants and Contributions	806,147	371,295	-	-	806,147	371,295
General revenues:						
Property taxes	11,246,116	12,417,024	-	-	11,246,116	12,417,024
Other taxes	3,191,803	3,399,607	-	-	3,191,803	3,399,607
Grants & Contributions not Restricted to specific Programs	225,497	227,048	-	-	225,497	227,048
Investment earnings	1,888,916	1,353,641	356,442	257,409	2,245,358	1,611,050
Other	-	25,000	-	(25,000)	-	-
Total revenues	25,226,806	24,923,692	9,417,884	9,690,779	34,644,690	34,614,471
Expenses:						
General government	\$3,830,814	\$4,283,715	\$ -	\$ -	\$3,830,814	\$ 4,283,715
Public safety	8,296,894	8,007,678	-	-	8,296,894	8,007,678
Public works	4,604,463	4,720,546	-	-	4,604,463	4,720,546
Economic Development	2,469,226	2,337,776	-	-	2,469,226	2,337,776
Recreation	4,380,187	4,935,218	-	-	4,380,187	4,935,218
Interest on debt	400,498	392,527	-	-	400,498	392,527
Sanitary Sewer	-	-	3,035,274	3,504,577	3,035,274	3,504,577
Water	-	-	4,739,327	4,881,489	4,739,327	4,881,489
Golf	-	-	354,318	344,445	354,318	344,445
Recycling	-	-	443,984	467,847	443,984	467,847
Storm drainage	-	-	826,297	707,675	826,297	707,675
Total expenses	23,982,082	24,677,460	9,399,200	9,906,033	33,381,282	34,583,493
Increase (decrease) in net assets	1,244,724	246,232	18,684	(215,254)	1,263,408	30,978
Net assets on Jan 1 <sup>st</sup>	133,407,173	134,651,897	25,128,696	25,147,380	158,535,869	159,799,277
Change in Accounting Principle	-	(559,543)	-	(34,085)	-	(593,628)
Net assets on Dec 31 <sup>st</sup>	\$134,651,897	\$134,338,586	\$25,147,380	24,898,041	\$159,799,277	\$159,236,627

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

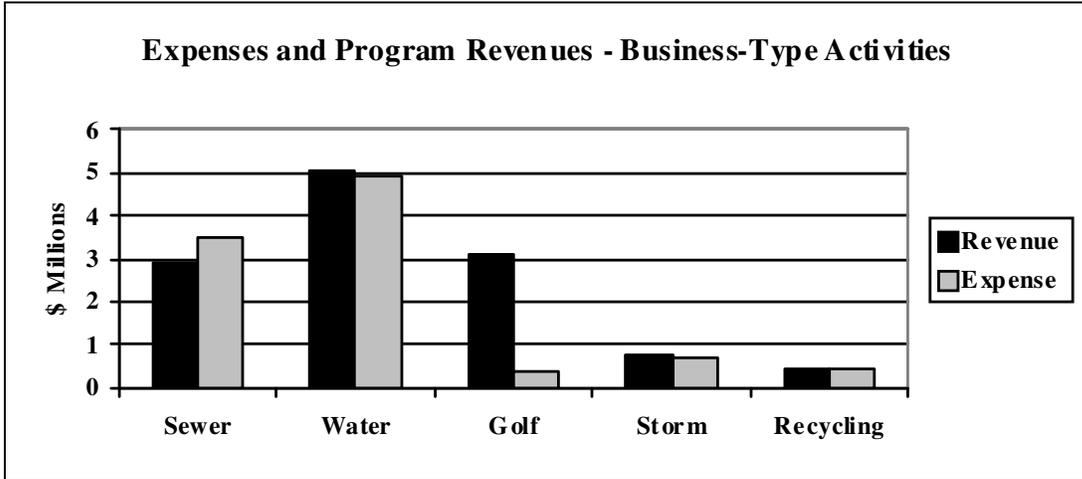


### Revenue Sources-Governmental Activities

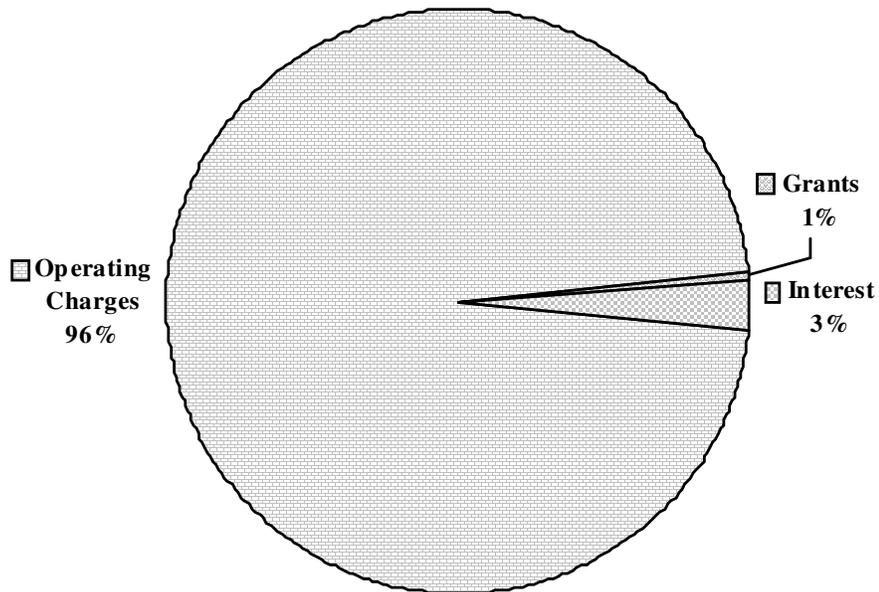


**Business-type activities.** The decrease in net assets in the City’s business-type activities was due to lower-than-expected interest earnings and higher operating costs.

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



**Revenue Sources-Business-Type Activities**



### **Component Unit**

The City incorporates the Roseville Housing and Redevelopment Authority (HRA) as a component unit into its financial statements. The HRA accounts for the City's housing-related programs. In 2008, the HRA's net assets increased by \$995,826 due to lower than expected housing loans being provided and a prior period adjustment to reflect proper recording of interest earned on prior period loan proceeds.

### **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 \$34,706,186. Approximately 61% of this total amount (\$21,057,567) 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 (\$404,952), and 2) for tax increment financing activities (\$13,243,667).

The Economic Increments Construction Fund accounts for the activities in the City's Tax Increment Financing (TIF) Districts. The Fund's balance increased by \$2,504,655 resulting from the capture of excess tax increment above and beyond the amount needed to pay for City obligations. The entire fund balance of \$13,243,667 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 - \$3,769,443, Water - \$160,085, Golf - \$337,293, Recycling - \$151,200 and Storm - \$2,680,143. Due to timing differences in the user fees and capital improvements, increases (or decreases) in net assets can occur from year to year.

### **General Fund Budgetary Highlights**

The General Fund balance decreased by \$508,010 in 2008, largely due to the loss of \$200,000 in state-aid and a decline in expected interest earnings. Budget amendments were made to reflect higher program-specific personnel costs that were offset by corresponding grant revenues and inter-agency revenues.

## 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, 2008, amounts to \$127,301,972 (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 million in street improvements.
- Approximately \$450 thousand in improvements to the City's utility system
- Change in accounting principle increasing threshold for tracking capital assets

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

	Governmental Activities 2007	Governmental Activities 2008	Business- Type 2007	Business- Type 2008	Total 2007	Total 2008
Land	\$5,973,904	\$5,963,830	\$352,993	\$344,105	\$6,326,897	\$ 6,307,935
Buildings	19,881,037	19,481,382	388,673	336,123	20,269,710	19,817,505
Machinery & equipment	5,743,163	8,172,427	800,471	951,799	6,543,634	9,124,226
Infrastructure	77,218,960	75,429,558	16,234,845	16,167,850	93,453,805	91,597,408
Construction in progress	951,606	454,898	115,442	-	1,067,048	454,898
Total capital assets	\$109,768,670	\$109,502,095	\$17,892,424	\$17,799,877	\$127,661,094	\$127,301,972

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 \$12,570,000; of which \$2,130,000 was for general obligation improvement debt which has financed special assessment construction as part of the City's paving management program, \$7,890,000 for the general obligation municipal building debt which financed the construction of the expansion of City Hall and the Public Works Building, and \$2,550,000 to finance the replacement of the Ice Arena refrigeration system. In addition, the City also has long-term debt in the amount of \$1,202,978 for compensated absences.

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

	Governmental Activities 2007	Governmental Activities 2008	Business- Type 2007	Business- Type 2008	Total 2007	Total 2008
General Obligation Improvement bonds	\$2,500,000	\$2,130,000	\$ -	\$ -	\$2,500,000	\$2,130,000
General Obligation Municipal bonds	8,455,000	7,890,000	-	-	8,455,000	7,890,000
Certificates of Indebtedness	-	2,550,000	-	-	-	2,550,000
Long-term notes pay	4,130	-	-	-	4,130	-
Compensated absences	987,672	1,202,978	-	-	987,672	1,202,978
<b>Total</b>	<b>\$11,946,802</b>	<b>\$13,772,978</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$11,946,802</b>	<b>\$13,772,978</b>

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 3% of total Estimated Market Value. The current debt limitation for the City of Roseville is \$135,671,256. \$10,440,000 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 operational adjustments in recognition of the expected loss of state-aid and declining interest earnings.
- Recreation program fees were increased to reflect the rising costs of individual programs. In addition, user charges for proprietary funds were also changed to reflect current and anticipated conditions and asset replacement needs.

These factors were considered when the City of Roseville prepared its 2009 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, 2008**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Housing & Redevelopment Authority
<b>ASSETS</b>				
Cash and cash equivalents	\$ 37,799,292	\$ 5,858,545	\$ 43,657,837	\$ 1,074,982
Restricted investments				
Utility customer deposits	0	811,714	811,714	0
Receivables				
Accounts	369,066	1,671,935	2,041,001	4,932
Taxes	36,771	0	36,771	989
Investment interest	249,642	42,009	291,651	5,667
Special assessments	1,374,369	129,326	1,503,695	8,899
Due from other governments	612,386	887,649	1,500,035	6,114
Notes	2,045	0	2,045	2,131,648
Net pension obligation fire relief	507,554	0	507,554	0
Capital assets not being depreciated:				
Land	5,963,830	344,105	6,307,935	0
Improvements other than buildings	16,019,834	120,716	16,140,550	0
Construction in progress	454,898	0	454,898	0
Capital assets net of accumulated depreciation:				
Buildings	19,481,382	336,123	19,817,505	0
Improvements other than buildings	2,330,720	849,821	3,180,541	0
Machinery and equipment	8,172,427	951,799	9,124,226	0
Infrastructure	57,079,004	15,197,313	72,276,317	0
Total Assets	<u>150,453,220</u>	<u>27,201,055</u>	<u>177,654,275</u>	<u>3,233,231</u>
<b>LIABILITIES</b>				
Accounts payable	502,130	390,833	892,963	405
Accrued payroll	67,130	77,495	144,625	0
Contracts payable	385,633	1,139	386,772	0
Bond interest payable	150,531	0	150,531	0
Due to other governments	382,286	499,883	882,169	702,039
Insurance claim payable	429,525	0	429,525	0
Deposits payable	295,978	811,714	1,107,692	3,600
Unearned revenue	0	521,950	521,950	0
Net pension obligation OPEB	128,443	0	128,443	0
Noncurrent liabilities:				
Due within one year	1,052,367	0	1,052,367	0
Due in more than one year	12,720,611	0	12,720,611	0
Total Liabilities	<u>16,114,634</u>	<u>2,303,014</u>	<u>18,417,648</u>	<u>706,044</u>
<b>NET ASSETS</b>				
Invested in capital assets net of related debt	96,932,095	17,799,877	114,731,972	0
Restricted for				
Tax increment	13,243,667	0	13,243,667	0
Law enforcement	404,952	0	404,952	0
Unrestricted	<u>23,757,872</u>	<u>7,098,164</u>	<u>30,856,036</u>	<u>2,527,187</u>
Total Net Assets	<u>\$ 134,338,586</u>	<u>\$ 24,898,041</u>	<u>\$ 159,236,627</u>	<u>\$ 2,527,187</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, 2008**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Units Housing & Redevelopment Authority
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
<b>Primary government:</b>								
Governmental activities:								
General government	\$ 4,283,715	\$ 2,445,389	\$ 0	\$ 0	\$ (1,838,326)	\$ 0	\$ (1,838,326)	\$ 0
Public safety	8,007,678	549,931	571,081	0	(6,886,666)	0	(6,886,666)	0
Public works	4,720,546	283,792	279,822	371,295	(3,785,637)	0	(3,785,637)	0
Recreation	4,935,218	1,765,969	88	0	(3,169,161)	0	(3,169,161)	0
Economic development	2,337,776	1,190,399	26,732	0	(1,120,645)	0	(1,120,645)	0
Interest on long-term debt	392,527	16,874	0	0	(375,653)	0	(375,653)	0
Total governmental activities	<u>24,677,460</u>	<u>6,252,354</u>	<u>877,723</u>	<u>371,295</u>	<u>(17,176,088)</u>	<u>0</u>	<u>(17,176,088)</u>	<u>0</u>
Business-type activities:								
Sewer	3,504,577	2,893,260	0	0	0	(611,317)	(611,317)	0
Water	4,881,489	5,024,591	0	0	0	143,102	143,102	0
Golf	344,445	310,921	0	0	0	(33,524)	(33,524)	0
Recycling	467,847	426,249	66,661	0	0	25,063	25,063	0
Storm Drainage	707,675	736,688	0	0	0	29,013	29,013	0
Total business- type activities	<u>9,906,033</u>	<u>9,391,709</u>	<u>66,661</u>	<u>0</u>	<u>0</u>	<u>(447,663)</u>	<u>(447,663)</u>	<u>0</u>
Total primary government	<u>\$ 34,583,493</u>	<u>\$ 15,644,063</u>	<u>\$ 944,384</u>	<u>\$ 371,295</u>	<u>\$ (17,176,088)</u>	<u>\$ (447,663)</u>	<u>\$ (17,623,751)</u>	<u>\$ 0</u>
<b>Component unit:</b>								
Housing & Redevelopment Authority	<u>\$ 390,066</u>	<u>\$ 17,215</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (372,851)</u>
General revenues:								
Property taxes					12,417,024	0	12,417,024	330,790
Tax increments					2,956,413	0	2,956,413	0
Cable franchise taxes					372,706	0	372,706	0
Gambling taxes					70,488	0	70,488	0
Grants and contributions not restricted to specific programs					227,048	0	227,048	12,150
Unrestricted investment earnings					1,353,641	257,409	1,611,050	182,784
Transfers					25,000	(25,000)	0	0
Total general revenues and transfers					<u>17,422,320</u>	<u>232,409</u>	<u>17,654,729</u>	<u>525,724</u>
Change in net assets					246,232	(215,254)	30,978	152,873
Net assets - beginning as previously stated					134,651,897	25,147,380	159,799,277	1,531,361
Prior period adjustment					0	0	0	842,953
Change in accounting principle					(559,543)	(34,085)	(593,628)	0
Net assets - beginning as restated					<u>134,092,354</u>	<u>25,113,295</u>	<u>159,205,649</u>	<u>2,374,314</u>
Net assets - ending					<u>\$ 134,338,586</u>	<u>\$ 24,898,041</u>	<u>\$ 159,236,627</u>	<u>\$ 2,527,187</u>

