



CITY OF ROSEVILLE, MINNESOTA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED DECEMBER 31, 2013



PREPARED BY THE FINANCE DEPARTMENT

On The Cover

The new Roseville fire station located at 2701 Lexington Ave had its grand opening on Saturday, October 12, 2013. Built on the same site as the City's original fire station, the new state-of-the-art facility includes six drive-through bays, on-site training features and multiple sleeping rooms.

The \$9 million project, funded by bonds issued in 2012 and 2013, began in the fall of 2012 as a means to replace the three existing but outdated fire stations. By centralizing the fire services, the Roseville Fire Department will reduce over-all response times and provide a better work environment for fire fighters.

The new station also incorporates the use of sustainable technologies. These include geothermal heating, natural lighting, low energy LED lighting, high R-value walls and windows, and a white membrane roof that reflects solar light and heat.

City of Roseville, Minnesota
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended December 31, 2013

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INTRODUCTORY SECTION

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May 5, 2014

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, 2013.

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

The City of Roseville's financial statements have been audited by Kern, DeWenter, Viere, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Roseville for the fiscal year ended December 31, 2013 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, 2013, 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 34,486. The City of Roseville is empowered to levy a property tax on both real and personal properties located within its boundaries. While it also is empowered by state statute to extend its corporate limits by annexation, Roseville is a completely developed community and is bordered on all sides by other incorporated communities.

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

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

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

The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may make transfers of appropriations within a fund. Transfers of appropriations between funds, however, require the special approval of the city council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 35 as part of the basic financial statements for the governmental funds. For governmental funds other than the general fund, and with appropriated annual budgets, this comparison is presented in the basic financial statements and the governmental fund subsection of this report, shown on pages 35-37, and 85-88.

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 has seen a stabilization of these local indicators during the past year. The region, while noted for a strong retail sector, enjoyed modest re-development in recent years. The re-development consisted of varied retail that added to the relative stability of the unemployment rate. Major industries with headquarters or divisions located within the government's boundaries or in close proximity include computer hardware and software manufacturers, electrical controls and medical services, and several divisions of state government departments which administer the state highway system and the State's educational administration of K-12 operations.

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

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

Long-term Financial Planning. The city council annually participates in the development of the City's long-term goals and objectives. Recently adopted goals include; establishing adequate funding mechanisms for infrastructure replacement, redeveloping the City's housing options, and securing funds for new public safety and recreational facilities.

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

Relevant Financial Policies. As part of the annual budget process, the City reviews a number of fiscal, budget, and administrative policies. There have been no significant changes to these policies from the previous year. However, the City's policy on cash reserve levels for some operating funds is not being met based on current reserve levels. Future compliance is expected through planned systematic operating surpluses.

Major Initiatives. In 2006-2007, the City conducted a long-term community visioning process. This process resulted in the establishment of 15 distinct goals and strategies that have been used to guide future decisions and to direct financial and other resources. It is expected that this community vision will continue to serve as the primary guiding tool for the next 5-10 years.

Achieving these goals and strategies are not expected to have a significant financial impact however. It is expected that a portion of existing resources will be redirected to the extent possible. In addition, it is expected that future debt obligations will decline which will allow existing resources dedicated to debt service to be re-purposed.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Roseville for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2012. This was the 34th 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, 2013. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the dedicated services of the Finance Department Staff. I would like to express my appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Roseville's finances.

Respectfully submitted



Christopher K. Miller
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

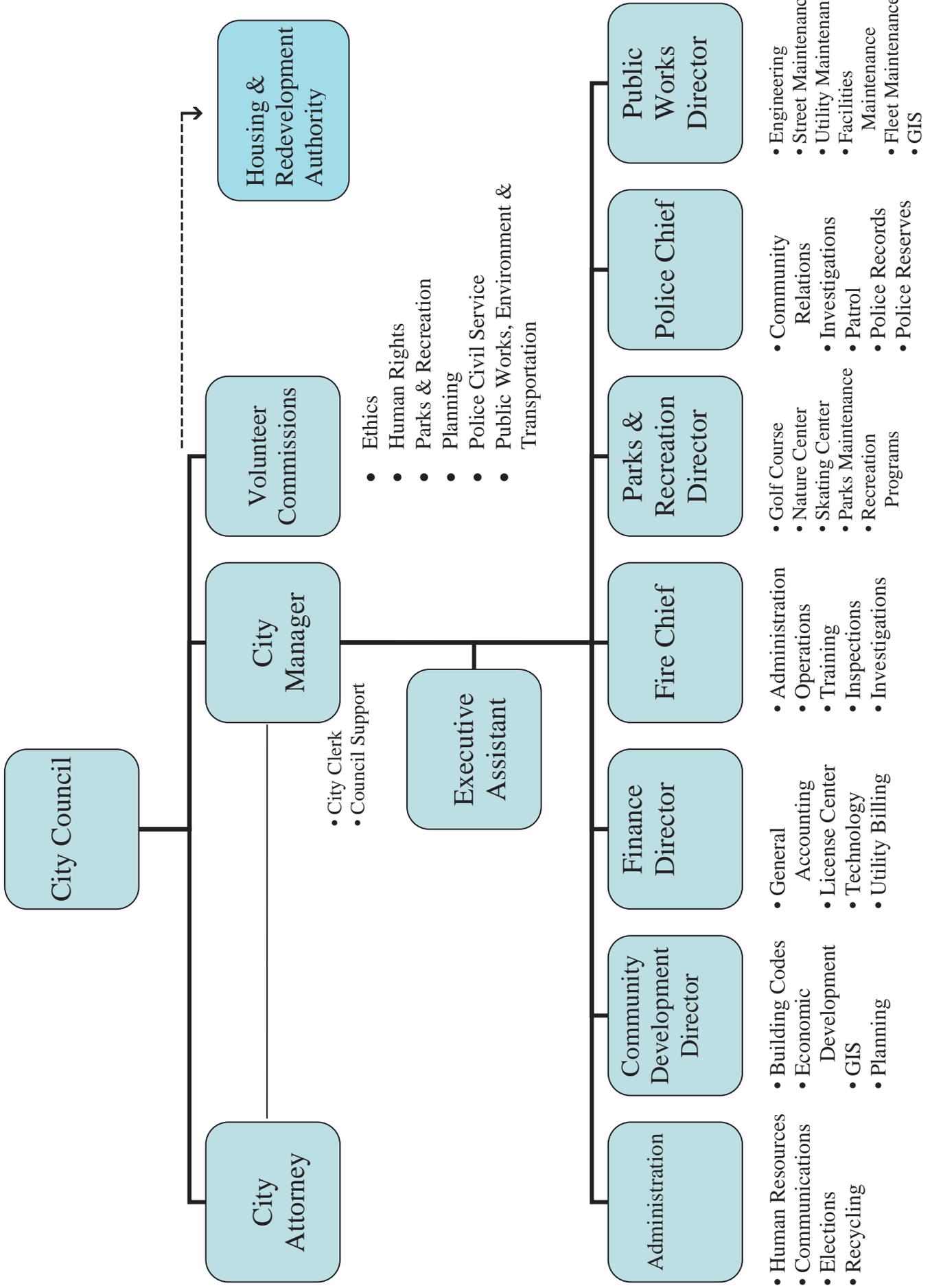
**City of Roseville
Minnesota**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

City of Roseville Organizational Chart





Elected and Appointed Officials December 31, 2013

Elected Officials

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

Appointed Officials

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

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Financial Section

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Expert advice. When you need it.SM

INDEPENDENT AUDITOR’S REPORT

Honorable Mayor and Members
of the City Council
City of Roseville

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Roseville, Minnesota, as of and for the year ended December 31, 2013, and the related Notes to the Financial Statements, which collectively comprise the City’s basic financial statements as listed in the Table of Contents.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Roseville Firefighter Relief Association, which are reflected in the City’s financial statements with a long term net pension benefit of \$ 307,023 as of December 31, 2013. Those Statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Roseville Firefighters Relief Association, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Expert advice. When you need it.SM

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Technology Services

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Roseville, Minnesota, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund, the Recreation Special Revenue Fund and the Community Development Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, which follows this report letter and the Schedule of Funding Progress, Other Post-Employment Benefits on page 79, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 1, 2014 on our consideration of the City of Roseville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Roseville's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Kern DeWenter, Vice Ltd".

KERN, DEWENTER, VIERE, LTD.
Minneapolis, Minnesota
May 1, 2014

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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, 2013. 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 net position of the City of Roseville exceeded its liabilities at the close of the most recent fiscal year by \$179,588,823 (Net position). Of this amount, \$29,696,870 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designations and fiscal policies.
- The City's total net position from operations increased by \$3,729,676.
- As of the close of the current fiscal year, the City of Roseville's governmental activities reported combined ending unrestricted net position of \$23,751,419.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,151,271 or 39% of total general fund expenditures.
- The City of Roseville total bonded debt and certificates of indebtedness increased by \$2,750,000 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 position 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 28-29 of this report.

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

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

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

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

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

The basic governmental fund financial statements can be found on pages 30-37 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 38-41 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 statement can be found on pages 42 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 43-75 of this report.

Other Information. Schedule of Funding Progress for Other Post-Employment Benefits can be found on page 79 of this report. Combining and individual fund statements and schedules can be found on pages 83-100 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of a government's financial position. In the case of the City of Roseville, assets exceeded liabilities by \$179,588,823 at the close of the most recent fiscal year. This represents an increase of \$3,729,676 from the previous year.

By far the largest portion of the City of Roseville's net position (76% 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 POSITION

	Governmental Activities <u>2013</u>	Governmental Activities <u>2012</u>	Business-Type Activities <u>2013</u>	Business-Type Activities <u>2012</u>	Total <u>2013</u>	Total <u>2012</u>
Current and other assets	\$ 66,837,897	\$ 66,903,348	\$ 8,904,763	\$ 7,854,486	\$ 75,742,660	\$ 74,757,834
Capital assets	131,224,852	126,056,109	21,814,228	20,244,092	153,039,080	146,300,201
Total Assets	<u>198,062,749</u>	<u>192,959,457</u>	<u>30,718,991</u>	<u>28,098,578</u>	<u>228,781,740</u>	<u>221,058,035</u>
Long-term liabilities						
Outstanding	40,845,554	37,882,717	183,812	157,960	41,029,366	38,040,677
Other liabilities	<u>5,388,051</u>	<u>5,005,065</u>	<u>2,775,500</u>	<u>2,153,146</u>	<u>8,163,551</u>	<u>7,158,211</u>
Total Liabilities	<u>46,233,605</u>	<u>42,887,782</u>	<u>2,959,312</u>	<u>2,311,106</u>	<u>49,192,917</u>	<u>45,198,888</u>
Net Position						
Invested in capital assets net of related debt	114,983,470	114,334,627	21,814,228	20,244,092	136,797,698	134,578,719
Restricted	13,094,255	10,796,300	-	-	13,094,255	10,796,300
Unrestricted	<u>23,751,419</u>	<u>24,940,748</u>	<u>5,945,451</u>	<u>5,543,380</u>	<u>29,696,870</u>	<u>30,484,128</u>
Total Net Position	<u>\$151,829,144</u>	<u>\$150,071,675</u>	<u>\$ 27,759,679</u>	<u>\$ 25,787,472</u>	<u>\$179,588,823</u>	<u>\$175,859,147</u>

A portion of the of the City of Roseville's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position - \$29,696,870, may be used to meet the City's ongoing obligations to citizens and creditors.

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

Governmental activities

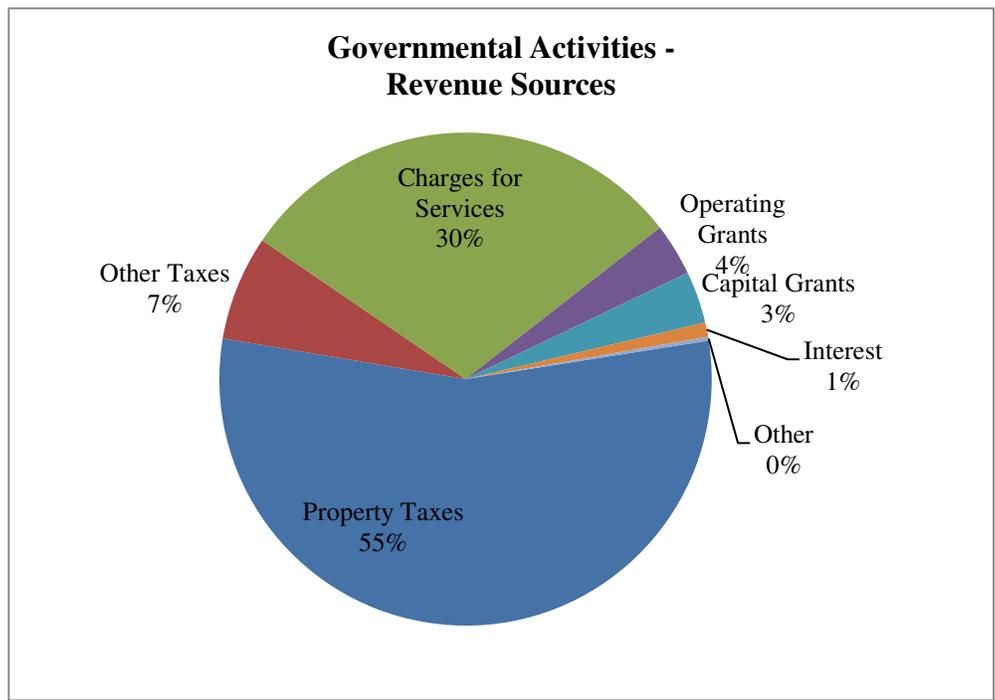
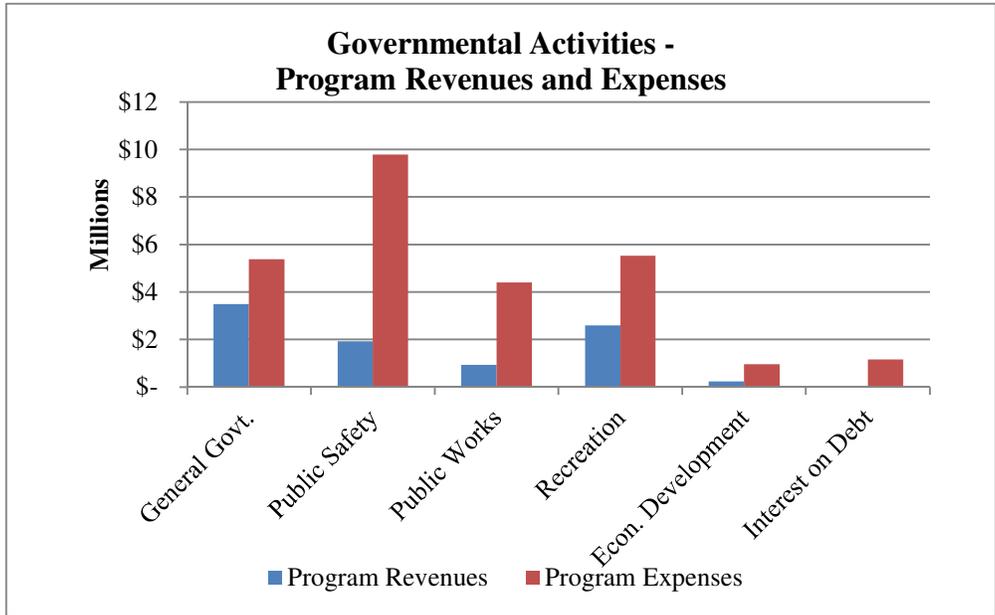
Governmental activities increased the City of Roseville's net position by \$1,757,469. Business-type activities increased Roseville's net position by \$1,972,207, for an overall increase of \$3,729,676. Key elements of this increase are as follows:

City of Roseville's Changes in Net Position

	Governmental Activities <u>2013</u>	Governmental Activities <u>2012</u>	Business-Type Activities <u>2013</u>	Business-Type Activities <u>2012</u>	Total <u>2013</u>	Total <u>2012</u>
Revenues						
Program Revenues						
Charges for services	\$ 9,179,662	\$ 7,143,891	\$ 13,108,191	\$ 12,627,666	\$ 22,287,853	\$ 19,771,557
Operating grants and Contributions	1,029,327	905,922	69,613	104,891	1,098,940	1,010,813
Capital grants and Contributions	1,046,150	2,355,429	259,550	20,858	1,305,700	2,376,287
General Revenues						
Property taxes	16,895,804	15,085,154	-	-	16,895,804	15,085,154
Other taxes	2,108,966	2,832,336	-	-	2,108,966	2,832,336
Grants & contributions not Restricted to specific Programs	24,928	24,693	-	-	24,928	24,693
Investment earnings	288,600	350,717	25,662	39,801	314,262	390,518
Net Increase (decrease) in fair value of investments	(1,535,227)	-	(233,366)	-	(1,768,593)	-
Gain on Sale of capital asset	-	-	-	47,384	-	47,384
Transfers	(72,884)	25,000	72,884	(25,000)	-	-
Total Revenues	\$ 28,965,326	\$ 28,723,142	\$ 13,302,534	\$ 12,815,600	\$ 42,267,860	\$ 41,538,742
Expenses						
General government	\$ 5,376,860	\$ 4,654,650	\$ -	\$ -	\$ 5,376,860	\$ 4,654,650
Public safety	9,792,587	9,417,458	-	-	9,792,587	9,417,458
Public works	4,399,267	4,475,774	-	-	4,399,267	4,475,774
Economic development	5,523,875	1,261,035	-	-	5,523,875	1,261,035
Recreation	954,315	4,794,338	-	-	954,315	4,794,338
Interest on debt	1,160,953	685,377	-	-	1,160,953	685,377
Sanitary sewer	-	-	3,575,823	3,638,421	3,575,823	3,638,421
Water	-	-	5,915,805	6,307,221	5,915,805	6,307,221
Golf	-	-	345,816	360,518	345,816	360,518
Recycling	-	-	550,285	549,113	550,285	549,113
Storm drainage	-	-	942,598	1,000,570	942,598	1,000,570
Total Expenses	\$ 27,207,857	\$ 25,288,632	\$ 11,330,327	\$ 11,855,843	\$ 38,538,184	\$ 37,144,475
Increase (decrease) in						
Net position	1,757,469	3,434,510	1,972,207	959,757	3,729,676	4,394,267
Net position on January 1st	150,071,675	146,637,165	25,787,472	24,643,591	175,859,147	171,280,756
Prior period adjustment	-	-	-	184,124	-	184,124
Net position on December 31st	151,829,144	150,071,675	27,759,679	25,787,472	179,588,823	175,859,147

