



CITY OF ROSEVILLE, MINNESOTA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED DECEMBER 31, 2018

PREPARED BY:
The Finance Department



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City of Roseville, Minnesota
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Introductory Section

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May 1, 2019

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, 2018.

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 Redpath and Company, 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, 2018 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, 2018, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Government

The City of Roseville, incorporated in 1948, is a suburban community bordering both Minneapolis and St. Paul, Minnesota in the eastern part of the state. This area is considered to be the major population and economic growth area in the state, and among one of the highly ranked economic growth areas in the country. The City of Roseville currently occupies a land area of 13.7 square miles and serves a population of 35,796. 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 31st. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than December 31st, the close of the City of Roseville's fiscal year.

The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may make transfers of appropriations within a fund. Transfers of appropriations between funds, however, require the special approval of the city council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 80 as part of the basic financial statements for the governmental funds. For governmental funds other than the general fund, and with appropriated annual budgets, this comparison is presented in the required supplementary information and the governmental fund subsection of this report, shown on pages 81-84 and 98-101.

Factors Affecting Financial Condition

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

Local Economy. The City of Roseville currently enjoys a favorable economic environment and local indicators point to continued stability and improvement. The region, while noted for a strong retail sector, enjoyed modest re-development in recent years. The re-development consisted of varied retail

that added to the relative stability of the unemployment rate. Major industries with headquarters or divisions located within the government's boundaries or in close proximity include computer hardware and software manufacturers, electrical controls and medical services, and several divisions of state government departments which administer the state highway system and the State's educational administration of K-12 operations.

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

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

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

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

Relevant Financial Policies. As part of the annual budget process, the City reviews a number of fiscal and budget policies. There have been no significant changes to these policies from the previous year.

Major Initiatives. Each year the goal of the City is to provide residents and businesses with the necessary and desired services in the most efficient manner while limiting the financial burden to taxpayers. Secondary goals center on the allocation of resources to uphold previously identified community aspirations, and meeting the needs identified in the most recent citizen survey. Those aspirations included the following:

City of Roseville Community Aspirations

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

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

Awards and Acknowledgements

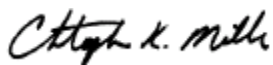
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Roseville for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2017. This was the 39th consecutive year that the city has 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, 2018. 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

A handwritten signature in black ink, appearing to read "Christopher K. Miller".

Christopher K. Miller
Finance Director



Government Finance Officers Association

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

Presented to

**City of Roseville
Minnesota**

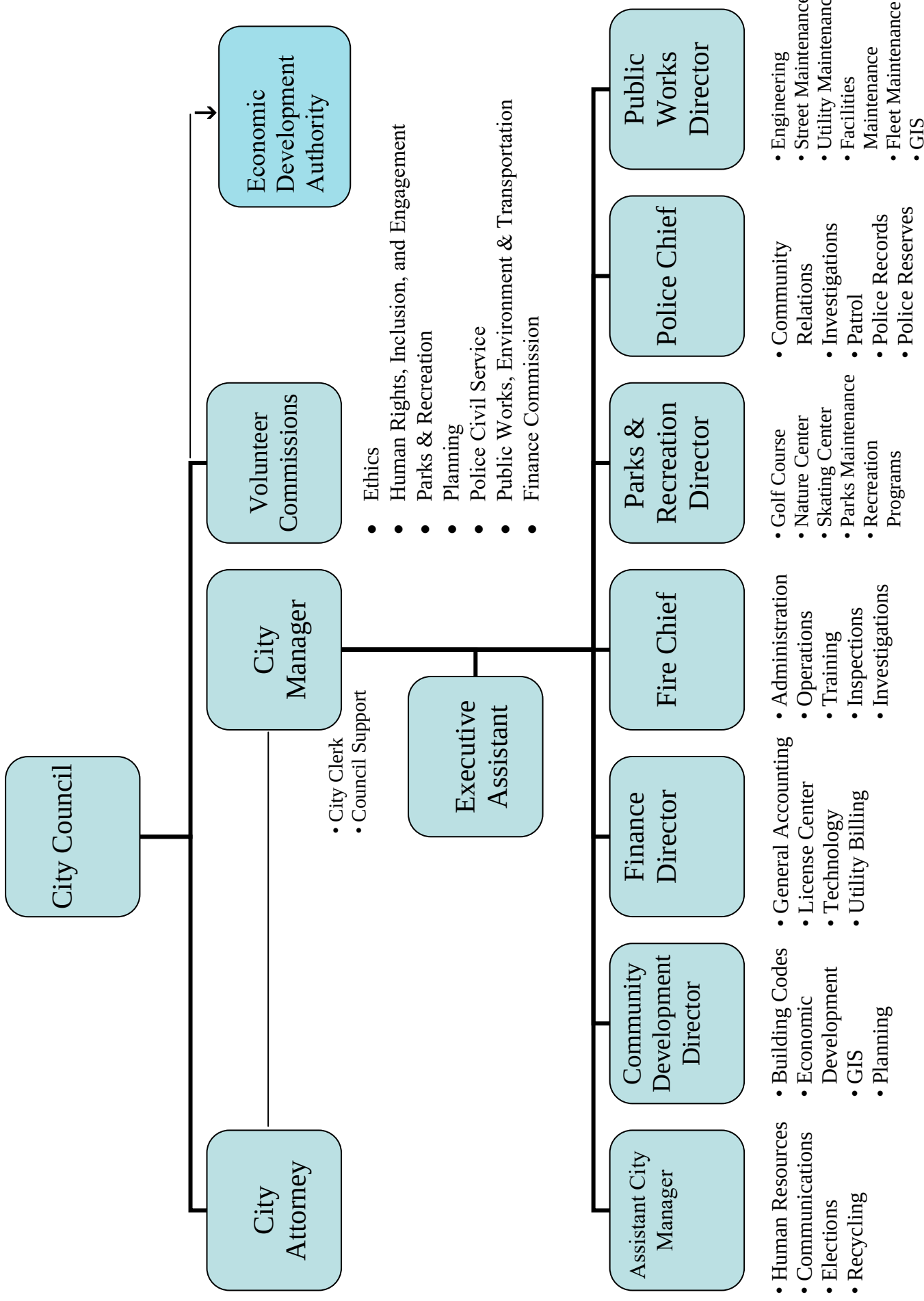
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morill

Executive Director/CEO

City of Roseville Organizational Chart





Elected and Appointed Officials December 31, 2018

Elected Officials

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

Appointed Officials

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

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Financial Section

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Roseville, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Roseville, Minnesota, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City of Roseville, Minnesota's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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, each major fund, and the aggregate remaining fund information of the City of Roseville, Minnesota, as of December 31, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 5 to the financial statements, City of Roseville, Minnesota adopted new accounting guidance, GASB Statement No 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* for the year ended December 31, 2018. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information of the General Fund, Recreation Fund, and Community Development Fund, schedule of changes in the OPEB liability and related ratios and Pension Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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, Minnesota's basic financial statements. The introductory section, supplementary information, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is 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 supplementary information is 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, 2019, on our consideration of the City of Roseville, Minnesota'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 the City of Roseville, Minnesota's internal control over financial reporting and compliance.

Redpath and Company, Ltd.

REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

May 1, 2019

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CITY OF ROSEVILLE, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2018

OVERVIEW OF THE FINANCIAL STATEMENTS

As management of the City of Roseville, we offer readers of the City's financial statement this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with the City's financial statements and the additional information that we have furnished in our letter of transmittal, which can be found on pages 1-4 of this report.

Financial Highlights

- The assets and deferred outflows of the City of Roseville exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$182,246,088 (Net position). Of this amount, \$10,955,075 (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 \$1,548,807.
- As of the close of the current fiscal year, the City of Roseville's governmental activities reported combined ending unrestricted net position of \$10,192,853.
- At the end of the current fiscal year, unrestricted fund balance for the general fund was \$5,845,072 or 38% of total general fund expenditures.
- The City of Roseville total bonded debt and certificates of indebtedness decreased by \$2,880,000 during the current fiscal year.

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

Government-wide Financial Statements

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

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

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

CITY OF ROSEVILLE, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2018

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Fund Financial Statements

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

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

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

The City maintains 12 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Recreation, License Center, Community Development, Debt Service, Revolving Improvements, Economic Increments Construction and Street Construction, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

Proprietary Funds – The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Sanitary Sewer, Water, Golf Course, Solid Waste, Storm Drainage and Recycling operations. Internal service

CITY OF ROSEVILLE, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2018

OVERVIEW OF THE FINANCIAL STATEMENTS

funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for Workers' Compensation Self Insurance and Risk Management. The services provided by these funds predominately benefit the governmental rather than the business-type functions. They have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sanitary Sewer, Water, Golf Course, Storm Drainage and Solid Waste Recycling since they are considered to be major funds of the City. Both internal service funds are combined into a separate single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

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

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

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, *Required Supplementary Information*, presents a detailed budgetary comparison schedule for the General, Recreation and the Community Development Fund to demonstrate compliance with the budget. In accordance with the requirements of GASB Statement 75, it also includes other post-employment benefit plan schedule of funding progress. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds and other information related to the individual funds are presented immediately following the required supplementary information.

CITY OF ROSEVILLE, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS

For Year Ended December 31, 2018

FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

The analysis of the City's financial position begins with a review of the *Statement of Net Position* and the *Statement of Activities*. These two statements report the City's net position and changes therein. It should be noted that the financial position can also be affected by non-financial factors, including economic conditions, population growth and new regulations. Net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Roseville, assets and deferred outflows exceeded liabilities by \$182,246,088 as of December 31, 2018. This represents an increase of \$1,548,807 from the previous year.

By far the largest portion of the City of Roseville's net position (87.4% percent) reflects its investment in capital assets (e.g. land, buildings, machinery, equipment and infrastructure) less any related debt used to acquire those assets that is still outstanding. The City of Roseville uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Roseville's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CONDENSED STATEMENT OF NET POSITION

	Governmental Activities 2018	Governmental Activities 2017	Business-Type Activities 2018	Business-Type Activities 2017	Total 2018	Total 2017
Current and other assets	\$ 46,813,789	\$ 52,250,897	\$ 4,240,829	\$ 4,830,402	\$ 51,054,618	\$ 57,081,299
Capital assets	144,169,268	145,900,233	39,064,922	34,767,437	183,234,190	180,667,670
Total Assets	190,983,057	198,151,130	43,305,751	39,597,839	234,288,808	237,748,969
Deferred outflows of resources	10,153,290	12,164,003		327,700	10,153,290	3,025,539
Long-term liabilities						
Outstanding	40,182,292	44,991,753	1,377,479	1,464,078	41,559,771	46,455,831
Other liabilities	4,530,481	5,577,816	3,350,340	3,449,545	7,880,821	9,027,361
Total Liabilities	44,712,773	50,569,569	4,727,819	4,913,623	49,440,592	55,483,192
Deferred inflows of resources	12,708,609	13,836,800	287,123	223,399	12,995,732	1,581,240
Net Position						
Invested in capital assets net of related debt	121,613,755	121,203,724	37,768,901	33,862,002	159,382,656	155,065,726
Restricted	11,908,357	13,523,329	-	-	11,908,357	13,523,329
Unrestricted	10,192,853	11,181,711	762,222	926,515	10,955,075	12,108,226
Total Net Position	\$ 143,714,965	\$ 145,908,764	\$ 38,531,123	\$ 34,788,517	\$ 182,246,088	\$ 180,697,281

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 - \$10,192,853 may be used to meet the City's ongoing obligations to citizens and creditors.

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

CITY OF ROSEVILLE, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2018

FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

Analysis of the City's Operations – Governmental activities decreased the City of Roseville's net position by \$2,193,799. Business-type activities increased Roseville's net position by \$3,742,606, for an overall increase of \$1,548,807. Key elements of this increase are as follows:

CONDENSED STATEMENT OF CHANGES IN NET POSITION

	Governmental Activities 2018	Governmental Activities 2017	Business-Type Activities 2018	Business-Type Activities 2017	Total 2018	Total 2017
Revenues						
Program Revenues						
Charges for services	\$ 11,250,892	\$ 9,324,201	\$ 14,860,204	\$ 14,556,431	\$ 26,111,096	\$ 23,880,632
Operating grants and Contributions	1,535,286	1,418,596	124,248	87,901	1,659,534	1,506,497
Capital grants and Contributions	708,900	1,209,349	50,000	-	758,900	1,209,349
General Revenues						
Property taxes	20,918,842	20,730,169	-	-	20,918,842	20,730,169
Other taxes	1,363,297	1,701,906	-	-	1,363,297	1,701,906
Grants & contributions not Restricted to specific Programs	98,710	27,208	-	-	98,710	27,208
Investment earnings	378,063	860,242	6,039	31,735	384,102	891,977
Net Increase (decrease) in fair value of investments	(115,486)	(197,305)	872	10,985	(114,614)	(186,320)
Gain on Sale of capital asset	65,101	112,600	1,982	24,673	67,083	137,273
Total Revenues	\$ 36,203,605	\$ 35,186,966	\$ 15,043,345	\$ 14,711,725	\$ 51,246,950	\$ 49,898,691
Expenses						
General government	\$ 8,435,979	\$ 8,180,795	\$ -	\$ -	\$ 8,435,979	\$ 8,180,795
Public safety	12,702,978	12,490,251	-	-	12,702,978	12,490,251
Public works	8,095,118	7,759,394	-	-	8,095,118	7,759,394
Economic development	1,229,029	4,047,461	-	-	1,229,029	4,047,461
Recreation	6,185,924	6,315,824	-	-	6,185,924	6,315,824
Interest on debt	708,583	785,702	-	-	708,583	785,702
Sanitary sewer	-	-	4,148,465	3,982,565	4,148,465	3,982,565
Water	-	-	5,919,239	6,274,835	5,919,239	6,274,835
Golf	-	-	448,514	367,665	448,514	367,665
Storm drainage	-	-	1,272,724	1,237,523	1,272,724	1,237,523
Recycling	-	-	551,590	506,058	551,590	506,058
Total Expenses	\$ 37,357,611	\$ 39,579,427	\$ 12,340,532	\$ 12,368,646	\$ 49,698,143	\$ 51,948,073
Change in Net Position before Transfers	\$ (1,154,006)	\$ (4,392,461)	\$ 2,702,813	\$ 2,343,079	\$ 1,548,807	\$ (2,049,382)
Transfers	(1,039,793)	(122,737)	1,039,793	122,737	-	-
Increase (decrease) in Net position	(2,193,799)	(4,515,198)	3,742,606	2,465,816	1,548,807	(2,049,382)
Net position on January 1st	145,908,764	150,423,962	34,788,517	32,322,701	180,697,281	182,746,663
Net position on December 31st	143,714,965	145,908,764	38,531,123	34,788,517	182,246,088	180,697,281

CITY OF ROSEVILLE, MINNESOTA

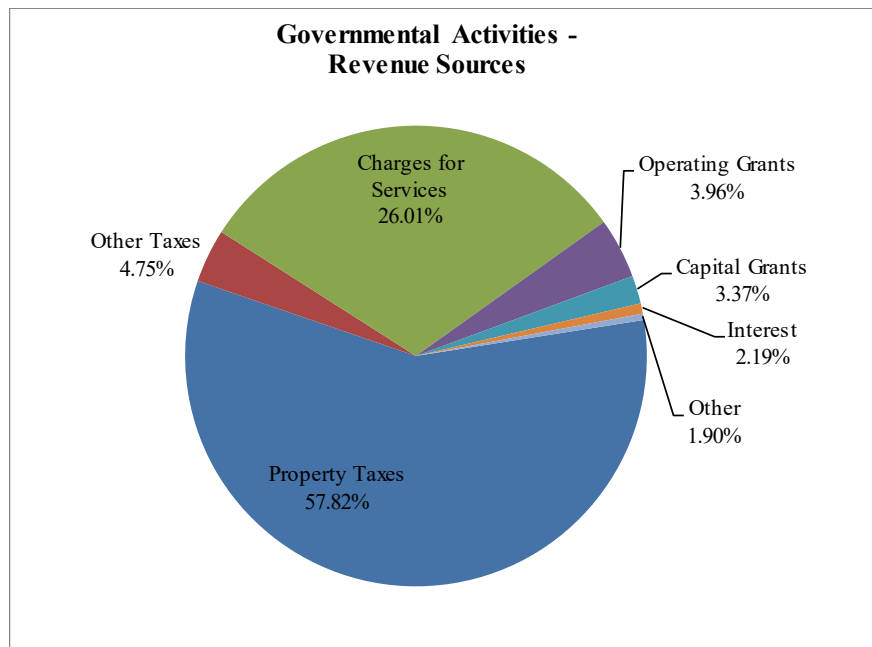
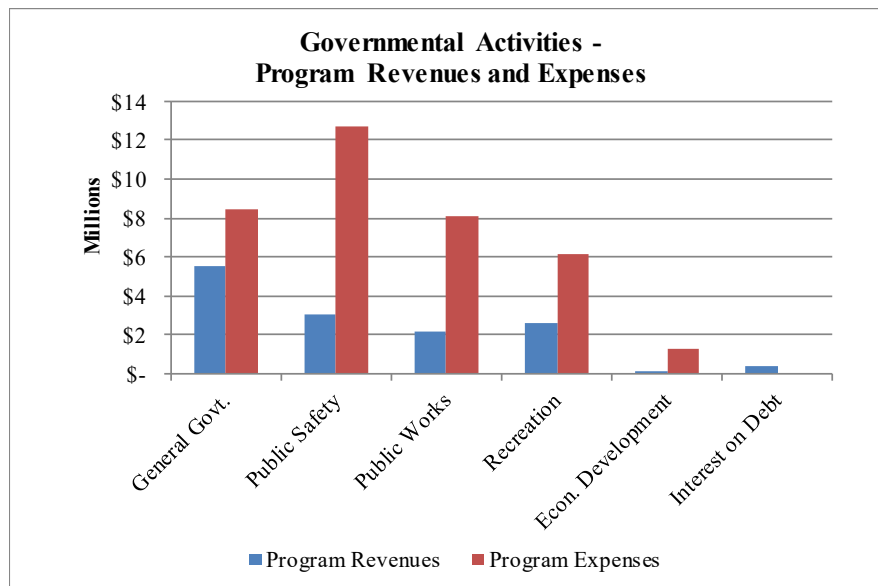
MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2018

FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

Governmental Activities

The decrease in net position resulted primarily from the transfer of \$1.9 million to the Golf Course proprietary fund. The \$1.9 million was used to fund the construction of the Cedarholm Community Building at the City's Cedarholm Golf Course. The decrease in net position was also from \$.8 million of capital maintenance and improvement projects which were funded from reserves in the Street Construction Fund.