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

**CITY OF ROSEVILLE, MINNESOTA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2008**

	Special Revenue			Debt Service
	General	Recreation	Community Development	General Obligation Improvement Bonds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,660,788	\$ 429,899	\$ 404,775	\$ 0
Investment interest receivable	24,183	3,097	2,421	6,498
Accounts receivable	73,176	61,154	3,143	0
Taxes receivable:				
Current	24,188	4,641	0	4,220
Notes receivable	0	0	0	0
Special assessments receivable:				
Current	1,450	0	9,118	2,045
Deferred	0	9,878	0	476,939
Due from other governments	126,414	0	0	8,817
Due from other funds	97,757	0	0	0
Total assets	<u>\$ 4,007,956</u>	<u>\$ 508,669</u>	<u>\$ 419,457</u>	<u>\$ 498,519</u>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Accounts payable	\$ 160,648	\$ 67,037	\$ 4,175	\$ 0
Accrued payroll	32,382	23,762	5,863	0
Contracts payable	0	0	0	0
Due to other funds	0	0	0	479,947
Due to other governments	19,967	9,446	3,364	0
Deferred revenue	0	9,877	0	476,939
Deposits payable	84,863	0	206,115	0
Total liabilities	<u>297,860</u>	<u>110,122</u>	<u>219,517</u>	<u>956,886</u>
Fund Balance:				
Reserved for:				
Law enforcement	404,952	0	0	0
Tax Increment	0	0	0	0
Unreserved, designated for:				
Future infrastructure replacement	0	0	0	0
Community development	0	0	199,940	0
Capital projects	0	0	0	0
Unreserved, undesignated reported in:				
General fund	3,305,144	0	0	0
Special revenue funds	0	398,547	0	0
Debt service	0	0	0	(458,367)
Total fund balances	<u>3,710,096</u>	<u>398,547</u>	<u>199,940</u>	<u>(458,367)</u>
Total liabilities and fund balances	<u>\$ 4,007,956</u>	<u>\$ 508,669</u>	<u>\$ 419,457</u>	<u>\$ 498,519</u>

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

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

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

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

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

Capital Projects					
Revolving Improvements	Economic Increments Construction	Street Construction	Other Governmental Funds	Total	
\$ 2,212,655	\$ 13,344,616	\$ 13,332,719	\$ 1,665,536	\$ 35,050,988	
15,644	86,658	86,476	8,424	233,401	
0	0	0	231,243	368,716	
1,143	2,085	0	494	36,771	
0	2,045	0	0	2,045	
0	0	4,499	0	17,112	
0	0	870,440	0	1,357,257	
258,442	0	193,597	25,116	612,386	
308,026	0	748,055	0	1,153,838	
<u>\$ 2,795,910</u>	<u>\$ 13,435,404</u>	<u>\$ 15,235,786</u>	<u>\$ 1,930,813</u>	<u>\$ 38,832,514</u>	

\$ 35,485	\$ 191,737	\$ 0	\$ 26,917	\$ 485,999	
0	0	0	5,123	67,130	
253,387	0	132,246	0	385,633	
293,191	0	0	380,700	1,153,838	
198	0	0	347,519	380,494	
0	0	870,440	0	1,357,256	
0	0	0	5,000	295,978	
<u>582,261</u>	<u>191,737</u>	<u>1,002,686</u>	<u>765,259</u>	<u>4,126,328</u>	

0	0	0	0	404,952	
0	13,243,667	0	0	13,243,667	
0	0	11,997,655	0	11,997,655	
0	0	0	0	199,940	
2,213,649	0	2,235,445	817,972	5,267,066	
0	0	0	0	3,305,144	
0	0	0	347,582	746,129	
0	0	0	0	(458,367)	
<u>2,213,649</u>	<u>13,243,667</u>	<u>14,233,100</u>	<u>1,165,554</u>	<u>34,706,186</u>	

<u>\$ 2,795,910</u>	<u>\$ 13,435,404</u>	<u>\$ 15,235,786</u>	<u>\$ 1,930,813</u>		
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109,502,095

(14,051,952)

2,317,447

1,864,810

Net Assets of governmental activities \$ 134,338,586

**CITY OF ROSEVILLE, MINNESOTA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2008**

	Special Revenue			Debt Service
	General	Recreation	Community Development	General Obligation Improvement Bonds
<b>REVENUES</b>				
General property taxes	\$ 8,566,208	\$ 1,702,654	\$ 0	\$ 1,548,010
Tax Increments	0	0	0	0
Intergovernmental revenue	963,577	27,789	0	25,185
Licenses & permits	295,005	0	1,078,917	0
Gambling taxes	0	0	0	0
Charges for services	1,103,904	1,564,056	45,608	0
Fines and forfeits	232,208	0	312	0
Cable franchise taxes	0	0	0	0
Rentals	0	67,579	0	0
Donations	9,325	50,367	0	0
Special assessments	1,639	1,430	839	200,733
Investment income	42,296	17,657	9,221	6,638
Miscellaneous	201,282	74,942	34,438	0
Total revenues	<u>11,415,444</u>	<u>3,506,474</u>	<u>1,169,335</u>	<u>1,780,566</u>
<b>EXPENDITURES</b>				
Current:				
General government	2,086,833	0	0	0
Public safety	7,588,822	0	0	0
Public works	2,255,799	0	0	0
Economic development	0	0	1,230,407	0
Recreation	0	3,610,862	0	0
Capital outlay	0	0	0	0
Debt service	0	0	0	1,345,430
Total expenditures	<u>11,931,454</u>	<u>3,610,862</u>	<u>1,230,407</u>	<u>1,345,430</u>
Excess of revenues over (under) expenditures	<u>(516,010)</u>	<u>(104,388)</u>	<u>(61,072)</u>	<u>435,136</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	8,000	0	0	0
Transfers (out)	0	0	0	0
Bonds Issued	0	0	0	0
Premium on Bonds Issued	0	0	0	22,536
Sale of capital assets	0	0	0	0
Total other financing sources (uses)	<u>8,000</u>	<u>0</u>	<u>0</u>	<u>22,536</u>
Net change in fund balances	<u>(508,010)</u>	<u>(104,388)</u>	<u>(61,072)</u>	<u>457,672</u>
Fund balances - beginning	<u>4,218,106</u>	<u>502,935</u>	<u>261,012</u>	<u>(916,039)</u>
Fund balances - ending	<u>\$ 3,710,096</u>	<u>\$ 398,547</u>	<u>\$ 199,940</u>	<u>\$ (458,367)</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
\$ 419,154	\$ 0	\$ 0	\$ 180,998	\$ 12,417,024
0	2,956,413	0	0	2,956,413
6,819	26,732	423,017	2,945	1,476,064
0	0	0	75	1,373,997
0	0	0	70,488	70,488
0	0	599	1,724,465	4,438,632
0	0	0	0	232,520
0	0	0	372,706	372,706
0	0	0	0	67,579
1,595	0	0	62,494	123,781
30,285	0	188,127	0	423,053
111,554	601,250	515,545	49,480	1,353,641
6,175	0	0	243,594	560,431
<u>575,582</u>	<u>3,584,395</u>	<u>1,127,288</u>	<u>2,707,245</u>	<u>25,866,329</u>
0	0	0	2,149,029	4,235,862
0	0	0	0	7,588,822
0	0	0	0	2,255,799
0	1,079,740	0	0	2,310,147
0	0	0	0	3,610,862
2,902,212	0	1,470,845	615,294	4,988,351
0	0	0	0	1,345,430
<u>2,902,212</u>	<u>1,079,740</u>	<u>1,470,845</u>	<u>2,764,323</u>	<u>26,335,273</u>
<u>(2,326,630)</u>	<u>2,504,655</u>	<u>(343,557)</u>	<u>(57,078)</u>	<u>(468,944)</u>
0	0	0	125,000	133,000
0	0	0	(108,000)	(108,000)
2,550,000	0	0	0	2,550,000
(5,662)	0	0	0	16,874
9,733	0	0	40,255	49,988
<u>2,554,071</u>	<u>0</u>	<u>0</u>	<u>57,255</u>	<u>2,641,862</u>
227,441	2,504,655	(343,557)	177	2,172,918
1,986,208	10,739,012	14,576,657	1,165,377	32,533,268
<u>\$ 2,213,649</u>	<u>\$ 13,243,667</u>	<u>\$ 14,233,100</u>	<u>\$ 1,165,554</u>	<u>\$ 34,706,186</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, 2008**

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

Net change in fund balances--total governmental funds	\$ 2,172,918
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.	627,347
Net book value on sales	(284,391)
Proceeds from sales of capital assets	(49,988)
Payments on general obligation debt	935,000
Payments on notes payable	4,130
General obligation bond proceeds	(2,550,000)
Net change due to internal service funds incorporated into statement of activities	(142,738)
Net change in net pension obligation fire relief	161,312
Net change in net pension obligation OPEB	(128,443)
Changes in compensated absences	(215,306)
Changes in bond interest payable	17,903
Special assessments, property tax and tax increment collected for prior years	<u>(301,512)</u>
Change in net assets of governmental activities	<u>\$ 246,232</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, 2008**

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
General property taxes	\$ 8,854,025	\$ 8,854,025	\$ 8,566,208	\$ (287,817)
Intergovernmental revenue	854,000	854,000	963,577	109,577
Licenses and permits	302,400	302,400	295,005	(7,395)
Charges for services	995,000	995,000	1,103,904	108,904
Fines and forfeits	283,000	283,000	232,208	(50,792)
Donations	0	0	9,325	9,325
Special Assessments	0	0	1,639	1,639
Investment Income	318,825	318,825	42,296	(276,529)
Miscellaneous	25,000	25,000	201,282	176,282
Total revenues	<u>11,632,250</u>	<u>11,632,250</u>	<u>11,415,444</u>	<u>(216,806)</u>
<b>EXPENDITURES</b>				
Current				
General government	2,116,095	2,116,095	2,086,833	29,262
Public safety	7,514,680	7,589,680	7,588,822	858
Public works	2,071,475	2,256,475	2,255,799	676
Total expenditures	<u>11,702,250</u>	<u>11,962,250</u>	<u>11,931,454</u>	<u>30,796</u>
Excess of revenue over (under) expenditures	<u>(70,000)</u>	<u>(330,000)</u>	<u>(516,010)</u>	<u>(186,010)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>120,000</u>	<u>120,000</u>	<u>8,000</u>	<u>(112,000)</u>
Net change in fund balances	50,000	(210,000)	(508,010)	(298,010)
Fund balances - beginning	<u>4,218,106</u>	<u>4,218,106</u>	<u>4,218,106</u>	<u>0</u>
Fund balances - ending	<u>\$ 4,268,106</u>	<u>\$ 4,008,106</u>	<u>\$ 3,710,096</u>	<u>\$ (298,010)</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, 2008**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
General property taxes	\$ 1,787,335	\$ 1,787,335	\$ 1,702,654	\$ (84,681)
Intergovernmental revenue	0	0	27,789	27,789
Charges for services	1,642,570	1,642,570	1,564,056	(78,514)
Rentals	50,000	50,000	67,579	17,579
Donations	45,900	45,900	50,367	4,467
Special assessments	0	0	1,430	1,430
Investment income	1,140	1,140	17,657	16,517
Miscellaneous	46,800	46,800	74,942	28,142
Total revenues	<u>3,573,745</u>	<u>3,573,745</u>	<u>3,506,474</u>	<u>(67,271)</u>
<b>EXPENDITURES</b>				
Current				
Personal services	2,218,080	2,256,080	2,265,146	(9,066)
Supplies & materials	262,290	262,290	263,740	(1,450)
Other services & charges	1,049,375	1,049,375	1,040,812	8,563
Capital outlay	44,000	44,000	41,164	2,836
Total expenditures	<u>3,573,745</u>	<u>3,611,745</u>	<u>3,610,862</u>	<u>883</u>
Net change in fund balances	0	(38,000)	(104,388)	(66,388)
Fund balance - beginning	<u>502,935</u>	<u>502,935</u>	<u>502,935</u>	<u>0</u>
Fund balance - ending	<u>\$ 502,935</u>	<u>\$ 464,935</u>	<u>\$ 398,547</u>	<u>\$ (66,388)</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, 2008**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Licenses and permits	\$ 1,036,575	\$ 1,036,575	\$ 1,078,917	\$ 42,342
Charges for services	65,000	65,000	45,608	(19,392)
Fines and forfeits	0	0	312	312
Investment income	10,000	10,000	9,221	(779)
Special assessments	0	0	839	839
Miscellaneous	0	0	34,438	34,438
Total revenues	<u>1,111,575</u>	<u>1,111,575</u>	<u>1,169,335</u>	<u>57,760</u>
<b>EXPENDITURES</b>				
Current				
Personal services	906,000	906,000	900,115	5,885
Supplies and materials	13,850	13,850	13,359	491
Other services and charges	365,395	365,395	292,234	73,161
Capital outlay	17,000	17,000	24,699	(7,699)
Total expenditures	<u>1,302,245</u>	<u>1,302,245</u>	<u>1,230,407</u>	<u>71,838</u>
Net change in fund balances	(190,670)	(190,670)	(61,072)	129,598
Fund balances - beginning	<u>261,012</u>	<u>261,012</u>	<u>261,012</u>	<u>0</u>
Fund balances - ending	<u>\$ 70,342</u>	<u>\$ 70,342</u>	<u>\$ 199,940</u>	<u>\$ 129,598</u>