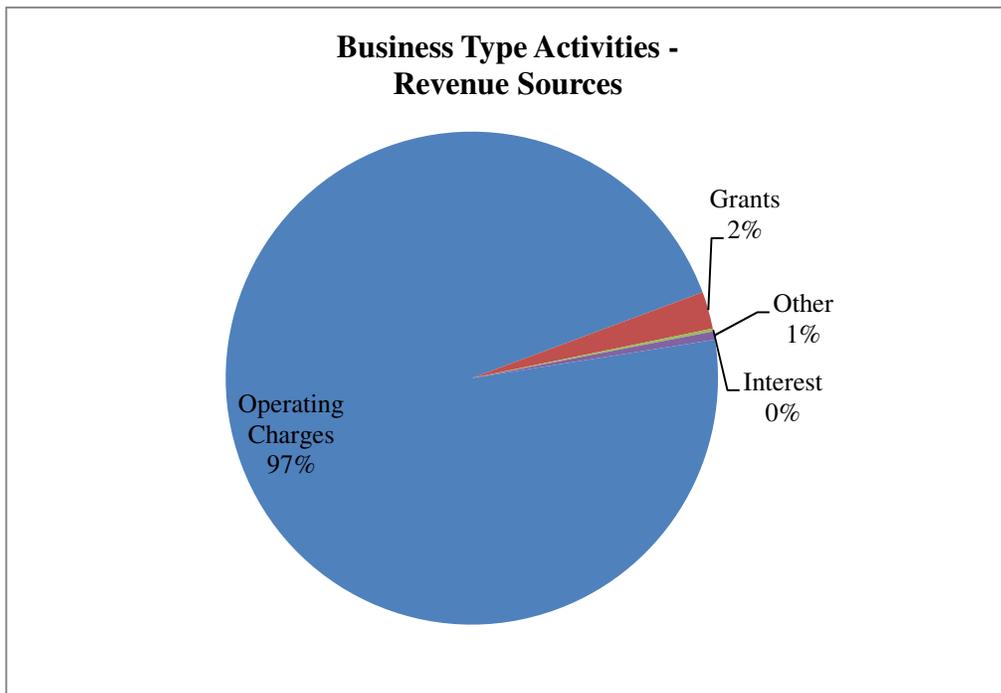
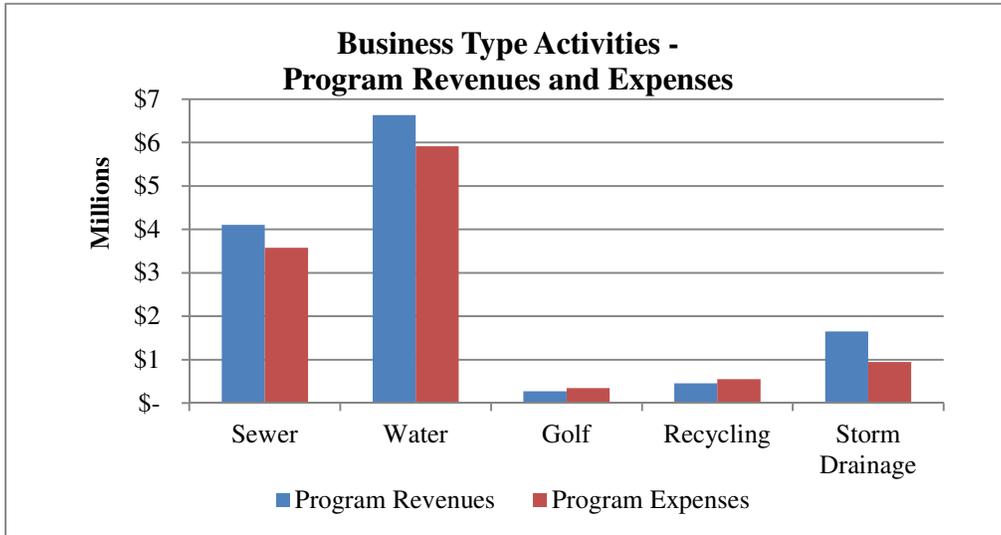
The increase in net position reflects a general strategy of cost containment and the commitment to properly funding general government asset replacements. Tax increases were also implemented to offset declining interest earnings and other non-tax revenue sources. Beginning in 2013, the change in fair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

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



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

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



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 2013, the HRA's net position increased by \$416,461 reflecting strong program income.

Financial Analysis of the Government's funds

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

At the end of the current fiscal year, the City of Roseville's governmental funds reported combined ending fund balances of \$57,277,709. Approximately 40% of this total amount-\$22,829,081; constitutes unrestricted fund balance. The remainder of the fund balance is restricted to indicate that it is not available for new spending because it is legally restricted for; 1) various operating purposes - \$2,908,701, 2) for tax increment financing activities - \$7,692,065, 3) bond funded capital improvements - \$17,485,834, and 4) debt service - \$6,362,028.

The fund balances of governmental funds declined by \$209,206 in 2013. Increases in capital improvements were offset by the receipt of bond refunding proceeds which are being temporarily held in an escrow account.

The Economic Increments Construction Fund accounts for the activities in the City's Tax Increment Financing (TIF) Districts. The Fund's balance increased by \$807,446 resulting from the continued collection of tax increment to repay TIF-related infrastructure investments made in prior years. The entire fund balance of \$7,692,065 is restricted for TIF-related activities.

The Debt Service Fund increased by \$4,967,625 largely due to the bond refunding highlighted above. It also increased due to collections of special assessments and tax levies in advance of making debt payments.

The Revolving Improvements Fund decreased \$5,131,807 due to capital spending of previously issued bond proceeds.

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

The unrestricted net position in the respective proprietary funds is Sewer - \$1,297,506; Water – (\$87,260); Golf - \$259,258; Recycling - \$234,017 and Storm - \$4,241,930. Overall net position increased \$1,972,207 reflecting positive cash flow from utility rate increases which were designated for future capital replacements.

General Fund Budgetary Highlights

The General Fund balance declined by \$357,094 in 2013, largely due to unexpected costs associated with tree and debris cleanup efforts resulting from a severe summer storm. Aside from these extenuating circumstances, revenues and expenditures were generally as expected.

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, 2013, amounts to \$153,039,080 (net of accumulated depreciation) – a 4.6% increase from the previous year. This investment in capital assets includes land, buildings, infrastructure, machinery and equipment.

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

- Completion of approximately \$6 million (of a total \$9 million) in the construction of a new fire station.
- Approximately \$2.4 million in improvements to the City’s utility systems.

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

	Governmental Activities <u>2013</u>	Governmental Activities <u>2012</u>	Business-Type Activities <u>2013</u>	Business-Type Activities <u>2012</u>	Total <u>2013</u>	Total <u>2012</u>
Land & easements	\$ 33,290,909	\$ 33,360,554	\$ 796,155	\$ 796,155	\$ 34,087,064	\$ 34,156,709
Buildings	16,048,378	16,742,006	120,437	136,825	16,168,815	16,878,831
Improvements other						
Than buildings	2,463,186	2,642,812	675,800	744,321	3,138,986	3,387,133
Machinery & equipment	5,869,031	5,922,791	717,498	878,579	6,586,529	6,801,370
Infrastructure	58,528,849	59,021,889	17,068,451	16,745,145	75,597,300	75,767,034
Construction in progress	15,024,499	8,366,057	2,435,887	943,067	17,460,386	9,309,124
Total Capital Assets	<u>\$131,224,852</u>	<u>\$126,056,109</u>	<u>\$ 21,814,228</u>	<u>\$ 20,244,092</u>	<u>\$153,039,080</u>	<u>\$146,300,201</u>

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

Long-term debt. At the end of the current fiscal year, the City of Roseville had total long-term debt outstanding of \$37,135,000.

In March, 2013 the City issued \$3.98 million in general obligation refunding bonds to refinance the debt originally issued to construct an expansion of City Hall. In addition, the City also has long-term liabilities in the amount of \$1,481,262 for compensated absences and \$687,076 for the net obligation for OPEB.

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

	Governmental Activities <u>2013</u>	Governmental Activities <u>2012</u>	Business-Type Activities <u>2013</u>	Business-Type Activities <u>2012</u>	Total <u>2013</u>	Total <u>2012</u>
General obligation						
Improvement bonds	\$ 225,000	\$ 435,000	\$ -	\$ -	\$ 225,000	\$ 435,000
General obligation						
Municipal bonds	35,385,000	32,150,000	-	-	35,385,000	32,150,000
Certificates of						
Indebtedness	1,525,000	1,800,000	-	-	1,525,000	1,800,000
Total Outstanding Debt	<u>\$ 37,135,000</u>	<u>\$ 34,385,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,135,000</u>	<u>\$ 34,385,000</u>

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

Minnesota State statutes limit the amount of general obligation debt a city may issue to 3% of total Estimated Market Value. The current debt limitation for the City of Roseville is \$112,055,907. \$35,755,000 of the City's outstanding debt is counted against the statutory limitation as the debt is wholly financed by a general tax levy.

Additional information on the City of Roseville's long-term debt can be found in Note 1-D on page 50 of this report, and Note 4-G on pages 61-63.

Economic Factors and next year's Budgets and Rates

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

- ❖ The City made operational adjustments in recognition of declining interest earnings and stagnant non-tax revenues.
- ❖ Recreation program fees were increased to reflect the rising costs of individual programs. In addition, user charges for proprietary funds were also changed to reflect current and anticipated conditions and asset replacement needs.

These factors were considered when the City of Roseville prepared its 2014 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 POSITION
December 31, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Housing & Redevelopment Authority
ASSETS				
Cash and cash equivalents	\$ 56,066,651	\$ 4,909,365	\$ 60,976,016	\$ 1,192,100
Restricted investments				
Utility customer deposits	0	988,657	988,657	0
Cash held in escrow	6,009,637	0	6,009,637	585,319
Receivables				
Accounts	531,630	2,400,228	2,931,858	0
Taxes	715,617	0	715,617	15,993
Investment interest	78,265	9,518	87,783	1,881
Special assessments	1,268,934	323,201	1,592,135	1,655
Due from other governments	885,525	273,794	1,159,319	0
Notes	974,615	0	974,615	1,074,347
Assets held for resale	0	0	0	659,810
Net pension obligation fire relief	307,023	0	307,023	0
Capital assets not being depreciated:				
Land	25,628,659	796,155	26,424,814	0
Easements	7,662,250	0	7,662,250	0
Construction in progress	15,024,499	2,435,887	17,460,386	0
Capital assets net of accumulated depreciation:				
Buildings	16,048,378	120,437	16,168,815	0
Improvements other than buildings	2,463,186	675,800	3,138,986	0
Machinery, equipment, and vehicles	5,869,031	717,498	6,586,529	0
Infrastructure	58,528,849	17,068,451	75,597,300	0
Total Assets	198,062,749	30,718,991	228,781,740	3,531,105
LIABILITIES				
Accounts payable	756,383	629,658	1,386,041	2,150
Accrued payroll	213,786	22,423	236,209	0
Contracts and retainages payable	658,395	166,976	825,371	0
Bond interest payable	393,435	0	393,435	0
Due to other governments	1,939,899	967,786	2,907,685	0
Insurance claim payable	430,013	0	430,013	0
Deposits payable	996,140	988,657	1,984,797	5,000
Noncurrent liabilities:				
Due within one year	6,779,844	25,512	6,805,356	0
Due in more than one year	34,065,710	158,300	34,224,010	0
Total Liabilities	46,233,605	2,959,312	49,192,917	7,150
NET POSITION				
Net investment in capital assets	114,983,470	21,814,228	136,797,698	0
Restricted for				
Community development	595,148	0	595,148	0
Telecommunication	584,645	0	584,645	0
Park dedication	1,287,496	0	1,287,496	0
Law enforcement	441,412	0	441,412	0
Debt service	2,493,489	0	2,493,489	0
Tax increment	7,692,065	0	7,692,065	0
Unrestricted	23,751,419	5,945,451	29,696,870	3,523,955
Total Net Position	\$ 151,829,144	\$ 27,759,679	\$ 179,588,823	\$ 3,523,955

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, 2013**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units Housing & Redevelopment Authority
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
Primary government:								
Governmental activities:								
General government	\$ 5,376,860	\$ 3,488,493	\$ 0	\$ 0	\$ (1,888,367)	\$ 0	\$ (1,888,367)	\$ 0
Public safety	9,792,587	1,925,320	739,669	0	(7,127,598)	0	(7,127,598)	0
Public works	4,399,267	938,452	289,181	982,512	(2,189,122)	0	(2,189,122)	0
Recreation	5,523,875	2,591,924	477	63,638	(2,867,836)	0	(2,867,836)	0
Economic development	954,315	235,473	0	0	(718,842)	0	(718,842)	0
Interest on long-term debt	1,160,953	0	0	0	(1,160,953)	0	(1,160,953)	0
Total governmental activities	<u>27,207,857</u>	<u>9,179,662</u>	<u>1,029,327</u>	<u>1,046,150</u>	<u>(15,952,718)</u>	<u>0</u>	<u>(15,952,718)</u>	<u>0</u>
Business-type activities:								
Sewer	3,575,823	4,105,523	0	0	0	529,700	529,700	0
Water	5,915,805	6,628,378	0	0	0	712,573	712,573	0
Golf	345,816	271,095	0	0	0	(74,721)	(74,721)	0
Recycling	550,285	455,271	69,613	0	0	(25,401)	(25,401)	0
Storm Drainage	942,598	1,647,924	0	259,550	0	964,876	964,876	0
Total business- type activities	<u>11,330,327</u>	<u>13,108,191</u>	<u>69,613</u>	<u>259,550</u>	<u>0</u>	<u>2,107,027</u>	<u>2,107,027</u>	<u>0</u>
Total primary government	<u>\$ 38,538,184</u>	<u>\$ 22,287,853</u>	<u>\$ 1,098,940</u>	<u>\$ 1,305,700</u>	<u>\$ (15,952,718)</u>	<u>\$ 2,107,027</u>	<u>\$ (13,845,691)</u>	<u>\$ 0</u>
Component unit:								
Housing & Redevelopment Authority	<u>\$ 260,901</u>	<u>\$ 17,774</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (243,127)</u>
General revenues:								
Property taxes					16,895,804	0	16,895,804	682,738
Tax increments					1,607,882	0	1,607,882	0
Cable franchise taxes					424,812	0	424,812	0
Gambling taxes					76,272	0	76,272	0
Grants and contributions not restricted to specific programs					24,928	0	24,928	22
Unrestricted investment earnings					288,600	25,662	314,262	24,063
Unrestricted net increase(decrease) in the fair value of investments					(1,535,227)	(233,366)	(1,768,593)	(47,235)
Transfers					(72,884)	72,884	0	0
Total general revenues and transfers					<u>17,710,187</u>	<u>(134,820)</u>	<u>17,575,367</u>	<u>659,588</u>
Change in net position					1,757,469	1,972,207	3,729,676	416,461
Net position - beginning					<u>150,071,675</u>	<u>25,787,472</u>	<u>175,859,147</u>	<u>3,107,494</u>
Net position - ending					<u>\$ 151,829,144</u>	<u>\$ 27,759,679</u>	<u>\$ 179,588,823</u>	<u>\$ 3,523,955</u>

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

**CITY OF ROSEVILLE, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2013**

	Special Revenue				Revolving Improvements
	General	Recreation	Community Development	Debt Service	
ASSETS					
Cash and cash equivalents	\$ 6,686,554	\$ 996,316	\$ 896,412	\$ 2,221,505	\$ 22,249,388
Restricted investments					
Cash held in escrow	0	0	0	4,113,220	0
Investment interest receivable	10,614	1,615	1,437	9,110	19,092
Accounts receivable	36,339	210,692	6,526	0	0
Taxes receivable	232,391	47,011	0	71,131	40,685
Special assessments receivable	7,162	3,676	2,954	451,958	0
Due from other governments	37,434	63,638	0	0	50,664
Due from other funds	1,608	0	0	0	0
Notes receivable	0	0	974,615	0	0
Total assets	<u>\$ 7,012,102</u>	<u>\$ 1,322,948</u>	<u>\$ 1,881,944</u>	<u>\$ 6,866,924</u>	<u>\$ 22,359,829</u>
LIABILITIES					
Accounts payable	\$ 236,127	\$ 100,629	\$ 18,654	\$ 0	\$ 320,936
Accrued payroll	127,049	47,314	10,583	0	0
Contracts and retainages payable	0	0	0	0	431,307
Due to other funds	0	0	0	0	0
Due to other governments	87,317	27,136	995,531	0	488
Deposits payable	171,952	112	260,923	0	0
Total liabilities	<u>622,445</u>	<u>175,191</u>	<u>1,285,691</u>	<u>0</u>	<u>752,731</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	180,907	36,596	0	55,373	31,672
Unavailable revenue - special assessments	857	0	1,105	449,523	0
Total deferred inflows of revenues	<u>181,764</u>	<u>36,596</u>	<u>1,105</u>	<u>504,896</u>	<u>31,672</u>
FUND BALANCE					
Restricted					
Law Enforcement	441,412	0	0	0	0
Telecommunications	0	0	0	0	0
Community Development	0	0	595,148	0	0
Park Dedication	0	0	0	0	1,287,496
Tax Increment	0	0	0	0	0
Debt Service	0	0	0	6,362,028	0
Bond Funded Capital Improvements	0	0	0	0	17,485,834
Committed					
Special Revenue	0	1,111,161	0	0	0
Street Replacement	0	0	0	0	0
Assigned					
Engineering Services	596,341	0	0	0	0
Accounting Services	18,869	0	0	0	0
Capital Projects	0	0	0	0	2,802,096
Unassigned	5,151,271	0	0	0	0
Total fund balances	<u>6,207,893</u>	<u>1,111,161</u>	<u>595,148</u>	<u>6,362,028</u>	<u>21,575,426</u>
Total liabilities, deferred inflows of resource and fund balance	<u>\$ 7,012,102</u>	<u>\$ 1,322,948</u>	<u>\$ 1,881,944</u>	<u>\$ 6,866,924</u>	<u>\$ 22,359,829</u>