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



CITY OF ROSEVILLE, MINNESOTA

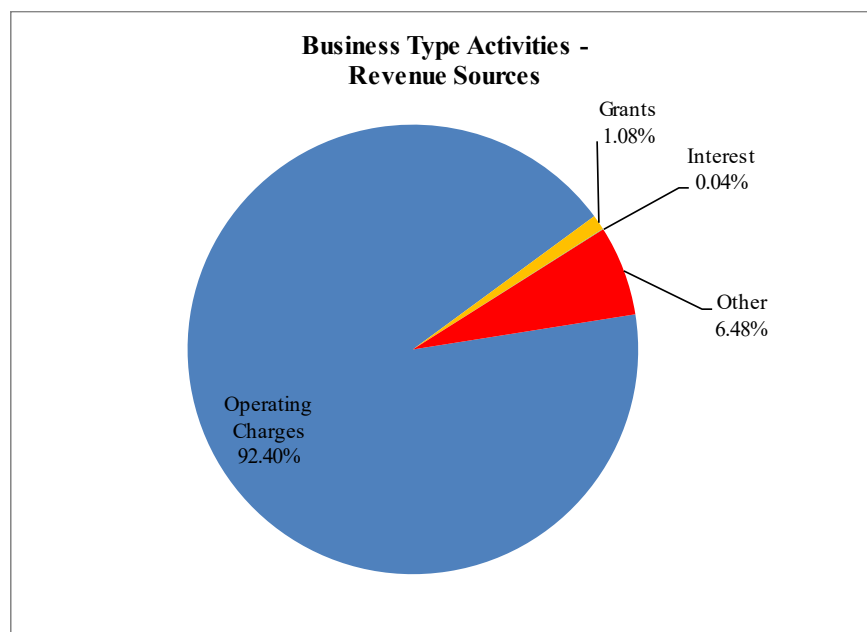
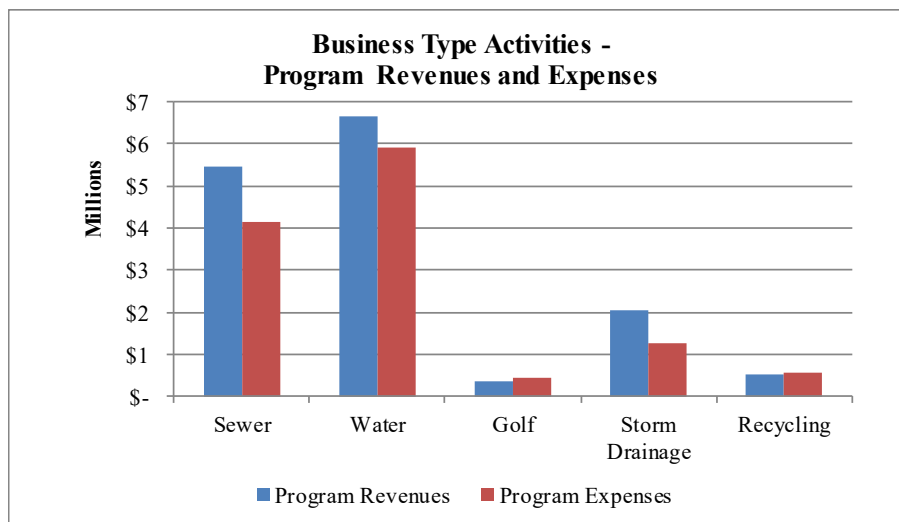
MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2018

FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

Business-type Activities

The increase in net position for business-type activities reflects improved cost containment. Water, Sewer, Storm Drainage and Recycling rate increases in 2018 were also implemented to offset declining interest earnings and other non-tax revenue sources. The rate increases were also implemented to provide yearly contributions for future funding of capital asset replacement.

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



CITY OF ROSEVILLE, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2018

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 \$35,540,555. Approximately 65.2% of this total amount \$23,622,384; constitutes unrestricted fund balance. The remainder of the fund balance is restricted to indicate that it is not available for new spending because it is legally restricted for; 1) various operating purposes - \$3,451,966, 2) for tax increment financing activities - \$4,135,280, 3) bond funded capital improvements - \$929,573, 4) debt service - \$2,533,920 and 5) housing and economic development - \$857,618.

The General Fund increased \$17,278 due to transfers of excess reserves from other funds in 2018.

The Recreation Fund accounts for activities of Park and Recreation programs and the Roseville Parks maintenance. The Fund's balance decreased by \$410,585. The decline is due to a one-time transfer of access reserves to the General Fund for future City Council initiatives.

The License Center Fund accounts for the activities of the City's motor vehicle licensing and passport services. The Fund's balance decreased by \$526,628. The decline is due to a one-time transfer of access reserves to the General Fund for future City Council initiatives and a transfer of funds to the Revolving Improvements Fund to help finance the purchase of the building and land in which the License Center is located.

The Debt Service Fund accounts for activities of the City's Debt issuances principal and interest payments. The Fund's balance decreased by \$92,747. The decline was a planned use of fund reserve to meet the City's debt obligations.

The Revolving Improvement Fund accounts for the activities in the City's vehicle fleet, buildings maintenance, and Parks renewal program. The Fund's balance decreased by \$2,593,290. The decline is due to the use of fund reserves to purchase 2719 Lexington Avenue, the current location of the City's License Center. The Fund also made a one-time transfer of fund reserves to the City's Golf Course Fund to help finance the construction of the new Cedarholm Community Building located at the City's municipal golf course.

The Street Construction Fund decreased by \$885,308 largely due to a budgeted spend down of reserves for various capital improvement projects.

The Tele-Communications Fund's decline of \$86,552 and the Charitable Gambling Fund's decline of \$28,921 were due to plan spend downs of the Funds reserves in 2018.

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 - \$712,428; Water - \$0; Golf - \$0; Storm - \$258,649 and Recycling - \$68,955. Overall, net position increased \$3,742,606 reflecting positive cash flow from utility rates, which were designated for future capital replacements.

CITY OF ROSEVILLE, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2018

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

General Fund Budgetary Analysis

The General Fund balance increased by \$17,278 in 2018, which was primarily due to a transfer in of \$886,000 from various funds, which had excess reserves. The transfers were made to the General Fund to fund future City Council initiatives. The General Fund total revenue was \$63,525 greater than the final budget due to the City receiving greater than expected revenue from licenses and permits and receiving some unexpected grant revenue. The General Fund Public Works function was \$221,034 under budget because a decision was made not to do \$230,000 worth of street seal coating because of issues obtaining quality seal coating mix. This also resulted in less expenditures for professional services, supplies, and materials that would accompany this project. \$216,000 was then transferred to the Street Fund to help fund street replacement projects, which also resulted in the General Fund being \$219,221 over budget for transfers out.

CAPITAL ASSETS

The City of Roseville's investment in capital assets for its governmental and business type activities as of December 31, 2018, amounts to \$183,234,190 (net of accumulated depreciation) – a 1.4% 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 \$7.7 million in the construction of projects for Roseville Parks and Recreation.
- Approximately \$2.3 million for the acquisition of the building and land located at 2719 Lexington Avenue which is the location of the City's Roseville License and Passport Center.
- Approximately \$3.4 million in improvements to the City's sewer line, water lines, lift station and storm drainage infrastructure.

CAPITAL ASSETS AT YEAR-END NET OF ACCUMULATED DEPRECIATION

	Governmental Activities 2018	Governmental Activities 2017	Business-Type Activities 2018	Business-Type Activities 2017	Total 2018	Total 2017
Land & easements	\$ 36,880,287	\$ 35,746,188	\$ 893,299	\$ 893,298	\$ 37,773,586	\$ 36,639,486
Buildings	28,213,041	22,208,510	43,998	58,529	28,257,039	22,267,039
Improvements other Than buildings	6,521,484	6,224,419	437,911	447,366	6,959,395	6,671,785
Machinery & equipment	7,424,077	7,622,871	973,413	917,463	8,397,490	8,540,334
Infrastructure	62,169,666	60,024,686	32,102,144	29,575,477	94,271,810	89,600,163
Construction in progress	2,960,713	14,073,559	4,614,157	2,875,304	7,574,870	16,948,863
Total Capital Assets	\$144,169,268	\$145,900,233	\$ 39,064,922	\$ 34,767,437	\$183,234,190	\$180,667,670

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

CITY OF ROSEVILLE, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS

For Year Ended December 31, 2018

LONG-TERM OBLIGATIONS

At the end of the current fiscal year, The City of Roseville had total long-term debt outstanding of \$22,945,000. Of this amount:

- \$1,630,000 was for general obligation refunding bonds to refinance the debt originally issued to construct an expansion of City Hall
- \$7,575,000 for the general obligation to finance the construction of a new fire station and to make various park improvements
- \$12,560,000 for the general obligation for remaining construction of a new fire station and for various parks renewal projects
- \$700,000 for housing improvements
- \$3,035,000 in general obligation tax increment revenue bonds to finance public improvements within Tax Increment Financing District No. 17

OUTSTANDING DEBT GENERAL OBLIGATION IMPROVEMENT BONDS AND CERTIFICATES OF INDEBTEDNESS

	Governmental Activities 2018	Governmental Activities 2017	Business-Type Activities 2018	Business-Type Activities 2017	Total 2018	Total 2017
General obligation						
Tax Increment Revenue Bonds	\$ 2,940,000	\$ 3,035,000	\$ -	\$ -	\$ 2,940,000	\$ 3,035,000
Municipal bonds	20,005,000	22,465,000	-	-	20,005,000	22,465,000
Certificates of						
Indebtedness	-	325,000	-	-	-	325,000
Total Outstanding Debt	\$ 22,945,000	\$ 25,825,000	\$ -	\$ -	\$ 22,945,000	\$ 25,825,000

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

Minnesota State statutes limit the amount of general obligation debt a city may issue to 3% of total Estimated Market Value. The current debt limitation for the City of Roseville is \$128,818,170. \$22,945,000 of the City's outstanding debt is counted against the statutory limitation as the debt is wholly financed by a general tax levy.

Additional information on the City of Roseville's long-term debt can be found in Note 1-D and Note 4-H this report.

CITY OF ROSEVILLE, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2018

CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS

Financial Outlook

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

- ❖ The City made operational adjustments including a modest property tax increase and the limited use of cash reserves to ensure that the City's core services are funded in a manner that preserves the greatest value to the community.
- ❖ New building permit fees were added, existing permit fees and plan review fees were increased to reflect the rising administrative, attorney and inspection costs incurred by the City. In addition, user charges for proprietary funds were also changed to reflect current and anticipated conditions and asset replacement needs.

These factors were considered when the City of Roseville prepared its 2019 budget.

REQUESTS FOR INFORMATION

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

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Basic Financial Statements

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and cash equivalents	38,237,641	284,563	38,522,204
Receivables			
Accounts	1,101,978	3,216,470	4,318,448
Taxes	624,014	-	624,014
Investment interest	86,166	1,792	87,958
Special assessments	1,804,794	474,434	2,279,228
Due from other governments	512,182	1,056	513,238
Notes	2,123,716	-	2,123,716
Prepays	9,814	262,514	272,328
Assets held for resale	52,807	-	52,807
Net pension asset - fire relief	2,260,677	-	2,260,677
Capital Assets Not Being Depreciated			
Land	29,148,394	893,299	30,041,693
Easements	7,731,893	-	7,731,893
Construction in Progress	2,960,713	4,614,157	7,574,870
Capital Assets Net of Accumulated Depreciation			
Buildings	28,213,041	43,998	28,257,039
Improvements other than Buildings	6,521,484	437,911	6,959,395
Machinery, equipment, and vehicles	7,424,077	973,413	8,397,490
Infrastructure	62,169,666	32,102,144	94,271,810
Total Assets	190,983,057	43,305,751	234,288,808
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension resources	10,153,290	240,314	10,393,604
LIABILITIES			
Accounts payable	914,171	1,204,939	2,119,110
Accrued payroll	428,935	36,678	465,613
Contracts and retainage payable	172,460	650,261	822,721
Bond interest payable	235,386	-	235,386
Due to other governmental units	2,105,822	122,698	2,228,520
Deposits payable	673,707	1,335,764	2,009,471
Noncurrent Liabilities:			
Due Within One Year	3,222,504	23,703	3,246,207
Due in More than One Year	36,959,788	1,353,776	38,313,564
Total Liabilities	44,712,773	4,727,819	49,440,592
DEFERRED INFLOWS OF RESOURCES			
Deferred pension resources	12,708,609	287,123	12,995,732
NET POSITION			
Net Investment in Capital Assets	121,613,755	37,768,901	159,382,656
Restricted for:			
Law enforcement	373,225	-	373,225
Telecommunication	345,056	-	345,056
Lawful Gambling	81,751	-	81,751
Community development	2,139,763	-	2,139,763
Park dedication	512,171	-	512,171
Tax increment	4,135,280	-	4,135,280
Debt service	2,533,920	-	2,533,920
Bond Funded Capital Improvements	929,573	-	929,573
Housing and Economic Development	857,618	-	857,618
Unrestricted	10,192,853	762,222	10,955,075
Total Net Position	143,714,965	38,531,123	182,246,088

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

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	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	\$ 8,435,979	\$ 5,418,566	\$ 109,702	\$ 17,380	\$ (2,890,331)	\$ -	\$ (2,890,331)
Public safety	12,702,978	2,018,293	1,009,440	-	(9,675,245)	-	(9,675,245)
Public works	8,095,118	1,109,445	386,135	691,520	(5,908,018)	-	(5,908,018)
Economic development	1,229,029	137,529	-	-	(1,091,500)	-	(1,091,500)
Recreation	6,185,924	2,567,059	30,009	-	(3,588,856)	-	(3,588,856)
Interest on long-term debt	708,583	-	-	-	(708,583)	-	(708,583)
Total governmental activities	37,357,611	11,250,892	1,535,286	708,900	(23,862,533)	-	(23,862,533)
Business-type activities:							
Sewer	4,148,465	5,458,020	-	-	-	1,309,555	1,309,555
Water	5,919,239	6,649,903	-	-	-	730,664	730,664
Golf	448,514	305,905	-	50,000	-	(92,609)	(92,609)
Storm Drainage	1,272,724	2,019,311	38,600	-	-	785,187	785,187
Recycling	551,590	427,065	85,648	-	-	(38,877)	(38,877)
Total business- type activities	12,340,532	14,860,204	124,248	50,000	-	2,693,920	2,693,920
Total primary government	\$ 49,698,143	\$ 26,111,096	\$ 1,659,534	\$ 758,900	\$ (23,862,533)	\$ 2,693,920	\$ (21,168,613)
General revenues:							
Property taxes					20,918,842	-	20,918,842
Tax increments					922,055	-	922,055
Cable franchise taxes					403,224	-	403,224
Gambling taxes					38,018	-	38,018
Grants and contributions not restricted to specific programs					98,710	-	98,710
Unrestricted investment earnings					378,063	6,039	384,102
Unrestricted net increase(decrease) in the fair value of investments					(115,486)	872	(114,614)
Gain on sale of capital assets					65,101	1,982	67,083
Transfers					(1,039,793)	1,039,793	-
Total general revenues and transfers					21,668,734	1,048,686	22,717,420
Change in net position					(2,193,799)	3,742,606	1,548,807
Net position - beginning					145,908,764	34,788,517	180,697,281
Net position - ending					\$ 143,714,965	\$ 38,531,123	\$ 182,246,088

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

	General	Special Revenue			Debt Service
		Recreation	License Center	Community Development	
ASSETS					
Cash and investments	7,243,745	1,666,133	656,697	2,538,245	2,486,668
Investment interest receivable	12,407	4,556	1,912	4,899	4,794
Accounts receivable	113,912	154,992	305,292	2,508	-
Taxes receivable	392,077	64,078	-	-	81,310
Special assessments receivable	417	3,299	-	1,389	153,122
Due from other governments	12,290	-	215,329	-	-
Due from other funds	-	-	-	-	-
Notes receivable	-	-	-	1,129,846	-
Property held for resale	-	-	-	-	-
Prepaid items	9,814	-	-	-	-
TOTAL ASSETS	7,784,662	1,893,058	1,179,230	3,676,887	2,725,894
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	535,511	194,260	29,957	41,613	-
Accrued payroll	255,957	81,133	35,724	17,722	-
Contracts and retention payable	-	-	18,127	-	-
Due to other funds	-	-	-	-	-
Due to other governmental units	178,677	49,785	645,558	1,147,872	-
Deposits payable	335,190	800	-	329,917	-
Total Liabilities	1,305,335	325,978	729,366	1,537,124	-
Deferred Inflows of Resources					
Unavailable Revenue - due from other governments	-	-	-	-	-
Unavailable Revenue - property taxes	250,964	30,618	-	-	38,852
Unavailable Revenue - special assessments	252	-	-	-	153,122
Total Deferred Inflows of Resources	251,216	30,618	-	-	191,974
FUND BALANCE					
Nonspendable	9,814	-	-	-	-
Restricted					
Law Enforcement	373,225	-	-	-	-
Telecommunications	-	-	-	-	-
Lawful Gambling	-	-	-	-	-
Community Development	-	-	-	2,139,763	-
Park Dedication	-	-	-	-	-
Tax Increment	-	-	-	-	-
Debt Service	-	-	-	-	2,533,920
Bond Funded Capital Improvements	-	-	-	-	-
Housing and Economic Development	-	-	-	-	-
Committed					
Street Replacement	-	-	-	-	-
Assigned					
Parks and Recreation Programs and Maintenance	-	1,536,462	-	-	-
License Center Improvements	-	-	449,864	-	-
Information Technology	-	-	-	-	-
Engineering Services	805,269	-	-	-	-
Accounting Service	17,687	-	-	-	-
General Service Reserve	886,000	-	-	-	-
Capital Projects	-	-	-	-	-
Housing and Economic Development	-	-	-	-	-
Unassigned	4,136,116	-	-	-	-
Total Fund Balances	6,228,111	1,536,462	449,864	2,139,763	2,533,920
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	7,784,662	1,893,058	1,179,230	3,676,887	2,725,894