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

**STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 December 31, 2008  
 With Partial Comparative Information as of December 31, 2007**

	Sanitary Sewer		Water		Business-Type
	Current Year	Prior Year	Current Year	Prior Year	Golf Course Current Year
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	\$ 2,954,874	\$ 3,172,754	\$ 0	\$ 0	\$ 365,246
Investment interest receivable	21,745	20,818	2,120	1,524	2,289
Restricted cash, cash equivalents and investments:					
Customer deposits	0	0	811,714	776,875	0
Accounts receivable	602,766	701,997	776,459	914,825	0
Special Assessments	129,326	108,872	0	0	0
Due from other funds	449,151	506,836	0	0	0
Due from other governments	521,950	572,850	365,699	155,857	0
Total current assets	<u>4,679,812</u>	<u>5,084,127</u>	<u>1,955,992</u>	<u>1,849,081</u>	<u>367,535</u>
Property and equipment					
Property and equipment	10,018,478	9,806,311	12,994,175	12,835,330	1,082,524
Less accumulated depreciation	(4,913,059)	(4,748,724)	(7,301,109)	(7,133,810)	(523,599)
Net property and equipment	<u>5,105,419</u>	<u>5,057,587</u>	<u>5,693,066</u>	<u>5,701,520</u>	<u>558,925</u>
Total assets	<u>9,785,231</u>	<u>10,141,714</u>	<u>7,649,058</u>	<u>7,550,601</u>	<u>926,460</u>
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable	355,431	187,117	30,698	483,081	1,591
Contracts payable	193	0	47	888	0
Customer deposits payable	0	0	811,714	776,875	0
Accrued payroll	15,505	23,722	25,414	26,405	28,332
Due to other funds	0	0	449,151	506,836	0
Due to other governments	17,290	17	478,883	28,161	319
Unearned revenue	521,950	572,850	0	0	0
Insurance claims payable	0	0	0	0	0
Total current liabilities	<u>910,369</u>	<u>783,706</u>	<u>1,795,907</u>	<u>1,822,246</u>	<u>30,242</u>
<b>NET ASSETS</b>					
Invested in capital assets	5,105,419	5,057,587	5,693,066	5,701,520	558,925
Unrestricted	3,769,443	4,300,421	160,085	26,835	337,293
Total Net Assets	<u>\$ 8,874,862</u>	<u>\$ 9,358,008</u>	<u>\$ 5,853,151</u>	<u>\$ 5,728,355</u>	<u>\$ 896,218</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
\$ 434,700	\$ 26,777	\$ 22,820	\$ 2,511,648	\$ 2,356,642	\$ 5,858,545	\$ 2,748,304
2,451	133	129	15,722	13,303	42,009	16,241
0	0	0	0	0	811,714	0
0	124,453	107,604	168,257	157,760	1,671,935	350
0	0	0	0	0	129,326	0
0	0	0	0	0	449,151	0
0	0	0	0	0	887,649	0
<u>437,151</u>	<u>151,363</u>	<u>130,553</u>	<u>2,695,627</u>	<u>2,527,705</u>	<u>9,850,329</u>	<u>2,764,895</u>
1,112,679	0	0	15,620,793	15,673,333	39,715,970	0
(590,074)	0	0	(9,178,326)	(9,062,621)	(21,916,093)	0
<u>522,605</u>	<u>0</u>	<u>0</u>	<u>6,442,467</u>	<u>6,610,712</u>	<u>17,799,877</u>	<u>0</u>
<u>959,756</u>	<u>151,363</u>	<u>130,553</u>	<u>9,138,094</u>	<u>9,138,417</u>	<u>27,650,206</u>	<u>2,764,895</u>
9,477	9	4,837	3,104	12,092	390,833	16,131
0	0	0	899	104,939	1,139	0
0	0	0	0	0	811,714	0
23,740	154	1,277	8,090	11,218	77,495	0
0	0	0	0	0	449,151	0
15	0	2	3,391	112	499,883	1,792
0	0	0	0	0	521,950	0
0	0	0	0	0	0	429,525
<u>33,232</u>	<u>163</u>	<u>6,116</u>	<u>15,484</u>	<u>128,361</u>	<u>2,752,165</u>	<u>447,448</u>
522,605	0	0	6,442,467	6,610,712	17,799,877	0
403,919	151,200	124,437	2,680,143	2,399,344	7,098,164	2,317,447
<u>\$ 926,524</u>	<u>\$ 151,200</u>	<u>\$ 124,437</u>	<u>\$ 9,122,610</u>	<u>\$ 9,010,056</u>	<u>\$ 24,898,041</u>	<u>\$ 2,317,447</u>

**CITY OF ROSEVILLE, MINNESOTA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
**With Partial Comparative Information for Year Ended December 31, 2007**

	Sanitary Sewer Current Year	Sanitary Sewer Prior Year	Water Current Year	Water Prior Year
Sales and cost of sales				
Sales	\$ 0	\$ 0	\$ 0	\$ 0
Cost of sales	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Gross profit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Operating revenues				
User charges	2,881,844	2,712,272	5,019,895	4,805,655
Delinquency collections	11,416	83,733	0	0
Other	<u>0</u>	<u>260</u>	<u>4,696</u>	<u>3,868</u>
Total operating revenues	<u>2,893,260</u>	<u>2,796,265</u>	<u>5,024,591</u>	<u>4,809,523</u>
Operating expense				
Personal service	427,687	394,772	314,290	320,979
Supplies	42,249	30,230	70,655	76,625
Other services and charges	2,833,264	2,424,617	4,288,779	4,140,634
Depreciation	<u>201,377</u>	<u>185,655</u>	<u>207,765</u>	<u>201,089</u>
Total operating expenses	<u>3,504,577</u>	<u>3,035,274</u>	<u>4,881,489</u>	<u>4,739,327</u>
Operating income (loss)	(611,317)	(239,009)	143,102	70,196
Nonoperating revenues (expenses)				
Investment income	132,592	171,722	10,563	25,393
Intergovernmental operating grants	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total nonoperating revenues (expenses)	<u>132,592</u>	<u>171,722</u>	<u>10,563</u>	<u>25,393</u>
Net income (loss) before transfers	<u>(478,725)</u>	<u>(67,287)</u>	<u>153,665</u>	<u>95,589</u>
Transfers out	<u>0</u>	<u>0</u>	<u>(25,000)</u>	<u>0</u>
Change in net assets	<u>(478,725)</u>	<u>(67,287)</u>	<u>128,665</u>	<u>95,589</u>
Net assets - beginning as previously stated	9,358,008	9,425,295	5,728,355	5,632,766
Change in accounting principle	<u>(4,421)</u>	<u>0</u>	<u>(3,869)</u>	<u>0</u>
Net assets - beginning as restated	<u>9,353,587</u>	<u>9,425,295</u>	<u>5,724,486</u>	<u>5,632,766</u>
Net assets - ending	<u>\$ 8,874,862</u>	<u>\$ 9,358,008</u>	<u>\$ 5,853,151</u>	<u>\$ 5,728,355</u>

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

Business-Type  
Golf  
Course  
Current Year

\$ 23,766  
14,063  
9,703

297,107  
0  
4,111  
301,218

242,005  
42,744  
39,978  
19,718  
344,445

(33,524)

10,552  
0  
10,552

(22,972)

0

(22,972)

926,524  
(7,334)

919,190

\$ 896,218

Activites--Enterprise Funds						Governmental
Golf	Solid Waste	Solid Waste	Storm	Storm	Totals	Activities-
Course	Recycling	Recycling	Drainage	Drainage		Internal Service
Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year	Funds
\$ 22,837	\$ 0	\$ 0	\$ 0	\$ 0	\$ 23,766	\$ 0
11,684	0	0	0	0	14,063	0
<u>11,153</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,703</u>	<u>0</u>
301,623	291,285	272,411	733,470	686,460	9,223,601	308,640
0	0	0	0	0	11,416	0
2,596	134,964	115,295	3,218	2,255	146,989	121
<u>304,219</u>	<u>426,249</u>	<u>387,706</u>	<u>736,688</u>	<u>688,715</u>	<u>9,382,006</u>	<u>308,761</u>
234,482	38,947	34,938	170,691	202,196	1,193,620	0
33,928	3,577	423	49,680	37,453	208,905	0
66,140	425,323	408,623	199,194	297,977	7,786,538	553,022
19,768	0	0	288,110	288,671	716,970	0
<u>354,318</u>	<u>467,847</u>	<u>443,984</u>	<u>707,675</u>	<u>826,297</u>	<u>9,906,033</u>	<u>553,022</u>
(38,946)	(41,598)	(56,278)	29,013	(137,582)	(514,324)	(244,261)
22,492	1,700	3,609	102,002	133,226	257,409	101,523
0	66,661	63,861	0	0	66,661	0
<u>22,492</u>	<u>68,361</u>	<u>67,470</u>	<u>102,002</u>	<u>133,226</u>	<u>324,070</u>	<u>101,523</u>
(16,454)	26,763	11,192	131,015	(4,356)	(190,254)	(142,738)
0	0	0	0	0	(25,000)	0
<u>(16,454)</u>	<u>26,763</u>	<u>11,192</u>	<u>131,015</u>	<u>(4,356)</u>	<u>(215,254)</u>	<u>(142,738)</u>
942,978	124,437	113,245	9,010,056	9,014,412	25,147,380	2,460,185
0	0	0	(18,461)	0	(34,085)	0
<u>942,978</u>	<u>124,437</u>	<u>113,245</u>	<u>8,991,595</u>	<u>9,014,412</u>	<u>25,113,295</u>	<u>2,460,185</u>
\$ <u>926,524</u>	\$ <u>151,200</u>	\$ <u>124,437</u>	\$ <u>9,122,610</u>	\$ <u>9,010,056</u>	\$ <u>24,898,041</u>	\$ <u>2,317,447</u>

**CITY OF ROSEVILLE, MINNESOTA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2008**  
**With Partial Comparative Information for Year Ended December 31, 2007**

	Business-Type				
	Sanitary Sewer Current Year	Sanitary Sewer Prior Year	Water Current Year	Water Prior Year	Golf Course Current Year
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers and users, including deposits	\$ 2,972,037	\$ 2,516,244	\$ 4,983,258	\$ 4,974,225	\$ 320,873
Cash received from delinquent charges collected	0	80,796	0	0	0
Cash received from other governments	0	0	0	0	0
Cash payments to suppliers for goods and services	(2,689,733)	(2,490,199)	(4,361,936)	(4,237,404)	(104,367)
Cash payments to employees	(435,904)	(389,772)	(315,281)	(316,358)	(237,413)
Other operating revenues	0	260	4,696	3,868	4,111
Net cash provided (used) by operating activities	<u>(153,600)</u>	<u>(282,671)</u>	<u>310,737</u>	<u>424,331</u>	<u>(16,796)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchase of capital assets	<u>(253,630)</u>	<u>(203,249)</u>	<u>(203,180)</u>	<u>(118,822)</u>	<u>(63,372)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Transfers from (to) other funds	0	0	(25,000)	0	0
Cash borrowed from (repaid to) other funds	<u>57,685</u>	<u>336,164</u>	<u>(57,685)</u>	<u>(332,164)</u>	<u>0</u>
Net cash provided (used) by non-capital financing activities	<u>57,685</u>	<u>336,164</u>	<u>(82,685)</u>	<u>(332,164)</u>	<u>0</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received on investments	<u>131,665</u>	<u>173,362</u>	<u>9,967</u>	<u>23,869</u>	<u>10,714</u>
Net increase (decrease) in cash and cash equivalents	<u>(217,880)</u>	<u>23,606</u>	<u>34,839</u>	<u>(2,786)</u>	<u>(69,454)</u>
Cash and cash equivalents, January 1	<u>3,172,754</u>	<u>3,149,148</u>	<u>776,875</u>	<u>779,661</u>	<u>434,700</u>
Cash and cash equivalents, December 31	<u>\$ 2,954,874</u>	<u>\$ 3,172,754</u>	<u>\$ 811,714</u>	<u>\$ 776,875</u>	<u>\$ 365,246</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$ (611,317)	\$ (239,009)	\$ 143,102	\$ 70,196	\$ (33,524)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	201,377	185,655	207,765	201,089	19,718
Other non-operating revenue	0	0	0	0	0
(Gain) loss on disposal of assets	0	0	0	0	0
Changes in elements affecting cash:					
(Increase) Decrease Accounts receivable	99,231	(91,105)	138,366	(132,749)	0
(Increase) Decrease Special assessments	(20,454)	(107,860)	0	0	0
(Increase) Decrease Due from other governments	50,900	(572,850)	(209,842)	303,338	0
Increase (Decrease) Accounts payable	168,314	43,420	(452,383)	(2,963)	(7,886)
Increase (Decrease) Accrued payroll	(8,217)	5,000	(991)	4,621	4,592
Increase (Decrease) Due to other governments	17,273	(76,342)	450,722	112	304
Increase (Decrease) Contracts payable	193	(2,430)	(841)	(17,294)	0
Increase (Decrease) Unearned Revenue	(50,900)	572,850	0	0	0
Increase (Decrease) Insurance claim payable	0	0	0	0	0
Increase (Decrease) Customer deposits	0	0	34,839	(2,019)	0
Total adjustments	<u>457,717</u>	<u>(43,662)</u>	<u>167,635</u>	<u>354,135</u>	<u>16,728</u>
Net cash provided (used) by operating activities	<u>\$ (153,600)</u>	<u>\$ (282,671)</u>	<u>\$ 310,737</u>	<u>\$ 424,331</u>	<u>\$ (16,796)</u>