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

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

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

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

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

Capital Projects				
Economic Increments	Street	Other	Total	
Construction	Construction	Governmental Funds		
\$ 6,160,688	\$ 12,000,422	\$ 2,010,872	\$ 53,222,157	
1,896,417	0	0	6,009,637	
9,865	19,202	2,784	73,719	
0	0	278,073	531,630	
324,399	0	0	715,617	
56,013	747,171	0	1,268,934	
0	721,120	12,669	885,525	
0	0	0	1,608	
0	0	0	974,615	
<u>\$ 8,447,382</u>	<u>\$ 13,487,915</u>	<u>\$ 2,304,398</u>	<u>\$ 63,683,442</u>	
\$ 9,243	\$ 5,900	\$ 39,468	\$ 730,957	
0	0	28,840	213,786	
17,870	209,218	0	658,395	
0	0	1,608	1,608	
0	456,497	370,470	1,937,439	
<u>360,973</u>	<u>197,180</u>	<u>5,000</u>	<u>996,140</u>	
<u>388,086</u>	<u>868,795</u>	<u>445,386</u>	<u>4,538,325</u>	
311,218	0	0	615,766	
56,013	744,144	0	1,251,642	
<u>367,231</u>	<u>744,144</u>	<u>0</u>	<u>1,867,408</u>	
0	0	0	441,412	
0	0	584,645	584,645	
0	0	0	595,148	
0	0	0	1,287,496	
7,692,065	0	0	7,692,065	
0	0	0	6,362,028	
0	0	0	17,485,834	
0	0	1,284,682	2,395,843	
0	9,393,137	0	9,393,137	
0	0	0	596,341	
0	0	0	18,869	
0	2,481,839	0	5,283,935	
0	0	(10,315)	5,140,956	
<u>7,692,065</u>	<u>11,874,976</u>	<u>1,859,012</u>	<u>57,277,709</u>	
<u>\$ 8,447,382</u>	<u>\$ 13,487,915</u>	<u>\$ 2,304,398</u>		

131,224,852

(41,238,989)

2,391,141

2,174,431

Net position of governmental activities \$ 151,829,144

CITY OF ROSEVILLE, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2013

	Special Revenue			
	General	Recreation	Community Development	Debt Service
REVENUES				
General property taxes	\$ 10,065,348	\$ 2,011,660	\$ 0	\$ 3,043,836
Tax Increments	0	0	0	0
Intergovernmental revenue	1,053,778	64,115	0	0
Licenses & permits	384,467	0	1,245,028	0
Gambling taxes	0	0	0	0
Charges for services	1,241,970	1,717,648	200,775	0
Fines and forfeits	236,510	0	0	0
Cable franchise taxes	0	0	0	0
Rentals	0	54,713	0	0
Donations	27,074	121,082	0	0
Special assessments	0	348	0	79,296
Investment income	18,939	2,930	3,394	15,393
Net increase(decrease) in the fair value of investments	(260,200)	(39,585)	(35,220)	(106,981)
Park dedication	0	0	0	0
Developer Fees	0	0	0	0
Miscellaneous	137,625	63,788	17,994	0
Total revenues	<u>12,905,511</u>	<u>3,996,699</u>	<u>1,431,971</u>	<u>3,031,544</u>
EXPENDITURES				
Current:				
General government	2,411,123	0	0	0
Public safety	8,517,680	0	593,542	0
Public works	2,333,802	0	0	0
Economic development	0	0	614,063	0
Recreation	0	3,808,075	0	0
Capital outlay	0	0	0	0
Debt service	0	0	0	2,237,472
Total expenditures	<u>13,262,605</u>	<u>3,808,075</u>	<u>1,207,605</u>	<u>2,237,472</u>
Excess of revenues over (under) expenditures	<u>(357,094)</u>	<u>188,624</u>	<u>224,366</u>	<u>794,072</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	0	0	0	0
Transfers (out)	0	0	0	0
Debt issuance	0	0	0	3,980,000
Premium on debt issuance	0	0	0	193,553
Sale of assets	0	0	3,365	0
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>3,365</u>	<u>4,173,553</u>
Net change in fund balances	(357,094)	188,624	227,731	4,967,625
Fund balances - beginning	<u>6,564,987</u>	<u>922,537</u>	<u>367,417</u>	<u>1,394,403</u>
Fund balances - ending	<u>\$ 6,207,893</u>	<u>\$ 1,111,161</u>	<u>\$ 595,148</u>	<u>\$ 6,362,028</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	
\$ 1,740,997	\$ 0	\$ 0	\$ 0	\$ 16,861,841	
0	1,481,124	0	0	1,481,124	
41,541	0	720,585	0	1,880,019	
0	0	0	125	1,629,620	
0	0	0	76,272	76,272	
0	0	2,839	2,501,664	5,664,896	
0	0	0	0	236,510	
0	0	0	424,812	424,812	
0	0	0	0	54,713	
20,500	0	0	79,522	248,178	
0	0	99,013	0	178,657	
172,395	23,358	37,416	6,285	280,110	
(201,854)	(240,912)	(470,765)	(68,262)	(1,423,779)	
634,345	0	0	0	634,345	
0	39,027	696,827	0	735,854	
38,012	0	0	474,779	732,198	
<u>2,445,936</u>	<u>1,302,597</u>	<u>1,085,915</u>	<u>3,495,197</u>	<u>29,695,370</u>	
0	0	0	3,239,832	5,650,955	
0	0	0	0	9,111,222	
0	0	0	0	2,333,802	
0	403,273	0	0	1,017,336	
0	0	0	0	3,808,075	
7,715,322	161,523	2,278,011	0	10,154,856	
0	0	0	0	2,237,472	
<u>7,715,322</u>	<u>564,796</u>	<u>2,278,011</u>	<u>3,239,832</u>	<u>34,313,718</u>	
<u>(5,269,386)</u>	<u>737,801</u>	<u>(1,192,096)</u>	<u>255,365</u>	<u>(4,618,348)</u>	
0	0	0	75,000	75,000	
0	0	0	(50,000)	(50,000)	
0	0	0	0	3,980,000	
0	0	0	0	193,553	
137,579	69,645	0	0	210,589	
<u>137,579</u>	<u>69,645</u>	<u>0</u>	<u>25,000</u>	<u>4,409,142</u>	
(5,131,807)	807,446	(1,192,096)	280,365	(209,206)	
<u>26,707,233</u>	<u>6,884,619</u>	<u>13,067,072</u>	<u>1,578,647</u>	<u>57,486,915</u>	
<u>\$ 21,575,426</u>	<u>\$ 7,692,065</u>	<u>\$ 11,874,976</u>	<u>\$ 1,859,012</u>	<u>\$ 57,277,709</u>	

CITY OF ROSEVILLE, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2013

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

Net change in fund balances--total governmental funds	\$	(209,206)
<p>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.</p>		
Capital outlay and improvements		9,359,560
Depreciation expense		<u>(4,037,402)</u>
		5,322,158
Net book value on sales of capital assets		(153,415)
Payments on general obligation debt		1,230,000
General Obligation bonds issued		(3,980,000)
Premium on general obligation bonds issued		(97,220)
Net change due to internal service funds incorporated into statement of activities		(392,409)
Net change in net pension obligation fire relief		103,860
Net change in net pension obligation OPEB		(123,032)
Changes in compensated absences		7,415
Changes in bond interest payable		(153,481)
Adjustment for modified accrual revenue recognition related to Special assessments, delinquent property tax and delinquent tax increment		<u>202,799</u>
Change in net position of governmental activities	\$	<u><u>1,757,469</u></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, 2013**

	<u>Budget</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES				
General property taxes	\$ 10,258,611	\$ 10,258,611	\$ 10,065,348	\$ (193,263)
Intergovernmental revenue	834,000	834,000	1,053,778	219,778
Licenses and permits	366,500	366,500	384,467	17,967
Charges for services	1,025,000	1,025,000	1,241,970	216,970
Fines and forfeits	220,000	220,000	236,510	16,510
Donations	0	0	27,074	27,074
Investment Income	82,826	82,826	18,939	(63,887)
Net increase(decrease) in the fair value of investments	0	0	(260,200)	(260,200)
Miscellaneous	50,000	50,000	137,625	87,625
Total revenues	<u>12,836,937</u>	<u>12,836,937</u>	<u>12,905,511</u>	<u>68,574</u>
EXPENDITURES				
Current				
General government	2,326,984	2,416,984	2,411,123	5,861
Public safety	8,360,421	8,533,421	8,517,680	15,741
Public works	2,149,532	2,339,532	2,333,802	5,730
Total expenditures	<u>12,836,937</u>	<u>13,289,937</u>	<u>13,262,605</u>	<u>27,332</u>
Net change in fund balances	0	(453,000)	(357,094)	95,906
Fund balances - beginning	<u>6,564,987</u>	<u>6,564,987</u>	<u>6,564,987</u>	<u>0</u>
Fund balances - ending	<u>\$ 6,564,987</u>	<u>\$ 6,111,987</u>	<u>\$ 6,207,893</u>	<u>\$ 95,906</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, 2013**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
General property taxes	\$ 2,075,215	\$ 2,075,215	\$ 2,011,660	\$ (63,555)
Intergovernmental revenue	0	0	64,115	64,115
Charges for services	1,783,267	1,783,267	1,717,648	(65,619)
Rentals	66,000	66,000	54,713	(11,287)
Donations	46,700	46,700	121,082	74,382
Special assessments	0	0	348	348
Investment income	11,013	11,013	2,930	(8,083)
Net increase(decrease) in the fair value of investments	0	0	(39,585)	(39,585)
Miscellaneous	25,910	25,910	63,788	37,878
Total revenues	<u>4,008,105</u>	<u>4,008,105</u>	<u>3,996,699</u>	<u>(11,406)</u>
EXPENDITURES				
Current				
Recreation				
Personal services	2,630,053	2,630,053	2,430,568	199,485
Supplies & materials	281,983	281,983	284,571	(2,588)
Other services & charges	1,157,808	1,157,808	1,059,455	98,353
Capital outlay	0	0	33,481	(33,481)
Total expenditures	<u>4,069,844</u>	<u>4,069,844</u>	<u>3,808,075</u>	<u>261,769</u>
Net change in fund balances	(61,739)	(61,739)	188,624	250,363
Fund balance - beginning	<u>922,537</u>	<u>922,537</u>	<u>922,537</u>	<u>0</u>
Fund balance - ending	<u>\$ 860,798</u>	<u>\$ 860,798</u>	<u>\$ 1,111,161</u>	<u>\$ 250,363</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, 2013**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Licenses and permits	\$ 989,466	\$ 989,466	\$ 1,245,028	\$ 255,562
Charges for services	136,500	136,500	200,775	64,275
Investment income	0	0	3,394	3,394
Net increase(decrease) in the fair value of investments	0	0	(35,220)	(35,220)
Miscellaneous	26,420	26,420	17,994	(8,426)
Total revenues	1,152,386	1,152,386	1,431,971	279,585
EXPENDITURES				
Current				
Public safety	508,670	596,670	593,542	3,128
Economic Development	537,320	615,320	614,063	1,257
Total expenditures	1,045,990	1,211,990	1,207,605	4,385
Excess of revenues over (under) expenditures	106,396	(59,604)	224,366	275,200
Other Financing Source				
Sale of assets	0	0	3,365	3,365
Net change in fund balances	106,396	(59,604)	227,731	278,565
Fund balance - beginning	367,417	367,417	367,417	0
Fund balance - ending	\$ 473,813	\$ 307,813	\$ 595,148	\$ 278,565

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

CITY OF ROSEVILLE, MINNESOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2013

	Business-Type Activities					Totals	Governmental Activities- Internal Service Funds
	Sanitary Sewer	Water	Golf Course	Solid Waste Recycling	Storm Drainage		
ASSETS							
Current assets							
Cash and cash equivalents	\$ 466,163	\$ 0	\$ 300,361	\$ 128,217	\$ 4,014,624	\$ 4,909,365	\$ 2,844,494
Restricted cash, cash equivalents and investments:							
Customer deposits	0	988,657	0	0	0	988,657	0
Investment interest receivable	1,857	545	480	199	6,437	9,518	4,546
Accounts receivable	889,809	1,085,530	0	88,759	336,130	2,400,228	0
Special Assessments	323,176	0	0	0	25	323,201	0
Due from other funds	597,752	0	0	0	0	597,752	0
Due from other governments	0	256,391	0	17,403	0	273,794	0
Total current assets	<u>2,278,757</u>	<u>2,331,123</u>	<u>300,841</u>	<u>234,578</u>	<u>4,357,216</u>	<u>9,502,515</u>	<u>2,849,040</u>
Noncurrent Assets							
Capital Assets							
Land	0	0	319,892	0	476,263	796,155	0
Buildings	50,566	1,490,784	155,637	0	0	1,696,987	0
Improvements other than buildings	0	11,972	394,039	0	1,005,018	1,411,029	0
Machinery, equipment, and vehicles	834,736	1,315,162	209,511	0	1,088,495	3,447,904	0
Infrastructure	11,703,826	11,834,620	0	0	14,273,375	37,811,821	0
Construction in progress	1,659,902	622,815	0	0	153,170	2,435,887	0
Less accumulated depreciation	(6,168,450)	(8,343,718)	(655,417)	0	(10,617,970)	(25,785,555)	0
Total noncurrent assets	<u>8,080,580</u>	<u>6,931,635</u>	<u>423,662</u>	<u>0</u>	<u>6,378,351</u>	<u>21,814,228</u>	<u>0</u>
Total assets	<u>10,359,337</u>	<u>9,262,758</u>	<u>724,503</u>	<u>234,578</u>	<u>10,735,567</u>	<u>31,316,743</u>	<u>2,849,040</u>
LIABILITIES							
Current liabilities							
Accounts payable	517,968	44,928	2,083	96	64,583	629,658	25,426
Accrued payroll	5,154	6,066	2,681	262	8,260	22,423	0
Compensated absences	10,101	5,051	5,508	0	4,852	25,512	0
Contracts and retainages payable	56,812	110,164	0	0	0	166,976	0
Customer deposits payable	0	988,657	0	0	0	988,657	0
Due to other funds	0	597,752	0	0	0	597,752	0
Due to other governments	330,721	625,470	1,245	203	10,147	967,786	2,460
Total current liabilities	<u>920,756</u>	<u>2,378,088</u>	<u>11,517</u>	<u>561</u>	<u>87,842</u>	<u>3,398,764</u>	<u>27,886</u>
Noncurrent liabilities							
Compensated absences	40,405	20,206	22,030	0	19,408	102,049	0
Net OPEB obligation	20,090	20,089	8,036	0	8,036	56,251	0
Insurance claims payable	0	0	0	0	0	0	430,013
Total noncurrent liabilities	<u>60,495</u>	<u>40,295</u>	<u>30,066</u>	<u>0</u>	<u>27,444</u>	<u>158,300</u>	<u>430,013</u>
Total liabilities	<u>981,251</u>	<u>2,418,383</u>	<u>41,583</u>	<u>561</u>	<u>115,286</u>	<u>3,557,064</u>	<u>457,899</u>
NET POSITION							
Net investment in capital assets	8,080,580	6,931,635	423,662	0	6,378,351	21,814,228	0
Unrestricted	<u>1,297,506</u>	<u>(87,260)</u>	<u>259,258</u>	<u>234,017</u>	<u>4,241,930</u>	<u>5,945,451</u>	<u>2,391,141</u>
Total net position	<u>\$ 9,378,086</u>	<u>\$ 6,844,375</u>	<u>\$ 682,920</u>	<u>\$ 234,017</u>	<u>\$ 10,620,281</u>	<u>\$ 27,759,679</u>	<u>\$ 2,391,141</u>

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

CITY OF ROSEVILLE, MINNESOTA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Business-Type Activities					Totals	Governmental Activities- Internal Service Funds
	Sanitary Sewer	Water	Golf Course	Solid Waste Recycling	Storm Drainage		
Sales and cost of sales							
Sales	\$ 0	\$ 0	\$ 18,700	\$ 142	\$ 0	\$ 18,842	\$ 0
Cost of sales	0	0	9,895	0	0	9,895	0
Gross profit	0	0	8,805	142	0	8,947	0
Operating revenues							
User charges	4,038,134	6,609,874	244,377	389,162	1,614,160	12,895,707	312,720
Delinquency collections	67,282	0	0	0	0	67,282	0
Other	107	18,504	17,913	65,967	33,764	136,255	3,529
Total operating revenues	<u>4,105,523</u>	<u>6,628,378</u>	<u>262,290</u>	<u>455,129</u>	<u>1,647,924</u>	<u>13,099,244</u>	<u>316,249</u>
Operating expense							
Personal service	442,441	500,143	231,578	35,597	294,612	1,504,371	0
Supplies	66,179	69,896	30,849	544	66,359	233,827	0
Other services and charges	2,809,026	5,092,262	53,787	514,144	212,535	8,681,754	605,700
Depreciation	258,177	253,504	29,602	0	369,092	910,375	0
Total operating expenses	<u>3,575,823</u>	<u>5,915,805</u>	<u>345,816</u>	<u>550,285</u>	<u>942,598</u>	<u>11,330,327</u>	<u>605,700</u>
Operating income (loss)	529,700	712,573	(74,721)	(95,014)	705,326	1,777,864	(289,451)
Nonoperating revenues (expenses)							
Investment income	2,487	4,367	885	259	17,664	25,662	8,490
Net increase(decrease) in the fair value of investments	(45,532)	(13,371)	(11,769)	(4,878)	(157,816)	(233,366)	(111,448)
Intergovernmental	0	0	0	69,613	0	69,613	0
Total nonoperating revenues (expenses)	<u>(43,045)</u>	<u>(9,004)</u>	<u>(10,884)</u>	<u>64,994</u>	<u>(140,152)</u>	<u>(138,091)</u>	<u>(102,958)</u>
Net income (loss) before capital contributions and transfers	<u>486,655</u>	<u>703,569</u>	<u>(85,605)</u>	<u>(30,020)</u>	<u>565,174</u>	<u>1,639,773</u>	<u>(392,409)</u>
Capital contributions	97,884	0	0	0	259,550	357,434	0
Transfers out	0	(25,000)	0	0	0	(25,000)	0
Change in net position	584,539	678,569	(85,605)	(30,020)	824,724	1,972,207	(392,409)
Net position - beginning	<u>8,793,547</u>	<u>6,165,806</u>	<u>768,525</u>	<u>264,037</u>	<u>9,795,557</u>	<u>25,787,472</u>	<u>2,783,550</u>
Net position - ending	<u>\$ 9,378,086</u>	<u>\$ 6,844,375</u>	<u>\$ 682,920</u>	<u>\$ 234,017</u>	<u>\$ 10,620,281</u>	<u>\$ 27,759,679</u>	<u>\$ 2,391,141</u>
				Capital Contributions	Transfers		
Amounts reported above				\$ 357,434	\$ (25,000)		
Amounts reported for business-type activities are different because:							
Transfer in of capital assets from governmental activities				(97,884)	97,884		
Amounts reported on the statement of activities				<u>\$ 259,550</u>	<u>\$ 72,884</u>		