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

	Capital Projects			Other	Total
	Revolving	Economic	Street	Governmental	Governmental
	Improvements	Increments	Construction	Funds	Funds
		Construction			
ASSETS					
Cash and investments	7,690,763	4,169,752	4,676,294	4,812,349	35,940,646
Investment interest receivable	14,786	8,049	19,808	9,574	80,785
Accounts receivable	4,028	-	856	520,390	1,101,978
Taxes receivable	57,381	-	15,383	13,785	624,014
Special assessments receivable	-	-	1,642,306	4,261	1,804,794
Due from other governments	80,113	100,000	104,450	-	512,182
Due from other funds	-	-	1,500,000	-	1,500,000
Notes receivable	-	-	-	993,870	2,123,716
Property held for resale	-	-	-	52,807	52,807
Prepaid items	-	-	-	-	9,814
TOTAL ASSETS	7,847,071	4,277,801	7,959,097	6,407,036	43,750,736
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	52,467	465	-	51,322	905,595
Accrued payroll	-	-	-	38,399	428,935
Contracts and retention payable	61,594	-	92,739	-	172,460
Due to other funds	1,500,000	-	-	-	1,500,000
Due to other governmental units	-	42,056	343	25,015	2,089,306
Deposits payable	2,800	-	-	5,000	673,707
Total Liabilities	1,616,861	42,521	93,082	119,736	5,770,003
Deferred Inflows of Resources					
Unavailable Revenue - due from other governments	81,122	100,000	101,307	-	282,429
Unavailable Revenue - property taxes	27,418	-	7,350	6,642	361,844
Unavailable Revenue - special assessments	-	-	1,642,306	225	1,795,905
Total Deferred Inflows of Resources	108,540	100,000	1,750,963	6,867	2,440,178
Fund Balance					
Nonspendable	-	-	-	-	9,814
Restricted					
Law Enforcement	-	-	-	-	373,225
Telecommunications	-	-	-	345,056	345,056
Lawful Gambling	-	-	-	81,751	81,751
Community Development	-	-	-	-	2,139,763
Park Dedication	512,171	-	-	-	512,171
Tax Increment	-	4,135,280	-	-	4,135,280
Debt Service	-	-	-	-	2,533,920
Bond Funded Capital Improvements	929,573	-	-	-	929,573
Housing and Economic Development	-	-	-	857,618	857,618
Committed					
Street Replacement	-	-	6,115,052	-	6,115,052
Assigned					
Parks and Recreation Programs and Maintenance	-	-	-	-	1,536,462
License Center Improvements	-	-	-	-	449,864
Information Technology	-	-	-	1,534,647	1,534,647
Engineering Services	-	-	-	-	805,269
Accounting Service	-	-	-	-	17,687
General Service Reserve	-	-	-	-	886,000
Capital Projects	4,679,926	-	-	-	4,679,926
Housing and Economic Development	-	-	-	3,461,361	3,461,361
Unassigned	-	-	-	-	4,136,116
Total Fund Balances	6,121,670	4,135,280	6,115,052	6,280,433	35,540,555
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	7,847,071	4,277,801	7,959,097	6,407,036	43,750,736

Capital assets (net of depreciation) used in governmental activities and are not financial resources and therefore, are not reported in the funds.	144,169,268
Long term liabilities including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.	(40,027,853)
Internal service funds are used by management to charge the cost of insurance to individual funds.	1,887,459
Other long term assets are not available to pay for current-period expenditures and, therefore, are deferred or are not reported in the funds.	4,700,855
Governmental funds do not report long term amounts related to pensions	
Deferred outflow of resources	10,153,290
Deferred inflow of resources	(12,708,609)
Net position of governmental activities	\$ 143,714,965

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

City of Roseville, Minnesota
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended December 31, 2018

Statement 4
(Page 1 of 2)

		Special Revenue			
	General	Recreation	License Center	Community Development	Debt Service
REVENUES					
General property taxes	11,523,078	2,588,457	-	-	3,284,556
Tax increment	-	-	-	-	-
Intergovernmental revenue	1,208,340	-	-	-	-
Licenses and permits	496,416	-	-	1,538,173	-
Gambling taxes	-	-	-	-	-
Charges for services	284,886	2,080,299	1,785,836	109,007	-
Fines and forfeits	97,415	-	-	-	-
Cable franchise taxes	-	-	-	-	-
Rentals	-	72,330	-	-	-
Donations	41,401	51,309	-	-	-
Special assessments	11	4,252	-	21	35,430
Investment income	-	-	-	-	-
Interest earned on investments	43,858	19,109	120	22,593	17,898
Increase (decrease) in fair value of investments	(11,852)	(15,259)	4,616	(12,167)	(7,312)
Miscellaneous Revenue	58,452	47,521	-	3,773	-
Total Revenues	13,742,005	4,848,018	1,790,572	1,661,400	3,330,572
EXPENDITURES					
Current					
General government	2,633,548	-	1,500,750	-	-
Public safety	10,359,705	-	-	761,992	-
Public works	2,477,806	-	-	-	-
Economic development	-	-	-	563,420	-
Recreation	-	4,621,776	-	-	-
Capital outlay	-	-	56,575	-	-
Debt service	-	-	-	-	-
Bond principal	-	-	-	-	2,880,000
Interest and other charges - Bonds	-	-	-	-	729,550
Total Expenditures	15,471,059	4,621,776	1,557,325	1,325,412	3,609,550
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,729,054)	226,242	233,247	335,988	(278,978)
OTHER FINANCING SOURCES (USES)					
Transfers in	1,965,553	-	-	-	186,231
Transfers out	(219,221)	(636,827)	(759,875)	(35,375)	-
Sale of capital assets	-	-	-	-	-
Total Other Financing Sources (Uses)	1,746,332	(636,827)	(759,875)	(35,375)	186,231
Net Change in Fund Balances	17,278	(410,585)	(526,628)	300,613	(92,747)
FUND BALANCES, January 1	6,210,833	1,947,047	976,492	1,839,150	2,626,667
FUND BALANCES, December 31	6,228,111	1,536,462	449,864	2,139,763	2,533,920

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

City of Roseville, Minnesota
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended December 31, 2018

Statement 4
(Page 2 of 2)

	Capital Projects			Other	Total
	Revolving	Economic	Street	Governmental	Governmental
	Improvements	Increments	Construction	Funds	Funds
		Construction			
REVENUES					
General property taxes	2,317,930	-	621,402	552,804	20,888,227
Tax increment	-	922,055	-	-	922,055
Intergovernmental revenue	104,284	-	691,520	-	2,004,144
Licenses and permits	-	-	-	-	2,034,589
Gambling taxes	-	-	-	38,018	38,018
Charges for services	-	-	850	2,597,950	6,858,828
Fines and forfeits	-	-	-	-	97,415
Cable franchise taxes	-	-	-	403,224	403,224
Rentals	111,410	-	-	-	183,740
Donations	60,000	-	-	123,539	276,249
Special assessments	-	-	122,507	29	162,250
Investment income					
Interest earned on investments	60,650	37,342	95,503	56,055	353,128
Increase (decrease) in fair value of investments	5,286	(25,393)	(29,783)	(16,925)	(108,789)
Miscellaneous Revenue	175,184	-	60	472,822	757,812
Total Revenues	2,834,744	934,004	1,502,059	4,227,516	34,870,890
EXPENDITURES					
Current					
General government	253,734	-	-	3,425,554	7,813,586
Public safety	379,718	-	-	-	11,501,415
Public works	219,967	-	2,482,416	-	5,180,189
Economic development	-	299,246	-	316,505	1,179,171
Recreation	103,002	-	-	-	4,724,778
Capital outlay	3,607,610	165	120,951	36,270	3,821,571
Debt service					
Bond principal	-	-	-	-	2,880,000
Interest and other charges - Bonds	-	-	-	-	729,550
Total Expenditures	4,564,031	299,411	2,603,367	3,778,329	37,830,260
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,729,287)	634,593	(1,101,308)	449,187	(2,959,370)
OTHER FINANCING SOURCES (USES)					
Transfers in	866,765	-	216,000	130,837	3,365,386
Transfers out	(1,850,000)	(186,231)	-	(196,650)	(3,884,179)
Sale of capital assets	119,232	-	-	-	119,232
Total Other Financing Sources (Uses)	(864,003)	(186,231)	216,000	(65,813)	(399,561)
Net Change in Fund Balances	(2,593,290)	448,362	(885,308)	383,374	(3,358,931)
FUND BALANCES, January 1	8,714,960	3,686,918	7,000,360	5,897,059	38,899,486
FUND BALANCES, December 31	6,121,670	4,135,280	6,115,052	6,280,433	35,540,555

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

City of Roseville, Minnesota

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended December 31, 2018

Statement 5

(Page 1 of 1)

Net Change in Fund Balances - Total Governmental Funds	\$ (3,358,931)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the Statement of Net Position, the cost of these assets is capitalized and depreciated over their estimated useful lives with depreciation expense reported in the Statement of Activities.	(1,678,195)
Net effect of sales, trade-ins and retirements of capital assets	(52,770)
Payments on general obligation debt	2,880,000
Premium on general obligation bonds amortized	140,996
Net change due to internal service funds incorporated into statement of activities	(508,935)
Net change in net pension obligation - City	69,329
Net change in net pension asset - Fire Relief	(245,085)
Net change in net pension obligation - OPEB	(303,065)
Change in compensated absences	(68,734)
Change in bond interest payable	20,967
Adjustment for modified accrual revenue recognition related to Special assessments, delinquent property tax and delinquent tax increment	910,624
Change in Net Position of Governmental Activities	<u><u>\$ (2,193,799)</u></u>

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

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	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Sanitary Sewer	Water	Golf Course	Storm Drainage	Solid Waste Recycling	Totals
ASSETS						
Current Assets						
Cash and cash equivalents	23,699	-	243,623	17,241	-	284,563
Investment interest receivable	839	-	459	494	-	1,792
Accounts receivable	1,155,441	1,532,808	798	414,364	113,059	3,216,470
Special assessments	364,892	52,653	-	56,889	-	474,434
Due from other funds	415,047	-	-	238,706	-	653,753
Due from other governmental units	1,056	-	-	-	-	1,056
Prepaid items	262,514	-	-	-	-	262,514
Total Current Assets	2,223,488	1,585,461	244,880	727,694	113,059	4,894,582
Noncurrent Assets						
Capital Assets						
Land	-	-	319,892	573,407	-	893,299
Buildings	50,566	1,490,784	155,637	-	-	1,696,987
Improvements other than buildings	-	11,972	394,039	1,050,683	-	1,456,694
Machinery, equipment, and vehicles	1,127,191	1,484,990	369,438	1,362,758	-	4,344,377
Infrastructure	18,895,756	18,327,970	-	19,504,116	-	56,727,842
Construction in Progress	543,361	1,022,342	2,615,192	433,262	-	4,614,157
Less: Accumulated Depreciation	(7,547,277)	(9,892,974)	(695,653)	(12,532,530)	-	(30,668,434)
Total Noncurrent Assets	13,069,597	12,445,084	3,158,545	10,391,696	-	39,064,922
TOTAL ASSETS	15,293,085	14,030,545	3,403,425	11,119,390	113,059	43,959,504
DEFERRED OUTFLOWS OF RESOURCES						
Deferred pension resources	64,819	85,569	27,143	56,902	5,881	240,314
LIABILITIES						
Current Liabilities (Payable from Current Assets)						
Accounts Payable	832,103	337,198	13,988	17,345	4,305	1,204,939
Accrued payroll	9,986	12,380	5,741	7,805	766	36,678
Compensated absences payable	4,980	6,235	7,086	5,402	-	23,703
Contracts and retainage payable	224,183	195,784	132,076	98,218	-	650,261
Customer deposits payable	-	1,335,764	-	-	-	1,335,764
Due to other funds	-	641,930	-	-	11,823	653,753
Due to other governmental units	53,597	53,291	3,995	11,309	506	122,698
Insurance claims payable	-	-	-	-	-	-
Total Current Liabilities	1,124,849	2,582,582	162,886	140,079	17,400	4,027,796
Noncurrent Liabilities						
Compensated absences payable	19,921	24,940	28,342	21,607	-	94,810
Net other postemployment benefits obligation	37,964	35,972	14,676	20,490	-	109,102
Net Pension liability	314,116	408,588	126,083	274,782	26,295	1,149,864
Insurance claims payable	-	-	-	-	-	-
Total Noncurrent Liabilities	372,001	469,500	169,101	316,879	26,295	1,353,776
TOTAL LIABILITIES	1,496,850	3,052,082	331,987	456,958	43,695	5,381,572
DEFERRED INFLOWS OF RESOURCES						
Deferred pension resources	79,029	101,899	30,916	68,989	6,290	287,123
NET POSITION						
Net Investment in Capital Assets	13,069,597	11,149,063	3,158,545	10,391,696	-	37,768,901
Unrestricted	712,428	(186,930)	(90,880)	258,649	68,955	762,222
TOTAL NET POSITION	13,782,025	10,962,133	3,067,665	10,650,345	68,955	38,531,123

City of Roseville, Minnesota
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended December 31, 2018

Statement 7
(Page 1 of 1)

	Business Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Sanitary Sewer	Water	Golf Course	Storm Drainage	Solid Waste Recycling	Totals
SALES AND COST OF SALES						
Sales	-	-	24,296	79	-	24,375
Cost of sales	-	-	(13,928)	-	-	(13,928)
Gross profit	-	-	10,368	79	-	10,447
OPERATING REVENUES						
User charges	5,413,133	6,641,271	246,971	1,952,488	427,065	14,680,928
Delinquency collections	44,887	3,681	-	63,602	-	112,170
Miscellaneous	-	4,951	48,566	3,142	-	56,659
Total Operating Revenues	5,458,020	6,649,903	295,537	2,019,232	427,065	14,849,757
OPERATING EXPENSES						
Personal service	523,616	623,116	297,292	403,452	32,686	1,880,162
Supplies	41,170	193,643	35,694	52,625	420	323,552
Other services and charges	3,164,946	4,749,436	108,607	337,832	518,484	8,879,305
Depreciation	418,733	353,044	6,921	478,815	-	1,257,513
Total Operating Expenses	4,148,465	5,919,239	448,514	1,272,724	551,590	12,340,532
OPERATING INCOME (LOSS)	1,309,555	730,664	(142,609)	746,587	(124,525)	2,519,672
NON-OPERATING REVENUES (EXPENSES)						
Investment Income						
Interest Earned on Investments	3,394	(397)	1,521	1,694	(173)	6,039
Increase (Decrease) in Fair Value of Investments	(8,067)	2,487	6,253	(1,422)	1,621	872
Intergovernmental Revenue	-	-	-	38,600	85,648	124,248
Donations	-	-	50,000	-	-	50,000
Gain on Sale of Capital Assets	-	-	-	1,982	-	1,982
Total Non-Operating Revenues (Expenses)	(4,673)	2,090	57,774	40,854.00	87,096	183,141
Income (Loss) Before Capital Contributions and Transfers	1,304,882	732,754	(84,835)	787,441	(37,429)	2,702,813
Transfers In	-	-	1,850,000	-	-	1,850,000
Transfers Out	(285,124)	(385,000)	(20,083)	(100,000)	(20,000)	(810,207)
Change in Net Position	1,019,758	347,754	1,745,082	687,441	(57,429)	3,742,606
NET POSITION, January 1	12,762,267	10,614,379	1,322,583	9,962,904	126,384	34,788,517
NET POSITION, December 31	13,782,025	10,962,133	3,067,665	10,650,345	68,955	38,531,123

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

	Business-type Activities - Enterprise Funds		
	Sanitary Sewer	Water	Golf Course
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers and users, including deposits	5,387,488	6,537,113	260,638
Cash payments to suppliers for goods and services	(3,017,344)	(5,028,205)	(374,850)
Cash payments to employees	(502,771)	(604,256)	(283,753)
Other operating revenues	-	4,951	48,566
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	1,867,373	909,603	(349,399)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers In From Other Funds	-	-	1,850,000
Transfers Out to Other Funds	(285,124)	(385,000)	(20,083)
Advance Made to Other Funds	(415,047)	-	-
Advance Received From Other Funds	-	641,930	-
Subsidy from governmental grants	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(700,171)	256,930	1,829,917
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(1,221,554)	(1,278,314)	(1,888,018)
Subsidy from governmental grants	-	-	-
Donations	-	-	50,000
Proceeds from sale of capital assets	-	-	-
NET CASH PROVIDED (USED) IN CAPITAL AND RELATED FINANCING ACTIVITIES	(1,221,554)	(1,278,314)	(1,838,018)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received on investments	2,812	-	2,906
Increase (Decrease) in Fair Value of Investments	(8,067)	2,487	6,253
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(5,255)	2,487	9,159
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(59,607)	(109,294)	(348,341)
CASH AND CASH EQUIVALENTS, JANUARY 1	83,306	109,294	591,964
CASH AND CASH EQUIVALENTS, DECEMBER 31	23,699	-	243,623
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	1,309,555	730,664	(142,609)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities			
Depreciation	418,733	353,044	6,921
Pension related activity	8,290	10,627	3,188
Changes in elements affecting cash:			
(Increase) Decrease in Accounts receivable	(18,738)	(309,021)	3,299
(Increase) Decrease in Special assessments	(50,738)	-	-
(Increase) Decrease in Due from other governmental units	(1,056)	201,182	-
(Increase) Decrease in Prepaid items	(19,759)	-	-
Increase (Decrease) in Accounts payable	31,553	301,946	7,770
Increase (Decrease) in Accrued payroll	2,279	2,612	55
Increase (Decrease) in Compensated absences	2,438	(584)	7,030
Increase (Decrease) in Contracts payable	175,752	(136,996)	(238,665)
Increase (Decrease) in Customer deposits	-	63,929	-
Increase (Decrease) in Due to other governmental units	1,226	(314,005)	346
Increase (Decrease) in Net other postemployment benefits obligation	7,838	6,205	3,266
Increase (Decrease) in Insurance claim payable	-	-	-
Total Adjustments	557,818	178,939	(206,790)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	1,867,373	909,603	(349,399)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Increase/(Decrease) in fair market value of investments	(8,067)	2,487	6,253