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

Activities--Enterprise Funds						Governmental
Golf Course	Solid Waste Recycling	Solid Waste Recycling	Storm Drainage	Storm Drainage	Totals	Activities- Internal Service Funds
Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year	Funds
\$ 324,459	\$ 274,436	\$ 256,093	\$ 722,973	\$ 677,008	\$ 9,273,577	\$ 312,695
0	0	0	0	0	0	0
0	66,661	95,880	0	0	66,661	0
(111,096)	(433,730)	(410,536)	(358,623)	(297,318)	(7,948,389)	(222,261)
(232,729)	(40,070)	(33,661)	(173,819)	(203,905)	(1,202,487)	(204,804)
2,596	134,964	115,295	3,218	2,255	146,989	0
<u>(16,770)</u>	<u>2,261</u>	<u>23,071</u>	<u>193,749</u>	<u>178,040</u>	<u>336,351</u>	<u>(114,370)</u>
0	0	0	(138,326)	(334,019)	(658,508)	0
0	0	0	0	0	(25,000)	0
0	0	(4,000)	0	0	0	0
<u>0</u>	<u>0</u>	<u>(4,000)</u>	<u>0</u>	<u>0</u>	<u>(25,000)</u>	<u>0</u>
22,452	1,696	3,480	99,583	133,309	253,625	101,033
5,682	3,957	22,551	155,006	(22,670)	(93,532)	(13,337)
429,018	22,820	269	2,356,642	2,379,312	6,763,791	2,761,641
<u>\$ 434,700</u>	<u>\$ 26,777</u>	<u>\$ 22,820</u>	<u>\$ 2,511,648</u>	<u>\$ 2,356,642</u>	<u>\$ 6,670,259</u>	<u>\$ 2,748,304</u>
\$ (38,946)	\$ (41,598)	\$ (56,278)	\$ 29,013	\$ (137,582)	\$ (514,324)	\$ (244,261)
19,768	0	0	288,110	288,671	716,970	0
0	66,661	63,861	0	0	66,661	0
3,481	0	0	0	(28,367)	0	0
0	(16,849)	(16,318)	(10,497)	(9,452)	210,251	3,934
0	0	0	0	0	(20,454)	0
0	0	32,019	0	0	(158,942)	0
(2,678)	(4,828)	(1,113)	(8,988)	(38,498)	(305,771)	(3,682)
1,753	(1,123)	1,277	(3,128)	(1,709)	(8,867)	0
(4)	(2)	(377)	3,279	39	471,576	1,792
0	0	0	(104,040)	104,938	(104,688)	0
0	0	0	0	0	(50,900)	0
0	0	0	0	0	0	127,847
(144)	0	0	0	0	34,839	0
<u>22,176</u>	<u>43,859</u>	<u>79,349</u>	<u>164,736</u>	<u>315,622</u>	<u>850,675</u>	<u>129,891</u>
<u>\$ (16,770)</u>	<u>\$ 2,261</u>	<u>\$ 23,071</u>	<u>\$ 193,749</u>	<u>\$ 178,040</u>	<u>\$ 336,351</u>	<u>\$ (114,370)</u>

**CITY OF ROSEVILLE, MINNESOTA**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**December 31, 2008**

	Investment Trust	Agency Funds
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,366,761	\$ 634,362
Investment interest receivable	8,574	4,028
Accounts receivable	0	41,227
Prepaid items	0	9,708
Net capital assets	0	23,602
Total Assets	1,375,335	712,927
<b>LIABILITIES</b>		
Accounts payable	0	30,668
Accrued payroll	0	8,582
Due to other government	0	385
Due to other organizations	0	673,293
Total Liabilities	0	712,927
<b>NET ASSETS</b>		
Held in trust for pool participant	\$ 1,375,335	\$ 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, 2008**

	Investment Trust
<b>ADDITIONS:</b>	
Operations	
Net investment gain	\$ 58,198
Purchase of units for participant	96,422
Total increase from operations	154,620
<b>DEDUCTIONS:</b>	
Capital share transactions	
Redemption of shares by participant	100,000
Change in Net Assets	54,620
Total net assets - beginning	1,320,715
Total net assets - ending	\$ 1,375,335

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, 2008

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, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

The City reports the following major governmental funds:

General

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

Special Revenue

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

Debt Service

The 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, 2008

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, 2008

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, 2008

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, 2008

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 \$5,000 and an estimated useful life in excess of 2 years. The City reports infrastructure assets on a network basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements regardless of their amount.

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

CITY OF ROSEVILLE  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2008

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, 2008

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, 2008

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

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

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

Long-term liabilities:	
Bonds payable	\$ (10,020,000)
Certificates of indebtedness	(2,550,000)
Bond interest payable	(150,531)
Net pension obligation - OPEB	(128,443)
Compensated absences	<u>(1,202,978)</u>
Change to Net Assets	\$ (14,051,952)
Internal service funds	2,317,447
Capital assets (net of depreciation)	109,502,095
Net pension obligation - fire relief	507,554
Addition of long-term deferred revenues	<u>1,357,256</u>
Net change to net assets - governmental activities	<u>\$ 99,632,400</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	\$ 4,605,938
Depreciation expense	<u>(3,978,591)</u>
Net change in fund-balances-total governmental funds and change in net assets of governmental activities	<u>\$ 627,347</u>

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

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 2008. Those supplementary budgetary appropriations increased budgeted expenditures in the General Fund by \$260,000 and Recreation Fund by \$38,000.

B. Deficit fund equity

The general obligation improvement bonds, charitable gambling, and information technology funds had deficit balances of \$458,367, \$101,756, and \$263,790, 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	\$ 17,813,774
Investments	29,723,316
Cash on hand	<u>8,566</u>
Total	<u>\$ 47,545,656</u>

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

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	\$ 43,657,837
Cash and cash equivalents - Component Unit	1,074,982
Restricted investments	811,714
Statement of Fiduciary Net Assets	
Cash and cash equivalents - Investment Trust Fund	1,366,761
Cash and cash equivalents - Agency Funds	634,362
	<hr/>
Total	<u>\$ 47,545,656</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 \$17,813,774 while the balance on the bank records was \$18,138,861. At December 31, 2008, all deposits were covered by federal depository insurance, surety bonds, or by collateral held by the City’s agent in the City’s name.

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

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	\$4,963,000	\$ 0	\$ 0	\$ 4,963,000
U.S. Agencies	Aaa	Moody's	1,926,406	12,154,167	10,679,743	24,760,316
Total Investments			<u>\$6,889,406</u>	<u>\$12,154,167</u>	<u>\$10,679,743</u>	<u>\$29,723,316</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, 2008

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 37% with Federal Home Loan Mortgage, 52% with Fannie Mae.

Interest rate risk – This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The City 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)	\$ 9,877
Special assessments (G.O. improvement bonds)	476,939
Special assessments (Street construction)	870,440
 Total deferred/unearned revenue for governmental funds	 \$ 1,357,256

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

NOTE 4 - DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital assets

Capital asset activity for the year ended December 31, 2008 was as follows:

	Beginning Balance as Previously Reported	Change In Accounting Principle	Beginning Balance as Restated	Increases	Decreases	Transfers	Ending Balance
<b>Governmental activities:</b>							
Capital assets not being depreciated:							
Land	\$ 5,973,904	\$ (3,000)	\$ 5,970,904	\$ 0	\$ 7,074	\$ 0	\$ 5,963,830
Land improvements	16,112,655	0	16,112,655	0	92,821	0	16,019,834
Construction in progress	951,606	0	951,606	454,898	0	(951,606)	454,898
Total capital assets not being depreciated	23,038,165	(3,000)	23,035,165	454,898	99,895	(951,606)	22,438,562
Capital assets being depreciated:							
Buildings	27,111,851	(93,763)	27,018,088	54,877	1,023,651	564,279	26,613,593
Improvements other than buildings	4,115,550	(176,994)	3,938,556	194,524	(27,878)	0	4,160,958
Machinery and equipment	13,716,452	(1,356,534)	12,359,918	3,966,764	1,299,683	0	15,026,999
Infrastructure	87,193,748	(18,708)	87,175,040	0	0	387,327	87,562,367
Total capital assets being depreciated	132,137,601	(1,645,999)	130,491,602	4,216,165	2,295,456	951,606	133,363,917
Less accumulated depreciation for:							
Buildings	7,230,814	(66,274)	7,164,540	736,694	769,023	0	7,132,211
Improvements other than buildings	1,732,705	(89,332)	1,643,373	199,400	12,535	0	1,830,238
Machinery and equipment	7,973,289	(921,871)	7,051,418	1,017,443	1,214,289	0	6,854,572
Infrastructure	28,470,288	(11,979)	28,458,309	2,025,054	0	0	30,483,363
Total accumulated depreciation	45,407,096	(1,089,456)	44,317,640	3,978,591	1,995,847	0	46,300,384
Total capital assets, being depreciated, net	86,730,505	(556,543)	86,173,962	237,574	299,609	951,606	87,063,533
Governmental activities capital assets, net	\$ 109,768,670	\$ (559,543)	\$ 109,209,127	\$ 692,472	\$ 399,504	\$ 0	\$ 109,502,095

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

NOTE 4 - DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital assets (Continued)

	Beginning Balance as Previously Reported	Change In Accounting Principle	Beginning Balance as Restated	Increases	Decreases	Transfers	Ending Balance
<b>Business-type activities:</b>							
Capital assets not being depreciated:							
Land	\$ 352,993	\$ (8,888)	\$ 344,105	\$ 0	\$ 0	\$ 0	\$ 344,105
Land improvements	120,716	0	120,716	0	0	0	120,716
Construction in progress	115,442	0	115,442	0	0	(115,442)	0
Total capital assets not being depreciated	589,151	(8,888)	580,263	0	0	(115,442)	464,821
Capital assets being depreciated:							
Buildings	1,688,447	(10,680)	1,677,767	0	0	0	1,677,767
Improvements other than buildings	1,343,689	(15,314)	1,328,375	0	0	0	1,328,375
Machinery and equipment	3,084,162	(103,760)	2,980,402	323,175	220,802	0	3,082,775
Infrastructure	32,722,204	(10,747)	32,711,457	335,333	0	115,442	33,162,232
Total capital assets being depreciated	38,838,502	(140,501)	38,698,001	658,508	220,802	115,442	39,251,149
Less accumulated depreciation for:							
Buildings	1,299,774	(9,581)	1,290,193	51,451	0	0	1,341,644
Improvements other than buildings	439,430	(9,847)	429,583	48,971	0	0	478,554
Machinery and equipment	2,283,691	(92,121)	2,191,570	160,208	220,802	0	2,130,976
Infrastructure	17,512,334	(3,755)	17,508,579	456,340	0	0	17,964,919
Total accumulated depreciation	21,535,229	(115,304)	21,419,925	716,970	220,802	0	21,916,093
Total capital assets, being depreciated, net	17,303,273	(25,197)	17,278,076	(58,462)	0	115,442	17,335,056
Business-type activities capital assets, net	\$ 17,892,424	\$ (34,085)	\$ 17,858,339	\$ (58,462)	\$ 0	\$ 0	\$ 17,799,877

\*The change in accounting principle adjustment is a result of the City modifying its capitalization policy as described later in these notes.

CITY OF ROSEVILLE  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2008

NOTE 4 - DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital assets (Continued)

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

<b>Governmental activities:</b>	
General government	\$ 366,858
Public safety	468,332
Public works including depreciation of infrastructure	2,352,211
Recreation	<u>791,190</u>
 Total depreciation expense - governmental activities	 <u><u>\$ 3,978,591</u></u>
 <b>Business-type activities:</b>	
Sanitary sewer	\$ 201,377
Water	207,765
Golf	19,718
Storm drainage	<u>288,110</u>
 Total depreciation expense - business-type activities	 <u><u>\$ 716,970</u></u>

Change in Accounting Principle

At the beginning of the fiscal year, the City changed the accounting principle related to the capitalization of capital assets, raising the threshold level for tracking and recording capital assets from \$2,000 to \$5,000.

D. Construction commitments

The City has a couple of construction projects in progress as of December 31, 2008. 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>
County road C streetscape	\$ 454,898	\$ 23,942
Residential streets, water, and storm construction	\$ 1,007,360	\$ 52,687
Skating center geo thermal cooling system	\$ 2,314,008	\$ 45,610

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund receivables, payables, and transfers

The composition of interfund balances as of December 31, 2008, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
General	Non-major Governmental funds	\$ 97,757
Sanitary Sewer Fund	Water Fund	449,151
Street Construction	General Obligation Improvement Bond	454,864
Street Construction	Revolving Improvement Fund	293,191
Revolving Improvements	General Obligation Improvement Bond	25,083
Revolving Improvements	Non-major Governmental funds	<u>282,943</u>
Total		<u>\$ 1,602,989</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>General</u>	<u>Non-major Governmental Funds</u>	<u>Total</u>
Non-major governmental funds	\$ 8,000	\$ 100,000	\$ 108,000
Water	0	25,000	25,000
Total	<u>\$ 8,000</u>	<u>\$ 125,000</u>	<u>\$ 133,000</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, 2008

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 \$97,717 for the year ended December 31, 2008. The future minimum lease payments for these leases are as follows:

<u>Year Ending Dec. 31</u>	<u>Amount</u>
2009	\$ 87,351
2010	90,123
2011	59,525
2012	58,856
2013	4,723
Total	<u>\$ 300,578</u>

G. Long-term debt

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

General obligation bonds and certificates of indebtedness are direct obligations and pledge the full faith and credit of the government. The original amount of general obligation bonds and certificates of indebtedness for the issues listed below is \$17,500,000.

General obligation debt currently outstanding are as follows:

<u>Purpose</u>	<u>Net Interest Rates</u>	<u>Amount</u>
Governmental activities	2.0% - 5.2%	<u>\$ 12,570,000</u>

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

NOTE 4 - DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-term debt (Continued)

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

Year Ending December 31	Government Activities					
	General Obligation Bonds		Special Assessment Debt with Government Commitment		Certificate of Indebtedness	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 580,000	\$ 285,646	\$ 405,000	\$ 71,375	\$ 0	\$ 82,105
2010	605,000	267,115	395,000	58,204	220,000	81,908
2011	625,000	246,346	435,000	43,765	260,000	74,227
2012	650,000	223,221	450,000	27,925	270,000	65,748
2013	680,000	198,284	215,000	15,080	275,000	56,959
2014-2018	3,865,000	573,470	230,000	5,175	1,525,000	135,600
2019-2023	885,000	18,253	0	0	0	0
Total	<u>\$ 7,890,000</u>	<u>\$1,812,335</u>	<u>\$2,130,000</u>	<u>\$ 221,524</u>	<u>\$ 2,550,000</u>	<u>\$ 496,547</u>

Changes in long-term liabilities

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
General obligation bonds	\$ 8,455,000	\$ 0	\$ 565,000	\$ 7,890,000	\$ 580,000
Special assessment debt with gov't commitment	2,500,000	0	370,000	2,130,000	405,000
Total bonds payable	<u>10,955,000</u>	<u>0</u>	<u>935,000</u>	<u>10,020,000</u>	<u>985,000</u>
General obligation certificate of indebtedness	0	2,550,000	0	2,550,000	0
Long-term notes payable	4,130	0	4,130	0	0
Compensated absences	987,672	844,166	628,860	1,202,978	67,367
Governmental activities - Long-term liabilities	<u>\$ 11,946,802</u>	<u>\$3,394,166</u>	<u>\$ 1,567,990</u>	<u>\$ 13,772,978</u>	<u>\$ 1,052,367</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, 2008

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, 2008, there were twelve series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$75 million.