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

CITY OF ROSEVILLE, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2013

	Business-Type				
	Sanitary Sewer	Water	Golf Course	Solid Waste Recycling	Storm Drainage
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers and users, including deposits	\$ 4,082,769	\$ 6,922,739	\$ 263,078	\$ 377,788	\$ 1,608,136
Cash payments to suppliers for goods and services	(2,820,439)	(4,718,963)	(97,789)	(514,775)	(218,360)
Cash payments to employees	(426,789)	(495,839)	(228,773)	(35,616)	(286,499)
Other operating revenues	107	18,504	17,913	65,967	33,764
Net cash provided (used) by operating activities	<u>835,648</u>	<u>1,726,441</u>	<u>(45,571)</u>	<u>(106,636)</u>	<u>1,137,041</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers from (to) other funds	0	(25,000)	0	0	0
Cash borrowed from (repaid to) other funds	662,700	(662,700)	0	0	0
Subsidy from governmental grants	0	0	0	69,613	0
Net cash provided (used) by non-capital financing activities	<u>662,700</u>	<u>(687,700)</u>	<u>0</u>	<u>69,613</u>	<u>0</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	(1,203,468)	(966,991)	0	0	(212,162)
Capital grants	0	0	0	0	259,550
Net cash provided (used) for capital and related financing activities	<u>(1,203,468)</u>	<u>(966,991)</u>	<u>0</u>	<u>0</u>	<u>47,388</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received on investments	(43,937)	(9,549)	(11,105)	(4,694)	(144,414)
Net increase (decrease) in cash and cash equivalents	250,943	62,201	(56,676)	(41,717)	1,040,015
Cash and cash equivalents, January 1	<u>215,220</u>	<u>926,456</u>	<u>357,037</u>	<u>169,934</u>	<u>2,974,609</u>
Cash and cash equivalents, December 31	<u>\$ 466,163</u>	<u>\$ 988,657</u>	<u>\$ 300,361</u>	<u>\$ 128,217</u>	<u>\$ 4,014,624</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	\$ 529,700	\$ 712,573	\$ (74,721)	\$ (95,014)	\$ 705,326
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	258,177	253,504	29,602	0	369,092
Changes in elements affecting cash:					
(Increase) Decrease Accounts receivable	33,703	(5,433)	0	5,887	(6,024)
(Increase) Decrease Special assessments	(56,350)	0	0	0	0
(Increase) Decrease Due from other governments	0	256,098	0	(17,403)	0
Increase (Decrease) Accounts payable	72,805	29,273	(2,648)	(37)	56,417
Increase (Decrease) Accrued payroll	448	2,744	(821)	(19)	2,652
Increase (Decrease) Compensated absences	11,607	(2,037)	2,187	0	4,023
Increase (Decrease) Due to other governments	277,653	315,343	(610)	(50)	4,117
Increase (Decrease) Contracts payable	(271,566)	98,579	0	0	0
Increase (Decrease) Insurance claim payable	0	0	0	0	0
Increase (Decrease) Customer deposits	(24,126)	62,201	0	0	0
Increase (Decrease) Net OPEB Payable	3,597	3,597	1,439	0	1,439
Total adjustments	<u>305,948</u>	<u>1,013,869</u>	<u>29,149</u>	<u>(11,622)</u>	<u>431,716</u>
Net cash provided (used) by operating activities	<u>\$ 835,648</u>	<u>\$ 1,726,442</u>	<u>\$ (45,572)</u>	<u>\$ (106,636)</u>	<u>\$ 1,137,042</u>
Noncash investing, capital and financing activities					
Capital contributions from government	\$ 97,884	\$ 0	\$ 0	\$ 0	\$ 0

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

Totals	Governmental Activities- Internal Service Funds
\$ 13,254,510	\$ 312,720
(8,370,326)	(297,117)
(1,473,516)	3,529
136,255	0
3,546,923	19,132

(25,000)	0
0	0
69,613	0
44,613	0

(2,382,621)	0
259,550	0
(2,123,071)	0

(213,699)	(105,362)
1,254,766	(86,230)
4,643,256	2,930,724
\$ 5,898,022	\$ 2,844,494

\$ 1,777,864	\$ (289,451)
910,375	0
28,133	0
(56,350)	0
238,695	0
155,810	(6,532)
5,004	0
15,780	0
596,453	437
(172,987)	0
0	314,678
38,075	0
10,072	0
1,769,060	308,583
\$ 3,546,924	\$ 19,132

\$ 97,884	\$ 0
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CITY OF ROSEVILLE, MINNESOTA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2013

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 464,937
Investment interest receivable	1,727
Accounts receivable	36,440
Due from other governments	3,176
Prepaid items	24,151
Total Assets	\$ 530,431
 LIABILITIES	
Accounts payable	\$ 21,015
Accrued payroll	3,987
Due to other governments	105
Due to other organizations	505,324
Total Liabilities	\$ 530,431

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

CITY OF ROSEVILLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting entity

The City of Roseville is a municipal corporation formed under Section 412 of *Minnesota State Statutes* and operates under a Council-Manager form of government. The five-member Council and Mayor are elected on rotating terms in each odd-numbered year.

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

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

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

Discretely presented component unit. The Housing & Redevelopment Authority (HRA) is responsible for providing housing programs and promoting safe, decent and affordable housing options for the community. The HRA Board of Directors is appointed by a recommendation of the Mayor and approval of the City Council. The HRA can give, sell, buy, and transfer property, provide grants, loans, leases and abatements and raise funds through several financing tools. The HRA may levy a special property tax to fund housing improvement plans within the City. The levy is separate from the City's general fund levy. The HRA annually submits a budget to the City Council who has the final authority to approve the HRA levy each year. Separate financial statements are not prepared for the HRA.

B. Government-wide and fund financial statements

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

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

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The City reports the following major governmental funds:

General

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

Special Revenue

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

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

Debt Service

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

Capital

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

The City reports the following major proprietary funds:

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

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

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

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

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Additionally, the City reports the following fund types:

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

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

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

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

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

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

D. Assets, liabilities, deferred inflows of resources, and net position/fund balance

1. Deposits and investments

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

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, liabilities, deferred inflows of resources, and net position/fund balance (Continued)

1. Deposits and investments (Continued)

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

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

2. Receivables and payables

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

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

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

CITY OF ROSEVILLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, liabilities, deferred inflows of resources, and net position/fund balance (Continued)

3. Restricted Assets

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

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

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

Cash held in escrow for the Housing Redevelopment Authority is classified as restricted assets on the balance sheet because they are maintained and administered by a third party lending administrator. Use of these funds is limited to providing housing loans to qualified residents.

4. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and intangible assets such as easements and computer software are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, except infrastructure assets, are defined by the City as assets with an initial, individual cost equal to or greater than \$5,000 and an estimated useful life in excess of 2 years. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements regardless of their amount.

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

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, liabilities, deferred inflows of resources, and net position/fund balance (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:

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

The City implemented GASB 51, *Accounting and Financial Reporting for Intangible Assets* effective January 1, 2010, which required the City to capitalize intangible assets. Pursuant to GASB Statement 51, in the case of initial capitalization of intangible assets, the City chose to capitalize intangible assets retroactively to 1980. The City was able to obtain historical costs and estimated fair value of donated intangible assets as of the date of donation for the initial reporting of easements through public works project records.

5. Deferred inflows of resources

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

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, liabilities, deferred inflows of resources, and net position/fund balance (Continued)

6. Compensated absences

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

7. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, and proprietary fund type statement of net position. Bond premiums and discounts, if material, are deferred and amortized over the life of the bonds using the effective interest method.

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

8. Fund balance

a. Classification

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

- Nonspendable Fund Balance – These are amounts that cannot be spent because they are not in spendable form.
- Restricted Fund Balance – These are amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through enabling legislation.

CITY OF ROSEVILLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, liabilities, deferred inflows of resources, and net position/fund balance (Continued)

8. Fund balance (Continued)

a. Classification (Continued)

- Committed Fund Balance – These are amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council (highest level of decision making authority) through resolution.
- Assigned Fund Balance – These are amounts that are constrained by the City’s intent to be used for specific purposes but are neither restricted nor committed. Pursuant to Council resolution, the City Council is authorized to establish assignments of fund balance.
- Unassigned Fund Balance – These are residual amounts in the General Fund not reported in any other classification. The General Fund is the only fund that can report a positive unassigned fund balance. Other funds would report a negative unassigned fund balance should the total of nonspendable, restricted and committed fund balances exceed the total net resources of that fund.

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

b. Minimum Fund Balance

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

9. Net position

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

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

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

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

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

Long-term liabilities:

Bonds payable	\$ (35,610,000)
Premium on bonds payable	\$ (1,542,216)
Certificates of indebtedness	(1,525,000)
Bond interest payable	(393,435)
Net pension obligation - OPEB	(687,076)
Compensated absences	<u>(1,481,262)</u>

Net change due to long-term liabilities	<u><u>\$(41,238,989)</u></u>
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Other long-term assets:

Net pension obligation - fire relief	\$ 307,023
Addition of long-term deferred inflows	<u>1,867,408</u>

Net change in other long-term assets	<u><u>\$ 2,174,431</u></u>
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B. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the governmental-wide statement of activities

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

Capital outlay	\$ 9,359,560
Depreciation expense	<u>(4,037,402)</u>
Net change in fund-balances-total governmental funds and change in net position of governmental activities	<u><u>\$ 5,322,158</u></u>

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

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 fund with approval of the City's manager, without Council approval. Transfers of appropriations between funds require the approval of the Council. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is at the fund level. The Council made a supplementary budgetary appropriation for the general fund and few special revenue funds in 2013. The supplementary budgetary appropriation increased budgeted expenditures in the general fund by \$453,000, expenditures in the Community Development fund by \$166,000, and expenditures in the Telecommunications Fund by \$50,000.

B. Deficit fund equity

The Charitable Gambling Fund had a deficit balance of \$10,315. This fund deficit is expected to be covered from future fund revenues or transfers from other funds.

NOTE 4 - DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

1. Components of Cash and Investments

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

Deposits	\$ 22,068,708
Investments	48,139,333
Cash on hand	<u>8,625</u>
Total	<u>\$ 70,216,666</u>

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

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 Positions - Government Wide	
Cash and cash equivalents - Primary Government	\$ 60,976,016
Cash and cash equivalents - Component Unit	1,192,100
Restricted investments - Primary Government	6,998,294
Restricted investments - Component Unit	585,319
Statement of Fiduciary Net Positions	
Cash and cash equivalents - Agency Funds	<u>464,937</u>
Total	<u><u>\$ 70,216,666</u></u>

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

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

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

2. Deposits

At year-end, the carrying amount of the City’s deposits was \$22,068,708 while the balance on the bank records was \$22,074,716. At December 31, 2013, all deposits were covered by federal depository insurance, or by collateral held by the City’s agent in the City’s name.

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 4 - DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and investments (Continued)

3. Investments

The City has the following investments at year end:

Investment Type	Rating	Agency	Interest Risk - Maturity Duration in Years				Total
			1 to 5	5 to 10	10 to 15	15 to 20	
U.S. Treasuries	n/a	n/a	\$4,113,220	\$ 0	\$ 0	\$ 0	\$ 4,113,220
U.S. Agencies	AA+	S&P	0	2,345,930	923,220	23,350,173	26,619,323
Repurchase Agreement			<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>17,406,790</u>
Total Investments			<u>\$4,113,220</u>	<u>\$2,345,930</u>	<u>\$923,220</u>	<u>\$23,350,173</u>	<u>\$48,139,333</u>

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

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

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 4 - DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and investments (Continued)

2. Investments (Continued)

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

Concentration risk – This is the risk associated with investing a significant portion of the City’s investment (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as Treasuries), investment pools, and mutual funds. The City’s investment policy does not limit the concentration of investments. The City holds 44% with Federal Home Bank, 45% with Fannie Mae, 7% with Federal Farm Credit Bank and 4% with Federal Home Mortgage Corporation.

Interest rate risk – This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The City’s investment policy does not address interest rate risk. The City holds all investments to maturity.

B. Receivables

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

	<u>Unavailable</u>
Delinquent property taxes (General)	\$ 180,907
Delinquent property taxes (Recreation)	36,596
Delinquent property taxes (Debt service)	55,373
Delinquent property taxes (Revolving improvements)	31,672
Delinquent property taxes (Economic development)	311,218
Delinquent special assessments (General)	857
Delinquent special assessments (Community Development)	1,105
Delinquent special assessments (Debt Service)	11,643
Delinquent special assessments (Street Reconstruction)	12,742
Special assessments not yet due (G.O. improvement bonds)	493,893
Special assessments not yet due (Street construction)	<u>731,402</u>
Total deferred inflows for governmental funds	<u>\$ 1,867,408</u>

CITY OF ROSEVILLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 4 - DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital assets

Capital asset activity for the year ended December 31, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Completed Construction & Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 25,628,659	\$ 0	\$ 0	\$ 0	\$ 25,628,659
Permanent Easements	7,731,895	0	69,645	0	7,662,250
Construction in progress	8,366,057	8,378,382	0	(1,719,940)	15,024,499
Total capital assets not being depreciated	41,726,611	8,378,382	69,645	(1,719,940)	48,315,408
Capital assets being depreciated:					
Buildings	26,535,674	6,915	74,167	0	26,468,422
Improvements other than buildings	4,352,889	32,080	8,178	0	4,376,791
Machinery and equipment	14,970,132	942,183	768,062	0	15,144,253
Infrastructure	98,014,716	0	0	1,719,940	99,734,656
Total capital assets being depreciated	143,873,411	981,178	850,407	1,719,940	145,724,122
Less accumulated depreciation for:					
Buildings	9,793,668	681,391	55,015	0	10,420,044
Improvements other than buildings	1,710,077	211,706	8,178	0	1,913,605
Machinery and equipment	9,047,341	931,325	703,444	0	9,275,222
Infrastructure	38,992,827	2,212,980	0	0	41,205,807
Total accumulated depreciation	59,543,913	4,037,402	766,637	0	62,814,678
Total capital assets, being depreciated, net	84,329,498	(3,056,224)	83,770	1,719,940	82,909,444
Governmental activities capital assets, net	<u>\$ 126,056,109</u>	<u>\$ 5,322,158</u>	<u>\$ 153,415</u>	<u>\$ 0</u>	<u>\$ 131,224,852</u>

CITY OF ROSEVILLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 4 - DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital assets (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Completed Construction & Transfers</u>	<u>Ending Balance</u>
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 796,155	\$ 0	\$ 0	\$ 0	\$ 796,155
Construction in progress	<u>943,067</u>	<u>1,954,340</u>	<u>0</u>	<u>(461,520)</u>	<u>2,435,887</u>
Total capital assets not being depreciated	1,739,222	1,954,340	0	(461,520)	3,232,042
Capital assets being depreciated:					
Buildings	1,696,987	0	0	0	1,696,987
Improvements other than buildings	1,411,029	0	0	0	1,411,029
Machinery and equipment	3,416,855	58,992	46,625	18,682	3,447,904
Infrastructure	<u>36,883,241</u>	<u>467,060</u>	<u>0</u>	<u>461,520</u>	<u>37,811,821</u>
Total capital assets being depreciated	43,408,112	526,052	46,625	480,202	44,367,741
Less accumulated depreciation for:		2,480,392			
Buildings	1,560,162	16,388	0	0	1,576,550
Improvements other than buildings	666,708	68,521	0	0	735,229
Machinery and equipment	2,538,162	220,187	46,625	18,682	2,730,406
Infrastructure	<u>20,138,091</u>	<u>605,279</u>	<u>0</u>	<u>0</u>	<u>20,743,370</u>
Total accumulated depreciation	24,903,123	910,375	46,625	18,682	25,785,555
Total capital assets, being depreciated, net	<u>18,504,870</u>	<u>(384,323)</u>	<u>0</u>	<u>461,520</u>	<u>18,582,186</u>
Business-type activities capital assets, net	<u>\$ 20,244,092</u>	<u>\$ 1,570,017</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 21,814,228</u>

CITY OF ROSEVILLE
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2013

NOTE 4 - DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital assets (Continued)

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

Governmental activities:

General government	\$ 406,440
Public safety	354,695
Public works including depreciation of infrastructure	2,387,596
Recreation	<u>888,671</u>
Total depreciation expense - governmental activities	<u><u>\$ 4,037,402</u></u>

Business-type activities:

Sanitary sewer	\$ 258,177
Water	253,504
Golf	29,602
Storm drainage	<u>369,092</u>
Total depreciation expense - business-type activities	<u><u>\$ 910,375</u></u>

D. Construction commitments

The City has construction projects in progress as of December 31, 2013. The projects include the improvement and construction of streets, water, sewer, and storm systems. At year-end the commitments with these contractors are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Fairview & B2 Pathway Construction	\$ 607,815	\$ 27,103
2013 street maintenance	\$ 760,176	\$ 17,634
Watermain lining	\$ 474,725	\$ 147,161
Construction of a new fire station	\$ 7,047,190	\$ 8,198

CITY OF ROSEVILLE
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2013

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund receivables, payables, and transfers

The composition of interfund balances as of December 31, 2013, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	
General	Non-major Governmental fund	\$ 1,608
Sanitary Sewer Fund	Water Fund	<u>597,752</u>
Total		<u>\$ 599,360</u>

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

Interfund transfers:

Transfers out	Non-major Governmental Funds
Non-major governmental funds	\$ 50,000
Water	<u>25,000</u>
Total	<u>\$ 75,000</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, 2013

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 \$105,421 for the year ended December 31, 2013. The future minimum lease payments for these leases are as follows:

<u>Year Ending Dec. 31</u>	<u>Amount</u>
2014	\$ 70,623
2015	65,113
2016	66,967
2017	<u>5,316</u>
Total	<u>\$ 208,019</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 \$40,160,000

General obligation debt currently outstanding is as follows:

<u>Purpose</u>	<u>Net Interest</u>	
	<u>Rates</u>	<u>Amount</u>
Governmental activities	.85% - 5.6%	<u>\$ 37,135,000</u>

CITY OF ROSEVILLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

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		Certificate of Indebtedness	
			Debt with Government Commitment			
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 5,845,000	\$ 938,663	\$ 225,000	\$ 3,375	\$ 285,000	\$ 47,645
2015	2,300,000	779,749	0	0	295,000	37,785
2016	2,355,000	728,425	0	0	305,000	27,508
2017	2,420,000	679,277	0	0	315,000	16,893
2018	2,460,000	632,547			325,000	5,769
2019-2023	9,845,000	2,297,742	0	0	0	0
2024-2028	10,160,000	764,623	0	0	0	0
Total	<u>\$ 35,385,000</u>	<u>\$ 6,821,026</u>	<u>\$ 225,000</u>	<u>\$ 3,375</u>	<u>\$ 1,525,000</u>	<u>\$ 135,600</u>

Changes in long-term liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 32,150,000	\$ 3,980,000	\$ 745,000	\$ 35,385,000	\$ 5,845,000
Premium on GO bonds	1,444,996	193,553	96,333	1,542,216	128,592
Special assessment debt with gov't commitment	435,000	0	210,000	225,000	225,000
Total bonds payable	<u>34,029,996</u>	<u>4,173,553</u>	<u>1,051,333</u>	<u>37,152,216</u>	<u>6,198,592</u>
General obligation certificate of indebtedness	1,800,000	0	275,000	1,525,000	285,000
Net Pension Obligation OPEB	564,044	123,032	0	687,076	0
Compensated absences	1,488,677	1,131,832	1,139,247	1,481,262	296,252
Governmental activities - Long-term liabilities	<u>\$ 37,882,717</u>	<u>\$ 5,428,417</u>	<u>\$ 2,465,580</u>	<u>\$ 40,845,554</u>	<u>\$ 6,779,844</u>
Business-Type Activities:					
Compensated absences	111,781	93,303	77,523	127,561	25,512
Net OPEB obligation	46,179	10,072	0	56,251	0
Business type activities- Long-term liabilities	<u>\$ 157,960</u>	<u>\$ 103,375</u>	<u>\$ 77,523</u>	<u>\$ 183,812</u>	<u>\$ 25,512</u>

CITY OF ROSEVILLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 4 - DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-term debt (Continued)

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

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, 2013, there were eleven series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$61.6 million.