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Storm Drainage	Solid Waste Recycling	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users, including deposits	1,961,463	432,395	14,579,097	332,580
Cash payments to suppliers for goods and services	(341,804)	(562,814)	(9,325,017)	(387,857)
Cash payments to employees	(389,870)	(31,805)	(1,812,455)	13,659
Other operating revenues	3,142	-	56,659	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	1,232,931	(162,224)	3,498,284	(41,618)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers Out to Other Funds	-	-	1,850,000	(521,000)
Cash borrowed from (repaid to) other funds	(100,000)	(20,000)	(810,207)	-
Advance Made to Other Funds	(238,706)	-	(653,753)	-
Advance Received From Other Funds	-	11,823	653,753	-
Subsidy from governmental grants	-	85,648	85,648	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(338,706)	77,471	1,125,441	(521,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(1,168,028)	-	(5,555,914)	-
Subsidy from governmental grants	38,600	-	38,600	-
Donations	-	-	50,000	-
Proceeds from sale of capital assets	2,900	-	2,900	-
NET CASH PROVIDED (USED) IN CAPITAL AND RELATED FINANCING ACTIVITIES	(1,126,528)	-	(5,464,414)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received on investments	1,884	86	7,688	28,404
Increase (Decrease) in Fair Value of Investments	(1,422)	1,621	872	(6,697)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	462	1,707	8,560	21,707
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(231,841)	(83,046)	(832,129)	(540,911)
CASH AND CASH EQUIVALENTS, JANUARY 1	249,082	83,046	1,116,692	2,837,906
CASH AND CASH EQUIVALENTS, DECEMBER 31	17,241	-	284,563	2,296,995
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	746,587	(124,525)	2,519,672	(6,173)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities				
Depreciation	478,815	-	1,257,513	-
Pension related activity	7,227	638	29,970	-
Changes in elements affecting cash:				
(Increase) Decrease in Accounts receivable	2,183	(16,539)	(338,816)	-
(Increase) Decrease in Special assessments	(56,889)	-	(107,627)	-
(Increase) Decrease in Due from other governmental units	-	21,869	221,995	-
(Increase) Decrease in Prepaid items	-	-	(19,759)	12,000
Increase (Decrease) in Accounts payable	12,392	(44,065)	309,596	(2,776)
Increase (Decrease) in Accrued payroll	(1,993)	243	3,196	-
Increase (Decrease) in Compensated absences	2,143	-	11,027	-
Increase (Decrease) in Contracts payable	41,176	-	(158,733)	-
Increase (Decrease) in Customer deposits	-	-	63,929	-
Increase (Decrease) in Due to other governmental units	(4,915)	155	(317,193)	16,516
Increase (Decrease) in Net other postemployment benefits obligation	6,205	-	23,514	-
Increase (Decrease) in Insurance claim payable	-	-	-	(61,185)
Total Adjustments	486,344	(37,699)	978,612	(35,445)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	1,232,931	(162,224)	3,498,284	(41,618)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Increase/(Decrease) in fair market value of investments	(1,422)	1,621	872	(6,697)

ASSETS

Cash and cash equivalents	756,825
Receivables	
Investment interest receivable	164
Special assessments receivable	88,621
Prepaid items	34,433
TOTAL ASSETS	931,983

LIABILITIES

Accounts Payable	33,178
Accrued payroll	11,556
Due to other governmental units	89,555
Due to other organizations	797,694
TOTAL LIABILITIES	931,983

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

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. FINANCIAL REPORTING ENTITY

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

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

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

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

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, service or privileges provided by a given function or segment and 2) grants and

contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

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

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

The City reports the following major governmental funds:

General

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

Special Revenue

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

The license center fund accounts for the revenue and expenditures used to provide state hunting, fishing and motor vehicle licenses, as well as pass ports.

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

Debt Service

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

Capital

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

The City reports the following major proprietary funds:

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

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

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

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

Additionally, the City reports the following fund types:

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

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

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

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

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

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

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

1. Deposits and investments

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

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

Investments for the City, the component unit, and the Roseville Visitor's Association are reported at fair value.

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

2. Receivables and payables

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

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

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

3. Prepaid Items

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

4. Restricted Assets

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

5. Capital Assets

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

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

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

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

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

6. Deferred outflows/inflows of resources

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

In addition to liabilities, the statement of financial position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that

applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. The City presents deferred inflows of resources on the Governmental Fund Balance Sheet as unavailable revenue. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City presents deferred inflows of resources on the Statement(s) of Net Position for deferred inflows of resources related to pensions. Deferred inflows of resources related to pensions results from the net difference expected and actual economic experience and changes in proportion.

7. Compensated absences

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

8. Pensions

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

8. Long-term obligations

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

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

9. Fund balance

a. Classification

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

- **Nonspendable Fund Balance** – These are amounts that cannot be spent because they are not in spendable form.
- **Restricted Fund Balance** – These are amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through enabling legislation.
- **Committed Fund Balance** – These are amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council (highest level of decision making authority) through resolution.
- **Assigned Fund Balance** – These are amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. Pursuant to Council resolution, the City Council is authorized to establish assignments of fund balance.
- **Unassigned Fund Balance** – These are residual amounts in the General Fund not reported in any other classification. The General Fund is the only fund that can report a positive unassigned fund balance. Other funds would report a negative unassigned fund balance should the total of nonspendable, restricted and committed fund balances exceed the total net resources of that fund.

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

a. Minimum Fund Balance

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

10. Net position

The Statement of Net Position reports restrictions in net position for community development revenues which are used for building code enforcement, development and redevelopment activities. Telecommunication revenues are used for the administration and maintenance of telecommunication activities. Park dedication proceeds are used to create parks or park improvements within a new development area. Law Enforcement is proceeds received from

forfeitures generated from driving under the influence (DUI) or drug possession whose proceeds are restricted for specific law enforcement uses. Debt service is to pay for future debt service obligations, while tax increment revenues are used to pay for costs associated with the development within a tax increment district. Minnesota law governs park dedication, debt service, tax increment and law enforcement uses. Community development and telecommunication uses are governed by other third party entities.

Note 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

Long-term liabilities:

Bonds payable	\$ (22,945,000)
Premium on bonds payable	(1,060,513)
Bond interest payable	(235,386)
Net OPEB obligation	(1,401,230)
Net Pension liability	(12,610,646)
Compensated absences	<u>(1,658,185)</u>

Net change due to long-term liabilities	<u>\$ (39,910,960)</u>
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Other long-term assets:

Net pension obligation - fire relief	\$ 2,260,677
Addition of long-term deferred inflows	<u>2,440,178</u>

Net change in other long-term assets	<u>\$ 4,700,855</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 government-wide statement of activities
governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances-total governmental funds and change in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference are as follows:

Capital outlay	\$ 3,821,571
General Fund Capital Outlay	\$ 19,738
Depreciation expense	<u>(5,519,504)</u>
Net change in fund-balances-total governmental funds and change in net position of governmental activities	<u><u>\$ (1,678,195)</u></u>

Note 3 DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

1. Components of Cash and Investments

Cash and investments at year-end December 31, 2018 consist of the following:

Deposits	\$ 12,842,717
Investments	26,425,012
Cash on Hand	<u>11,300</u>
Total	<u><u>\$ 39,279,029</u></u>

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

Statement of Net Positions - Government Wide	
Cash and cash equivalents	\$ 38,522,204
Statement of Fiduciary Net Positions	
Cash and cash equivalents - Agency Funds	<u>756,825</u>
Total	<u><u>\$ 39,279,029</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 addressing custodial credit risk.

2. Deposits

At year-end, the carrying amount of the City's deposits was \$12,842,717 while the balance on the bank records was \$12,207,527. At December 31, 2018, all deposits were covered by federal depository insurance, or by collateral held by the City's agent in the City's name, except for a money market account that was not collateralized for \$59,854 over the federal depository insurance as of December 31, 2018.

3. Investments

The City has the following investments at year-end December 31, 2018:

Investment Type	Rating	Investment Maturities (in Years)				Total
		Less Than 1	1-5	6-10	Over 10 Years	
U.S. agency securities	AAA	\$ -	\$2,941,920	\$14,072,952	\$9,132,270	\$26,147,142
Stock funds-Fidelity	N/R	\$ -	\$174,094	\$ -	\$ -	\$174,094
Bond funds-Fidelity	N/R	\$ -	\$101,326	\$ -	\$ -	\$101,326
Short-term funds-Fidelity	N/R	\$ -	\$2,450	\$ -	\$ -	\$2,450
Total		\$0	\$3,219,790	\$14,072,952	\$9,132,270	\$26,425,012

Included in the total investment pool of \$26,425,012 is an investment pool with Fidelity Investments of \$277,870 of the Roseville Visitor's Association, in which the City is a fiduciary agent. The remaining amount of \$26,147,142 belongs to the City.

The City has the following recurring fair value measurements as of December 31, 2018:

- U.S. agency securities of \$26,147,142 are valued using inputs that are based on quoted prices for similar assets or inputs that are observable, either directly or indirectly (Level 2 inputs)
- Stock funds-Fidelity of \$174,094 are valued using a quoted market prices (Level 1 inputs)
- Bond funds-Fidelity of \$101,326 are valued using a quoted market prices (Level 1 inputs)
- Short-term funds-Fidelity of \$2,450 are valued using a quoted market prices (Level 1 inputs)

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

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

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

Concentration risk – This is the risk associated with investing a significant portion of the City’s investment (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as Treasuries), investment pools, and mutual funds. The City’s investment policy does not limit the concentration of investments. The City holds 28.3% with Freddie Mac, 7.6% with Fannie Mae, 3.6% with Federal Farm Credit Bank and 60.6% with Federal Home Loan Bank.

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

B. Receivables

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

	<u>Unavailable</u>
Unavailable revenue due from other governments (Economic Increments Construction)	\$ 100,000
Unavailable revenue due from other governments (Street Construction)	101,307
Unavailable revenue due from other governments (Revolving Improvements)	81,122
Delinquent property taxes (General)	250,964
Delinquent property taxes (Recreation)	30,618
Delinquent property taxes (Debt service)	38,852
Delinquent property taxes (Revolving Improvements)	27,418
Delinquent property taxes (Street Construction)	7,350
Delinquent property taxes (Information Technology)	2,333
Delinquent property taxes (EDA)	4,309
Delinquent special assessments (General)	252
Delinquent special assessments (Street Construction)	15,771
Delinquent special assessments (EDA)	225
Special assessments not yet due (G.O. Improvement Bonds)	153,122
Special assessments not yet due (Street Construction)	<u>1,626,535</u>
Total deferred inflows for governmental funds	<u>\$2,440,178</u>

CITY OF ROSEVILLE, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

C. Capital assets

Capital asset activity for the year ended December 31, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Completed Construction & Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 28,014,295	\$ 1,134,099	\$ -	\$ -	\$ 29,148,394
Permanent Easements	7,731,893	-	-	-	7,731,893
Construction in progress	14,073,559	691,154	-	(11,804,000)	2,960,713
Total capital assets not being depreciated	49,819,747	1,825,253	-	(11,804,000)	39,841,000
Capital assets being depreciated:					
Buildings	34,737,604	1,111,400	-	5,772,452	41,621,456
Improvements other than buildings	9,382,703	98,539	-	741,163	10,222,405
Machinery and equipment	19,409,041	806,117	680,595	689,599	20,224,162
Infrastructure	110,585,870	-	-	4,600,786	115,186,656
Total capital assets being depreciated	174,115,218	2,016,056	680,595	11,804,000	187,254,679
Less accumulated depreciation for:					
Buildings	12,529,094	879,321	-	-	13,408,415
Improvements other than buildings	3,158,284	542,637	-	-	3,700,921
Machinery and equipment	11,786,170	1,641,740	627,825	-	12,800,085
Infrastructure	50,561,184	2,455,806	-	-	53,016,990
Total accumulated depreciation	78,034,732	5,519,504	627,825	-	82,926,411
Total capital assets, being depreciated, net	96,080,486	(3,503,448)	52,770	11,804,000	104,328,268
Governmental activities capital assets, net	<u>\$ 145,900,233</u>	<u>\$ (1,678,195)</u>	<u>\$ 52,770</u>	<u>\$ -</u>	<u>\$ 144,169,268</u>

CITY OF ROSEVILLE, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

	Beginning Balance	Increases	Decreases	Completed Construction & Transfers	Ending Balance
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 893,299	\$ -	\$ -	\$ -	\$ 893,299
Construction in progress	2,875,303	5,331,226	-	(3,592,372)	4,614,157
Total capital assets not being depreciated	3,768,602	5,331,226	-	(3,592,372)	5,507,456
Capital assets being depreciated:					
Buildings	1,696,987	-	-	-	1,696,987
Improvements other than buildings	1,411,029	-	-	-	1,411,029
Machinery and equipment	4,039,358	193,060	9,202	166,826	4,390,042
Infrastructure	53,270,665	31,631	-	3,425,546	56,727,842
Total capital assets being depreciated	60,418,039	224,691	9,202	3,592,372	64,225,900
Less accumulated depreciation for:					
Buildings	1,638,458	14,531	-	-	1,652,989
Improvements other than buildings	963,663	55,120	-	-	1,018,783
Machinery and equipment	3,121,894	257,352	8,282	-	3,370,964
Infrastructure	23,695,188	930,510	-	-	24,625,698
Total accumulated depreciation	29,419,203	1,257,513	8,282	-	30,668,434
Total capital assets, being depreciated, net	30,998,836	(1,032,822)	920	3,592,372	33,557,466
Business-type activities capital assets, net	\$ 34,767,438	\$ 4,298,404	\$ 920	\$ -	\$ 39,064,922

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

Governmental activities:

General government	\$ 513,975
Public safety	718,637
Public works including depreciation of infrastructure	2,831,099
Recreation	<u>1,455,793</u>

Total depreciation expense - governmental activities	<u><u>\$ 5,519,504</u></u>
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Business-type activities:

Sanitary sewer	\$ 418,733
Water	353,044
Golf	6,921
Storm drainage	<u>478,815</u>

Total depreciation expense - business-type activities	<u><u>\$ 1,257,513</u></u>
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D. Construction commitments

The City has construction projects in progress as of December 31, 2018. The projects include the improvement and construction of streets, water, sewer, and storm systems. At year-end the commitments with these contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
License Center Remodel	\$ 56,575	\$ 4,876
Public Works Building Security System	11,520	11,520
Parks Renewal Project	1,425,351	329,722
2018 Sanitary Sewer Lining	512,797	346,710
Water Booster Station Update Phase II	306,534	1,124,170
Cedarholm Community Building	2,615,192	9,400
Walsh Lake Lift Station Replacement	347,301	5,169
2018 Pavement Management Project	83,499	86,678

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E. Interfund receivables, payables, and transfers

The following is a schedule of interfund transfers as of December 31, 2018:

Interfund transfers:

Transfers Out	Transfer In			
	General	Debt Service	Revolving Improvements	Street Construction
General	\$ -	\$ -	\$ -	\$ 216,000
Recreation	635,000	-	-	-
License Center	313,000	-	346,668	-
Community Development	35,000	-	-	-
Revolving Improvements	-	-	-	-
Economic Increments Construction	-	186,231	-	-
Non-major Governmental	196,650	-	-	-
Sanitary Sewer	285,000	-	-	-
Water	360,000	-	-	-
Golf Course	20,000	-	-	-
Storm Drainage	100,000	-	-	-
Solid Waste Recycling	20,000	-	-	-
Risk Management	-	-	521,000	-
Total	<u>\$ 1,964,650</u>	<u>\$ 186,231</u>	<u>\$ 867,668</u>	<u>\$ 216,000</u>

table continued below

Transfers Out	Transfer In		
	Non-major Governmental	Golf Course	Total
General	\$ 3,221	\$ -	\$ 219,221
Recreation	1,827	-	636,827
License Center	100,207	-	759,875
Community Development	375	-	35,375
Revolving Improvements	-	1,850,000	1,850,000
Economic Increments Construction	-	-	186,231
Non-major Governmental	-	-	196,650
Sanitary Sewer	124	-	285,124
Water	25,000	-	385,000
Golf Course	83	-	20,083
Storm Drainage	-	-	100,000
Solid Waste Recycling	-	-	20,000
Risk Management	-	-	521,000
Total	<u>\$ 130,837</u>	<u>\$ 1,850,000</u>	<u>\$ 5,215,386</u>

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

F. Tax Increment Financing

The City has entered into two Tax Increment Financing agreements, which meet the criteria for disclosure under *Governmental Accounting Standards Board Statement No. 77 Tax Abatement Disclosures*. The City's authority to enter into these agreements comes from Minnesota Statute 469. The City entered into these agreements for the purpose of economic development.

Under each agreement, the City and developer agree on an amount of development costs to be reimbursed to the developer by the City through tax revenues from the additional taxable value of the property generated by the development (tax increment). A "pay-as-you-go" note is established for this amount, on which the City makes payments for a fixed period of time with available tax increment revenue after deducting for certain administrative costs.

During the year ended December 31, 2018, the City generated \$922,055 in tax increment revenue and made \$285,699 in payments to developers.

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

- TIF District No. 19 was established in 2010 for the purpose of site improvements including landscaping, grading/earthwork, on site utilities, storm water ponding, etc. Under the agreement, up to \$659,000 of development costs will be reimbursed through tax increment over a 9-year period. During the year ended December 31, 2018, the City generated \$273,039 of tax increment revenue and made payments on the pay-as-you-go note of \$188,015. The note's balance at year-end was \$109,751.