H. Restricted assets

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

Customer deposits - Water fund                      \$ 811,714

I. Change in accounting principle

At the beginning of the fiscal year, the City changed the accounting principle related to capital assets, raising the capitalization threshold level for tracking and recording capital assets from \$2,000 to \$5,000. This resulted in the following adjustments to the beginning balances:

Fund	Amount	Fund	Amount
General	\$ (445,014)	Sanitary Sewer	\$ (4,421)
Recreation	(110,369)	Water	(3,869)
Non major funds	(4,160)	Golf	(7,334)
Total Governmental Activities	\$ (559,543)	Storm	(18,461)
		Total Business-type Activities	\$ (34,085)

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

NOTE 4 - DETAILED NOTES ON ALL FUNDS (Continued)

J. Prior period adjustments

In 2008, the City made a prior period adjustment to more accurately reflect the investment earnings and outstanding loan programs administered by the Greater Metropolitan Housing Council for the Housing Redevelopment Authority. This resulted in a change to the following balance at the beginning of the year as well as the beginning net asset balance:

Cash and cash equivalents	\$ 115,185
Notes Receivable	<u>727,768</u>
Change in beginning net assets	<u>\$ 842,953</u>

NOTE 5 - OTHER INFORMATION

A. Risk management

The City is exposed to various risks of loss related to torts; theft of damage to, and the destruction of assets; errors and omissions; injuries to employees and natural disasters. During the fiscal years of 1980 and 1987, the City established a Workers' Compensation Fund and a Risk Management Fund, respectively (internal service funds) to account for and finance its uninsured risks of loss. Under this program, for the year 2008, the Worker's Compensation Fund provided coverage up to a maximum of \$410,000 for each occurrence. The City purchases excess loss coverage from the Workers' Compensation Reinsurance Association, a nonprofit organization established by Minnesota State Statutes.

The Risk Management Fund provides comprehensive general liability and comprehensive automotive liability up to the statutory maximum of \$1,200,000. The City retains the risk of the first \$100,000 of each occurrence with an annual maximum exposure of \$300,000. Liabilities of the fund are reported when it is probable that a loss has occurred and amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims.

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

NOTE 5 - OTHER INFORMATION (Continued)

A. Risk management (Continued)

Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. The City purchased commercial insurance for claims in excess of coverage provided by the Risk Management Fund and for all other risks of loss. Settled claims have not exceeded this coverage in any of the past three fiscal years. There were no significant reductions in the City's insurance coverage in 2008.

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, 2008, were \$ 1,849,449 and \$ 467,998 for the Workers' Compensation Fund and Risk Management Fund, respectively. The claims liability of \$ 312,970 and \$ 116,555, respectively, reported in both funds at December 31, 2008 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 2007 and 2008 were:

Workers' Compensation Fund					
	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Ending of Fiscal Year Liability	
2007	\$ 94,261	\$ 160,584	\$ 120,782	\$ 134,063	
2008	\$ 134,063	\$ 448,884	\$ 269,977	\$ 312,970	

Risk Management Fund					
	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Ending of Fiscal Year Liability	
2007	\$ 134,636	\$ 269,305	\$ 236,326	\$ 167,615	
2008	\$ 167,615	\$ 11,614	\$ 62,674	\$ 116,555	

CITY OF ROSEVILLE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

NOTE 5 - OTHER INFORMATION (Continued)

B. Contingent liabilities

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

C. Employee retirement systems and pension plans

1. Defined benefit pension plans - statewide employees plan

a. Plan Description

All full-time and certain part-time employees of the City of Roseville are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the 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, 2008

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](http://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, 2008

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 6.00%, respectively, of their annual covered salary. PEPFF members are required to contribute 8.60% of their annual covered salary. The City of Roseville is required to contribute the following percentages of annual covered payroll: 6.50% for Coordinated Plan PERF members, and 12.90% for PEPFF members. The City's contributions to the Public Employees Retirement Fund for the years ending December 31, 2008, 2007, and 2006 were \$434,312, \$380,694, and \$349,113, respectively. The City's contributions to the Public Employees Police & Fire Fund for the years ending December 31, 2008, 2007 and 2006 were \$523,909, \$413,623, and \$351,864, 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, 2008

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 2008 and 2007 were:

	Amount		Percentage of Covered Payroll		Required Rates
	Employees	Employer	Employees	Employer	
2008 PEDCP	\$ 1,255	\$ 1,255	5.00%	5.00%	5.00%
2007 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, 2008

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, 2008

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
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	200,220	49,780	250,000	292,818	85.4%	(346,242)
2008	171,025	128,975	300,000	138,688	216.3%	(507,554)

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	\$ 128,137
Interest on net pension obligation	(17,445)
Adjustment to annual required contribution	27,996
Annual pension cost	<u>138,688</u>
Contributions made	<u>(300,000)</u>
Increase (decrease) in net pension obligation	(161,312)
Negative net pension obligation beginning of year	<u>(346,242)</u>
Negative net pension obligation end of year	<u><u>\$ (507,554)</u></u>

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

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 Fire Relief Association is required to have an actuarial valuation completed once every two years. The latest actuarial value of plan liability on December 31, 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, 2008

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, 2008, the fair value (carrying value) of the commission investment trust is \$1,375,335. No separate report(s) are issued.

Condensed financial statements of the investment pool are as follows:

COMBINING STATEMENT OF NET ASSETS  
December 31, 2008

	Internal Investment Pool <u>City of Roseville</u>	External Investment Pool <u>North Suburban Cable Commission</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 46,178,895	\$ 1,366,761	\$ 47,545,656
Investment interest receivable	301,346	8,574	309,920
Total assets	<u>\$ 46,480,241</u>	<u>\$ 1,375,335</u>	<u>\$ 47,855,576</u>
<b>NET ASSETS</b>			
Held in trust for pool participants	<u>\$ 46,480,241</u>	<u>\$ 1,375,335</u>	<u>\$ 47,855,576</u>

CITY OF ROSEVILLE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

NOTE 6 - INVESTMENT TRUST (Continued)

For the Year Ended December 31, 2008

	Internal Investment Pool <u>City of Roseville</u>	External Investment Pool <u>North Suburban Cable Commission</u>	<u>Total</u>
<b>ADDITIONS</b>			
Interest	\$ 1,793,834	\$ 58,198	\$ 1,852,032
Purchase of units for participant	<u>56,794,839</u>	<u>96,422</u>	<u>56,891,261</u>
Total Additions	<u>58,588,673</u>	<u>154,620</u>	<u>58,743,293</u>
<b>DEDUCTIONS</b>			
Net cash basis for non-investing transactions	56,882,691	0	56,882,691
Distributions to participant	<u>0</u>	<u>100,000</u>	<u>100,000</u>
Total Deductions	<u>56,882,691</u>	<u>100,000</u>	<u>56,982,691</u>
Change in net assets	1,705,982	54,620	1,760,602
Net assets - beginning	<u>44,774,259</u>	<u>1,320,715</u>	<u>46,094,974</u>
Net assets - ending	<u>\$ 46,480,241</u>	<u>\$ 1,375,335</u>	<u>\$ 47,855,576</u>

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS

A. Plan Description

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

B. Benefits Provided

Retirees

The City is required by State Statute to allow retirees to continue participation in the City’s group health insurance plan if the individual terminates service with the City through service retirement or disability retirement. Employees who satisfy the rule of 80 or attain age 55 and have completed 10 years of service at termination can immediately commence medical benefits. Retirees may obtain dependent coverage while the participating retiree is under age 65. Covered spouses may continue coverage after the retiree’s death. The surviving spouse of an active employee may continue coverage in the group health insurance plan after the employee’s death.

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

Disabled police and firefighter

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

Plan	Single	Two Person	Family
Medica - 80/20% \$1,000 Deductible	\$ 495	\$ 610	\$ 800
Medica - \$2,500 High Deductible	\$ 605	\$ 710	\$ 875

CITY OF ROSEVILLE  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2008

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

C. Participants

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

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

D. Funding Policy

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

E. Annual OPEB Cost and Net OPEB Obligation

The City’s annual other post employment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The net OPEB obligation as of December 31, 2008, was calculated as follows:

Annual required contribution	\$ 237,174
Interest on OPEB obligation	<u>0</u>
Annual OPEB cost	237,174
Contributions made	<u>(108,731)</u>
Increase (decrease) in net OPEB obligation	128,443
Net OPEB obligation beginning of year	<u>0</u>
Net OPEB obligation end of year	<u><u>\$ 128,443</u></u>

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

E. Annual OPEB (Continued)

The City first had an actuarial valuation performed for the plan as of January 1, 2008 to determine the funded status of the plan as of that date as well as the employer’s annual required contribution (ARC) for the fiscal year ended December 31, 2008. The City’s annual OPEB cost (expense) of \$237,174 was equal to the ACR for the fiscal year, as the transition liability was set at zero as of December 31, 2007. The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2008 was as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contributions</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2008	237,174	108,731	45.8%	128,443

F. Funded Status and Funding Progress

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

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

\*Using the projected unit credit actuarial pay cost method.

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

CITY OF ROSEVILLE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

G. Actuarial Methods and Assumptions

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

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

In the January 1, 2008 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5% investment rate of return (net of investment expenses) and an initial annual health care cost trend rate of 9% reduced by 1% each year to arrive at an ultimate health care cost trend rate of 5.0%. The actuarial value of assets was \$0. The plan's unfunded actuarial accrued liability is being amortized using the level percentage of projected payroll method over 30 years on a closed basis. The remaining amortization period at December 31, 2008, was 29 years.

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**Required  
Supplementary  
Information**

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**CITY OF ROSEVILLE, MINNESOTA**

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

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

\* Using the projected unit credit actuarial pay cost method.

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

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# Non Major 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, 2008**

SPECIAL REVENUE

	Tele- Communications	License Center	Charitable Gambling	Information Technology
<b>ASSETS</b>				
Cash and cash equivalents	\$ 184,163	\$ 653,766	\$ 0	\$ 0
Investment interest receivable	1,155	2,078	0	0
Accounts receivable	95,074	130,027	0	6,142
Taxes receivable:				
Current	0	0	0	130
Due from other governments	0	0	0	25,116
Total assets	\$ 280,392	\$ 785,871	\$ 0	\$ 31,388
<b>LIABILITIES</b>				
Accounts payable	\$ 833	\$ 1,663	\$ 3,980	\$ 5,251
Accrued payroll	407	2,765	19	1,932
Due to other funds	0	0	97,757	282,943
Due to other governments	0	347,467	0	52
Deposits payable	0	0	0	5,000
Total liabilities	1,240	351,895	101,756	295,178
<b>FUND BALANCE</b>				
Unreserved				
Designated for capital projects	0	0	0	0
Undesignated	279,152	433,976	(101,756)	(263,790)
Total fund balances	279,152	433,976	(101,756)	(263,790)
Total liabilities and fund balances	\$ 280,392	\$ 785,871	\$ 0	\$ 31,388

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Total

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\$ 837,929  
3,233  
231,243  
0  
130  
25,116  

---

\$ 1,097,651

\$ 11,727  
5,123  
380,700  
347,519  
5,000  

---

750,069

0  
347,582  

---

347,582

\$ 1,097,651

CAPITAL  
PROJECTS  
FUND

<u>Equipment</u>	<u>Total Nonmajor Funds</u>
\$ 827,607	\$ 1,665,536
5,191	8,424
0	231,243
364	494
0	25,116
<u>\$ 833,162</u>	<u>\$ 1,930,813</u>
\$ 15,190	\$ 26,917
0	5,123
0	380,700
0	347,519
0	5,000
<u>15,190</u>	<u>765,259</u>
817,972	817,972
0	347,582
<u>817,972</u>	<u>1,165,554</u>
<u>\$ 833,162</u>	<u>\$ 1,930,813</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, 2008**

SPECIAL REVENUE FUNDS

	Tele- Communications	License Center	Charitable Gambling	Information Technology	Total
<b>REVENUES</b>					
Property taxes	\$ 0	\$ 0	\$ 0	\$ 47,631	\$ 47,631
Intergovernmental	0	0	0	775	775
Licenses & permits	0	0	75	0	75
Gambling taxes	0	0	70,488	0	70,488
Charges for services	0	1,035,830	0	688,635	1,724,465
Cable franchise taxes	372,706	0	0	0	372,706
Donations	0	0	62,494	0	62,494
Investment income	7,631	17,103	589	(47)	25,276
Miscellaneous	0	0	0	18,094	18,094
Total revenues	<u>380,337</u>	<u>1,052,933</u>	<u>133,646</u>	<u>755,088</u>	<u>2,322,004</u>
<b>EXPENDITURES</b>					
Current					
General government	288,887	931,799	144,291	784,052	2,149,029
Capital outlay	0	0	0	0	0
Total expenditures	<u>288,887</u>	<u>931,799</u>	<u>144,291</u>	<u>784,052</u>	<u>2,149,029</u>
Excess of revenues over (under) expenditures	<u>91,450</u>	<u>121,134</u>	<u>(10,645)</u>	<u>(28,964)</u>	<u>172,975</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	0	0	0	125,000	125,000
Transfers (out)	0	(108,000)	0	0	(108,000)
Sale of capital assets	0	0	0	0	0
Total other financing sources (uses)	<u>0</u>	<u>(108,000)</u>	<u>0</u>	<u>125,000</u>	<u>17,000</u>
Net change in fund balances	91,450	13,134	(10,645)	96,036	189,975
Fund balances - beginning	<u>187,702</u>	<u>420,842</u>	<u>(91,111)</u>	<u>(359,826)</u>	<u>157,607</u>
Fund balances - ending	<u>\$ 279,152</u>	<u>\$ 433,976</u>	<u>\$ (101,756)</u>	<u>\$ (263,790)</u>	<u>\$ 347,582</u>