H. Crossover refunding

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

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

The Risk Management Fund provides comprehensive general liability and comprehensive automotive liability up to the statutory maximum of \$1,500,000. The City retains the risk of the first \$100,000 of each occurrence with an annual maximum exposure of \$200,000. Liabilities of the fund are reported when it is probable that a loss has occurred and amount of the loss can be reasonably estimated.

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 5 - OTHER INFORMATION (Continued)

A. Risk management (Continued)

Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims.

Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. The City purchased commercial insurance for claims in excess of coverage provided by the Risk Management Fund and for all other risks of loss. Settled claims have not exceeded this coverage in any of the past three fiscal years. There were no significant reductions in the City's insurance coverage in 2013.

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, 2013, were \$ 1,192,980 and \$ 1,198,161 for the Workers' Compensation Fund and Risk Management Fund, respectively. The claims liability of \$224,774 and \$205,239, respectively, reported in both funds at December 31, 2013 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 2012 and 2013 were:

		Workers' Compensation Fund			
		Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Ending of Fiscal Year Liability
2012	\$	117,044	\$ 133,821	\$ 151,560	\$ 99,305
2013		99,305	348,186	222,717	224,774

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 5 - OTHER INFORMATION (Continued)

A. Risk management (Continued)

Risk Management Fund					
	Beginning of Fiscal Year Liability		Current Year Claims and Changes in Estimates		Ending of Fiscal Year Liability
2012	\$ 22,000	\$	37,863	\$ 43,833	\$ 16,030
2013	16,030		432,008	242,799	205,239

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 legal 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 General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF), which are cost-sharing, multiple-employer retirement plans. These plans are established and administered in accordance with *Minnesota Statutes*, chapters 353 and 356.

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

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

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

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 PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For PEPFF members, the annuity accrual rate is 3.0 percent for each year of service. The annuity accrual rate is 1.9 percent for each year of service for PECF members. For all PEPFF members, PECF members, and GERF members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 55 for PEPFF and PECF members and 65 for Basic and Coordinated members hired prior to July 1, 1989. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

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

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

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

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

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. GERP Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.25%, respectively, of their annual covered salary in 2013. PEPFF members were required to contribute 9.6% of their annual covered salary in 2013. PECF members were required to contribute 5.83% of their annual covered salary. In 2013, the City of Roseville was required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan members, 7.25% for Coordinated Plan members, 14.4% for PEPFF members, and 8.75% for PECF members. The City's contributions to the Public Employees Retirement Fund for the years ending December 31, 2013, 2012 and 2011 were \$532,160, \$508,843, and \$498,692, respectively. The City's contributions to the Public Employees Police & Fire Fund for the years ending December 31, 2013, 2012 and 2011 were \$629,217, \$600,066, and \$558,550, 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, 2013

NOTE 5 - OTHER INFORMATION (Continued)

C. Employee retirement systems and pension plans (Continued)

b. Funding policy (Continued)

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

Total contributions made by the City during fiscal year 2013 were:

	Amount		Percentage of Covered Payroll		Required Rates
	Employees	Employer	Employees	Employer	
2013 PEDCP	\$ 816	\$ 816	5.00%	5.00%	5.00%

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

a. Plan description

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

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

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

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

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

b. Funding policy

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

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

Year	Schedule of Contributions					
	Six Year Period					
	Minnesota State Aid Contributions	City of Roseville Contributions	Total Contributions	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2008	\$ 171,025	\$ 128,975	\$ 300,000	\$ 138,688	216.3%	\$(507,554)
2009	143,353	63,875	207,228	539,171	38.4%	(178,263)
2010	148,002	216,500	364,502	365,932	99.6%	(176,833)
2011	145,733	166,284	312,017	326,076	95.7%	(162,774)
2012	147,754	205,630	353,384	312,995	112.9%	(203,163)
2013	209,011	89,221	298,232	194,372	153.4%	(307,023)

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

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)

The Minnesota State Aid contribution to the Roseville Firefighter’s relief association is recorded as a revenue and expenditure in the General fund of the City. The City’s contribution to the Roseville Firefighter’s relief association is also recorded as expenditure in the General fund of the City. The Roseville Firefighter’s relief association is comprised of volunteers who are considered non-benefit earning employees of the City of Roseville. Therefore, the City has no on-behalf payments of fringe benefits and salaries.

D. Annual pension cost and net pension obligation

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

Annual required contribution	\$ 173,096
Interest on net pension obligation	(10,158)
Adjustment to annual required contribution	<u>31,434</u>
Annual pension cost	194,372
Contributions made	<u>(298,232)</u>
Increase (decrease) in net pension obligation	(103,860)
Negative net pension obligation beginning of year	<u>(203,163)</u>
Negative net pension obligation end of year	<u><u>\$ (307,023)</u></u>

The annual required contribution was determined as part of the January 1, 2013 actuarial valuation. The actuarial assumptions included (a) 5% investment rate of return (net of administrative expenses); (b) a mortality table of the 1983 Group Annuity Mortality Table for Males and Females; (c) termination of 6 percent rate from age 20-30, grading to no terminations after age 50. In addition, 20% of employees are assumed to terminate during each of the first three years of their employment; (d) disability rates based upon 75 percent of the Railroad Retirement Board Disability Rates; (e) entry age actuarial cost method based upon age on employment date; (g) retirement age based upon the later of age 55 or 20 years of service; (g) 85 percent of members are assumed to be married, with wives three years younger than husbands; (h) normal form of payment based upon joint and 100 percent to survivor annuity; (i) asset basis based upon market value; and (j) level dollar amortization which is sufficient to amortize the unfunded actuarial accrued liability by a closed period ending December 31, 2012 and a closed period of 11 years for Plan amendments. Inflation rates are not applicable in the valuation of the fire relief net pension obligation.

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 5 - OTHER INFORMATION (Continued)

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

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, 2012 was \$8,666,462. The value of the plan assets, valued at market, totaled \$8,173,150 on December 31, 2012. A six-year summary of Assets, Liabilities and funding ratios are listed below:

Schedule of Funding Progress				
December 31, 2012				
Year	Actuarial Value of Assets	Actuarial Accrued Liability (Entry Age)	Unfunded (Overfunded) Accrued Liability	Funded Ratio
2007	\$ 8,328,320	\$ 8,336,812	\$ 8,492	99.90%
2008	5,749,103	8,568,192	2,819,089	67.10%
2009	6,784,350	8,651,694	1,867,344	78.42%
2010	7,524,091	8,798,831	1,274,740	85.51%
2011	7,402,826	8,750,652	1,347,826	84.60%
2012	8,173,150	8,666,462	493,312	94.31%

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

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS

A. Plan Description

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

CITY OF ROSEVILLE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

B. Benefits Provided (Continued)

Retirees

The City is required by State Statute to allow retirees to continue participation in the City’s group health insurance plan if the individual terminates service with the City through service retirement or disability retirement. Employees who satisfy the rule of 90 or attain age 55 and have completed 10 years of service at termination can immediately commence medical benefits. Retirees may obtain dependent coverage while the participating retiree is under age 65. Covered spouses may continue coverage after the retiree’s death. The surviving spouse of an active employee may continue coverage in the group health insurance plan after the employee’s death.

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

Disabled police and firefighter

The City continues to pay the employer’s contribution toward health coverage for Police or Firefighters disabled in the line of duty per Minnesota Statute 299A.465, until age 65. Dependent coverage is included, if the dependents were covered at the time of the disability. The January 1, 2013 to December 31, 2013 monthly premiums paid for Police or Firefighters disabled in the line of duty are:

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

CITY OF ROSEVILLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

C. Participants

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

Retirees and beneficiaries currently purchasing health insurance through the City	17
Disabled police and firefighters	1
Active Employees	<u>155</u>
Total	<u>173</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, 2013, was calculated as follows:

Annual required contribution	\$ 221,244
Interest on OPEB obligation	27,460
Adjustment to annual required contribution	<u>(37,895)</u>
Annual OPEB cost	210,809
Contributions made	<u>(77,705)</u>
Increase (decrease) in net OPEB obligation	133,104
Net OPEB obligation beginning of year	<u>610,223</u>
Net OPEB obligation end of year	<u>\$ 743,327</u>

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

CITY OF ROSEVILLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

E. Annual OPEB Cost and Net OPEB Obligation (Continued)

The City first had an actuarial valuation performed for the plan as of January 1, 2008 to determine the funded status of the plan as of that date as well as the employer’s annual required contribution (ARC). As of December 31, 2013, the City’s annual OPEB cost (expense) is \$210,809. The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2013 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	\$ 234,937	\$ 119,317	50.8%	\$ 244,063
2010	232,654	125,980	54.1%	350,737
2011	215,574	101,582	47.1%	464,729
2012	213,503	68,009	31.9%	610,223
2013	210,809	77,705	36.9%	743,327

F. Funded Status and Funding Progress

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

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)*	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Annual Covered Payroll
January 1, 2008	\$ 0	\$ 1,833,845	\$ 1,833,845	0%	\$ 9,528,355	19.2%
January 1, 2011	\$ 0	\$ 1,709,742	\$ 1,709,742	0%	\$ 10,169,482	16.8%

*Using the projected unit credit actuarial pay cost method.

CITY OF ROSEVILLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

G. Actuarial Methods and Assumptions

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

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

In the January 1, 2011 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5% investment rate of return (net of investment expenses), salary increases of 2.0% (only used to bring salaries into the valuation year) and an initial annual health care cost trend rate of 8% reduced by .5% each year to arrive at an ultimate health care cost trend rate of 5.0% over 6 years. The health care cost trend rate includes a 2.5% inflation rate. The actuarial value of assets was \$0. The plan's unfunded actuarial accrued liability is being amortized using the level percentage of projected payroll method over 30 years on a closed basis. The remaining amortization period at December 31, 2010, was 27 years.

NOTE 7 – GASB STATEMENTS ISSUED BUT NOT YET IMPLEMENTED

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

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**Required
Supplementary
Information**

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CITY OF ROSEVILLE, MINNESOTA

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

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)*</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a Percentage of Annual Covered Payroll</u>
January 1, 2008	\$ 0	\$ 1,833,845	\$ 1,833,845	0%	\$ 9,528,355	19.2%
January 1, 2011	\$ 0	\$ 1,709,742	\$ 1,709,742	0%	\$ 10,169,482	16.8%

* Using the projected unit credit actuarial pay cost method.

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

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Non Major Governmental Funds

Special Revenue

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes

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

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

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

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

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**CITY OF ROSEVILLE, MINNESOTA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
December 31, 2013**

SPECIAL REVENUE

	<u>Tele- Communications</u>	<u>License Center</u>	<u>Charitable Gambling</u>	<u>Information Technology</u>	<u>Total Nonmajor Funds</u>
ASSETS					
Cash and cash equivalents	\$ 485,542	\$ 1,143,497	\$ 0	\$ 381,833	\$ 2,010,872
Investment interest receivable	777	1,375	21	611	2,784
Accounts receivable	107,840	164,600	0	5,633	278,073
Due from other governments	0	0	0	12,669	12,669
Total assets	\$ 594,159	\$ 1,309,472	\$ 21	\$ 400,746	\$ 2,304,398
LIABILITIES					
Accounts payable	\$ 1,681	\$ 10,399	\$ 8,616	\$ 18,772	\$ 39,468
Accrued payroll	2,202	15,712	74	10,852	28,840
Due to other funds	0	0	1,608	0	1,608
Due to other governments	5,631	357,794	38	7,007	370,470
Deposits payable	0	0	0	5,000	5,000
Total liabilities	9,514	383,905	10,336	41,631	445,386
FUND BALANCE (DEFICITS)					
Restricted					
Telecommunications	584,645	0	0	0	584,645
Committed					
Special Revenue	0	925,567	0	359,115	1,284,682
Unassigned	0	0	(10,315)	0	(10,315)
Total fund balances	584,645	925,567	(10,315)	359,115	1,859,012
Total liabilities and fund balances	\$ 594,159	\$ 1,309,472	\$ 21	\$ 400,746	\$ 2,304,398

CITY OF ROSEVILLE, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2013

	SPECIAL REVENUE FUNDS				
	Tele- Communications	License Center	Charitable Gambling	Information Technology	Total NonMajor Funds
REVENUES					
Licenses & permits	\$ 0	\$ 0	\$ 125	\$ 0	\$ 125
Gambling taxes	0	0	76,272	0	76,272
Charges for services	0	1,343,515	0	1,158,149	2,501,664
Cable franchise taxes	424,812	0	0	0	424,812
Donations	0	0	79,522	0	79,522
Investment income	1,316	3,841	4	1,124	6,285
Net increase(decrease) in the fair value of investments	(19,048)	(33,716)	(509)	(14,989)	(68,262)
Miscellaneous	0	0	0	474,779	474,779
Total revenues	407,080	1,313,640	155,414	1,619,063	3,495,197
EXPENDITURES					
Current					
General government	413,543	1,129,024	135,952	1,561,313	3,239,832
Excess of revenues over (under) expenditures	(6,463)	184,616	19,462	57,750	255,365
OTHER FINANCING SOURCES (USES)					
Transfers in	0	0	0	75,000	75,000
Transfers (out)	0	(50,000)	0	0	(50,000)
Total other financing sources (uses)	0	(50,000)	0	75,000	25,000
Net change in fund balances	(6,463)	134,616	19,462	132,750	280,365
Fund balances - beginning	591,108	790,951	(29,777)	226,365	1,578,647
Fund balances - ending	\$ 584,645	\$ 925,567	\$ (10,315)	\$ 359,115	\$ 1,859,012

**CITY OF ROSEVILLE, MINNESOTA
TELECOMMUNICATIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended December 31, 2013**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Cable franchise taxes	\$ 373,698	\$ 373,698	\$ 424,812	\$ 51,114
Investment Income	1,000	1,000	1,316	316
Net increase(decrease) in the fair value of investments	<u>0</u>	<u>0</u>	<u>(19,048)</u>	<u>(19,048)</u>
Total revenues	<u>374,698</u>	<u>374,698</u>	<u>407,080</u>	<u>32,382</u>
EXPENDITURES				
Current				
General government				
Personal services	169,650	169,650	177,533	(7,883)
Supplies & materials	2,550	2,550	1,401	1,149
Other services & charges	192,495	192,495	177,808	14,687
Capital outlay	<u>10,003</u>	<u>60,003</u>	<u>56,801</u>	<u>3,202</u>
Total expenditures	<u>374,698</u>	<u>424,698</u>	<u>413,543</u>	<u>11,155</u>
Net change in fund balances	0	(50,000)	(6,463)	43,537
Fund balances - beginning	<u>591,108</u>	<u>591,108</u>	<u>591,108</u>	<u>0</u>
Fund balances - ending	<u>\$ 591,108</u>	<u>\$ 541,108</u>	<u>\$ 584,645</u>	<u>\$ 43,537</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, 2013**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 1,185,295	\$ 1,185,295	\$ 1,343,515	\$ 158,220
Investment income	10,000	10,000	3,841	(6,159)
Net increase(decrease) in the fair value of investments	0	0	(33,716)	(33,716)
Total revenues	<u>1,195,295</u>	<u>1,195,295</u>	<u>1,313,640</u>	<u>118,345</u>
EXPENDITURES				
Current				
General government				
Personal services	966,100	966,100	957,651	8,449
Supplies & materials	11,615	11,615	9,357	2,258
Other services & charges	167,580	167,580	155,124	12,456
Capital Outlay	0	0	6,892	(6,892)
Total expenditures	<u>1,145,295</u>	<u>1,145,295</u>	<u>1,129,024</u>	<u>16,271</u>
Excess of revenues over (under) expenditures	<u>50,000</u>	<u>50,000</u>	<u>184,616</u>	<u>134,616</u>
Other Financing Uses				
Transfer (out)	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>0</u>
Net change in fund balances	0	0	134,616	134,616
Fund balances - beginning	<u>790,951</u>	<u>790,951</u>	<u>790,951</u>	<u>0</u>
Fund balances - ending	<u>\$ 790,951</u>	<u>\$ 790,951</u>	<u>\$ 925,567</u>	<u>\$ 134,616</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, 2013**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Licenses & permits	\$ 0	\$ 0	\$ 125	\$ 125
Gambling taxes	61,400	61,400	76,272	14,872
Donations	80,000	80,000	79,522	(478)
Investment income	0	0	4	4
Net increase(decrease) in the fair value of investments	0	0	(509)	(509)
Total revenues	141,400	141,400	155,414	14,014
EXPENDITURES				
Current				
General government				
Personal services	6,400	6,400	3,082	3,318
Other services & charges	135,000	135,000	132,870	2,130
Total expenditures	141,400	141,400	135,952	5,448
Net change in fund balances	0	0	19,462	19,462
Fund deficit - beginning	(29,777)	(29,777)	(29,777)	0
Fund deficit - ending	\$ (29,777)	\$ (29,777)	\$ (10,315)	\$ 19,462