G. Leases

1. Operating Leases

The City leases copiers and a postage machine under non-cancelable operating leases. Total costs for such leases were \$49,817 for the year ended December 31, 2018. The future minimum lease payments for these leases are as follows:

<u>Year Ending Dec. 31</u>	<u>Amount</u>
2019	49,817
2020	26,763
2021	3,708
2022	927
Total	<u>\$ 81,215</u>

2. Antenna Leases

The City received revenue from agreements for the lease of space for antennas placed on City owned property. Terms of each lease are as follows:

Location	Lessee	2018 Lease Amount	Annual Lease Adjustment Factor	Expiration Date	Renewal Options
1901 Alta Vista	AT&T	\$30,758	3% Increase on Aug 1	8/31/2021	5 year terms
1901 Alta Vista	Clearwire	\$23,868	1% Increase Apr 1 & 2% May 1	4/30/2020	5 year terms
1901 Alta Vista	Sprint	\$43,822	4% Increase Jan 1	12/31/2022	5 year terms
1901 Alta Vista	T-Mobile	\$22,864	4% Increase Jan 1	12/31/2027	10 year terms
1901 Alta Vista	Verizon	\$31,358	2.5% Increase on Jun 1	5/31/2023	5 year terms
2501 Fairview (Lattice Tower)	Clearwire	\$23,868	1% Increase Apr 1 & 2% May 1	4/30/2021	5 year terms
2501 Fairview (Lattice Tower)	Sprint	\$12,593	4% Increase Jan 1	12/31/2021	5 year terms
2501 Fairview (Lattice Tower)	T-Mobile	\$31,877	4% increase Jan 1	12/31/2023	5 year terms
2501 Fairview (Water Tower)	AT&T	\$34,859	3% Increase on Aug 1	7/31/2021	5 year terms
2501 Fairview (Water Tower)	Verizon	\$60,165	5% Increase on Aug 1	8/31/2020	5 year terms
2660 Civic Ceneter Dr (South Tower)	Sprint	\$33,610	3% Increase on Sep 1	9/15/2023	5 year terms
2660 Civic Ceneter Dr (South Tower)	T-Mobile	\$31,644	3% Increase on Sep 1	9/14/2019	5 year terms
2660 Civic Ceneter Dr (South Tower)	Verizon	\$32,631	3% Increase on Sep 1	8/31/2019	5 year terms
2660 Civic Ceneter Dr (North Tower)	AT&T	\$32,640	3% Increase on Aug 1	12/31/2019	5 year terms

3. 2719 Lexington Avenue Shopping Center Leases

The City received revenue from agreements for the lease of suite space in the City owed shopping center located at 2719 Lexington Avenue. Terms of each lease are as follows:

Lessee	2018 Lease Amount	Annual Lease Adjustment Factor	Expiration Date
Hank Allworden Insurance Agency, Inc.	\$23,805	3% Increase on June 1	5/31/2021
Hule and Comapany, Inc.	\$57,710	3% Increase on Jan 1	12/31/2021
Huntington Learning Center	\$19,040	3% Increase on Nov 1	10/31/2021
TDM Salons, LLC	\$19,600	3% Increase on May 1	4/30/2021

H. Long-term debt

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

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

General obligation debt currently outstanding is as follows:

Purpose	Net Interest	Amount
	Rates	
Governmental activities	.85% - 5.6%	<u>\$ 22,945,000</u>

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

Year Ending December 31	Government Activities	
	General Obligation Bonds	
	Principal	Interest
2019	2,675,000	666,071
2020	1,900,000	603,881
2021	2,020,000	540,786
2022	2,050,000	472,987
2023	2,135,000	400,873
2024-2028	11,215,000	976,807
2029-2032	950,000	56,294
Total	<u>\$ 22,945,000</u>	<u>\$ 3,717,699</u>

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Changes in long-term liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable:					
General Obligation Bonds	\$ 22,465,000	\$ -	\$ 2,460,000	\$ 20,005,000	\$ 2,510,000
Premium on Bonds Payable	1,201,509	-	140,996	1,060,513	140,996
Tax Increment Revenue Bonds	3,035,000	-	95,000	2,940,000	165,000
Total Bonds Payable	26,701,509	-	2,695,996	24,005,513	2,815,996
General Obligation Certificate of Indebtedness	325,000	-	325,000	-	-
Compensated Absences	1,706,344	1,462,785	1,510,944	1,658,185	331,637
Insurance Claims Payable	451,009	68,172	129,356	389,825	51,492
Governmental activities - Long-Term Liabilities	<u>\$ 29,183,862</u>	<u>\$ 1,530,957</u>	<u>\$ 4,661,296</u>	<u>\$ 26,053,523</u>	<u>\$ 3,199,125</u>
Business-Type Activities:					
Compensated Absences	<u>107,486</u>	<u>113,072</u>	<u>102,045</u>	<u>118,513</u>	<u>23,703</u>
Business type activities- Long-Term Liabilities	<u>\$ 107,486</u>	<u>\$ 113,072</u>	<u>\$ 102,045</u>	<u>\$ 118,513</u>	<u>\$ 23,703</u>

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

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2018, there were eight series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$40.3 million.

Note 4 OTHER INFORMATION

A. Risk management

The City is exposed to various risks of loss related to torts; theft of damage to, and the destruction of assets; errors and omissions; injuries to employees and natural disasters. During the fiscal years of 1980 and 1987, the City established a Workers' Compensation Fund and a Risk Management Fund, respectively (internal service funds) to account for and finance its uninsured risks of loss. For the year 2018, 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 if it is probable that a loss has occurred and amount of the loss can be reasonably estimated.

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

Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. The City purchased commercial insurance for claims in excess of coverage provided by the Risk Management Fund and for all other risks of loss. Settled claims have not exceeded this coverage in any of the past three fiscal years. There were no significant reductions in the City's insurance coverage in 2018.

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, 2018, were \$1,166,870 and \$720,589 for the Workers' Compensation Fund and Risk Management Fund, respectively. The claims liability of \$55,229 and \$334,596, respectively, reported in both funds at December 31, 2018 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 2017 and 2018 were:

Workers' Compensation Fund				
	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Ending of Fiscal Year Liability
2017	26,372	123,321	75,019	74,674
2018	74,674	14,119	33,564	55,229

Risk Management Fund				
	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Ending of Fiscal Year Liability
2017	235,926	242,602	102,192	376,336
2018	376,336	54,053	95,793	334,596

B. Contingent liabilities

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

C. Employee retirement systems and pension plans

The city participates in various pension plans, total pension expense for the year ended December 31, 2018 was \$1,790,761. The components of pension expense are noted in the following plan summaries.

1. Public Employees' Retirement Association

A. Plan Description

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

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

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

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

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

B. Benefits Provided

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

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

General Employees Plan Benefits

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of method 1 or method 2 formulas. Only method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated Plan members is 1.2% for each of the first ten years and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated Plan members is 1.7% for all years in service. The accrual for Minneapolis Employees Retirement Fund (MERF) members is 2% for each of the first 10 years of service and 2.5% for each additional year. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Police and Fire Plan Benefits

Beginning January 1, 2019, benefit recipients will receive a future annual increase equal to 50% of the Social Security cost of living adjustment, not less than 1% and not more than 1.5%. For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age (not applicable to rule of 90 retirees, disability benefit recipients, or survivors). A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30 will receive a full increase. Members receiving benefits for at least one month but less than 12 full months as of June 30 will receive a pro rata increase.

Beginning in 2019, the COLA will be fixed at 1%. Under funding measurements from 2017, the 2.5% COLA trigger was never expected to occur and was subsequently removed from law. Post retirement increases are given each year except for annuitants who have been receiving a benefit for only 31 to 41 months. These annuitants will receive a prorated amount of the increase on a sliding scale.

C. Contributions

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

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50%, of their annual covered salary in fiscal year 2018. The City was required to contribute 7.50% for Coordinated Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2018, were \$738,875. The City's contributions were equal to the required contributions as set by state statute.

Police and Fire Fund Contributions

Legislation increased both employee and employer contribution rates in the Police and Fire Plan. Employee rate increased from 10.8% of pay to 11.3% and employer rates increase from 16.2% to 16.95% on January 1, 2019. On January 1, 2020 employees rates increase to 11.8% and employer rates increase to 17.7 percent. The City's contributions to the PEPFF for the year ended December 31, 2018 were \$918,462. The City's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

General Employees Fund Pension Costs

At December 31, 2018, the City reported a liability of \$8,154,957 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million to the fund in 2018. The State of Minnesota is considered a non-employer contributing entity and the State's contribution

meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$267,459. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2017, through June 30, 2018, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2018, the City's proportion share was 0.1470%, which was an increase of 0.0058% from its proportion measured as of June 30, 2017.

For the year ended December 31, 2018, the City recognized pension expense of \$1,013,242 for its proportionate share of General Employees Plan's pension expense. In addition, the City recognized an additional \$62,371 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

At December 31, 2018, the City reported its proportionate share of General Employees Plan's deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experiences	\$ 215,848	\$ 242,536
Changes in actuarial assumptions	794,372	916,296
Differences between projected and actual investment earnings	-	814,160
Changes in proportion	325,886	63,335
Contributions paid to PERA subsequent to the measurement date	368,204	-
	<u>\$ 1,704,310</u>	<u>\$ 2,036,327</u>

D. Pension Costs (Continued)

\$368,204 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense Amount
2019	\$ 399,850
2020	(354,043)
2023	(575,820)
2024	(170,208)
2025	-
Thereafter	-
Total	<u>\$ (700,221)</u>

Police and Fire Fund Pension Costs

At December 31, 2018, the City reported a liability of \$5,605,532 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2017, through June 30, 2018, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2017, the City's proportionate share was 0.5259%, which was an increase of 0.0099% from its proportion measured as of June 30, 2017. The City also recognized \$47,331 for the year ended December 31, 2018, as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund. Legislation passed in 2013 required the State of Minnesota to begin contributing \$9 million to the Police and Fire Fund each year, starting in fiscal year 2014.

Beginning in January 1, 2019, the COLA will be fixed at 1%. Under funding measurements from 2017, the 2.5% COLA trigger was never expected to occur and was subsequently removed from law.

For the year ended December 31, 2018, the City recognized pension expense of \$715,148 for its proportionate share of the Police and Fire Fund pension expense.

At December 31, 2018, the City reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experiences	\$ 225,936	\$ 1,385,615
Changes in actuarial assumptions	7,001,893	8,252,103
Differences between projected and actual investment earnings	-	1,160,717
Changes in proportion	402,454	157,931
Contributions paid to PERA subsequent to the measurement date	459,383	-
	<u>\$ 8,089,666</u>	<u>\$ 10,956,366</u>

\$459,383 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense Amount
2019	\$ (65,389)
2020	(331,398)
2021	(744,917)
2023	(2,216,281)
2024	31,902
Thereafter	-
Total	<u>\$ (3,326,083)</u>

E. Actuarial Assumptions

The total pension liability in the June 30, 2018, actuarial valuation was determined using the entry age normal actuarial cost method and the following actuarial assumptions:

	GERF	PEPFF
Inflation	2.5% per year	2.5% per year
Salary Growth	3.25% per year after 26 years of service	3.25% per year after 25 years of service
Investment Rate of Return	7.50%	7.50%

The total pension liability for each of the defined cost-sharing plans was determined by an actuarial valuation as of June 30, 2018, using the entry age normal actuarial cost method. Inflation is assumed to be 2.5% for the GERF and PEPFF. Salary growth assumptions in the GERF decrease in annual increments from 11.25% after one year of service, to 3.25% after 26

years of service. In the PEPFF. Salary growth assumptions decrease from 12.25% after one year of service to 3.25% after 25 years of service.

Mortality rates for all plans are based on RP-2014 mortality tables. The tables are adjusted slightly to fit PERA's experience. Actuarial assumptions for the General Employees Plan are reviewed every four to six years. The most recent six-year experience study for the General Employees Plan was completed in 2015. The most recent four-year experience study for the Police and Fire Plan was completed in 2016.

The following changes in actuarial assumptions occurred in 2018:

General Employees Fund

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1% per year through 2044 and 2.5% per year thereafter to 1.25% per year.

Police and Fire Fund

- The mortality projection scale was changed from MP-2015 to MP-2017.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Stocks	39%	5.10%
International Stock	19%	5.30%
Bonds	20%	0.75%
Alternative Assets	20%	5.90%
Cash	2%	0.00%
Total	<u>100%</u>	

F. Discount Rate

The discount rate used to measure the total pension liability in 2017 was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members and employers will be made at rates set in *Minnesota Statutes*. Based on those assumptions, the

fiduciary net position of the General Employees Fund and the Police and Fire Fund was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. Pension Liability Sensitivity

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

	1% Decrease in Discount Rate 6.5%	Discount Rate 7.5%	1% Increase in Discount Rate 8.5%
City's proportionate share of the GERS net pension liability	\$ 13,252,850	\$ 8,154,957	\$ 3,946,793
City's proportionate share of the PEPFF net pension liability	\$ 12,018,656	\$ 5,605,552	\$ 302,182

H. Pension Plan Fiduciary Position

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.mnpera.org.

I. Defined Contribution Plan

The Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by PERA, covers four council members and the mayor of the City of Roseville. The PEDCP is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5% of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee

contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2% of employer contributions and twenty-five hundredths of 1% (.0025) of the assets in each member's account annually. Total contributions made by the City during fiscal year 2018 were:

Amount		Percentage of Covered Payroll		Required Rates
Employees	Employer	Employees	Employer	
2018 PEDCP	\$ 816	\$ 816	5.00%	5.00%

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

A. Plan Description

The Roseville Firefighter Relief Association is the administrator of a single employer defined benefit pension plan established to provide benefits for members of the City of Roseville Fire Department per *Minnesota State Statutes*.

The Association issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Roseville Firefighters' Relief Association, 2701 N. Lexington Ave., Roseville, MN 55113.

B. Benefits Provided

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

C. Employees Covered by Benefit Terms

At December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	63
Inactive employees entitled to but not yet receiving benefits	15
Active employees	15
Total	<u>93</u>

D. Contributions

Minnesota Statutes Chapter 424A.092 specifies minimum support rates required on an annual basis. The minimum support rates from the municipality and from State aids are determined as the amount required to meet the normal cost plus amortizing any existing prior service costs over a ten year period. The City's obligation is the financial requirement for the year less state aids. Any additional payments by the City shall be used to amortize the unfunded liability of

the relief association. The Association is comprised of volunteers: therefore, there are no payroll expenditures (i.e. there are no covered payroll percentage calculations). During the year, the City recognized as revenue and as an expenditure an on behalf payment of \$ 229,050 made by the State of Minnesota for the Relief Association.

E. Net Pension Liability

The City's net pension liability was measured as of December 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.50%
Discount rate	6.75% percent average, including inflation
Investment Rate of Return	6.75% percent , net of pension plan investment expense including inflation

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These asset class estimates are combined to produce the portfolio long-term expected rate of return by weighting the expected future real rates of return by the current asset allocation percentage (or target allocation, if available) and by adding expected inflation. All results are then rounded to the nearest quarter percent and are summarized in the following table.

Asset Class	Allocation at Measurement Date	Long-Term Expected Real Rate of Return	Long-Term Expected Nominal Rate of Return
Domestic equity	68.31%	4.95%	7.45%
International equity	5.08%	5.24%	7.74%
Fixed income	24.09%	1.99%	4.49%
Real estate and alternatives	-	4.19%	6.69%
Cash and equivalents	2.52%	0.58%	3.08%
Total	100%		

Discount rate:

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

F. Change in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at January 1, 2018	<u>\$ 8,028,507</u>	<u>\$ 11,681,497</u>	<u>\$ (3,652,990)</u>
Changes for the year			
Service cost	45,257	-	45,257
Interest	579,955	-	579,955
Differences between expected and actual experience	(16,259)	-	(16,259)
Changes in assumptions	533,565	-	533,565
Contributions - state and local	-	229,050	(229,050)
Change of benefit terms	-	-	-
Net investment income	-	(454,151)	454,151
Benefit payments, including refunds of employee contributions	(682,053)	(682,053)	-
Administrative expense	<u>-</u>	<u>(24,694)</u>	<u>24,694</u>
Net Charges	<u>\$ 460,465</u>	<u>\$ (931,848)</u>	<u>\$ 1,392,313</u>
Balances at December 31, 2018	<u><u>\$ 8,488,972</u></u>	<u><u>\$ 10,749,649</u></u>	<u><u>\$ (2,260,677)</u></u>

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 5.75% or 1-percentage-point higher 7.75% than the current rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net pension liability	<u>\$ 1,387,257</u>	<u>\$ 2,260,677</u>	<u>\$ 2,996,570</u>

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

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

For the year ended December 31, 2018, the City recognized pension expense of \$145,256. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual liability	\$ -	\$ 3,040
Changes in actuarial assumptions	99,772	-
Net difference between projected and actual investment earnings	499,855	-
	<u>\$ 599,627</u>	<u>\$ 3,040</u>

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

Year Ending June 30,	
2019	\$ 249,653
2020	22,508
2021	61,111
2022	<u>263,315</u>
Total	<u>\$ 596,587</u>

Note 5 OTHER POST-EMPLOYMENT BENEFITS

A. Plan Description

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

B. Benefits Provided (Continued)

Retirees

The City is required by State Statute to allow retirees to continue participation in the City's group health insurance plan if the individual terminates service with the City through service retirement or disability retirement. Employees who satisfy the rule of 90 or attain age 55 and have completed 10 years of service at termination can immediately commence medical benefits. Retirees may obtain dependent coverage while the participating retiree is under age 65. Covered spouses may continue coverage after the retiree's death. The surviving spouse of an active employee may continue coverage in the group health insurance plan after the employee's death. All health care coverage is provided through the City's group health insurance plans. The retiree is required to pay 100% of their premium cost for the City-sponsored group health insurance plan in which they participate. The premium is a blended rate determined on the entire active and retiree population. Since the projected claims costs for retirees exceed the blended premium paid by retirees, the retirees are receiving an implicit rate subsidy (benefit). The coverage levels are the same as those afforded to active employees. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary.

Disabled police and firefighter

The City continues to pay the employer's contribution toward health coverage for Police or Firefighters disabled in the line of duty per Minnesota Statute 299A.465, until age 65. Dependent coverage is included, if the dependents were covered at the time of the disability. The January 1, 2018 to December 31, 2018 monthly premiums paid for Police or Firefighters disabled in the line of duty are:

Plan	Single	Two Person	Family
Health Partners National One	\$ 550	\$ 1,079	\$ 1,495
Heath Partners Empower High Deductible	\$ 398	\$ 790	\$ 1,074

C. Participants

As of the actuarial valuation dated January 1, 2017, participants consisted of:

Retirees and beneficiaries currently purchasing health insurance through the City	13
Disabled police and firefighters	2
Active Employees	<u>189</u>
Total	<u>204</u>

D. Total OPEB Liability and Changes in Total OPEB Liability

The City's total OPEB liability of \$1,510,332 was measured as of January 1, 2018, and was determined by an actuarial valuation dated January 1, 2017. Changes in the total OPEB liability during 2018 were:

Balance - beginning of year	\$ 1,462,841
Changes for the year:	
Service cost	91,108
Interest cost	49,752
Plan changes	-
Difference between expected and actual experience	-
Changes in assumptions	-
Benefit payments	<u>\$ (93,369)</u>
Net changes	<u>47,491</u>
Balance - end of year	<u>1,510,332</u>

There were no plan changes since the measurement date of January 1, 2018.