CAPITAL  
PROJECTS  
FUND

<u>Equipment</u>	<u>Total NonMajor Funds</u>
\$ 133,367	\$ 180,998
2,170	2,945
0	75
0	70,488
0	1,724,465
0	372,706
0	62,494
24,204	49,480
<u>225,500</u>	<u>243,594</u>
<u>385,241</u>	<u>2,707,245</u>
0	2,149,029
<u>615,294</u>	<u>615,294</u>
<u>615,294</u>	<u>2,764,323</u>
<u>(230,053)</u>	<u>(57,078)</u>
0	125,000
0	(108,000)
<u>40,255</u>	<u>40,255</u>
<u>40,255</u>	<u>57,255</u>
(189,798)	177
<u>1,007,770</u>	<u>1,165,377</u>
<u>\$ 817,972</u>	<u>\$ 1,165,554</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, 2008**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Cable franchise taxes	\$ 319,550	\$ 319,550	\$ 372,706	\$ 53,156
Investment Income	1,000	1,000	7,631	6,631
Total revenues	<u>320,550</u>	<u>320,550</u>	<u>380,337</u>	<u>59,787</u>
<b>EXPENDITURES</b>				
Current				
General government				
Personal services	124,600	124,600	126,297	(1,697)
Supplies & materials	6,000	6,000	1,945	4,055
Other services & charges	177,500	177,500	150,980	26,520
Capital outlay	12,450	12,450	9,665	2,785
Total expenditures	<u>320,550</u>	<u>320,550</u>	<u>288,887</u>	<u>31,663</u>
Net change in fund balances	0	0	91,450	91,450
Fund balances - beginning	<u>187,702</u>	<u>187,702</u>	<u>187,702</u>	<u>0</u>
Fund balances - ending	<u>\$ 187,702</u>	<u>\$ 187,702</u>	<u>\$ 279,152</u>	<u>\$ 91,450</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, 2008**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 1,195,275	\$ 1,195,275	\$ 1,035,830	\$ (159,445)
Investment income	10,000	10,000	17,103	7,103
Total revenues	<u>1,205,275</u>	<u>1,205,275</u>	<u>1,052,933</u>	<u>(152,342)</u>
<b>EXPENDITURES</b>				
Current				
General government				
Personal services	824,000	824,000	786,560	37,440
Supplies & materials	15,000	15,000	10,813	4,187
Other services & charges	146,275	146,275	134,426	11,849
Total expenditures	<u>985,275</u>	<u>985,275</u>	<u>931,799</u>	<u>53,476</u>
Excess of revenues over (under) expenditures	<u>220,000</u>	<u>220,000</u>	<u>121,134</u>	<u>(98,866)</u>
<b>Other Financing Uses</b>				
Transfer (out)	<u>(220,000)</u>	<u>(220,000)</u>	<u>(108,000)</u>	<u>112,000</u>
Net change in fund balances	0	0	13,134	13,134
Fund balances - beginning	<u>420,842</u>	<u>420,842</u>	<u>420,842</u>	<u>0</u>
Fund balances - ending	<u>\$ 420,842</u>	<u>\$ 420,842</u>	<u>\$ 433,976</u>	<u>\$ 13,134</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, 2008**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Licenses & permits	\$ 0	\$ 0	\$ 75	\$ 75
Gambling taxes	69,600	69,600	70,488	888
Donations	80,000	80,000	62,494	(17,506)
Investment income	0	0	589	589
Total revenues	149,600	149,600	133,646	(15,954)
<b>EXPENDITURES</b>				
Current				
General government				
Personal services	25,600	25,600	16,357	9,243
Other services & charges	124,000	124,000	127,934	(3,934)
Total expenditures	149,600	149,600	144,291	5,309
Net change in fund balances	0	0	(10,645)	(10,645)
Fund deficit - beginning	(91,111)	(91,111)	(91,111)	0
Fund deficit - ending	\$ (91,111)	\$ (91,111)	\$ (101,756)	\$ (10,645)

**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, 2008**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
General property taxes	\$ 50,000	\$ 50,000	\$ 47,631	\$ (2,369)
Intergovernmental revenue	0	0	775	775
Charges for services	648,500	648,500	688,635	40,135
Investment income	0	0	(47)	(47)
Miscellaneous revenue	0	0	18,094	18,094
Total revenues	<u>698,500</u>	<u>698,500</u>	<u>755,088</u>	<u>56,588</u>
<b>EXPENDITURES</b>				
Current				
Personal services	598,000	598,000	533,894	64,106
Supplies	7,100	7,100	15,208	(8,108)
Other services & charges	102,000	102,000	113,005	(11,005)
Capital outlay	115,000	115,000	121,945	(6,945)
Total expenditures	<u>822,100</u>	<u>822,100</u>	<u>784,052</u>	<u>38,048</u>
Excess of revenues over (under) expenditures	<u>(123,600)</u>	<u>(123,600)</u>	<u>(28,964)</u>	<u>94,636</u>
<b>OTHER FINANCING SOURCES</b>				
Transfer in	123,600	123,600	125,000	1,400
Net change in fund balances	0	0	96,036	96,036
Fund deficit - beginning	<u>(359,826)</u>	<u>(359,826)</u>	<u>(359,826)</u>	<u>0</u>
Fund deficit - ending	<u>\$ (359,826)</u>	<u>\$ (359,826)</u>	<u>\$ (263,790)</u>	<u>\$ 96,036</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, 2008**

	Workers' Compensation Self-Insurance	Risk Management	Total
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 2,155,507	\$ 592,797	\$ 2,748,304
Investment interest receivable	12,522	3,719	16,241
Accounts receivable	0	350	350
Total Assets	2,168,029	596,866	2,764,895
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	3,818	12,313	16,131
Due to other governments	1,792	0	1,792
Insurance claims payable	312,970	116,555	429,525
Total Liabilities	318,580	128,868	447,448
<b>NET ASSETS</b>			
Unrestricted	\$ 1,849,449	\$ 467,998	\$ 2,317,447

**CITY OF ROSEVILLE, MINNESOTA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS  
For the Year Ended December 31, 2008**

	Workers' Compensation Self-Insurance Fund	Risk Management	Total
	<u>          </u>	<u>          </u>	<u>          </u>
Operating revenues:			
Departmental charges	\$ 50,000	\$ 258,640	\$ 308,640
Other	0	121	121
Total operating revenues	<u>50,000</u>	<u>258,761</u>	<u>308,761</u>
 Operating expenses:			
Other services and charges			
Professional Services	17,332	11,167	28,499
Insurance	24,207	164,675	188,882
Training	425	275	700
Administrative charges	26	2,264	2,290
Payment of claims	269,977	62,674	332,651
Total operating expense	<u>311,967</u>	<u>241,055</u>	<u>553,022</u>
 Operating income (loss)	 (261,967)	 17,706	 (244,261)
 Nonoperating revenues			
Investment income	<u>81,578</u>	<u>19,945</u>	<u>101,523</u>
 Change in net assets	 (180,389)	 37,651	 (142,738)
 Total net assets - beginning	 <u>2,029,838</u>	 <u>430,347</u>	 <u>2,460,185</u>
 Total net assets - ending	 <u>\$ 1,849,449</u>	 <u>\$ 467,998</u>	 <u>\$ 2,317,447</u>

**CITY OF ROSEVILLE, MINNESOTA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2008**

	Workers' Compensation Self-Insurance Fund	Risk Management	Total
<b>CASH FLOWS FROM</b>			
<b>OPERATING ACTIVITIES</b>			
Cash received from users, including deposits	\$ 50,000	\$ 262,695	\$ 312,695
Cash payments to suppliers for good and services	(52,850)	(169,411)	(222,261)
Cash payments to employees and others for resolved claims	(91,070)	(113,734)	(204,804)
Net cash provided (used) by operating activities	<u>(93,920)</u>	<u>(20,450)</u>	<u>(114,370)</u>
<b>CASH FLOWS FROM</b>			
<b>INVESTING ACTIVITIES</b>			
Investment income	81,295	19,738	101,033
Net increase (decrease) in cash and cash equivalents	(12,625)	(712)	(13,337)
Cash and cash equivalents, January 1	2,168,132	593,509	2,761,641
Cash and cash equivalents, December 31	<u>\$ 2,155,507</u>	<u>\$ 592,797</u>	<u>\$ 2,748,304</u>
<b>Reconciliation of operating income (loss) to net cash (used) by operating income:</b>			
Operating (loss)	\$ (261,967)	\$ 17,706	\$ (244,261)
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	(12,652)	8,970	(3,682)
Increase (Decrease) in due to other governments	1,792	0	1,792
Increase (Decrease) in insurance claim payable	178,907	(51,060)	127,847
Net cash provided (used) by operating activities	<u>\$ (93,920)</u>	<u>\$ (20,450)</u>	<u>\$ (114,370)</u>

## Agency Funds

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

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

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

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

**CITY OF ROSEVILLE, MINNESOTA**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS - AGENCY FUNDS**  
**December 31, 2008**

	Grass Lake Water Management Fund	Roseville Islamic Cemetery Fund	Roseville Visitors Association	Total
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 169,142	\$ 106,995	\$ 358,225	\$ 634,362
Investment interest receivable	1,061	671	2,296	4,028
Accounts receivable	0	0	41,227	41,227
Prepaid items	0	0	9,708	9,708
Net capital assets	<u>0</u>	<u>0</u>	<u>23,602</u>	<u>23,602</u>
 Total Assets	 <u><u>\$ 170,203</u></u>	 <u><u>\$ 107,666</u></u>	 <u><u>\$ 435,058</u></u>	 <u><u>\$ 712,927</u></u>
 <b>LIABILITIES</b>				
Accounts payable	\$ 0	\$ 0	\$ 30,668	\$ 30,668
Accrued payroll	0	0	8,582	8,582
Due to other governments	0	0	385	385
Due to other organizations	<u>170,203</u>	<u>107,666</u>	<u>395,424</u>	<u>673,293</u>
 Total Liabilities	 <u><u>\$ 170,203</u></u>	 <u><u>\$ 107,666</u></u>	 <u><u>\$ 435,058</u></u>	 <u><u>\$ 712,927</u></u>

**CITY OF ROSEVILLE, MINNESOTA  
 COMBINING STATEMENT OF CHANGES IN  
 ASSETS AND LIABILITIES - AGENCY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	Balance January 1, 2008	Additions	Deductions	Balance December 31, 2008
<b>ASSETS</b>				
Cash and cash equivalents	\$ 696,427	\$ 806,425	\$ 868,490	\$ 634,362
Investment interest receivable	5,554	4,028	5,554	4,028
Accounts receivable	42,014	41,227	42,014	41,227
Prepaid items	40,000	9,708	40,000	9,708
Net capital assets	24,317	7,856	8,571	23,602
	<u>808,312</u>	<u>869,244</u>	<u>964,629</u>	<u>712,927</u>
Total assets	<u>\$ 808,312</u>	<u>\$ 869,244</u>	<u>\$ 964,629</u>	<u>\$ 712,927</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 45,818	\$ 662,411	\$ 677,561	\$ 30,668
Accrued payroll	11,456	8,582	11,456	8,582
Due to other governments	0	385	0	385
Due to other organizations	751,038	197,867	275,612	673,293
	<u>808,312</u>	<u>869,244</u>	<u>964,629</u>	<u>712,927</u>
Total liabilities	<u>\$ 808,312</u>	<u>\$ 869,244</u>	<u>\$ 964,629</u>	<u>\$ 712,927</u>

**CITY OF ROSEVILLE, MINNESOTA**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUND - GRASS LAKE WATER MANAGEMENT ORGANIZATION**  
**Year Ended December 31, 2008**

	Balance January 1, 2008	Additions	Deductions	Balance December 31, 2008
<b>ASSETS</b>				
Cash and cash equivalents	\$ 219,555	\$ 43,701	\$ 94,114	\$ 169,142
Investment interest receivable	<u>1,239</u>	<u>1,061</u>	<u>1,239</u>	<u>1,061</u>
Total assets	<u><u>\$ 220,794</u></u>	<u><u>\$ 44,762</u></u>	<u><u>\$ 95,353</u></u>	<u><u>\$ 170,203</u></u>
<b>LIABILITIES</b>				
Accounts payable	\$ 24,428	\$ 54,623	\$ 79,051	\$ 0
Due to Grass Lake Water Management Organization	<u>196,366</u>	<u>(9,861)</u>	<u>16,302</u>	<u>170,203</u>
Total liabilities	<u><u>\$ 220,794</u></u>	<u><u>\$ 44,762</u></u>	<u><u>\$ 95,353</u></u>	<u><u>\$ 170,203</u></u>

**CITY OF ROSEVILLE, MINNESOTA**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUND - ROSEVILLE ISLAMIC CEMETERY**  
**Year Ended December 31, 2008**

	Balance January 1, 2008	Additions	Deductions	Balance December 31, 2008
<b>ASSETS</b>				
Cash and cash equivalents	\$ 107,316	\$ 11,535	\$ 11,856	\$ 106,995
Investment interest receivable	<u>606</u>	<u>671</u>	<u>606</u>	<u>671</u>
Total assets	<u><u>\$ 107,922</u></u>	<u><u>\$ 12,206</u></u>	<u><u>\$ 12,462</u></u>	<u><u>\$ 107,666</u></u>
<b>LIABILITIES</b>				
Due to other organizations	<u><u>\$ 107,922</u></u>	<u><u>\$ 12,206</u></u>	<u><u>\$ 12,462</u></u>	<u><u>\$ 107,666</u></u>

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUND - ROSEVILLE VISITORS ASSOCIATION**  
**Year Ended December 31, 2008**

	Balance January 1, 2008	Additions	Deductions	Balance December 31, 2008
<b>ASSETS</b>				
Cash and cash equivalents	\$ 369,556	\$ 751,189	\$ 762,520	\$ 358,225
Investment interest receivable	3,709	2,296	3,709	2,296
Accounts receivable	42,014	41,227	42,014	41,227
Prepaid items	40,000	9,708	40,000	9,708
Net capital assets	<u>24,317</u>	<u>7,856</u>	<u>8,571</u>	<u>23,602</u>
Total assets	<u><u>\$ 479,596</u></u>	<u><u>\$ 812,276</u></u>	<u><u>\$ 856,814</u></u>	<u><u>\$ 435,058</u></u>
<b>LIABILITIES</b>				
Accounts payable	\$ 21,390	\$ 607,788	\$ 598,510	\$ 30,668
Accrued payroll	11,456	8,582	11,456	8,582
Due to other governments	0	385	0	385
Due to other organizations	<u>446,750</u>	<u>195,522</u>	<u>246,848</u>	<u>395,424</u>
Total liabilities	<u><u>\$ 479,596</u></u>	<u><u>\$ 812,276</u></u>	<u><u>\$ 856,814</u></u>	<u><u>\$ 435,058</u></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.