**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, 2013**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 860,018	\$ 860,018	\$ 1,158,149	\$ 298,131
Investment income	0	0	1,124	1,124
Net increase(decrease) in the fair value of investments	0	0	(14,989)	(14,989)
Miscellaneous revenue	328,879	328,879	474,779	145,900
Total revenues	1,188,897	1,188,897	1,619,063	430,166
EXPENDITURES				
Current				
General Government				
Personal services	986,480	986,480	937,084	49,396
Supplies	9,265	9,265	26,738	(17,473)
Other services & charges	186,350	186,350	339,242	(152,892)
Capital outlay	379,965	379,965	258,249	121,716
Total expenditures	1,562,060	1,562,060	1,561,313	747
Excess of revenues over (under) expenditures	(373,163)	(373,163)	57,750	430,913
OTHER FINANCING SOURCES				
Transfer in	75,000	75,000	75,000	0
Net change in fund balances	(298,163)	(298,163)	132,750	430,913
Fund balance - beginning	226,365	226,365	226,365	0
Fund balance - ending	\$ (71,798)	\$ (71,798)	\$ 359,115	\$ 430,913

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 POSITION
December 31, 2013

	<u>Workers'</u> <u>Compensation</u> <u>Self-Insurance</u>	<u>Risk</u> <u>Management</u>	<u>Total</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,438,072	\$ 1,406,422	\$ 2,844,494
Investment interest receivable	2,301	2,245	4,546
Total assets	<u>1,440,373</u>	<u>1,408,667</u>	<u>2,849,040</u>
LIABILITIES			
Current liabilities			
Accounts payable	20,159	5,267	25,426
Due to other governments	2,460	0	2,460
Total current liabilities	<u>22,619</u>	<u>5,267</u>	<u>27,886</u>
Noncurrent liabilities			
Insurance claims payable	<u>224,774</u>	<u>205,239</u>	<u>430,013</u>
Total liabilities	<u>247,393</u>	<u>210,506</u>	<u>457,899</u>
NET POSITION			
Unrestricted	<u>\$ 1,192,980</u>	<u>\$ 1,198,161</u>	<u>\$ 2,391,141</u>

CITY OF ROSEVILLE, MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the Year Ended December 31, 2013

	Workers' Compensation Self-Insurance Fund	Risk Management	Total
	<u> </u>	<u> </u>	<u> </u>
Operating revenues:			
Departmental charges	\$ 50,000	\$ 262,720	\$ 312,720
Employee charges	0	3,529	3,529
Total operating revenues	<u>50,000</u>	<u>266,249</u>	<u>316,249</u>
Operating expenses:			
Other services and charges			
Professional Services	10,407	11,280	21,687
Insurance	45,919	70,802	116,721
Training	0	329	329
Administrative charges	0	1,447	1,447
Payment of claims	222,717	242,799	465,516
Total operating expense	<u>279,043</u>	<u>326,657</u>	<u>605,700</u>
Operating income (loss)	(229,043)	(60,408)	(289,451)
Nonoperating revenues			
Investment income	4,163	4,327	8,490
Net increase(decrease) in the fair value of investments	<u>(56,414)</u>	<u>(55,034)</u>	<u>(111,448)</u>
Total nonoperating revenues	<u>(52,251)</u>	<u>(50,707)</u>	<u>(102,958)</u>
Change in net position	(281,294)	(111,115)	(392,409)
Total net position - beginning	<u>1,474,274</u>	<u>1,309,276</u>	<u>2,783,550</u>
Total net position - ending	<u>\$ 1,192,980</u>	<u>\$ 1,198,161</u>	<u>\$ 2,391,141</u>

**CITY OF ROSEVILLE, MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2013**

	Workers' Compensation Self-Insurance Fund	Risk Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from users, including deposits	\$ 50,000	\$ 262,720	\$ 312,720
Cash payments to suppliers for good and services	(130,955)	(166,162)	(297,117)
Cash payments to employees and others for resolved claims	0	3,529	3,529
Net cash provided (used) by operating activities	<u>(80,955)</u>	<u>100,087</u>	<u>19,132</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received on investments	(53,402)	(51,960)	(105,362)
Net increase (decrease) in cash and cash equivalents	(134,357)	48,127	(86,230)
Cash and cash equivalents, January 1	<u>1,572,429</u>	<u>1,358,295</u>	<u>2,930,724</u>
Cash and cash equivalents, December 31	<u>\$ 1,438,072</u>	<u>\$ 1,406,422</u>	<u>\$ 2,844,494</u>
Reconciliation of operating income (loss) to net cash (used) by operating income:			
Operating (loss)	\$ (229,043)	\$ (60,408)	\$ (289,451)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Changes in elements affecting cash			
Increase (Decrease) in accounts payable	20,159	(26,691)	(6,532)
Increase (Decrease) in Due to other governments	2,460	(2,023)	437
Increase (Decrease) in insurance claim payable	<u>125,469</u>	<u>189,209</u>	<u>314,678</u>
Net cash provided (used) by operating activities	<u>\$ (80,955)</u>	<u>\$ 100,087</u>	<u>\$ 19,132</u>

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**HOUSING & REDEVELOPMENT AUTHORITY
ROSEVILLE, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUND
December 31, 2013**

	General
ASSETS	
Cash and cash equivalents	\$ 1,192,100
Restricted investments	
Cash held in escrow	585,319
Receivables	
Investment interest	1,881
Taxes	15,993
Special assessments	1,655
Notes	1,074,347
Assets held for resale	659,810
Total assets	\$ 3,531,105
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 2,150
Deposits payable	5,000
Total liabilities	7,150
 DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue -property taxes	9,429
Unavailable revenue -special assessments	175
Total deferred	9,604
 FUND BALANCE	
Nonspendable for:	
Long term receivables	1,074,347
Assets held for resale	659,810
Unassigned	1,780,194
Total fund balance	3,514,351
Other long term assets are not available to pay for current-period expenditures and therefore, are deferred or are not reported in the fund	9,604
Net position of governmental activities	\$ 3,523,955

**HOUSING & REDEVELOPMENT AUTHORITY
ROSEVILLE, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
For the Year Ended December 31, 2013**

	<u>General</u>
REVENUES	
General property taxes	\$ 673,134
Intergovernmental revenue	22
Charges for service	158
Investment income	24,063
Net increase(decrease) in the fair value of investments	(47,235)
Donations	250
Miscellaneous	<u>17,366</u>
Total revenues	<u>667,758</u>
 EXPENDITURES	
Current:	
General government	<u>260,901</u>
Net change in fund balances	406,857
Fund balance - beginning	<u>3,107,494</u>
Fund balance - ending	<u><u>\$ 3,514,351</u></u>

**HOUSING & REDEVELOPMENT AUTHORITY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE OF
GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2013**

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

Net change in fund balances	\$ 406,857
Special assessments, property tax and tax increment collected for prior years	<u>9,604</u>
Change in net assets of governmental activities	<u>\$ 416,461</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.

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

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

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

CITY OF ROSEVILLE, MINNESOTA
COMBINING STATEMENT OF FIDUCIARY NET POSITION - AGENCY FUNDS
December 31, 2013

	East Metro SWAT	Roseville Islamic Cemetery Fund	Roseville Visitors Association	Total
ASSETS				
Cash and cash equivalents	\$ (3,176)	\$ 85,471	\$ 382,642	\$ 464,937
Investment interest receivable	0	137	1,590	1,727
Accounts receivable	0	0	36,440	36,440
Due from other governments	3,176	0	0	3,176
Prepaid items	<u>0</u>	<u>0</u>	<u>24,151</u>	<u>24,151</u>
 Total Assets	 <u>\$ 0</u>	 <u>\$ 85,608</u>	 <u>\$ 444,823</u>	 <u>\$ 530,431</u>
 LIABILITIES				
Accounts payable	\$ 0	\$ 0	\$ 21,015	\$ 21,015
Accrued payroll	0	0	3,987	3,987
Due to other governments	0	0	105	105
Due to other organizations	<u>0</u>	<u>85,608</u>	<u>419,716</u>	<u>505,324</u>
 Total Liabilities	 <u>\$ 0</u>	 <u>\$ 85,608</u>	 <u>\$ 444,823</u>	 <u>\$ 530,431</u>

**CITY OF ROSEVILLE, MINNESOTA
 COMBINING STATEMENT OF CHANGES IN
 ASSETS AND LIABILITIES - AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2013**

	Balance January 1, 2013	Additions	Deductions	Balance December 31, 2013
ASSETS				
Cash and cash equivalents	\$ 520,461	\$ 736,234	\$ 791,758	\$ 464,937
Investment interest receivable	1,118	1,939	1,330	1,727
Accounts receivable	37,942	43,621	45,123	36,440
Due from other governments	34,545	0	31,369	3,176
Prepaid items	33,870	25,747	35,466	24,151
	<u>627,936</u>	<u>807,541</u>	<u>905,046</u>	<u>530,431</u>
Total assets	<u>\$ 627,936</u>	<u>\$ 807,541</u>	<u>\$ 905,046</u>	<u>\$ 530,431</u>
 LIABILITIES				
Accounts payable	\$ 56,039	\$ 576,652	\$ 611,676	\$ 21,015
Accrued payroll	8,663	155,920	160,596	3,987
Due to other governments	982	84,437	85,314	105
Due to other organizations	562,252	110,154	167,082	505,324
	<u>627,936</u>	<u>927,163</u>	<u>1,024,668</u>	<u>530,431</u>
Total liabilities	<u>\$ 627,936</u>	<u>\$ 927,163</u>	<u>\$ 1,024,668</u>	<u>\$ 530,431</u>

CITY OF ROSEVILLE, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND - GRASS LAKE WATER MANAGEMENT ORGANIZATION
Year Ended December 31, 2013

	Balance January 1, 2013	Additions	Deductions	Balance December 31, 2013
ASSETS				
Cash and cash equivalents	\$ 56,677	\$ 0	\$ 56,677	\$ 0
Investment interest receivable	0	0	0	0
Total assets	\$ 56,677	\$ 0	\$ 56,677	\$ 0
LIABILITIES				
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 0
Due to other governments	0	0	0	0
Due to other organizations	56,677	0	56,677	0
Total liabilities	\$ 56,677	\$ 0	\$ 56,677	\$ 0

AGENCY FUND - EAST METRO SWAT

	Balance January 1, 2013	Additions	Deductions	Balance December 31, 2013
ASSETS				
Cash and cash equivalents	\$ (36,272)	\$ 46,273	\$ 13,177	\$ (3,176)
Accounts Receivable	2,681	7,181	9,862	0
Due from other governments	34,545	0	31,369	3,176
Total assets	\$ 954	\$ 53,454	\$ 54,408	\$ 0
LIABILITIES				
Accounts Payable	\$ 954	\$ 12,163	\$ 13,117	\$ 0
Due to other organizations	0	41,291	41,291	0
Total liabilities	\$ 954	\$ 53,454	\$ 54,408	\$ 0

AGENCY FUND - ROSEVILLE ISLAMIC CEMETERY

	Balance January 1, 2013	Additions	Deductions	Balance December 31, 2013
ASSETS				
Cash and cash equivalents	\$ 97,062	\$ 682	\$ 12,273	\$ 85,471
Investment interest receivable	71	137	71	137
Total assets	\$ 97,133	\$ 819	\$ 12,344	\$ 85,608
LIABILITIES				
Account payable	\$ 5,400	\$ 3,000	\$ 8,400	\$ 0
Due to other organizations	91,733	8,537	14,662	85,608
Total liabilities	\$ 97,133	\$ 11,537	\$ 23,062	\$ 85,608

AGENCY FUND - ROSEVILLE VISITORS ASSOCIATION

	Balance January 1, 2013	Additions	Deductions	Balance December 31, 2013
ASSETS				
Cash and cash equivalents	\$ 402,994	\$ 689,279	\$ 709,631	\$ 382,642
Investment interest receivable	1,047	1,802	1,259	1,590
Accounts receivable	35,261	36,440	35,261	36,440
Prepaid items	33,870	25,747	35,466	24,151
Total assets	\$ 473,172	\$ 753,268	\$ 781,617	\$ 444,823
LIABILITIES				
Accounts payable	\$ 49,685	\$ 561,489	\$ 590,159	\$ 21,015
Accrued payroll	8,663	155,920	160,596	3,987
Due to other governments	982	84,437	85,314	105
Due to other organizations	413,842	60,326	54,452	419,716
Total liabilities	\$ 473,172	\$ 862,172	\$ 890,521	\$ 444,823

Statistical Section

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

<u>Contents:</u>	<u>Page</u>
Financial Trends	102-111
These schedules contain trend information to help the reader understand how the City of Roseville's financial performance and well-being have changed over time.	
Revenue Capacity	112-117
These schedules contain trend information to help the reader understand the City of Roseville's most significant local revenue source, property taxes.	
Debt Capacity	118-123
These schedules present information to help the reader assess the affordability of the City of Roseville's current level of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	124-125
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City of Roseville's financial activities take place.	
Operating Indicators	126-131
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 Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in whole dollars)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 98,037,804	\$ 97,878,949	\$ 100,584,976	\$ 98,813,670
Restricted	18,269,971	20,185,016	8,468,097	11,095,142
Unrestricted	<u>11,162,422</u>	<u>10,853,297</u>	<u>24,354,100</u>	<u>24,743,085</u>
Total governmental activities net position	<u>\$ 127,470,197</u>	<u>\$ 128,917,262</u>	<u>\$ 133,407,173</u>	<u>\$ 134,651,897</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 17,950,057	\$ 17,862,240	\$ 17,906,632	\$ 17,892,424
Restricted	0	0	0	0
Unrestricted	<u>7,940,709</u>	<u>7,661,585</u>	<u>7,222,064</u>	<u>7,254,956</u>
Total business-type activities net position	<u>\$ 25,890,766</u>	<u>\$ 25,523,825</u>	<u>\$ 25,128,696</u>	<u>\$ 25,147,380</u>
Primary government				
Invested in capital assets, net of related debt	\$ 115,987,861	\$ 115,741,189	\$ 118,491,608	\$ 116,706,094
Restricted	18,269,971	20,185,016	8,468,097	11,095,142
Unrestricted	<u>19,103,131</u>	<u>18,514,882</u>	<u>31,576,164</u>	<u>31,998,041</u>
Total primary government net position	<u>\$ 153,360,963</u>	<u>\$ 154,441,087</u>	<u>\$ 158,535,869</u>	<u>\$ 159,799,277</u>

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 96,932,095	\$ 103,987,033	\$ 114,015,800	\$ 114,666,064	\$ 114,334,627	\$ 114,983,470
13,648,619	10,789,610	4,438,169	8,733,361	10,796,300	13,094,255
23,757,872	23,842,146	25,508,724	23,237,740	24,940,748	23,751,419
<u>\$ 134,338,586</u>	<u>\$ 138,618,789</u>	<u>\$ 143,962,693</u>	<u>\$ 146,637,165</u>	<u>\$ 150,071,675</u>	<u>\$ 151,829,144</u>
\$ 17,799,877	\$ 19,019,599	\$ 18,803,521	\$ 19,493,159	\$ 20,244,092	\$ 21,814,228
0	0	0	0	0	0
7,098,164	5,180,356	5,734,880	5,150,432	5,543,380	5,945,451
<u>\$ 24,898,041</u>	<u>\$ 24,199,955</u>	<u>\$ 24,538,401</u>	<u>\$ 24,643,591</u>	<u>\$ 25,787,472</u>	<u>\$ 27,759,679</u>
\$ 114,731,972	\$ 123,006,632	\$ 132,819,321	\$ 134,159,223	\$ 134,578,719	\$ 136,797,698
13,648,619	10,789,610	4,438,169	8,733,361	10,796,300	13,094,255
30,856,036	29,022,502	31,243,604	28,388,172	30,484,128	29,696,870
<u>\$ 159,236,627</u>	<u>\$ 162,818,744</u>	<u>\$ 168,501,094</u>	<u>\$ 171,280,756</u>	<u>\$ 175,859,147</u>	<u>\$ 179,588,823</u>