E. Actuarial Assumptions and Other Inputs

The total liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.00%
Discount rate	3.30%
20-year municipal bond yield	3.30%
Medical cost trend rates	6.25% in 2018 grading to 5% over 5 years

Since the plan is funded on a pay-as-you-go basis, both the discount rate and the investment rate of return was based on published rate information for 20-year, tax exempt, municipal bonds as of the measurement date.

Mortality rates were based on the RP-2014 Mortality tables adjusted to 2006 White Collar mortality tables with MP-2016 generational improvements scale (Blue Collar tables for Police and Fire Personnel).

The actuarial assumptions used in the January 1, 2018 valuation are similar to those used to value pension liabilities for Minnesota public employees. The state pension plans base their assumptions on periodic experience studies.

Changes in assumptions and other inputs since the prior measurements date reflect change in the discount rate from 3.50% to 3.30%.

F. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.30%) or 1% higher (4.30%) than the current discount rate:

	1% Decrease (2.30%)	Discount Rate (3.30%)	1% Increase (4.30%)
Total OPEB liability	\$1,637,764	\$1,510,332	\$1,392,662

G. Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.25% decreasing to 4.00%) or 1% higher (7.25% decreasing to 6.00%) than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$1,336,437	\$1,510,332	\$1,717,338

H. OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the City recognized \$140,860 of OPEB expense. At December 31, 2018, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsuent to the measurement date	\$ 78,354	\$ -
Changes in assumptions	-	-
	<u>\$ 78,354</u>	<u>\$ -</u>

Note 6 GASB STATEMENTS ISSUED BUT NOT YET IMPLEMENTED

The Governmental Accounting Standards Boards (GASB) recently approved the following statements which were not implemented for these financial statements:

Statement No. 83 *Certain Asset Retirement Obligations*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2018.

Statement No. 84 *Fiduciary Activities*. The provisions of this Statement are effective for reporting periods beginning after December 15, 2018.

Statement No. 87 *Leases*. The provisions of this Statement are effective for reporting periods beginning after December 15, 2019.

Statement No. 88 *Certain Disclosures Related to Debt, Including Direct Borrowing and Debt Placements*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2018.

Statement No. 89 *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The provisions of this Statement are effective for reporting periods beginning after December 15, 2019.

Statement No. 90 *Majority Equity Interests an Amendment of GASB Statements No. 14 and No.61*. The provisions of this Statement are effective for reporting periods beginning after December 15, 2019.

The effect these standards may have on future financial statements is not determinable at this time.

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Required Supplementary Information

City of Roseville, Minnesota

Schedule 1

REQUIRED SUPPLEMENTARY INFORMATION

(Page 1 of 1)

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

GENERAL FUND

For the Fiscal Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes				
General property taxes	11,546,235	11,546,235	11,523,078	(23,157)
Licenses and permits	403,000	403,000	496,416	93,416
Intergovernmental revenue	1,057,000	1,057,000	1,208,340	151,340
Charges for services	390,245	390,245	284,886	(105,359)
Fines and forfeits	134,000	134,000	97,415	(36,585)
Donations	-	-	41,401	41,401
Special assessments	-	-	11	11
Investment income				
Interest earned on investments	40,000	40,000	43,858	3,858
Increase (decrease) in fair value of investments	-	-	(11,852)	(11,852)
Miscellaneous Revenue	108,000	108,000	58,452	(49,548)
Total Revenues	13,678,480	13,678,480	13,742,005	63,525
EXPENDITURES				
Current				
General government	2,655,205	2,655,205	2,633,548	21,657
Public safety	10,118,045	10,339,045	10,359,705	(20,660)
Public works	2,698,840	2,698,840	2,477,806	221,034
Total Expenditures	15,472,090	15,693,090	15,471,059	222,031
Excess (Deficiency) of Revenue Over (Under) Expenditures	(1,793,610)	(2,014,610)	(1,729,054)	285,556
OTHER FINANCING SOURCES (USES)				
Transfers In	1,067,000	1,067,000	1,965,553	898,553
Transfers Out	-	-	(219,221)	(219,221)
Sale of Capital Assets	-	-	-	-
Total Other Financing Sources (Uses)	1,067,000	1,067,000	1,746,332	679,332
Net Change in Fund Balance	(726,610)	(947,610)	17,278	964,888
FUND BALANCE, January 1	6,210,833	6,210,833	6,210,833	-
FUND BALANCE, December 31	5,484,223	5,263,223	6,228,111	964,888

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

City of Roseville, Minnesota

Schedule 2

REQUIRED SUPPLEMENTARY INFORMATION

(Page 1 of 1)

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

RECREATION FUND

For the Fiscal Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes				
General property taxes	2,624,270	2,624,270	2,588,457	(35,813)
Charges for services	2,006,230	2,006,230	2,080,299	74,069
Rentals	63,000	63,000	72,330	9,330
Donations	47,000	47,000	51,309	4,309
Special assessments	-	-	4,252	4,252
Investment income				
Interest earned on investments	10,525	10,525	19,109	8,584
Increase (decrease) in fair value of investments	-	-	(15,259)	(15,259)
Miscellaneous Revenue	30,000	30,000	47,521	17,521
Total Revenues	4,781,025	4,781,025	4,848,018	66,993
EXPENDITURES				
Current				
Recreation				
Personal services	3,083,070	3,083,070	3,027,899	55,171
Supplies and materials	317,940	317,940	288,728	29,212
Other services and charges	1,380,015	1,380,015	1,305,149	74,866
Total Expenditures	4,781,025	4,781,025	4,621,776	159,249
Net Change in Fund Balance	-	-	226,242	226,242
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(635,000)	(636,827)	(1,827)
Total Other Financing Sources (Uses)	-	(635,000)	(636,827)	(1,827)
Net Change in Fund Balance	-	(635,000)	(410,585)	224,415
FUND BALANCE, January 1	1,947,047	1,947,047	1,947,047	-
FUND BALANCE, December 31	1,947,047	1,947,047	1,536,462	226,242

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

SUPPLEMENTARY INFORMATION

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

LICENSE CENTER FUND

For the Fiscal Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES				
Charges for services	1,768,300	1,768,300	1,785,836	17,536
Investment income				
Interest earned on investments	12,000	12,000	120	(11,880)
Increase (decrease) in fair value of investments	-	-	4,616	4,616
Total Revenues	1,780,300	1,780,300	1,790,572	10,272
EXPENDITURES				
Current				
General government				
Personal services	1,301,600	1,346,600	1,346,690	(90)
Supplies and materials	16,500	16,500	25,865	(9,365)
Other services and charges	192,525	192,525	128,195	64,330
Capital outlay	41,600	56,600	56,575	25
Total Expenditures	1,552,225	1,612,225	1,557,325	54,900
Excess (Deficiency) of Revenue Over (Under) Expenditures	228,075	168,075	233,247	65,172
OTHER FINANCING SOURCES (USES)				
Transfers Out	(332,000)	(708,000)	(759,875)	(51,875)
Net Change in Fund Balance	(103,925)	(539,925)	(526,628)	13,297
FUND BALANCE, January 1	976,492	976,492	976,492	-
FUND BALANCE, December 31	872,567	436,567	449,864	13,297

REQUIRED SUPPLEMENTARY INFORMATION

(Page 1 of 1)

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

COMMUNITY DEVELOPMENT FUND

For the Fiscal Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES				
Licenses and permits	1,476,500	1,476,500	1,538,173	61,673
Charges for services	225,000	225,000	109,007	(115,993)
Special assessments	-	-	21	21
Investment income				
Interest earned on investments	11,250	11,250	22,593	11,343
Increase (decrease) in fair value of investments	-	-	(12,167)	(12,167)
Interest Earned - Other				-
Miscellaneous Revenue	28,140	28,140	3,773	(24,367)
Total Revenues	1,740,890	1,740,890	1,661,400	(79,490)
EXPENDITURES				
Current				
Public safety	800,465	800,465	761,992	38,473
Economic development	624,965	624,965	563,420	61,545
Total Expenditures	1,425,430	1,425,430	1,325,412	100,018
Excess (Deficiency) of Revenue Over (Under) Expenditures	315,460	315,460	335,988	20,528
OTHER FINANCING SOURCES (USES)				
Transfers Out	(35,000)	(35,000)	(35,375)	(375)
Total Other Financing Sources (Uses)	(35,000)	(35,000)	(35,375)	(375)
Net Change in Fund Balance	280,460	280,460	300,613	20,153
FUND BALANCE, January 1	1,839,150	1,839,150	1,839,150	-
FUND BALANCE, December 31	2,119,610	2,119,610	2,139,763	20,153

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

City of Roseville, Minnesota**Schedule 5**

REQUIRED SUPPLEMENTARY INFORMATION

(Page 1 of 1)

SCHEDULE OF CHANGES IN THE TOTAL

OPEB LIABILITY AND RELATED RATIOS

For the Fiscal Year Ended December 31, 2018

Total OPEB Liability:		2018
Service cost	\$	91,108
Interest cost		49,752
Changes in benefit terms		-
Differences between expected and actual experience		-
Changes in assumptions		-
Benefit payments		(93,369)
Net changes in total OPEB liability		47,491
Total OPEB liability - beginning		1,462,841
Total OPEB liability - ending	\$	1,510,332

Covered-employee payroll	\$	13,011,570
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Total OPEB liability as a percentage of covered-employee payroll		11.6%
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The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2018 and is intended to show a ten year trend. Additional years will be added as they become available.

City of Roseville, Minnesota

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER'S SHARE OF PERA NET PENSION

LIABILITY - GENERAL EMPLOYEES RETIREMENT FUND

For the Fiscal Year Ended December 31, 2018

Schedule 6

(Page 1 of 1)

Measurement Date June 30	Fiscal Year Ending December 31	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a % of Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a % of the Total Pension Liability
2015	2015	0.1380%	\$ 7,151,786	\$ -	\$ 7,151,786	\$7,974,720	89.7%	78.20%
2016	2016	0.1395%	\$ 11,326,708	\$ 147,908	\$ 11,474,616	\$8,657,720	132.5%	68.91%
2017	2017	0.1412%	\$ 9,014,115	\$ 113,368	\$ 9,127,483	\$9,101,177	100.3%	75.90%
2018	2018	0.1470%	\$ 8,154,957	\$ 267,459	\$ 8,422,416	\$9,445,284	89.2%	79.50%

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

City of Roseville, Minnesota

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER'S PERA CONTRIBUTIONS
 - GENERAL EMPLOYEES RETIREMENT FUND
 For the Fiscal Year Ended December 31, 2018

Schedule 7

(Page 1 of 1)

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/2015	\$ 619,013	\$ 619,013	\$ 0	\$ 8,253,507	7.5%
12/31/2016	\$ 659,339	\$ 659,339	\$ 0	\$ 8,791,187	7.5%
12/31/2017	\$ 708,179	\$ 708,179	\$ 0	\$ 9,448,003	7.5%
12/31/2018	\$ 738,318	\$ 738,318	\$ 0	\$ 9,844,240	7.5%

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

City of Roseville, Minnesota

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER'S SHARE OF PERA NET PENSION

LIABILITY - PUBLIC EMPLOYEES POLICE AND FIRE FUND

For the Fiscal Year Ended December 31, 2018

Schedule 8

(Page 1 of 1)

Measurment Date June 30	Fiscal Year Ending December 31	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a % of Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a % of the Total Pension Liability
2015	2015	0.494%	\$ 5,612,996	\$ 0	\$ 5,612,996	\$ 4,399,667	127.6%	86.6%
2016	2016	0.511%	\$20,507,319	\$ 0	\$20,507,319	\$ 4,920,648	416.8%	63.9%
2017	2017	0.516%	\$ 6,966,614	\$ 0	\$ 6,966,614	\$ 5,293,562	131.6%	85.4%
2018	20018	0.526%	\$ 5,605,552	\$ 0	\$ 5,605,552	\$ 5,542,123	101.1%	88.8%

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

City of Roseville, Minnesota

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER'S PERA CONTRIBUTIONS
 - PUBLIC EMPLOYEES POLICE AND FIRE FUND
 For the Fiscal Year Ended December 31, 2018

Schedule 9

(Page 1 of 1)

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/2015	\$ 763,596	\$ 763,596	\$ 0	\$ 4,713,556	16.2%
12/31/2016	\$ 825,632	\$ 825,632	\$ 0	\$ 5,096,494	16.2%
12/31/2017	\$ 874,916	\$ 874,916	\$ 0	\$ 5,400,716	16.2%
12/31/2018	\$ 919,728	\$ 919,728	\$ 0	\$ 5,677,333	16.2%

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

City of Roseville, Minnesota
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS - FIRE RELIEF ASSOCIATION
For the Fiscal Year Ended December 31, 2018

Schedule 10
(Page 1 of 1)

	2018	2017	2016	2015	2014
Total Pension Liability (TPL, actuarial accrued liability)					
Service cost	\$ 45,257	\$ 48,898	\$ 85,623	\$ 69,632	\$ 67,768
Interest	579,955	517,780	525,989	509,635	508,985
Differences between expected and actual experience	(16,259)	138,754	(389,429)	-	-
Changes of assumptions	533,565	111,219	(492,447)	213,856	-
Changes of benefit terms	-	653,842	-	-	-
Benefit payments, including member contributions	(682,053)	(593,632)	(569,784)	(563,896)	(574,072)
Net change in total pension liability	460,465	876,861	(840,048)	229,227	2,681
Total Pension Liability - beginning of year	8,028,507	7,151,646	7,991,694	7,762,467	7,759,786
Total Pension Liability - end of year	<u>\$ 8,488,972</u>	<u>\$ 8,028,507</u>	<u>\$ 7,151,646</u>	<u>\$ 7,991,694</u>	<u>\$ 7,762,467</u>
Plan Fiduciary Net Position (FNP, assets)					
Contributions - State and local	\$ 229,050	\$ 222,882	\$ 221,324	\$ 220,012	\$ 341,617
Contributions - donations and other income	-	-	-	-	-
Contributions - members	-	-	-	-	-
Net investment income	(454,151)	1,775,014	846,802	22,193	882,050
Other additions (e.g. receivables)	-	-	-	-	-
Benefit payments, including member contributions	(682,053)	(593,632)	(569,784)	(563,896)	(574,072)
Administrative expense	(24,694)	(24,935)	(25,100)	(20,569)	(23,479)
Other deductions (e.g. payables)	-	-	-	-	-
Net change in plan fiduciary net position	(931,848)	1,379,329	473,242	(342,260)	626,116
Plan Fiduciary Net Position - beginning of year	11,681,497	10,302,168	9,828,926	10,171,186	9,545,070
Plan Fiduciary Net Position - end of year	<u>\$ 10,749,649</u>	<u>\$ 11,681,497</u>	<u>\$ 10,302,168</u>	<u>\$ 9,828,926</u>	<u>\$ 10,171,186</u>
Net Pension Liability (NPL) - end of year	\$ (2,260,677)	\$ (3,652,990)	\$ (3,150,522)	\$ (1,837,232)	\$ (2,408,719)
Plan Fiduciary Net Position (FNP, assets)	145.50%	145.50%	144.05%	122.99%	131.03%

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

City of Roseville, Minnesota

Schedule 11

REQUIRED SUPPLEMENTARY INFORMATION

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SCHEDULE OF EMPLOYER CONTRIBUTIONS AND NON-EMPLOYER

CONTRIBUTING ENTITIES - FIRE RELIEF ASSOCIATION

For the Fiscal Year Ended December 31, 2018

	2009	2010	2011	2012	2013
Employer					
Actuarially determined contribution (ADC)	\$ 128,137	\$ 128,137	\$ 353,384	\$ 353,384	\$ 298,233
Contribution in relation to the ADC	63,875	216,500	166,284	205,630	89,220
Contribution deficiency (excess)	<u>64,262</u>	<u>(88,363)</u>	<u>187,100</u>	<u>147,754</u>	<u>209,013</u>
Non-Employer					
Contribution	\$ 145,353	\$ 149,002	\$ 146,733	\$ 149,754	\$ 210,012
	2014	2015	2016	2017	2018
Employer					
Actuarially determined contribution (ADC)	\$ 173,096	\$ 115,204	\$ 55,689	\$ 55,689	\$ 2,541
Contribution in relation to the ADC	130,996	-	-	-	-
Contribution deficiency (excess)	<u>42,100</u>	<u>115,204</u>	<u>55,689</u>	<u>55,689</u>	<u>2,541</u>
Non-Employer					
Contribution	\$ 210,621	\$ 220,012	\$ 221,324	\$ 222,882	\$ 229,050

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 four funds in 2018. The supplementary budgetary appropriation increased expenditures in the General Fund by \$221,000, the Recreation fund by \$635,000, the License Center Fund by \$436,000 and the Charitable Gambling Fund by \$88,000.

Notes to Schedule of Changes in Net Pension Liabilities and Related Ratios

General Employee Fund

2018 Changes

Changes in Actuarial Assumptions:

-The mortality projection scale was changed from MP-2015 to MP-2017.

-The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

2017 Changes

Changes in Actuarial Assumptions:

-The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability.

- The assumed post-retirement benefit increase rate were changed from 1.0 percent for active for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

Police and Fire Fund

2018 Changes

Changes in Actuarial Assumptions:

- The mortality projection scale were changed from MP-2016 to MP-2017.

2017 Changes

Changes in Actuarial Assumptions:

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The combined Service Annuity (CSA) load was 30 percent for vested and non-vested deferred members. The CSA has been changed to 33 percent for vested member and 2 percent for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65 percent to 60 percent.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter.
- The assumed investment return was not changed from 7.50 percent. The single discount rate was changed from 5.60 percent to 7.50 percent.