<b><u>Contents:</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	<b>104-114</b>
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.	
<b>Revenue Capacity</b>	<b>116-121</b>
These schedules contain information to help the reader assess the City of Roseville's most significant local revenue source, the property tax.	
<b>Debt Capacity</b>	<b>122-127</b>
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.	
<b>Demographic and Economic Information</b>	<b>128</b>
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.	
<b>Operating Indicators</b>	<b>130-134</b>
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 Nine Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in whole dollars)**

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
<b>Governmental activities</b>				
Invested in capital assets, net of related debt	\$ 71,853,301	\$ 93,183,644	\$ 96,613,757	\$ 98,124,347
Restricted	15,169,812	4,060,495	17,636,917	19,069,579
Unrestricted	<u>31,362,604</u>	<u>31,451,743</u>	<u>16,242,410</u>	<u>13,268,393</u>
Total governmental activities net assets	<u>\$ 118,385,717</u>	<u>\$ 128,695,882</u>	<u>\$ 130,493,084</u>	<u>\$ 130,462,319</u>
<b>Business-type activities</b>				
Invested in capital assets, net of related debt	\$ 27,787,522	\$ 27,622,610	\$ 26,972,178	\$ 18,191,864
Restricted	0	0	0	0
Unrestricted	<u>8,099,574</u>	<u>8,142,501</u>	<u>7,369,326</u>	<u>8,146,474</u>
Total business-type activities net assets	<u>\$ 35,887,096</u>	<u>\$ 35,765,111</u>	<u>\$ 34,341,504</u>	<u>\$ 26,338,338</u>
<b>Primary government</b>				
Invested in capital assets, net of related debt	\$ 99,640,823	\$ 120,806,254	\$ 123,585,935	\$ 116,316,211
Restricted	15,169,812	4,060,495	17,636,917	19,069,579
Unrestricted	<u>39,462,178</u>	<u>39,594,244</u>	<u>23,611,736</u>	<u>21,414,867</u>
Total primary government net assets	<u>\$ 154,272,813</u>	<u>\$ 164,460,993</u>	<u>\$ 164,834,588</u>	<u>\$ 156,800,657</u>

Note: Fiscal 2000 is the first year this information was available due to the implementation of GASB #34.

<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
\$ 98,037,804	\$ 97,878,949	\$ 100,584,976	\$ 98,813,670	\$ 96,932,095
18,269,971	20,185,016	8,468,097	11,095,142	13,648,619
11,162,422	10,853,297	24,354,100	24,743,085	23,757,872
<u>\$ 127,470,197</u>	<u>\$ 128,917,262</u>	<u>\$ 133,407,173</u>	<u>\$ 134,651,897</u>	<u>\$ 134,338,586</u>
\$ 17,950,057	\$ 17,862,240	\$ 17,906,632	\$ 17,892,424	\$ 17,799,877
0	0	0	0	0
7,940,709	7,661,585	7,222,064	7,254,956	7,098,164
<u>\$ 25,890,766</u>	<u>\$ 25,523,825</u>	<u>\$ 25,128,696</u>	<u>\$ 25,147,380</u>	<u>\$ 24,898,041</u>
\$ 115,987,861	\$ 115,741,189	\$ 118,491,608	\$ 116,706,094	\$ 114,731,972
18,269,971	20,185,016	8,468,097	11,095,142	13,648,619
19,103,131	18,514,882	31,576,164	31,998,041	30,856,036
<u>\$ 153,360,963</u>	<u>\$ 154,441,087</u>	<u>\$ 158,535,869</u>	<u>\$ 159,799,277</u>	<u>\$ 159,236,627</u>

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

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

Note: Fiscal 2000 is the first year this information was available due to the implementation of GASB #34.

<u>2006</u>	<u>2007</u>	<u>2008</u>
\$ 3,664,716	\$ 3,830,814	\$ 4,283,715
7,147,499	8,296,894	8,007,678
4,716,980	4,604,463	4,720,546
4,210,261	4,380,187	4,935,218
1,931,016	2,469,226	2,337,776
427,191	400,498	392,527
<u>22,097,663</u>	<u>23,982,082</u>	<u>24,677,460</u>
3,112,372	3,035,274	3,504,577
4,410,178	4,739,327	4,881,489
347,153	354,318	344,445
366,769	443,984	467,847
858,746	826,297	707,675
<u>9,095,218</u>	<u>9,399,200</u>	<u>9,906,033</u>
<u>\$ 31,192,881</u>	<u>\$ 33,381,282</u>	<u>\$34,583,493</u>
\$ 2,377,143	\$ 2,700,261	\$ 2,445,389
568,337	566,899	549,931
1,946,946	1,926,806	1,765,969
1,932,849	1,802,012	1,491,065
881,421	872,349	877,723
<u>3,182,023</u>	<u>806,147</u>	<u>371,295</u>
<u>10,888,719</u>	<u>8,674,474</u>	<u>7,501,372</u>
2,693,983	2,796,265	2,893,260
4,445,284	4,809,523	5,024,591
302,406	315,372	310,921
348,946	387,706	426,249
667,441	688,715	736,688
64,216	63,861	66,661
0	0	0
<u>8,522,276</u>	<u>9,061,442</u>	<u>9,458,370</u>
<u>\$ 19,410,995</u>	<u>\$ 17,735,916</u>	<u>\$16,959,742</u>
\$(11,208,944)	\$ (15,307,608)	#####
<u>(572,942)</u>	<u>(337,758)</u>	<u>(447,663)</u>
<u>\$(11,781,886)</u>	<u>\$ (15,645,366)</u>	<u>#####</u>
\$ 10,684,683	\$ 11,246,116	\$12,417,024
2,535,830	2,765,844	2,956,413
310,790	337,069	372,706
81,152	88,890	70,488
53,562	225,497	227,048
1,205,188	1,888,916	1,353,641
827,650	0	0
0	0	25,000
<u>15,698,855</u>	<u>16,552,332</u>	<u>17,422,320</u>
177,813	356,442	257,409
0	0	0
0	0	(25,000)
<u>177,813</u>	<u>356,442</u>	<u>232,409</u>
<u>\$ 15,876,668</u>	<u>\$ 16,908,774</u>	<u>\$17,654,729</u>
\$ 4,489,911	\$ 1,244,724	\$ 246,232
<u>(395,129)</u>	<u>18,684</u>	<u>(215,254)</u>
<u>\$ 4,094,782</u>	<u>\$ 1,263,408</u>	<u>\$ 30,978</u>

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

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Tax Increments</b>	<b>Cable Franchise Taxes</b>	<b>Gambling Taxes</b>	<b>Total</b>
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
2008	12,417,024	2,956,413	372,706	70,488	15,816,631

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

	<b>Fiscal Year</b>			
	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
General Fund				
Reserved	\$ 4,907	\$ 8,746	\$ 8,746	\$ 122,689
Unreserved	4,604,103	4,627,744	4,644,801	4,784,397
Total general fund	<u>\$ 4,609,010</u>	<u>\$ 4,636,490</u>	<u>\$ 4,653,547</u>	<u>\$ 4,907,086</u>
All other governmental funds				
Reserved	\$ 5,336,209	\$ 7,569,388	\$ 14,123,604	\$ 14,520,616
Unreserved, reported in:				
Special revenue funds	(686,045)	439,946	(78,477)	(565,527)
Debt Service	0	0	(1,378,721)	(3,531,006)
Capital projects funds	12,367,992	16,038,906	12,223,266	12,023,475
Permanent funds	10,823,292	12,004,181	0	0
Total all other governmental funds	<u>\$ 27,841,448</u>	<u>\$ 36,052,421</u>	<u>\$ 24,889,672</u>	<u>\$ 22,447,558</u>

<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
\$ 113,717	\$ 189,754	\$ 244,605	\$ 279,959	\$ 356,130	\$ 404,952
5,636,721	4,004,398	2,995,554	5,119,511	3,861,976	3,305,144
<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>	<u>\$ 3,710,096</u>
\$ 14,167,788	\$ 14,177,837	\$ 19,940,411	\$ 7,796,425	\$ 10,739,012	\$ 13,243,667
(902,425)	(21,103)	133,475	389,451	921,554	946,069
(4,367,838)	(1,939,074)	(1,620,955)	(1,471,817)	(916,039)	(458,367)
17,044,915	8,624,773	5,192,817	17,104,369	17,570,635	17,264,721
0	0	0	n/a	n/a	n/a
<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>	<u>\$ 30,996,090</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									
	1999	2000 (1)	2001	2002	2003	2004	2005	2006	2007	2008
<b>Revenues</b>										
Taxes	\$ 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	\$ 15,816,631
Intergovernmental	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	1,476,064
Licenses and permits	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	1,373,997
Charges for services	2,213,681	2,611,852	2,843,523	3,092,152	2,956,205	2,773,918	2,844,007	3,610,219	3,386,256	4,438,632
Fines and forfeits	175,099	187,199	203,164	203,353	181,567	147,140	195,814	255,585	242,630	232,520
Special assessments	1,437,914	1,363,072	1,121,568	920,038	885,226	843,496	628,237	561,329	589,047	423,053
Investment earnings	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	1,353,641
Miscellaneous	1,754,359	2,202,725	950,685	772,552	696,319	465,705	1,336,239	844,230	931,710	751,791
Total revenues	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	25,866,329
<b>Expenditures</b>										
General government	\$ 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	\$ 4,235,862
Public safety	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	7,588,822
Public works	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	2,255,799
Economic development	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	2,310,147
Recreation	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	3,610,862
Other	244,996	242,852	0	0	0	0	0	0	0	0
Capital outlay	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	4,988,351
Debt service										
Principal	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	935,000
Interest	1,670,121	1,542,348	855,735	880,089	300,237	742,442	482,566	443,871	411,327	385,348
Other Charges	495,512	655,458	294,059	3,940	55,000	30,752	0	0	0	25,082
Total expenditures	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	26,335,273
Excess of revenues over (under) expenditures	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	(468,944)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Other financing sources (uses)</b>										
Transfers in	\$ 1,499,825	\$ 2,638,197	\$ 9,993,648	\$ 2,785,928	\$ 2,671,056	\$ 5,015,776	\$ 432,827	\$ 296,700	\$ 648,729	\$ 133,000
Transfers out	(1,499,825)	(2,638,197)	(9,993,648)	(2,810,127)	(2,671,056)	(5,015,776)	(432,827)	(284,452)	(620,000)	(108,000)
Refunding bonds issued	0	0	0	0	0	1,725,000	0	0	0	0
Bonds issued	2,477,563	0	0	0	9,700,000	0	0	0	0	2,550,000
Premium on bonds issued	0	0	0	0	0	22,118	0	0	0	16,874
Payments to refunded bond escrow agent	0	0	(8,045,000)	(355,000)	0	(1,715,000)	0	0	0	0
Proceeds from letter of credit	0	0	0	0	0	0	0	827,650	0	0
Sale of capital assets	0	0	33,664	19,532	1,308,908	72,354	63,704	24,270	78,050	49,988
Total other financing sources (uses)	<u>2,477,563</u>	<u>0</u>	<u>(8,011,336)</u>	<u>(359,667)</u>	<u>11,008,908</u>	<u>104,472</u>	<u>63,704</u>	<u>864,168</u>	<u>106,779</u>	<u>2,641,862</u>
Net change in fund balances	<u>\$ 3,293,297</u>	<u>\$ 2,246,129</u>	<u>\$ (11,134,392)</u>	<u>\$ (2,188,573)</u>	<u>\$ 4,338,234</u>	<u>\$ (5,350,184)</u>	<u>\$ 1,849,322</u>	<u>\$ 2,331,991</u>	<u>\$ 3,315,370</u>	<u>\$ 2,172,918</u>
Debt service as a percentage of noncapital expenditures	29.63%	33.35%	45.66%	28.15%	11.52%	11.29%	8.51%	8.52%	6.44%	6.30%

**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
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
2008	12,417,024	2,956,413	372,706	70,488	15,816,631

(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)**

<b>Fiscal Year Ended December 31</b>	<b>Real Property</b>			<b>Personal Property</b>	
	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Other</b>	<b>Commercial (1)</b>	<b>Gas &amp; Electric (1)</b>
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
2008	27,963,022	23,644,984	7,951,147	0	483,564

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</u>	<u>Less:</u>	<u>Total Taxable</u>	<u>Total</u>	<u>Estimated</u>	<u>Assesed</u>
<u>Leased Machinery</u>	<u>TIF &amp;</u>	<u>Assessed</u>	<u>Direct</u>	<u>Actual</u>	<u>Value as a</u>
<u>&amp; Equipment (1)</u>	<u>Fiscal Disparity</u>	<u>Value</u>	<u>Tax</u>	<u>Taxable</u>	<u>Percentage of</u>
	<u>Contribution (Net)</u>		<u>Rate</u>	<u>Value</u>	<u>Actual Value</u>
\$ 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%
87,052	(8,447,095)	51,682,674	23.38%	4,522,375,200	1.14%

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

<b>Fiscal Year</b>	<b>City of Roseville</b>			<b>Ramsey County</b>	<b>Overlapping Rates (1) School District - ISD#621</b>		
	<b>Operating Millage</b>	<b>Debt Service Millage</b>	<b>Total City Millage</b>	<b>Total County Millage (2)</b>	<b>Operating Millage</b>	<b>Debt Service Millage</b>	<b>Total School Millage</b>
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
2008	20.344	3.039	23.383	44.023	8.427	12.142	20.569

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.