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

Expenses	2004	2005	2006	2007	2008	2009
Governmental activities:						
General government	\$ 3,386,266	\$ 3,215,084	\$ 3,664,716	\$ 3,830,814	\$ 4,283,715	\$ 5,150,773
Public safety	8,002,018	6,987,914	7,147,499	8,296,894	8,007,678	8,161,100
Public works	3,780,222	4,084,363	4,716,980	4,604,463	4,720,546	4,470,830
Parks and recreation	4,055,505	3,946,034	4,210,261	4,380,187	4,935,218	4,770,793
Economic development	1,954,642	1,856,151	1,931,016	2,469,226	2,337,776	1,742,174
Interest on long-term debt	604,523	509,484	427,191	400,498	392,527	508,970
Total governmental activities expenses	21,783,176	20,599,030	22,097,663	23,982,082	24,677,460	24,804,640
Business-type activities:						
Sewer	2,806,813	2,750,350	3,112,372	3,035,274	3,504,577	3,520,566
Water	3,938,498	4,235,357	4,410,178	4,739,327	4,881,489	5,399,949
Golf	352,023	333,832	347,153	354,318	344,445	318,890
Recycling	299,456	346,035	366,769	443,984	467,847	499,501
Storm Drainage	805,366	796,605	858,746	826,297	707,675	850,575
Total business-type activities expenses	8,202,156	8,462,179	9,095,218	9,399,200	9,906,033	10,589,481
Total primary government expenses	\$ 29,985,332	\$ 29,061,209	\$ 31,192,881	\$ 33,381,282	\$ 34,583,493	\$ 35,394,121
Program Revenues						
Governmental activities:						
Charges for services:						
General government	\$ 2,296,912	\$ 2,141,438	\$ 2,377,143	\$ 2,700,261	\$ 2,445,389	\$ 2,869,646
Public safety	1,088,309	1,585,436	568,337	566,899	549,931	1,454,107
Parks and recreation	1,549,105	2,210,202	1,946,946	1,926,806	1,765,969	1,917,605
Other activities	489,119	338,795	1,932,849	1,802,012	1,491,065	2,991,563
Operating grants and contributions	830,643	803,696	881,421	872,349	877,723	819,160
Capital grants and contributions	484,147	1,413,066	3,182,023	806,147	371,295	1,987,239
Total governmental activities program revenues	6,738,235	8,492,633	10,888,719	8,674,474	7,501,372	12,039,320
Business-type activities:						
Charges for Services:						
Sewer	2,539,180	2,628,060	2,693,983	2,796,265	2,893,260	3,090,778
Water	3,909,172	4,048,162	4,445,284	4,809,523	5,024,591	5,144,355
Golf	310,629	297,202	302,406	315,372	310,921	312,200
Recycling	236,740	250,537	348,946	387,706	426,249	345,218
Storm Drainage	643,828	655,211	667,441	688,715	736,688	812,831
Operating grants and contributions	29,291	97,462	64,216	63,861	66,661	75,349
Capital grants and contributions	3,450	1,151	0	0	0	0
Total business-type activities program revenues	7,672,290	7,977,785	8,522,276	9,061,442	9,458,370	9,780,731
Total primary government program revenues	\$ 14,410,525	\$ 16,470,418	\$ 19,410,995	\$ 17,735,916	\$ 16,959,742	\$ 21,820,051
Net (expense)/revenue						
Governmental activities	\$ (15,044,941)	\$ (12,106,397)	\$ (11,208,944)	\$ (15,307,608)	\$ (17,176,088)	#####
Business-type activities	(529,866)	(484,394)	(572,942)	(337,758)	(447,663)	(808,750)
Total primary government net expense	\$ (15,574,807)	\$ (12,590,791)	\$ (11,781,886)	\$ (15,645,366)	\$ (17,623,751)	#####
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Taxes						
Property taxes	\$ 9,249,016	\$ 9,866,249	\$ 10,684,683	\$ 11,246,116	\$ 12,417,024	\$ 12,553,187
Tax increments	2,521,708	2,350,538	2,535,830	2,765,844	2,956,413	3,288,562
Cable franchise taxes	259,808	285,184	310,790	337,069	372,706	375,551
Gambling taxes	65,935	69,145	81,152	88,890	70,488	81,274
Grants and contributions not restricted to specific programs	25,653	29,153	53,562	225,497	227,048	26,477
Unrestricted investment earnings	1,236,808	641,583	1,205,188	1,888,916	1,353,641	695,472
Miscellaneous	0	0	827,650	0	0	0
Unrestricted net increase (decrease) in the fair value of Investments	0	0	0	0	0	0
Transfers	0	0	0	0	25,000	25,000
Total governmental activities	13,358,928	13,241,852	15,698,855	16,552,332	17,422,320	17,045,523
Business-type activities:						
Unrestricted investment earnings	236,689	117,453	177,813	356,442	257,409	135,664
Gain on sale of capital assets	0	0	0	0	0	0
Transfers	0	0	0	0	(25,000)	(25,000)
Total business-type activities	236,689	117,453	177,813	356,442	232,409	110,664
Total primary government	\$ 13,595,617	\$ 13,359,305	\$ 15,876,668	\$ 16,908,774	\$ 17,654,729	\$ 17,156,187
Change in Net Position						
Governmental activities	\$ (1,686,013)	\$ 1,135,455	\$ 4,489,911	\$ 1,244,724	\$ 246,232	\$ 4,280,203
Business-type activities	(293,177)	(366,941)	(395,129)	18,684	(215,254)	(698,086)
Total primary government	\$ (1,979,190)	\$ 768,514	\$ 4,094,782	\$ 1,263,408	\$ 30,978	\$ 3,582,117

2010	2011	2012	2013
\$ 4,266,736	\$ 4,395,483	\$ 4,654,650	\$ 5,376,860
9,442,966	8,572,723	9,417,458	9,792,587
2,800,235	4,868,114	4,475,774	4,399,267
4,698,518	4,737,072	4,794,338	5,523,875
10,950,324	1,696,156	1,261,035	954,315
429,094	427,003	685,377	1,160,953
<u>32,587,873</u>	<u>24,696,551</u>	<u>25,288,632</u>	<u>27,207,857</u>
3,763,009	3,403,703	3,638,421	3,575,823
5,058,883	5,417,818	6,307,221	5,915,805
338,860	332,480	360,518	345,816
478,471	527,581	549,113	550,285
797,535	1,073,180	1,000,570	942,598
<u>10,436,758</u>	<u>10,754,762</u>	<u>11,855,843</u>	<u>11,330,327</u>
<u>\$ 43,024,631</u>	<u>\$ 35,451,313</u>	<u>\$ 37,144,475</u>	<u>\$ 38,538,184</u>
\$ 2,611,668	\$ 2,857,048	\$ 3,007,628	\$ 3,488,493
1,545,830	1,890,436	1,807,988	1,925,320
1,919,896	2,430,291	1,976,761	2,591,924
697,435	560,173	351,514	1,173,925
870,158	983,149	905,922	1,029,327
3,283,978	2,294,488	2,355,429	1,046,150
<u>10,928,965</u>	<u>11,015,585</u>	<u>10,405,242</u>	<u>11,255,139</u>
3,600,334	3,087,514	3,740,826	4,105,523
5,048,473	5,580,048	6,607,234	6,628,378
302,610	270,434	299,555	271,095
499,773	545,695	453,259	455,271
840,743	956,350	1,526,792	1,647,924
69,775	70,267	104,891	69,613
321,188	250,858	20,858	259,550
<u>10,682,896</u>	<u>10,761,166</u>	<u>12,753,415</u>	<u>13,437,354</u>
<u>\$ 21,611,861</u>	<u>\$ 21,776,751</u>	<u>\$ 23,158,657</u>	<u>\$ 24,692,493</u>
#####	\$ (13,680,966)	\$ (14,883,390)	\$ (15,952,718)
246,138	6,404	897,572	2,107,027
#####	<u>\$ (13,674,562)</u>	<u>\$ (13,985,818)</u>	<u>\$ (13,845,691)</u>
\$ 15,611,387	\$ 13,501,068	\$ 15,085,154	\$ 16,895,804
1,966,665	1,592,214	2,342,447	1,607,882
380,108	393,657	415,385	424,812
80,282	86,952	74,504	76,272
25,577	25,738	24,693	24,928
1,122,891	730,809	350,717	288,600
0	0	0	0
0	0	0	(1,535,227)
84,007	25,000	25,000	(72,884)
<u>19,270,917</u>	<u>16,355,438</u>	<u>18,317,900</u>	<u>17,710,187</u>
176,315	123,786	39,801	25,662
0	0	47,384	(233,366)
(84,007)	(25,000)	(25,000)	72,884
<u>92,308</u>	<u>98,786</u>	<u>62,185</u>	<u>(134,820)</u>
<u>\$ 19,363,225</u>	<u>\$ 16,454,224</u>	<u>\$ 18,380,085</u>	<u>\$ 17,575,367</u>
\$ (2,387,991)	\$ 2,674,472	\$ 3,434,510	\$ 1,757,469
338,446	105,190	959,757	1,972,207
<u>\$ (2,049,545)</u>	<u>\$ 2,779,662</u>	<u>\$ 4,394,267</u>	<u>\$ 3,729,676</u>

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

Fiscal Year	Property Tax	Tax Increments	Cable Franchise Taxes	Gambling Taxes	Total
2004	\$ 9,249,016	\$ 2,521,708	\$ 259,808	\$ 65,935	\$ 12,096,467
2005	9,866,249	2,350,538	285,184	69,145	12,571,116
2006	10,684,683	2,535,830	310,790	81,152	13,612,455
2007	11,246,116	2,765,844	337,069	88,890	14,437,919
2008	12,417,024	2,956,413	372,706	70,488	15,816,631
2009	12,553,187	3,288,562	375,551	81,274	16,298,574
2010	15,611,387	1,966,665	380,108	80,282	18,038,442
2011	13,501,068	1,592,214	393,657	86,952	15,573,891
2012	15,085,154	2,342,447	415,385	74,504	17,917,490
2013	16,895,804	1,607,882	424,812	76,272	19,004,770

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

	Fiscal Year		
	2004	2005	2006
General Fund			
Reserved	\$ 189,754	\$ 244,605	\$ 279,959
Unreserved	4,004,398	2,995,554	5,119,511
Total general fund	<u>\$ 4,194,152</u>	<u>\$ 3,240,159</u>	<u>\$ 5,399,470</u>
All other governmental funds			
Reserved	\$ 14,177,837	\$ 19,940,411	\$ 7,796,425
Unreserved, reported in:			
Special revenue funds	(21,103)	133,475	389,451
Debt Service	(1,939,074)	(1,620,955)	(1,471,817)
Capital projects funds	8,624,773	5,192,817	17,104,369
Total all other governmental funds	<u>\$ 20,842,433</u>	<u>\$ 23,645,748</u>	<u>\$ 23,818,428</u>
	Fiscal Year	Fiscal Year	Fiscal Year
	2011	2012	2013
General Fund			
Restricted			
Law Enforcement	\$ 346,904	\$ 383,025	\$ 441,412
Assigned			
Engineering Services	658,760	596,685	596,341
Accounting Services	15,599	16,677	18,869
Unassigned	5,190,027	5,568,600	5,151,271
Total general fund	<u>\$ 6,211,290</u>	<u>\$ 6,564,987</u>	<u>\$ 6,207,893</u>
All other governmental funds			
Restricted			
Telecommunications	\$ 521,444	\$ 591,108	\$ 584,645
Community Development	163,163	367,417	595,148
Park Dedication	692,203	702,615	1,287,496
Tax Increment	5,202,462	6,884,619	7,692,065
Debt Service	1,425,518	1,394,403	6,362,028
Bond Funded Capital Improvements	10,000,000	23,073,514	17,485,834
Committed			
Special Revenue	1,351,502	1,939,853	2,395,843
Street Replacement	11,078,323	10,308,674	9,393,137
Assigned			
Capital projects funds	4,295,277	5,689,502	5,283,935
Unassigned	(47,403)	(29,777)	(10,315)
Total all other governmental funds	<u>\$ 34,682,489</u>	<u>\$ 50,921,928</u>	<u>\$ 51,069,816</u>

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

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 356,130	\$ 404,952	\$ 402,564	\$ 402,564
<u>3,861,976</u>	<u>3,305,144</u>	<u>3,171,949</u>	<u>5,234,095</u>
<u>\$ 4,218,106</u>	<u>\$ 3,710,096</u>	<u>\$ 3,574,513</u>	<u>\$ 5,636,659</u>
\$ 10,739,012	\$ 13,243,667	\$ 10,387,046	\$ 4,035,605
921,554	946,069	1,220,099	1,131,336
(916,039)	(458,367)	843,046	1,452,411
<u>17,570,635</u>	<u>17,264,721</u>	<u>16,856,123</u>	<u>16,347,739</u>
<u>\$ 28,315,162</u>	<u>\$ 30,996,090</u>	<u>\$ 29,306,314</u>	<u>\$ 22,967,091</u>

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes	\$ 12,096	\$ 12,571	\$ 13,613	\$ 14,438	\$ 15,817	\$ 16,299	\$ 17,958	\$ 15,574	\$ 17,462	\$ 18,844
Intergovernmental	1,340	2,246	4,117	1,904	1,476	2,833	3,900	3,299	2,995	1,880
Licenses and permits	1,937	2,363	2,620	2,513	1,374	1,335	1,098	1,638	1,532	1,630
Charges for services	2,774	2,844	3,610	3,386	4,439	5,797	5,117	5,190	5,248	5,665
Fines and forfeits	147	196	256	242	232	197	214	227	314	237
Special assessments	843	628	561	589	423	1,542	530	295	308	179
Investment earnings	1,237	642	1,205	1,889	1,354	634	1,030	668	326	280
Miscellaneous	466	1,336	844	932	751	513	1,106	1,338	804	980
Total revenues	20,840	22,826	26,826	25,893	25,866	29,150	30,953	28,229	28,989	29,695
Expenditures										
General government	\$ 3,082	\$ 3,475	\$ 3,881	\$ 3,999	\$ 4,236	\$ 4,194	\$ 4,525	\$ 4,590	\$ 4,821	\$ 5,651
Public safety	6,282	6,446	7,039	7,260	7,589	7,393	8,794	8,314	8,780	9,111
Public works	1,709	1,781	1,933	2,075	2,256	2,082	2,361	2,279	2,183	2,334
Economic development	2,377	1,806	1,915	2,511	2,310	1,756	8,639	1,190	1,052	1,017
Recreation	3,078	3,015	3,359	3,510	3,611	3,506	3,638	3,623	3,688	3,808
Capital outlay	7,665	2,981	5,543	1,998	4,988	11,899	5,668	4,078	6,996	10,155
Debt service										
Principal	1,330	1,055	1,245	920	935	984	1,246	1,385	1,435	1,230
Interest	742	482	443	411	385	439	447	401	509	925
Other Charges	31	0	0	0	25	48		46	118	83
Total expenditures	26,296	21,041	25,358	22,684	26,335	32,301	35,318	25,906	29,582	34,314
Excess of revenues over (under) expenditures	(5,456)	1,785	1,468	3,209	(469)	(3,151)	(4,365)	2,323	(593)	(4,619)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Other financing sources (uses)										
Transfers in	\$ 5,016	\$ 433	\$ 297	\$ 649	\$ 133	\$ 144	\$ 203	\$ 1,115	\$ 257	\$ 75
Transfers out	(5,016)	(433)	(284)	(620)	(108)	(119)	(178)	(1,090)	(231)	(50)
Refunding bonds issued	1,725	0	0	0	0	1,070	0	0	0	0
Discount on bonds issued	0	0	0	0	0	(6)	0	(100)	0	0
Bonds issued	0	0	0	0	2,550	1,155	0	10,000	0	-
Premium on bonds issued	22	0	0	0	17	22	0	0	1,445	194
Payments to refunded bond escrow agent	(1,715)	0	0	0	0	(1,045)	0	0	0	0
Proceeds from letter of credit	0	0	827	0	0	0	0	0	15,685	3,980
Sale of assets	72	64	24	78	50	105	63	42	31	210
Total other financing sources (uses)	104	64	864	107	2,642	1,326	88	9,967	17,187	4,409
Net change in fund balances	\$ (5,350)	\$ 1,849	\$ 2,332	\$ 3,315	\$ 2,173	\$ (1,825)	\$ (4,277)	\$ 12,290	\$ 16,593	\$ (210)
Debt service as a percentage of noncapital expenditures	11.09%	8.44%	8.56%	6.37%	6.19%	6.67%	5.59%	8.39%	8.43%	8.64%

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
2004	\$ 9,249	\$ 2,522	\$ 260	\$ 66	\$ 12,097
2005	9,866	2,351	285	69	12,571
2006	10,685	2,536	311	81	13,613
2007	11,246	2,766	337	89	14,438
2008	12,417	2,956	373	70	15,816
2009	12,553	3,289	375	81	16,298
2010	15,611	1,967	380	80	18,038
2011	13,501	1,592	394	87	15,574
2012	14,815	2,158	415	75	17,463
2013	16,862	1,481	425	76	18,844

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

Fiscal Year Ended December 31	Real Property			
	Residential Property	Commercial Property	Other	Gas & Electric
2004	\$ 18,758,099	\$ 18,019,249	\$ 6,684,420	\$ 446,312
2005	21,549,325	18,050,301	7,054,033	465,320
2006	24,486,956	19,534,538	6,929,309	476,114
2007	27,000,307	20,573,742	7,027,178	501,988
2008	27,963,022	23,644,984	7,951,147	483,564
2009	34,976,945	16,599,228	7,706,785	471,602
2010	33,951,760	16,112,699	7,480,896	470,187
2011	31,104,614	14,761,512	6,853,559	500,574
2012	29,774,292	14,130,173	6,560,437	535,063
2013	28,559,312	13,553,572	6,292,730	575,028

Sources: Ramsey County & League of MN Cities

<u>Personal Property Leased Machinery & Equipment</u>	<u>Less: TIF & Fiscal Disparity Contribution (Net)</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assesed Value as a Percentage of Actual Value</u>
\$ 70,994	\$ (6,898,473)	\$ 37,080,600	23.83%	\$ 3,247,056,900	1.14%
44,478	(7,266,305)	39,897,152	24.52%	3,551,712,100	1.12%
50,436	(7,286,743)	44,190,610	23.21%	3,918,199,200	1.13%
49,406	(8,158,721)	46,993,900	23.01%	4,225,611,500	1.11%
87,052	(8,447,095)	51,682,674	23.38%	4,522,375,200	1.14%
93,052	(9,487,097)	50,360,515	24.55%	4,455,162,600	1.13%
29,739	(8,191,870)	49,853,411	27.37%	4,288,071,400	1.16%
42,639	(7,769,452)	45,459,056	29.76%	3,985,073,200	1.14%
55,906	(8,386,165)	42,669,706	33.45%	3,751,962,400	1.14%
55,906	(6,191,131)	42,845,417	38.90%	3,735,196,900	1.15%

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

Fiscal Year	City of Roseville			Ramsey County
	Operating Tax Capacity	Debt Service Tax Capacity	Total City Tax Capacity	Total County Tax Capacity
2004	19.109%	4.724%	23.833%	53.135%
2005	20.191%	4.367%	24.558%	49.210%
2006	19.286%	3.928%	23.214%	46.623%
2007	19.313%	3.701%	23.014%	44.943%
2008	20.344%	3.039%	23.383%	44.023%
2009	21.111%	3.430%	24.541%	46.546%
2010	23.593%	3.776%	27.369%	50.248%
2011	26.820%	2.938%	29.758%	54.678%
2012	30.115%	3.331%	33.446%	61.316%
2013	33.423%	5.476%	38.899%	65.242%

Sources: Ramsey County & League of MN Cities

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Roseville. Not all overlapping rates apply to all City of Roseville property owners (e.g., the rates for special districts apply only to the portion of the government's property owners whose property is located within the geographic boundaries of the special district).