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Special Revenue Funds

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

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

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

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

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

	Information Technology	Tele- communications	Charitable Gambling	Roseville Economic Development Authority	Total Nonmajor Special Revenue Funds
ASSETS					
Cash and investments	1,222,311	262,303	81,899	3,245,836	4,812,349
Investment interest receivable	2,653	506	158	6,257	9,574
Accounts receivable	399,892	100,613	-	19,885	520,390
Taxes receivable	4,884	-	-	8,901	13,785
Special assessments receivable	-	-	-	4,261	4,261
Notes receivable	-	-	-	993,870	993,870
Property held for resale	-	-	-	52,807	52,807
TOTAL ASSETS	1,629,740	363,422	82,057	4,331,817	6,407,036
LIABILITIES					
Accounts payable	32,758	11,376	74	7,114	51,322
Accrued payroll	33,774	4,470	155	-	38,399
Due to other governmental units	21,228	2,520	77	1,190	25,015
Deposits payable	5,000	-	-	-	5,000
Total Liabilities	92,760	18,366	306	8,304	119,736
Deferred Inflows of Resources					
Unavailable Revenue - property taxes	2,333	-	-	4,309	6,642
Unavailable Revenue - special assessments	-	-	-	225	225
Total Deferred Inflows of Resources	2,333	-	-	4,534	6,867
FUND BALANCE					
Restricted					
Telecommunications	-	345,056	-	-	345,056
Lawful Gambling	-	-	81,751	-	81,751
Housing and Economic Development	-	-	-	857,618	857,618
Assigned					
Information Technology	1,534,647	-	-	-	1,534,647
Housing and Economic Development	-	-	-	3,461,361	3,461,361
Total Fund Balances	1,534,647	345,056	81,751	4,318,979	6,280,433
TOTAL LIABILITIES AND FUND BALANCES	1,629,740	363,422	82,057	4,331,817	6,407,036

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

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NONMAJOR SPECIAL REVENUE FUNDS

For the Fiscal Year Ended December 31, 2018

	Information Technology	Tele- Communications	Charitable Gambling	Roseville Economic Development Authority	Total Nonmajor Special Revenue Funds
REVENUES					
Taxes	197,271	-	-	355,533	552,804
Gambling taxes	-	-	38,018	-	38,018
Charges for services	2,596,347	-	-	1,603	2,597,950
Cable franchise taxes	-	403,224	-	-	403,224
Donations	-	-	123,539	-	123,539
Special assessments	-	-	-	29	29
Investment income					
Interest earned on investments	11,552	2,733	820	40,950	56,055
Increase (decrease) in fair value of investments	(9,357)	622	334	(8,524)	(16,925)
Miscellaneous Revenue	446,557	-	-	26,265	472,822
Total Revenues	3,242,370	406,579	162,711	415,856	4,227,516
EXPENDITURES					
Current					
General Government	2,757,791	476,131	191,632	-	3,425,554
Economic development	-	-	-	316,505	316,505
Capital outlay	36,270	-	-	-	36,270
Total Expenditures	2,794,061	476,131	191,632	316,505	3,778,329
Excess (Deficiency) of Revenues Over (Under) Expenditures	448,309	(69,552)	(28,921)	99,351	449,187
OTHER FINANCING SOURCES (USES)					
Transfers In	130,837	-	-	-	130,837
Transfers Out	(170,000)	(17,000)	-	(9,650)	(196,650)
Total Other Financing Sources (Uses)	(39,163)	(17,000)	-	(9,650)	(65,813)
Net Change in Fund Balances	409,146	(86,552)	(28,921)	89,701	383,374
FUND BALANCES, January 1	1,125,501	431,608	110,672	4,229,278	5,897,059
FUND BALANCES, December 31	1,534,647	345,056	81,751	4,318,979	6,280,433

SUPPLEMENTARY INFORMATION

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

INFORMATION TECHNOLOGY FUND

For the Fiscal Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes	200,000	200,000	197,271	(2,729)
Charges for services	2,276,730	2,276,730	2,596,347	319,617
Investment income				
Interest earned on investments	3,000	3,000	11,552	8,552
Increase (decrease) in fair value of investments	-	-	(9,357)	(9,357)
Miscellaneous Revenue	465,315	465,315	446,557	(18,758)
Total Revenues	2,945,045	2,945,045	3,242,370	297,325
EXPENDITURES				
Current				
General government				
Personal services	2,050,880	2,050,880	1,847,779	203,101
Supplies and materials	32,500	32,500	9,051	23,449
Other services and charges	591,160	591,160	900,961	(309,801)
Capital outlay	254,880	254,880	36,270	218,610
Total Expenditures	2,929,420	2,929,420	2,794,061	135,359
Excess (Deficiency) of Revenue Over (Under) Expenditures	15,625	15,625	448,309	432,684
OTHER FINANCING SOURCES (USES)				
Transfers In	125,000	125,000	130,837	5,837
Transfers Out	-	-	(170,000)	(170,000)
Total Other Financing Sources (Uses)	125,000	125,000	(39,163)	(164,163)
Net Change in Fund Balance	140,625	140,625	409,146	438,521
FUND BALANCE, January 1	1,125,501	1,125,501	1,125,501	-
FUND BALANCE, December 31	1,266,126	1,266,126	1,534,647	438,521

SUPPLEMENTARY INFORMATION

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

TELECOMMUNICATIONS FUND

For the Fiscal Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES				
Cable franchise taxes	460,000	460,000	403,224	(56,776)
Investment income				
Interest earned on investments	3,500	3,500	2,733	(767)
Increase (decrease) in fair value of investments	-	-	622	622
Total Revenues	463,500	463,500	406,579	(56,921)
EXPENDITURES				
Current				
General government				
Personal services	274,570	274,570	241,604	32,966
Supplies and materials	-	-	6,904	(6,904)
Other services and charges	242,000	242,000	227,623	14,377
Capital outlay	10,000	10,000	-	10,000
Total Expenditures	526,570	526,570	476,131	50,439
Excess (Deficiency) of Revenue Over (Under) Expenditures	(63,070)	(63,070)	(69,552)	(6,482)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(17,000)	(17,000)	(17,000)	-
Total Other Financing Sources (Uses)	(17,000)	(17,000)	(17,000)	-
Net Change in Fund Balance	(80,070)	(80,070)	(86,552)	(6,482)
FUND BALANCE, January 1	431,608	431,608	431,608	-
FUND BALANCE, December 31	351,538	351,538	345,056	(6,482)

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

CHARTABLE GAMBLING FUND

For the Fiscal Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES				
Gambling taxes	20,000	20,000	38,018	18,018
Donations	90,000	90,000	123,539	33,539
Investment income				
Interest earned on investments	500	500	820	320
Increase (decrease) in fair value of investments	-	-	334	334
Total Revenues	110,500	110,500	162,711	52,211
EXPENDITURES				
Current				
General government				
Personal services	7,230	35,230	34,632	598
Other services and charges	100,000	160,000	157,000	3,000
Total Expenditures	107,230	195,230	191,632	3,598
Net Change in Fund Balance	3,270	(84,730)	(28,921)	55,809
FUND BALANCE, January 1	110,672	110,672	110,672	-
FUND BALANCE, December 31	113,942	25,942	81,751	55,809

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

ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY FUND

For the Fiscal Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes	360,150	360,150	355,533	(4,617)
Charges for services	-	-	1,603	1,603
Special assessments	-	-	29	-
Investment income				
Interest earned on investments			40,950	
Increase (decrease) in fair value of investments	-	-	(8,524)	(8,524)
Miscellaneous Revenue	-	-	26,265	26,265
Total Revenues	360,150	360,150	415,856	14,727
EXPENDITURES				
Current				
Economic development				
Personal services	205,340	205,340	205,340	-
Other services and charges	145,160	145,160	111,165	33,995
Total Expenditures	350,500	350,500	316,505	33,995
Excess (Deficiency) of Revenue Over (Under) Expenditures	9,650	9,650	99,351	48,722
OTHER FINANCING SOURCES (USES)				
Transfers Out	(9,650)	(9,650)	(9,650)	-
Total Other Financing Sources (Uses)	(9,650)	(9,650)	(9,650)	-
Net Change in Fund Balance	-	-	89,701	48,722
Net Change in Fund Balance				
FUND BALANCE, January 1	4,229,278	4,229,278	4,229,278	-
FUND BALANCE, December 31	4,229,278	4,229,278	4,318,979	48,722

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

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

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

	Workers' Compensation Self-Insurance	Risk Management	Total Internal Service Funds
ASSETS			
Current Assets			
Cash and cash equivalents	1,238,218	1,058,777	2,296,995
Investments interest receivable	2,378	3,003	5,381
Total Assets	<u>1,240,596</u>	<u>1,061,780</u>	<u>2,302,376</u>
LIABILITIES			
Current Liabilities			
Accounts payable	1,981	6,595	8,576
Due to other governmental units	16,516	-	16,516
Insurance claims payable	14,382	37,111	51,493
Total Current Liabilities	<u>32,879</u>	<u>43,706</u>	<u>76,585</u>
Noncurrent Liabilities			
Insurance claims payable	40,847	297,485	338,332
Total Noncurrent Liabilities	<u>40,847</u>	<u>297,485</u>	<u>338,332</u>
TOTAL LIABILITIES	<u>73,726</u>	<u>341,191</u>	<u>414,917</u>
NET POSITION			
Unrestricted	<u>1,166,870</u>	<u>720,589</u>	<u>1,887,459</u>
TOTAL NET POSITION	<u><u>1,166,870</u></u>	<u><u>720,589</u></u>	<u><u>1,887,459</u></u>

City of Roseville, Minnesota

COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended December 31, 2018

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	Workers' Compensation Self-Insurance	Risk Management	Total Internal Service Funds
OPERATING REVENUES			
Departmental charges	59,880	272,700	332,580
Employee charges	-	13,659	13,659
Total Operating Revenues	59,880	286,359	346,239
OPERATING EXPENSES			
Professional services	5,383	17,980	23,363
Insurance	49,993	159,142	209,135
Training	-	7,205	7,205
Administrative charges	-	750	750
Payment of claims	44,802	67,157	111,959
Total Operating Expenses	100,178	252,234	352,412
OPERATING INCOME (LOSS)	(40,298)	34,125	(6,173)
NON-OPERATING REVENUES (EXPENSES)			
Investment Income			
Interest Earned on Investments	11,171	13,764	24,935
Increase (Decrease) in Fair Value of Investments	(2,603)	(4,094)	(6,697)
Total Non-Operating Revenues (Expenses)	8,568	9,670	18,238
Income (Loss) Before Capital Contributions and Transfers	(31,730)	43,795	12,065
Transfers Out	-	(521,000)	(521,000)
Change in Net Position	(31,730)	(477,205)	(508,935)
NET POSITION, January 1	1,198,600	1,197,794	2,396,394
NET POSITION, December 31	1,166,870	720,589	1,887,459

	Workers' Compensation Self-Insurance	Risk Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers and users, including deposits	59,880	272,700	332,580
Cash payments to suppliers for goods and services	(105,629)	(282,228)	(387,857)
Cash payments to employees and others for resolved claims	-	13,659	13,659
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(45,749)	4,131	(41,618)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers Out to Other Funds	-	(521,000)	(521,000)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	-	(521,000)	(521,000)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments received	12,760	15,644	28,404
Increase (Decrease) in Fair Value of Investments	(2,603)	(4,094)	(6,697)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	10,157	11,550	21,707
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(35,592)	(505,319)	(540,911)
CASH AND CASH EQUIVALENTS, JANUARY 1	1,273,810	1,564,096	2,837,906
CASH AND CASH EQUIVALENTS, DECEMBER 31	1,238,218	1,058,777	2,296,995
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	(40,298)	34,125	(6,173)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities			
Changes in elements affecting cash			
(Increase) Decrease in Prepaid items	-	12,000	12,000
Increase (Decrease) in Accounts payable	(2,522)	(254)	(2,776)
Increase (Decrease) in Due to other governmental units	16,516	-	16,516
Increase (Decrease) in Insurance claim payable	(19,445)	(41,740)	(61,185)
Total Adjustments	(5,451)	(29,994)	(35,445)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(45,749)	4,131	(41,618)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Increase/(Decrease) in fair market value of investments	(2,603)	(4,094)	(6,697)

City of Roseville, Minnesota

AGENCY FUNDS

December 31, 2018

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

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

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

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

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

COMBINING STATEMENT OF FIDUCIARY NET POSITION

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ALL AGENCY FUNDS

December 31, 2018

	St Paul Port Authority	Roseville Islamic Cemetery Fund	Roseville Visitors Association	Total Agency Funds
ASSETS				
Cash and cash equivalents	\$ -	\$ 84,906	\$ 671,919	\$ 756,825
Receivables				
Investment interest receivable	-	164	-	164
Accounts receivable	-	-	51,940	51,940
Special assessments receivable	88,621	-	-	88,621
Prepaid items	-	-	34,433	34,433
TOTAL ASSETS	\$ 88,621	\$ 85,070	\$ 758,292	\$ 931,983
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 33,178	\$ 33,178
Accrued payroll	-	-	11,556	11,556
Due to other governments units	88,621	-	934	89,555
Due to other organizations	-	85,070	712,624	797,694
TOTAL LIABILITIES	\$ 88,621	\$ 85,070	\$ 758,292	\$ 931,983

	January 1, 2018	Additions	Deductions	December 31, 2018
ASSETS				
Cash and cash equivalents	\$ 664,438	1,097,657	\$ 1,005,270	\$ 756,825
Receivables				
Investment interest receivable	305	164	305	164
Accounts receivable	55,830	51,940	55,830	51,940
Special assessments receivable	99,196	-	10,575	88,621
Prepaid items	24,707	34,433	24,707	34,433
TOTAL ASSETS	<u>\$ 844,476</u>	<u>\$ 1,184,194</u>	<u>\$ 1,096,687</u>	<u>\$ 931,983</u>
LIABILITIES				
Accounts payable	\$ 12,463	\$ 777,251	\$ 756,536	\$ 33,178
Accrued payroll	10,232	18,454	17,130	11,556
Due to other governmental units	107,044	1,112	18,601	89,555
Due to other organizations	714,737	387,377	304,420	797,694
TOTAL LIABILITIES	<u>\$ 844,476</u>	<u>\$ 1,184,194</u>	<u>\$ 1,096,687</u>	<u>\$ 931,983</u>

East Metro SWAT	January 1, 2018	Additions	Deductions	December 31, 2018
ASSETS				
Cash and cash equivalents	\$ 7,753	\$ 178	\$ 7,931	\$ -
Investment interest receivable	24	-	24	-
TOTAL ASSETS	\$ 7,777	\$ 178	\$ 7,955	\$ -
LIABILITIES				
Due to other governments units	\$ 7,777	\$ 178	\$ 7,955	\$ -
TOTAL LIABILITIES	\$ 7,777	\$ 178	\$ 7,955	\$ -
St Paul Port Authority	January 1, 2018	Additions	Deductions	December 31, 2018
ASSETS				
Special assessments receivable	\$ 99,196	\$ -	\$ 10,575	\$ 88,621
TOTAL ASSETS	\$ 99,196	\$ -	\$ 10,575	\$ 88,621
LIABILITIES				
Due to other governments units	\$ 99,196	\$ -	\$ 10,575	\$ 88,621
TOTAL LIABILITIES	\$ 99,196	\$ -	\$ 10,575	\$ 88,621
Roseville Islamic Cemetery	January 1, 2018	Additions	Deductions	December 31, 2018
ASSETS				
Cash and cash equivalents	\$ 90,125	\$ 8,788	\$ 14,007	\$ 84,906
Investment interest receivable	281	164	281	164
TOTAL ASSETS	\$ 90,406	\$ 8,952	\$ 14,288	\$ 85,070
LIABILITIES				
Due to other organizations	\$ 90,406	\$ 8,952	\$ 14,288	\$ 85,070
TOTAL LIABILITIES	\$ 90,406	\$ 8,952	\$ 14,288	\$ 85,070
Roseville Vistors Association	January 1, 2018	Additions	Deductions	December 31, 2018
ASSETS				
Cash and cash equivalents	\$ 566,560	\$ 1,088,691	\$ 983,332	\$ 671,919
Accounts receivables	55,830	51,940	55,830	51,940
Prepaid items	24,707	34,433	24,707	34,433
TOTAL ASSETS	\$ 647,097	\$ 1,175,064	\$ 1,063,869	\$ 758,292
LIABILITIES				
Accounts payable	\$ 12,463	\$ 777,251	\$ 756,536	\$ 33,178
Accrued payroll	10,232	18,454	17,130	11,556
Due to other governmental units	71	934	71	934
Due to other organizations	624,331	378,425	290,132	712,624
TOTAL LIABILITIES	\$ 647,097	\$ 1,175,064	\$ 1,063,869	\$ 758,292

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	113-119
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	121-127
These schedules contain information to help the reader assess the City of Roseville's most significant local revenue source, the property tax.	
Debt Capacity	128-131
These schedules present information to help the reader assess the affordability of the City of Roseville's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	132-134
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	135-139
These schedules contain service and infrastructure data to help the reader understand how the information in the City of Roseville's financial report relates to the services the City provides, and the activities it performs.	