<b>School District - ISD#623</b>		<b>Total</b>
<b>Total</b>	<b>Special</b>	<b>Direct &amp;</b>
<b>School</b>	<b>Districts</b>	<b>Overlapping</b>
<b>Millage (2)</b>		<b>Rates</b>
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
10.624	8.298	106.90

**City of Roseville**  
**Principal Property Taxpayers**  
**December 31, 2008 Compared To December 31, 1999**  
(amounts expressed in whole dollars)

<u>Taxpayer</u>	<u>2008</u>			<u>1999</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.	426,287	1	3.31%	-	-	-
Gateway Washington Inc.	171,610	2	1.33%	-	-	-
Williams Bros Pipeline	124,579	3	0.97%	61,931	9	0.49%
PPF Rosedale Shopping Center	102,729	4	0.80%	-	-	-
JTL Roseville Corp Center LLC	96,600	5	0.75%	-	-	-
Kpers Realty Holding #41 INC	88,572	6	0.69%	-	-	-
Rosedale Marketplace Associate	82,346	7	0.64%	-	-	-
Rosedale Properties LLC	76,277	8	0.59%	-	-	-
St Paul Properties	76,270	9	0.59%	-	-	-
Meritex Enterprises Inc.	74,777	10	0.58%	-	-	-
Tanurb Developments, Inc.	-	-	-	135,056	3	1.06%
M & J Crossroads LP	-	-	-	121,139	5	0.95%
Equitable Life Assurance	-	-	-	525,331	1	4.13%
Bradley Real Estate Trust	-	-	-	169,218	2	1.33%
Dayton Hudson Corp.	-	-	-	104,645	6	0.82%
Space Center Enterprises	-	-	-	125,448	4	0.99%
Sterling Roseville LLC	-	-	-	75,510	7	0.59%
Bit Holding Thirty Two Inc.	-	-	-	68,548	8	0.54%
Arrow Lexington Apartments LLC	-	-	-	65,055	10	0.51%
	<u>1,320,046</u>		<u>10.24%</u>	<u>1,451,879</u>		<u>11.40%</u>

Source: Ramsey County



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

Fiscal Year Ended Decemebr 31	Total Tax Levy for Fiscal Year(1)	Collected within the Fiscal Year of the Levy		Collections from Homestead Credit	Collections in Subsequent Years(2)	Total Collections to Date	
		Amount(3)	Percentage of Levy			Amount	Percentage of Levy
1999	\$ 12,732,207	\$ 12,701,252	99.76%	\$ 0	\$ 40,560	\$ 12,741,812	100.08%
2000	14,199,751	14,034,114	98.83	0	12,545	14,046,659	98.92
2001	16,679,271	15,541,984	93.18	0	53,337	15,595,321	93.50
2002	8,922,884	7,870,430	88.21	0	0	7,870,430	88.21
2003	8,827,884	8,031,962	90.98	0	0	8,031,962	90.98
2004	9,760,674	9,249,016	94.76	0	0	9,249,016	94.76
2005	10,637,965	9,866,249	92.75	0	0	9,866,249	92.75
2006	11,169,865	10,684,682	95.66	0	0	10,684,682	95.66
2007	11,696,360	11,246,116	96.15	423,246	0	11,669,362	99.77
2008	12,896,360	12,305,759	95.42	402,488	N/A	12,707,947	98.54

- (1) Starting in 2002 tax levy amounts do not include tax increments, as in previous years.
- (2) Starting in 2002 subsequent year collections are included in the amount collected in the subsequent year because of state fluctuations in local government aid.
- (3) Starting in 2002 state aid collections of the homestead credit are not included.

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

<b>Fiscal Year</b>	<b>Governmental Activities</b>				<b>Certificate of Indebtedness</b>	<b>Total Primary Government</b>	<b>Percentage of Estimated Actual Taxable Value of Property (1)</b>	<b>Per Capita (2)</b>
	<b>General Obligation Bonds</b>	<b>Special Assessment Bonds</b>	<b>General Obligation Tax Increment Bonds</b>					
1999	\$ 0	\$ 18,275,000	\$ 18,550,000	\$ 0	\$ 36,825,000	1.84%	\$ 1,073.43	
2000	0	15,380,000	16,525,000	0	31,905,000	1.46%	947.02	
2001	0	11,055,000	1,815,000	0	12,870,000	0.53%	379.10	
2002	0	7,560,000	0	0	7,560,000	0.29%	222.69	
2003	9,700,000	5,795,000	0	0	15,495,000	0.52%	454.40	
2004	9,700,000	4,475,000	0	0	14,175,000	0.44%	415.93	
2005	9,535,000	3,585,000	0	0	13,120,000	0.37%	387.23	
2006	9,000,000	2,875,000	0	0	11,875,000	0.30%	349.58	
2007	8,455,000	2,500,000	0	0	10,955,000	0.26%	322.50	
2008	7,890,000	2,130,000	0	2,550,000	12,570,000	0.28%	368.63	

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)

<b>Fiscal Year</b>	<b>General Obligation Debt</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property (1)</b>	<b>Per Capita (2)</b>	<b>Estimated (3) Personal Income (amounts expressed in whole dollars)</b>
1999	\$ 36,825,000	\$ 5,993,095	\$ 30,831,905	1.54%	\$ 898.73	\$ 1,080,488,700
2000	31,905,000	5,427,156	26,477,844	1.21%	785.93	1,125,043,860
2001	12,870,000	0	12,870,000	0.53%	379.10	1,171,070,755
2002	7,560,000	0	7,560,000	0.29%	222.69	1,214,232,800
2003	15,495,000	0	15,495,000	0.52%	454.40	1,252,780,800
2004	14,175,000	0	14,175,000	0.44%	415.93	1,341,695,520
2005	13,120,000	0	13,120,000	0.37%	387.23	1,385,197,806
2006	11,875,000	0	11,875,000	0.30%	349.58	1,315,007,728
2007	10,955,000	0	10,955,000	0.26%	322.50	1,593,883,946
2008	12,570,000	0	12,570,000	0.28%	368.63	1,602,820,426

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

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics.

(3) This estimated personal income number is calculated by taking the per capita personal income of Ramsey County and multiplying it by the City population.

**Outstanding  
Debt to  
Personal  
income**

---

2.85%  
2.84%  
1.10%  
0.62%  
1.24%  
1.06%  
0.95%  
0.90%  
0.69%  
0.78%

**City of Roseville**  
**Direct and Overlapping Governmental Activities Debt**  
**As of December 31, 2008**  
**(amounts expressed in whole dollars)**

<u>Governmental Unit</u>	<u>Gross Debt Net of Refunding</u>	<u>Cash Held in Debt Service Fund</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to Roseville</u>	<u>Amount Applicable to Roseville</u>
Direct Debt:					
City of Roseville	\$ 12,750,000	\$ 0	\$ 12,750,000	100%	\$ 12,750,000
Total Direct Debt					<u>\$ 12,750,000</u>
Overlapping Debt*					
School District #621	\$ 144,948,495	\$ 8,564,427	\$ 136,384,068	8%	\$ 10,910,725
School District #623	36,325,000	1,984,254	34,340,746	61%	20,947,855
Special School District #916	9,710,000	450,307	9,259,693	8%	740,775
Metropolitan Council	1,116,379,876	70,969,452	1,045,410,424	1%	10,454,104
Metropolitan Airports Commission	1,790,917,000	255,847,849	1,535,069,151	1%	15,350,692
Ramsey County Library	8,040,000	1,453,935	6,586,065	17%	1,119,631
Ramsey County	195,917,000	16,502,352	179,414,648	9%	16,147,318
Total Overlapping Debt	<u>\$ 3,302,237,371</u>	<u>\$ 355,772,576</u>	<u>\$ 2,946,464,795</u>		<u>\$ 75,671,101</u>
Total Direct and Overlapping Debt	<u>\$ 3,314,987,371</u>	<u>\$ 355,772,576</u>	<u>\$ 2,959,214,795</u>		<u>\$ 88,421,101</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)

	<b>Fiscal Year</b>			
	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
Debt Limit	\$ 39,630,406	\$ 43,754,741	\$ 48,246,670	\$ 52,994,918
Total net debt applicable to limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Legal debt margin	<u>\$ 39,630,406</u>	<u>\$ 43,754,741</u>	<u>\$ 48,246,670</u>	<u>\$ 52,994,918</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 3 percent of the estimated market value of property. This limit increased from 2% to 3% in calendar 2008.

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$ 59,084,800	\$ 64,941,138	\$ 71,034,242	\$ 78,363,984	\$ 84,512,230	\$ 135,671,256
<u>9,700,000</u>	<u>9,700,000</u>	<u>9,535,000</u>	<u>9,000,000</u>	<u>8,455,000</u>	<u>10,440,000</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>	<u>\$ 125,231,256</u>
16.42%	14.94%	13.42%	11.48%	10.00%	7.70%

**Legal Debt Margin Calculation for Fiscal Year 2008**

Estimated Market Value	<u>\$ 4,522,375,200</u>
Debt Limit (3% of total estimated market value)	\$ 135,671,256
Debt applicable to limit:	
Total Bonded Debt	12,570,000
Less:	
Special Assessment Bonds	<u>2,130,000</u>
Total net debt applicable to limit	<u>\$ 10,440,000</u>
Legal Debt Margin	<u>\$ 125,231,256</u>

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

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Estimated (2) Personal Income (amounts expressed in whole dollars)</b>	<b>Per Capita Personal Income (3)</b>	<b>School Enrollment District #623 (4)</b>	<b>School Enrollment District #621 (4)</b>	<b>Unemployment Rate (5)</b>
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	1,315,007,728	38,712	6,396	9,929	3.4%
2007	33,969	1,593,883,946	44,852	6,420	9,705	3.9%
2008	34,099	1,602,820,426	47,005	6,486	9,792	5.7%

- (1) Population and per capita income figures, other than census year, are estimates provided by the Metropolitan Council. The last census was taken in the year 2000.
- (2) This estimated personal income number is calculated by taking the per capita personal income of Ramsey County and multiplying it by the City population. Also see note (3) regarding the Per Capita Personal Income figures.
- (3) The per capita personal income used is for that of Ramsey County, in which the city resides, the smallest region applicable to the City that this information is available for. In addition, the 2007 - 2008 figures are an estimate for the State of Minnesota provided by the Bureau of Economic Analysis as there were no other relevant estimates available at the time of this report.
- (4) The City is served by two independent school districts.  
District #623 covers approximately 67% of the City, while District #621 covers approximately 33% of the City. Accordingly, not all students enrolled in District #621 live in the City of Roseville.  
Information is provided by the Roseville and Moundsview School Districts.
- (5) Annual average unemployment provided by the Minnesota Department of Employment & Economic Development

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

<u>Employer</u>	<u>2008</u>			<u>1999</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	1,500	1	4.05%	450	8	1.29%
Presbyterian Homes Housing	1,120	2	3.03%	-	-	-
Roseville Area Schools	950	3	2.57%	-	-	-
Northwestern College	553	4	1.49%	-	-	-
MN Department of Education	430	5	1.16%	450	7	1.29%
Symantic	430	6	1.16%	-	-	-
Target	407	7	1.10%	500	5	1.43%
Macy's	400	8	1.08%	-	-	-
McGough Construction	400	9	1.08%	-	-	-
JC Penny	300	10	0.81%	500	4	1.43%
Dayton's	-	-	-	800	1	2.29%
Health Span Home Care	-	-	-	600	2	1.71%
MN State Lottery	-	-	-	525	3	1.50%
Advance Circuits	-	-	-	500	6	1.43%
Deltak Corporation	-	-	-	335	9	0.96%
Stone Container	-	-	-	330	10	0.94%
Total	6,490		17.54%	4,990		14.26%

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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government	23.25	26.5	26.5	28.5	27.5	27.5	29.25	31.25	32.5	33.5
Public safety										
Police	51	52	54	54	55	57	56.5	57.5	57.5	58
Fire	3.5	3.5	3.5	4.5	4.5	4.5	4.5	4.5	7.5	8
Public Works	18	16.75	16.75	18	18.25	18.25	17.25	17.25	17.25	17.25
Recreation	24.25	24.25	24.25	25.25	24.25	24.25	22.25	22.25	22.25	22.25
Economic Development	11	11	11	11	10.9	10.9	10.9	10.4	10.9	10.9
Water	6.16	6.16	6.16	6.17	6.17	6.17	6.17	6.17	6.17	6.17
Sewer	5.16	5.16	5.16	5.16	5.16	5.16	5.16	5.16	5.16	5.16
Golf	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Recycling	0	0	0	0	0	0	0	0	0	0
Storm Drainage	3.17	3.17	3.17	3.17	3.42	3.42	3.42	3.42	3.42	3.42
<b>Total</b>	<b>147.99</b>	<b>150.99</b>	<b>152.99</b>	<b>158.25</b>	<b>157.65</b>	<b>159.65</b>	<b>157.90</b>	<b>160.40</b>	<b>165.15</b>	<b>167.15</b>

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

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

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.

<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007 (1)</b>	<b>2008</b>
2,596	3,075	3,002	3,068	3,036	3,001
22,770	33,092	39,897	37,632	38,598	38,052
6,281	3,679	7,763	9,312	9,219	8,062
609	634	890	931	4,313	4,300
1,530	1,550	1,725	1,740	1,740	1,800
1,000	1,000	890	800	900	1,006
15	14	14	16	13	15
123	123	123	123	123	125
81	194	300	250	335	197
108,112	110,466	109,879	112,061	113,250	112,725
849	964	1,007	1,093	1,125	1,115
1,584	1,378	1,404	1,270	1,302	1,254
7,255	7,151	7,651	6,532	7,313	6,051
106	69	72	100	69	45
415	412	394	402	407	554
28	41	20	30	39	38
1,696	1,702	1,708	1,701	1,711	1,706
2,136,020	1,421,732	2,021,000	2,115,219	2,156,057	2,066,694
310	1,740	840	5,098	4,849	5,000
242,729	242,475	296,000	257,000	235,000	276,000
12,300	13,600	12,800	9,400	43,755	61,497
2,136,020	1,421,732	2,021,000	2,115,219	2,156,057	2,066,694
35,000	36,000	31,914	31,139	31,794	31,147
2,815	2,902	3,123	3,402	3,681	3,750
125	125	125	125	125	125
20,000	20,000	20,000	20,000	20,000	20,000
3,000	3,000	3,000	171	167	71
1,860	1,400	890	3,072	625	188

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

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

1 Year

<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
1	1	1	1	1
26	26	27	27	27
3	3	3	3	3
123	121	123	123	123
1,144	1,124	1,125	1,125	1,125
30	30	30	30	30
8	8	8	8	8
685	685	685	685	685
11	10	10	10	8
1	1	1	1	1
1	1	1	1	1
41	41	41	41	41
5	8	8	8	8
17	17	17	17	17
9	9	9	9	9
8	8	8	8	8
69	69	69	69	69
10,196	10,237	10,135	10,256	10,271
165	165	166	166	166
1,702	1,699	1,701	1,711	1,711
1,421,732	2,021,459	2,115,219	2,156,057	2,066,694
10,053	10,115	10,083	10,199	10,015
156	156	156	156	156
141	144	145	145	145