Overlapping Rates (1)		School District - ISD#623		Total	
School District - ISD#621		School District - ISD#623		Total	
Tax Capacity Based	Market Value Based Tax Rate	Total Capacity Based	Market Value Based Tax Rate	Special Districts Tax Capacity	Direct & Overlapping Tax Capacity
21.843%	0.15947%	15.431%	0.19583%	6.028%	120.27%
22.112%	0.12131%	16.713%	0.16244%	6.165%	118.76%
23.419%	0.12803%	16.664%	0.15115%	7.934%	117.85%
23.264%	0.18163%	12.372%	0.16932%	8.254%	111.85%
20.380%	0.18924%	10.624%	0.18134%	8.298%	106.71%
22.937%	0.18685%	12.980%	0.22290%	8.133%	115.14%
24.560%	0.18882%	13.065%	0.20374%	8.685%	123.93%
25.573%	0.19536%	14.566%	0.19715%	9.108%	133.68%
29.044%	0.21242%	17.065%	0.19591%	10.790%	151.66%
29.444%	0.22834%	15.464%	0.24553%	12.050%	161.10%

City of Roseville
Principal Property Taxpayers
December 31, 2013 Compared To December 31, 2004
(amounts expressed in whole dollars)

Taxpayer	2013			2004		
	Taxes Levied	Rank	Percentage of Total Taxes Levied	Taxes Levied	Rank	Percentage of Total Taxes Levied
Compass Retail, Inc.	\$ 1,037,143	1	5.99%	\$ 1,121,413	1	11.20%
PPF Rosedale Shopping Center	760,848	2	4.39%	166,800	6	1.67%
Gateway Washington Inc.	438,032	3	2.53%	-	-	-
St Paul Fire and Marine Insurance Co	411,363	4	2.38%	-	-	-
Magellan Pipeline	363,315	5	2.10%	-	-	-
Wilcal Crossroads LLC	340,757	6	1.97%	-	-	-
KPERS Realty Holding #41 Inc.	252,825	7	1.46%	-	-	-
Target Corporation	224,744	8	1.30%	-	-	-
Rosedale Commons	217,186	9	1.25%	-	-	-
CSM Investors Inc.	209,822	10	1.21%	-	-	-
Bradley Real Estate Trust	-	-	-	342,406	2	3.42%
M & J Crossroads LP	-	-	-	262,672	3	2.62%
First Security Bank Trustee	-	-	-	178,849	5	1.79%
North Prior LLC	-	-	-	211,830	4	2.12%
Meritex	-	-	-	138,991	8	1.39%
The May Dept. Stores	-	-	-	161,666	7	1.61%
Williams Bros Pipeline	-	-	-	135,624	10	1.35%
MN Industrial Properties	-	-	-	135,908	9	1.36%
	<u>\$ 4,256,035</u>		<u>24.57%</u>	<u>\$ 2,856,159</u>		<u>28.53%</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	Collected within the Fiscal Year of the Levy				Total Collections to Date	
		Amount	Percentage of Levy	Collections from Homestead Credit	Collections in Subsequent Years	Amount	Percentage of Levy
2004	\$ 9,760,674	\$ 9,249,016	94.76%	\$ 0	\$ 0	\$ 9,249,016	94.76%
2005	10,637,965	9,866,249	92.75%	0	0	9,866,249	92.75%
2006	11,169,865	10,684,682	95.66%	0	0	10,684,682	95.66%
2007	11,696,360	11,246,116	96.15%	423,246	0	11,669,362	99.77%
2008	12,896,360	12,305,759	95.42%	402,488	0	12,707,947	98.54%
2009	13,138,860	12,553,187	95.54%	0	0	12,553,187	95.54%
2010	14,282,404	14,099,407	98.72%	0	0	14,099,407	98.72%
2011	14,703,044	13,501,068	91.82%	0	0	13,501,068	91.82%
2012	14,962,294	14,814,570	99.01%	0	0	14,814,570	99.01%
2013	17,319,826	16,861,841	97.36%	0	0	16,861,841	97.36%

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

<u>Governmental Activities</u>						
Fiscal Year	General Obligation Bonds	Special Assessment Bonds	Certificate of Indebtedness	Total Primary Government	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2004	\$ 9,700,000	\$ 4,475,000	\$ 0	\$ 14,175,000	0.44%	\$ 415.93
2005	9,535,000	3,585,000	0	13,120,000	0.37%	387.23
2006	9,000,000	2,875,000	0	11,875,000	0.30%	349.58
2007	8,455,000	2,500,000	0	10,955,000	0.26%	322.50
2008	7,890,000	2,130,000	2,550,000	12,570,000	0.28%	368.63
2009	8,465,000	1,750,000	2,550,000	12,765,000	0.29%	374.35
2010	7,860,000	1,330,000	2,330,000	11,520,000	0.29%	337.06
2011	17,175,000	890,000	2,070,000	20,135,000	0.51%	598.19
2012	33,594,996	435,000	1,800,000	35,829,996	0.95%	1,059.84
2013	36,927,216	225,000	1,525,000	38,677,216	1.04%	1,121.53

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

- (1) See the schedule of Assessed Value and Estimated Actual Value of Taxable Property for the estimated actual taxable value.
(2) See Population on Demographic & Economic Statistics schedule.

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

Fiscal Year	General Obligation Debt	Resources Restricted for Repayment (4)	Net General Bonded Debt (4)	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)	Estimated (3) Personal Income (amounts expressed in whole dollars)	Outstanding Debt to Personal income
2004	\$ 14,175,000	\$ N/A	\$ N/A	0.44%	\$ 415.93	\$ 1,341,695,520	1.06%
2005	13,120,000	N/A	N/A	0.37%	387.23	1,385,197,806	0.95%
2006	11,875,000	N/A	N/A	0.30%	349.58	1,315,007,728	0.90%
2007	10,955,000	N/A	N/A	0.26%	322.50	1,593,883,946	0.69%
2008	12,570,000	N/A	N/A	0.28%	368.63	1,602,820,426	0.78%
2009	12,765,000	N/A	N/A	0.29%	374.35	1,632,080,437	0.78%
2010	11,520,000	N/A	N/A	0.27%	337.06	1,561,148,506	0.74%
2011	20,135,000	1,807,185	18,327,815	0.51%	598.19	1,582,289,280	1.27%
2012	35,829,996	1,683,056	34,146,940	0.95%	1,010.06	1,644,947,199	2.18%
2013	38,677,216	6,473,489	32,203,727	1.04%	933.82	1,590,632,264	2.43%

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

- (1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.
- (2) Population data can be found in the Schedule of Demographic and Economic Statistics.
- (3) This estimated personal income number is calculated by taking the per capita personal income of Ramsey County and multiplying it by the City population.
- (4) Implementation of GASB 54 in 2011

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City of Roseville
Direct and Overlapping Governmental Activities Debt
As of December 31, 2013
(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	\$ 35,829,996	\$ 6,334,725	\$ 29,495,271	100%	\$ 29,495,271
Overlapping Debt*					
School District #621	\$ 157,788,495	\$ 12,508,224	\$ 145,280,271	8%	\$ 11,622,422
School District #623	44,015,000	0	44,015,000	61%	26,849,150
Special School District #916	3,950,000	115,201	3,834,799	8%	306,784
Metropolitan Council	1,396,829,257	315,720,261	1,081,108,996	1%	10,811,090
Metropolitan Airports Commission	1,463,880,000	221,577,306	1,242,302,694	1%	12,423,027
Ramsey County	209,772,000	45,670,461	164,101,539	9%	14,769,139
Total Overlapping Debt	<u>3,276,234,752</u>	<u>595,591,453</u>	<u>2,680,643,299</u>		<u>76,781,611</u>
Total Direct and Overlapping Debt	<u>\$ 3,312,064,748</u>	<u>\$ 601,926,178</u>	<u>\$ 2,710,138,570</u>		<u>\$ 106,276,882</u>

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

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

	Fiscal Year			
	2004	2005	2006	2007
Debt Limit	\$ 64,941,138	\$ 71,034,242	\$ 78,363,984	\$ 84,512,230
Total net debt applicable to limit	<u>9,700,000</u>	<u>9,535,000</u>	<u>9,000,000</u>	<u>8,455,000</u>
Legal debt margin	<u>\$ 55,241,138</u>	<u>\$ 61,499,242</u>	<u>\$ 69,363,984</u>	<u>\$ 76,057,230</u>
Total net debt applicable to the limit as a percentage of debt limit	14.94%	13.42%	11.48%	10.00%

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.

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 135,671,256	\$ 133,654,878	\$ 128,642,142	\$ 119,552,196	\$ 112,558,872	\$ 112,055,907
10,440,000	11,015,000	9,035,000	18,090,000	32,795,000	37,297,216
<u>\$ 125,231,256</u>	<u>\$ 122,639,878</u>	<u>\$ 119,607,142</u>	<u>\$ 101,462,196</u>	<u>\$ 79,763,872</u>	<u>\$ 74,758,691</u>
7.70%	8.24%	8.24%	15.13%	29.14%	33.28%

Legal Debt Margin Calculation for Fiscal Year 2013

Estimated Market Value	<u>\$ 3,735,196,900</u>
Debt Limit (3% of total estimated market value)	112,055,907
Debt applicable to limit:	
Total Bonded Debt	38,677,216
Less:	
Special Assessment Bonds	225,000
Housing Bonds	1,155,000
Total net debt applicable to limit	<u>37,297,216</u>
Legal Debt Margin	<u>\$ 74,758,691</u>

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

Fiscal Year	Population (1)	Estimated (2) Personal Income (amounts expressed in whole dollars)	Per Capita Personal income (3)	School Enrollment District #623 (4)	School Enrollment District #621 (4)	Unemployment Rate (5)
2004	34,080	\$ 1,341,695,520	\$ 39,369	6,255	10,006	3.8%
2005	33,882	1,385,197,806	40,883	6,383	10,456	3.4%
2006	33,969	1,315,007,928	38,712	6,396	9,929	3.4%
2007	33,969	1,593,883,946	44,852	6,420	9,705	3.9%
2008	34,099	1,602,820,426	47,005	6,486	9,792	5.7%
2009	34,099	1,632,080,437	47,863	6,400	9,674	7.0%
2010	34,178	1,561,148,506	45,677	6,444	9,849	5.5%
2011	33,660	1,582,289,280	47,008	6,588	9,765	4.5%
2012	33,807	1,644,947,199	48,657	6,804	9,948	4.4%
2013	34,486	1,590,632,264	46,124	7,587	10,236	4.3%

(1) Population and per capita income figures, other than census year, are estimates provided by the Metropolitan Council. The last census was taken in the year 2010.

(2) This estimated personal income number is calculated by taking the per capita personal income of Ramsey County and multiplying it by the City population. Also see note (3) regarding the Per Capita Personal Income figures.

(3) The per capita personal income used is for that of Ramsey County, in which the city resides, the smallest region applicable to the City that this information is available for. In addition, the 2009 - 2011 figures are an estimate for the State of Minnesota provided by the Bureau of Economic Analysis as there were no other relevant estimates available at the time of this report.

(4) The City is served by two independent school districts.

District #623 covers approximately 67% of the City, while District #621 covers approximately 33% of the City. Accordingly, not all students enrolled in District #621 live in the City of Roseville.

Information is provided by the Roseville and Moundsview School Districts.

(5) Annual average unemployment provided by the Minnesota Department of Employment & Economic Development

**City of Roseville
Principal Employers
December 31, 2013 Compared to December 31, 2004**

<u>Employer</u>	<u>2013</u>			<u>2004</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>
Aviands	1,900	1	5.15%			
Unisys	1200	2	3.25%	900	3	2.37%
Roseville Area Schools	850	3	2.30%	-	-	-
McGough Construction	800	4	2.17%	800	5	2.11%
MN Dept. of Transportation	608	5	1.65%	1500	1	3.96%
Presbyterian Homes Housing	650	6	1.76%	-	-	-
Northwestern College	500	7	1.35%	-	-	-
Symantec	500	8	1.35%	-	-	-
MN Department of Education	429	9	1.16%	500	8	1.32%
JC Penney	400	10	1.08%	400	9	1.05%
Target	-	-	-	700	6	1.85%
Beltman Group	-	-	-	956	2	2.52%
Health Span Home Care	-	-	-	800	4	2.11%
Sara Lee Baking Company	-	-	-	500	7	1.32%
Veritas Corporation	-	-	-	400	10	1.05%
Total	7,837		21.23%	7,456		15.18%

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

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

Full-time Equivalent Employees as of December 31										
Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government	27.5	29.25	31.25	32.5	33.5	33.5	34	34	35.5	39.3
Public safety										
Police	57	56.5	57.5	57.5	58	58	56.5	56.5	57	54.25
Fire	4.5	4.5	4.5	7.5	8	8	8	7	6	6
Public Works	18.25	17.25	17.25	17.25	17.25	17.25	16.75	16.74	16.47	15.75
Recreation	24.25	22.25	22.25	22.25	22.25	22.25	21.25	20.25	22.25	23
Economic Development	10.9	10.9	10.4	10.9	10.9	10.9	10.9	10.9	9.9	10
Water	6.17	6.17	6.17	6.17	6.17	6.17	6.17	7.29	7.54	6.62
Sewer	5.16	5.16	5.16	5.16	5.16	5.16	5.66	3.71	3.71	5.47
Golf	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	1.75	1.75
Recycling	0	0	0	0	0	0	0	0	0	0.3
Storm Drainage	3.42	3.42	3.42	3.42	3.42	3.42	3.42	4.01	4.03	4.87
Total	157.65	159.65	157.90	160.40	165.15	167.15	167.15	162.90	164.15	167.31

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

Function	2004	2005	2006	2007 (1)
Police				
Serious offenses	3,075	3,002	3,068	3,036
Public Assistance Calls	33,092	39,897	37,632	38,598
Traffic citations	3,679	7,763	9,312	9,219
Fire				
Fire incidents	634	890	931	4,313
Fire inspections	1,550	1,725	1,740	1,740
Public Works				
Street patching (tons)	1,000	890	800	900
Sealcoating (miles)	14	14	16	13
Snow / ice control (miles)	123	123	123	123
Sign repair / replacements	194	300	250	335
Recreation				
Recreation and leisure participations	110,466	109,879	112,061	113,250
Facility usage permits	964	1,007	1,093	1,125
Economic Development				
Building permits issued	1,378	1,404	1,270	1,302
Number of inspections	7,151	7,651	6,532	7,313
Planning / zoning cases	69	72	100	69
Water				
Meters repaired / replaced	412	394	402	407
Water main breaks	41	20	30	39
Hydrants repaired / flushed	1,702	1,708	1,701	1,711
Annual water pumped (thousands of gallons)	1,421,732	2,021,000	2,115,219	2,156,057
Sewer				
Sewer pipes repaired / replaced (linear feet)	1,740	840	5,098	4,849
Sewer pipes cleaned (linear feet)	242,475	296,000	257,000	235,000
Sewer pipes televised (linear feet)	13,600	12,800	9,400	43,755
Annual sewer flow (thousands of gallons)	1,421,732	2,021,000	2,115,219	2,156,057
Golf				
Number of rounds played	36,000	31,914	31,139	31,794
Recycling				
Materials collected (tons)	2,902	3,123	3,402	3,681
Storm Drainage				
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	171	167
Infrastructure repair / replace (linear feet)	1,400	890	3,072	625

Sources: Various city departments

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

2008	2009	2010	2011	2012	2013
3,001	2,669	2,551	2,810	2,758	2,522
38,052	35,000	38,000	36,571	34,665	34,942
8,062	8,138	8,551	8,404	10,503	9,637
4,300	4,036	4,225	4,290	4,383	4,468
1,800	1,051	1,011	1,050	473	673
1,006	1,000	900	920	715	810
15	14	14	15	14	13
125	125	125	125	125	125
197	300	524	254	150	140
112,725	112,800	112,700	112,750	112,730	112,825
1,115	1,095	1,080	1,075	1,060	1,170
1,254	1,307	1,146	1,714	1,508	1,763
6,051	5,509	5,306	4,826	5,020	5,574
45	35	29	30	35	27
554	519	592	780	590	900
38	33	29	29	21	27
1,706	1,711	1,711	1,836	1,799	1,875
2,066,694	2,081,975	1,807,879	1,857,404	1,996,677	1,826,482
5,000	8,162	5,457	15,109	21,900	39,827
276,000	237,000	261,000	274,560	274,673	255,672
61,497	72,772	89,260	59,567	67,794	40,166
2,066,694	2,081,976	1,157,210	1,399,720	1,213,440	1,243,730
31,147	30,458	28,325	25,518	25,929	24,282
3,750	2,697	3,321	3,244	3,173	3,226
125	125	125	125	125	125
20,000	20,000	20,000	20,000	20,000	20,000
71	350	258	500	400	200
188	242	96	128	70	1,049

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

Function	2004	2005	2006	2007	2008	2009	2010
Public Safety							
Police:							
Stations	1	1	1	1	1	1	1
Patrol Units	26	26	27	27	27	27	34
Fire Stations	3	3	3	3	3	3	3
Public Works							
Streets (miles)	123	121	123	123	123	123	122
Street Lights	1,144	1,124	1,125	1,125	1,125	1,125	1,125
Recreation							
Parks and playgrounds	30	30	30	30	30	30	30
Lighted park shelters	8	8	8	8	8	8	8
Parks Acreage	685	685	685	685	685	685	685
Skating Rinks							
Outdoor	11	10	10	10	8	8	8
Indoor	1	1	1	1	1	1	1
Golf Course	1	1	1	1	1	1	1
Ballfields	41	41	41	41	41	41	41
Soccer/football fields	5	8	8	8	8	8	8
Tennis Courts	17	17	17	17	17	17	17
Volleyball Courts	9	9	9	9	9	9	9
Basketball Courts	8	8	8	8	8	8	8
Miles of Trails	69	69	69	69	69	69	69
Water							
Number of connections	10,196	10,237	10,135	10,256	10,271	10,300	10,261
Water mains (miles)	165	165	166	166	166	166	166
Fire Hydrants	1,702	1,699	1,701	1,711	1,711	1,711	1,711
Water purchased from St. Paul (thousands of gallons)	1,421,732	2,021,459	2,115,219	2,156,057	2,066,694	2,081,975	1,807,879
Sewer							
Number of connections	10,053	10,115	10,083	10,199	10,015	10,021	10,188
Sanitary sewers (miles)	156	156	156	156	156	156	156
Storm drainage							
Storm sewers (miles)	141	144	145	145	145	145	145

Sources: Various city departments

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

2011	2012	2013
1	1	1
36	33	38
2	2	1
125	125	125
1,125	1,133	1,133
30	30	30
8	8	8
685	685	685
8	12	10
1	1	1
1	1	1
41	41	41
8	8	8
17	17	17
9	6	6
8	8	9
69	69	69
10,303	10,303	10,303
166	166	166
1,711	1,711	1,711
1,857,404	1,996,677	1,826,482
10,200	10,130	10,130
156	156	156
145	145	145

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