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

Table 1
(Page 1 of 1)
Unaudited

	Fiscal Year				
	2009	2010	2011	2012	2013
Governmental Activities					
Net Investment in Capital Assets	\$ 103,987,033	\$ 114,015,800	\$ 114,666,064	\$ 114,334,627	\$ 114,983,470
Restricted	10,789,610	4,438,169	8,733,361	10,796,300	13,094,255
Unrestricted	23,842,146	25,508,724	23,237,740	24,940,748	23,751,419
Total Governmental Activities Net Position	138,618,789	143,962,693	146,637,165	150,071,675	151,829,144
Business-Type Activities					
Net Investment in Capital Assets	19,019,599	18,803,521	19,493,159	20,244,092	21,814,228
Restricted	-	-	-	-	-
Unrestricted	5,180,356	5,734,880	5,150,432	5,543,380	5,945,451
Total Business-Type Activities Net Position	24,199,955	24,538,401	24,643,591	25,787,472	27,759,679
Primary Government					
Net Investment in Capital Assets	123,006,632	132,819,321	134,159,223	134,578,719	136,797,698
Restricted	10,789,610	4,438,169	8,733,361	10,796,300	13,094,255
Unrestricted	29,022,502	31,243,604	28,388,172	30,484,128	29,696,870
Total Primary Government Net Position	\$ 162,818,744	\$ 168,501,094	\$ 171,280,756	\$ 175,859,147	\$ 179,588,823

	Fiscal Year				
	2014	2015	2016	2017	2018
Governmental Activities					
Net Investment in Capital Assets	\$ 116,028,830	\$ 120,125,324	\$ 119,959,369	\$ 121,203,724	\$ 121,613,755
Restricted	14,072,227	18,157,117	13,847,317	13,523,329	11,908,357
Unrestricted	25,475,158	12,948,135	16,617,276	11,181,711	10,192,853
Total Governmental Activities Net Position	155,576,215	151,230,576	150,423,962	145,908,764	143,714,965
Business-Type Activities					
Net Investment in Capital Assets	25,215,099	28,391,384	30,729,106	33,862,002	37,768,901
Restricted	-	-	-	-	-
Unrestricted	4,563,269	2,467,956	1,593,595	926,515	762,222
Total Business-Type Activities Net Position	29,778,368	30,859,340	32,322,701	34,788,517	38,531,123
Primary Government					
Net Investment in Capital Assets	141,243,929	148,516,708	150,688,475	155,065,726	159,382,656
Restricted	14,072,227	18,157,117	13,847,317	13,523,329	11,908,357
Unrestricted	30,038,427	15,416,091	18,210,871	12,108,226	10,955,075
Total Primary Government Net Position	\$ 185,354,583	\$ 182,089,916	\$ 182,746,663	\$ 180,697,281	\$ 182,246,088

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

Table 2
(Page 1 of 2)
Unaudited

Expenses	Fiscal Year				
	2009	2010	2011	2012	2013
Governmental activities:					
General government	\$ 5,150,773	\$ 4,266,736	\$ 4,395,483	\$ 4,654,650	\$ 5,376,860
Public safety	8,161,100	9,442,966	8,572,723	9,417,458	9,792,587
Public works	4,470,830	2,800,235	4,868,114	4,475,774	4,399,267
Parks and recreation	4,770,793	4,698,518	4,737,072	4,794,338	5,523,875
Economic development	1,742,174	10,950,324	1,696,156	1,261,035	954,315
Interest on long-term debt	508,970	429,094	427,003	685,377	1,160,953
Total governmental activities expenses	24,804,640	32,587,873	24,696,551	25,288,632	27,207,857
Business-type activities:					
Sewer	3,520,566	3,763,009	3,403,703	3,638,421	3,575,823
Water	5,399,949	5,058,883	5,417,818	6,307,221	5,915,805
Golf	318,890	338,860	332,480	360,518	345,816
Storm Drainage	850,575	797,535	1,073,180	1,000,570	942,598
Recycling	499,501	478,471	527,581	549,113	550,285
Total business-type activities expenses	10,589,481	10,436,758	10,754,762	11,855,843	11,330,327
Total primary government expenses	\$ 35,394,121	\$ 43,024,631	\$ 35,451,313	\$ 37,144,475	\$ 38,538,184
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 2,869,646	\$ 2,611,668	\$ 2,857,048	\$ 3,007,628	\$ 3,488,493
Public safety	1,454,107	1,545,830	1,890,436	1,807,988	1,925,320
Parks and recreation	1,917,605	1,919,896	2,430,291	1,976,761	2,591,924
Other activities	2,991,563	697,435	560,173	351,514	1,173,925
Operating grants and contributions	819,160	870,158	983,149	905,922	1,029,327
Capital grants and contributions	1,987,239	3,283,978	2,294,488	2,355,429	1,046,150
Total governmental activities program revenues	12,039,320	10,928,965	11,015,585	10,405,242	11,255,139
Business-type activities:					
Charges for Services:					
Sewer	3,090,778	3,600,334	3,087,514	3,740,826	4,105,523
Water	5,144,355	5,048,473	5,580,048	6,607,234	6,628,378
Golf	312,200	302,610	270,434	299,555	271,095
Storm Drainage	812,831	840,743	956,350	1,526,792	1,647,924
Recycling	345,218	499,773	545,695	453,259	455,271
Operating grants and contributions	75,349	69,775	70,267	104,891	69,613
Capital grants and contributions	-	321,188	250,858	20,858	259,550
Total business-type activities program revenues	9,780,731	10,682,896	10,761,166	12,753,415	13,437,354
Total primary government program revenues	\$ 21,820,051	\$ 21,611,861	\$ 21,776,751	\$ 23,158,657	\$ 24,692,493
Net (expense)/revenue					
Governmental activities	\$ (12,765,320)	\$ (21,658,908)	\$ (13,680,966)	\$ (14,883,390)	\$ (15,952,718)
Business-type activities	(808,750)	246,138	6,404	897,572	2,107,027
Total primary government net expense	\$ (13,574,070)	\$ (21,412,770)	\$ (13,674,562)	\$ (13,985,818)	\$ (13,845,691)
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes	\$ 12,553,187	\$ 15,611,387	\$ 13,501,068	\$ 15,085,154	\$ 16,895,804
Tax increments	3,288,562	1,966,665	1,592,214	2,342,447	1,607,882
Cable franchisetaxes	375,551	380,108	393,657	415,385	424,812
Gambling taxes	81,274	80,282	86,952	74,504	76,272
Grants and contributions not restricted to specific programs	26,477	25,577	25,738	24,693	24,928
Unrestricted investment earnings	695,472	1,122,891	730,809	350,717	288,600
Unrestricted net increase (decrease) in the fair value of Investments	-	-	-	-	(1,535,227)
Gain on sale of capital assets	-	-	-	-	-
Transfers	25,000	84,007	25,000	25,000	(72,884)
Total governmental activities	17,045,523	19,270,917	16,355,438	18,317,900	17,710,187
Business-type activities:					
Unrestricted investment earnings	135,664	176,315	123,786	39,801	25,662
Unrestricted net increase(decrease) in the fair value of investments	-	-	-	47,384	(233,366)
Gain on sale of capital assets	-	-	-	-	-
Transfers	(25,000)	(84,007)	(25,000)	(25,000)	72,884
Total business-type activities	110,664	92,308	98,786	62,185	(134,820)
Total primary government	\$ 17,156,187	\$ 19,363,225	\$ 16,454,224	\$ 18,380,085	\$ 17,575,367
Change in Net Position					
Governmental activities	\$ 4,280,203	\$ (2,387,991)	\$ 2,674,472	\$ 3,434,510	\$ 1,757,469
Business-type activities	(698,086)	338,446	105,190	959,757	1,972,207
Total primary government	\$ 3,582,117	\$ (2,049,545)	\$ 2,779,662	\$ 4,394,267	\$ 3,729,676

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

Table 2
(Page 2 of 2)
Unaudited

Expenses	Fiscal Year				
	2014	2015	2016	2017	2018
Governmental activities:					
General government	\$ 5,856,306	\$ 6,126,713	\$ 7,615,373	\$ 8,180,795	\$ 8,435,979
Public safety	9,254,988	10,307,351	13,102,041	12,490,251	12,702,978
Public works	5,249,925	4,834,914	9,676,272	7,759,394	8,095,118
Parks and recreation	5,690,332	4,653,377	5,185,845	6,315,824	6,185,924
Economic development	1,671,768	2,603,186	4,729,987	4,047,461	1,229,029
Interest on long-term debt	881,887	886,950	813,509	785,702	708,583
Total governmental activities expenses	28,605,206	29,412,491	41,123,027	39,579,427	37,357,611
Business-type activities:					
Sewer	3,651,174	3,541,971	3,815,857	3,982,565	4,148,465
Water	5,553,800	5,698,196	5,977,512	6,274,835	5,919,239
Golf	339,911	306,814	340,677	367,665	448,514
Storm Drainage	1,324,675	1,120,225	1,327,856	1,237,523	1,272,724
Recycling	449,490	463,018	480,918	506,058	551,590
Total business-type activities expenses	11,319,050	11,130,224	11,942,820	12,368,646	12,340,532
Total primary government expenses	\$ 39,924,256	\$ 40,542,715	\$ 53,065,847	\$ 51,948,073	\$ 49,698,143
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 3,382,230	\$ 3,738,297	\$ 4,059,091	\$ 4,550,361	\$ 5,418,566
Public safety	1,804,563	1,772,335	2,358,147	1,812,758	2,018,293
Parks and recreation	2,000,010	2,297,610	2,390,468	2,314,762	2,567,059
Other activities	292,365	405,930	1,009,329	646,320	1,246,974
Operating grants and contributions	967,703	1,055,810	1,219,715	1,418,596	1,535,286
Capital grants and contributions	1,013,102	2,368,626	2,137,095	1,209,349	708,900
Total governmental activities program revenues	9,459,973	11,638,608	13,173,845	11,952,146	13,495,078
Business-type activities:					
Charges for Services:					
Sewer	4,225,532	4,561,235	4,808,303	5,270,628	5,458,020
Water	6,662,997	6,643,628	6,687,934	6,613,415	6,649,903
Golf	291,036	325,460	333,222	288,440	305,905
Storm Drainage	1,722,757	1,696,055	1,798,727	1,947,644	2,019,311
Recycling	367,469	348,965	371,871	436,304	427,065
Operating grants and contributions	70,419	189,251	90,533	87,901	124,248
Capital grants and contributions	470,967	2,000	277,055	0	50,000
Total business-type activities program revenues	13,811,177	13,766,594	14,367,645	14,644,332	15,034,452
Total primary government program revenues	\$ 23,271,150	\$ 25,405,202	\$ 27,541,490	\$ 26,596,478	\$ 28,529,530
Net (expense)/revenue					
Governmental activities	\$ (19,145,233)	\$ (17,773,883)	\$ (27,949,182)	\$ (27,627,281)	\$ (23,862,533)
Business-type activities	2,492,127	2,636,370	2,424,825	2,275,686	2,693,920
Total primary government net expense	\$ (16,653,106)	\$ (15,137,513)	\$ (25,524,357)	\$ (25,351,595)	\$ (21,168,613)
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes	\$ 17,318,833	\$ 17,710,161	\$ 19,550,627	\$ 20,730,169	\$ 20,918,842
Tax increments	1,927,267	2,220,661	1,677,742	1,191,202	922,055
Cable franchisetaxes	448,088	436,851	449,920	452,123	403,224
Gambling taxes	77,604	83,879	93,815	58,581	38,018
Grants and contributions not restricted to specific programs	249,375	24,435	24,435	27,208	98,710
Unrestricted investment earnings	474,218	579,253	758,630	860,242	378,063
Unrestricted net increase (decrease) in the fair value of Investments	1,614,919	119,627	(897,640)	(197,305)	(115,486)
Gain on sale of capital assets	-	-	129,474	112,600	65,101
Transfers	782,000	782,000	805,000	(122,737)	(1,039,793)
Total governmental activities	22,892,304	21,956,867	22,592,003	23,112,083	21,668,734
Business-type activities:					
Unrestricted investment earnings	56,806	45,199	36,658	31,735	6,039
Unrestricted net increase(decrease) in the fair value of investments	241,243	5,129	(46,107)	10,985	872
Gain on sale of capital assets	10,513	145,442	7,635	24,673	1,982
Transfers	(782,000)	(782,000)	(805,000)	122,737	1,039,793
Total business-type activities	(473,438)	(586,230)	(806,814)	190,130	1,048,686
Total primary government	\$ 22,418,866	\$ 21,370,637	\$ 21,785,189	\$ 23,302,213	\$ 22,717,420
Change in Net Position					
Governmental activities	\$ 3,747,071	\$ 4,182,984	\$ (5,357,179)	\$ (4,515,198)	\$ (2,193,799)
Business-type activities	2,018,689	2,050,140	1,618,011	2,465,816	3,742,606
Total primary government	\$ 5,765,760	\$ 6,233,124	\$ (3,739,168)	\$ (2,049,382)	\$ 1,548,807

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

Table 3
(Page 1 of 2)
Unaudited

	Fiscal Year				
	2009	2010	2011 (1)	2012	2013
General Fund					
Reserved	\$ 402,564	\$ 402,564	\$ -	\$ -	\$ -
Unreserved	3,171,949	5,234,095	-	-	-
Nonspendable	-	-	-	-	-
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
General Service Reserve	-	-	-	-	-
Unassigned	-	-	5,190,027	5,568,600	5,151,271
Total General Fund	\$ 3,574,513	\$ 5,636,659	\$ 6,211,290	\$ 6,564,987	\$ 6,207,893
All Other Governmental Funds					
Reserved	\$ 10,387,046	\$ 4,035,605	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	1,220,099	1,131,336	-	-	-
Debt Service	843,046	1,452,411	-	-	-
Capital projects funds	16,856,123	16,347,739	-	-	-
Nonspendable	-	-	-	-	-
Restricted					
Telecommunications	-	-	521,444	591,108	584,645
Lawful Gambling	-	-	-	-	-
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	6,884,619	6,362,028
Bond Funded Capital Improvements	-	-	10,000,000	23,073,514	17,485,834
Housing and Economic Development	-	-	-	-	-
Committed					
Street Replacement	-	-	11,078,323	10,308,674	9,393,137
Equipment Replacement	-	-	109,199	226,365	359,115
Assigned					
Parks and Recreation Programs and Maintenance	-	-	643,912	922,537	1,111,161
License Center Improvements	-	-	598,391	790,951	925,567
Information Technology	-	-	-	-	-
Capital project funds	-	-	4,295,277	5,689,502	5,283,935
Housing and Economic Development	-	-	-	-	-
Unassigned	-	-	(47,403)	(29,777)	(10,315)
Total All Other Governmental Funds	\$ 29,306,314	\$ 22,967,091	\$ 34,682,489	\$ 56,412,144	\$ 51,069,816

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

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

Table 3
(Page 2 of 2)
Unaudited

	Fiscal Year				
	2014	2015	2016	2017	2018
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	-	25,891	80,717	1,875	9,814
Restricted					
Law enforcement	479,360	481,341	446,436	407,132	373,225
Assigned					
Engineering services	577,352	623,387	772,697	938,020	805,269
Accounting services	19,941	20,209	17,319	17,574	17,687
General Service Reserve	-	-	-	-	886,000
Unassigned	5,205,951	4,817,858	5,856,061	4,848,107	4,136,116
Total General Fund	\$ 6,282,604	\$ 5,968,686	\$ 7,173,230	\$ 6,212,708	\$ 6,228,111
All Other Governmental Funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Debt Service	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Nonspendable	-	2,165	410,081	75	-
Restricted					
Telecommunications	633,732	469,353	436,616	431,608	345,056
Lawful Gambling	5,820	42,615	81,118	110,672	81,751
Community Development	713,525	1,021,351	1,759,272	1,839,150	2,139,763
Park Dedication	1,094,437	1,247,663	1,373,738	1,387,845	512,171
Tax Increment	7,870,539	12,259,273	6,586,003	3,686,918	4,135,280
Debt Service	2,726,165	2,635,521	2,693,499	2,626,667	2,533,920
Bond Funded Capital Improvements	7,751,174	4,083,564	2,902,068	2,189,727	929,573
Housing and Economic Development	-	-	827,821	843,610	857,618
Committed					
Street Replacement	9,965,641	10,098,522	9,354,461	-	6,115,052
Equipment Replacement	653,669	844,302	1,041,002	1,125,426	-
Assigned					
Parks and Recreation Programs and Maintenance	1,099,011	1,282,896	1,637,111	1,945,172	1,536,462
License Center Improvements	1,154,394	1,243,903	1,172,926	976,492	449,864
Information Technology	-	-	-	-	1,534,647
Capital project funds	5,308,484	3,612,552	3,529,937	12,137,748	4,679,926
Housing and Economic Development	-	-	3,004,072	3,385,668	3,461,361
Unassigned	-	-	-	-	-
Total All Other Governmental Funds	\$ 38,976,591	\$ 38,843,680	\$ 36,809,725	\$ 32,686,778	\$ 29,312,444

City of Roseville, Minnesota
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

(amounts expressed in thousands)

Table 4

(Page 1 of 2)

Unaudited

	Fiscal Year				
	2009	2010	2011	2012	2013
Revenues					
Taxes	\$ 16,299	\$ 17,958	\$ 15,574	\$ 17,462	\$ 18,844
Intergovernmental	2,833	3,900	3,299	2,995	1,880
Licenses and permits	1,335	1,098	1,638	1,532	1,630
Charges for services	5,797	5,117	5,190	5,248	5,665
Fines and forfeits	197	214	227	314	237
Special assessments	1,542	530	295	308	179
Investment earnings	634	1,030	668	326	280
Miscellaneous	513	1,106	1,338	804	980
Total revenues	29,150	30,953	28,229	28,989	29,695
Expenditures					
General government	\$ 4,194	\$ 4,525	\$ 4,590	\$ 4,821	\$ 5,651
Public safety	7,393	8,794	8,314	8,780	9,111
Public works	2,082	2,361	2,279	2,183	2,334
Economic development	1,756	8,639	1,190	1,052	1,017
Recreation	3,506	3,638	3,623	3,688	3,808
Capital outlay	11,899	5,668	4,078	6,996	10,155
Debt service					
Principal	984	1,246	1,385	1,435	1,230
Interest	439	447	401	509	925
Other Charges	48		46	118	83
Total expenditures	32,301	35,318	25,906	29,582	34,314
Excess of revenues over (under) expenditures	(3,151)	(4,365)	2,323	(593)	(4,619)
Other financing sources (uses)					
Transfers in	\$ 144	\$ 203	\$ 1,115	\$ 257	\$ 75
Transfers out	(119)	(178)	(1,090)	(231)	(50)
Refunding bonds issued	1,070	-	-	-	-
Discount on bonds issued	(6)	-	(100)	-	-
Bonds issued	1,155	-	10,000	-	-
Premium on bonds issued	22	-	-	1,445	194
Payments to refunded bond escrow agent	(1,045)	-	-	-	-
Proceeds from letter of credit	-	-	-	15,685	3,980
Sale of assets	105	63	42	31	210
Total other financing sources (uses)	1,326	88	9,967	17,187	4,409
Net change in fund balances	\$ (1,825)	\$ (4,277)	\$ 12,290	\$ 16,593	\$ (210)
Debt service as a percentage of noncapital expenditures	6.97%	5.71%	8.18%	8.61%	8.92%

(1) General Obligation Bonds Series 2003A were refunded with the General Obligation Bonds Series 2013A issuance.

This caused an unusually high debt service as a percentage of noncapital expenditures percentage.

	Fiscal Year				
	2014	2015	2016	2017	2018
Revenues					
Taxes	\$ 19,962	\$ 20,042	\$ 22,235	\$ 22,474	\$ 22,252
Intergovernmental	1,523	3,515	3,381	2,383	2,004
Licenses and permits	1,514	1,755	2,414	1,962	2,035
Charges for services	4,743	5,188	5,888	6,151	6,859
Fines and forfeits	205	136	107	90	97
Special assessments	214	171	302	131	162
Investment earnings	444	661	(132)	622	244
Miscellaneous	2,450	1,204	1,168	1,051	1,218
Total revenues	31,055	32,672	35,363	34,864	34,871
Expenditures					
General government	\$ 5,339	\$ 5,752	\$ 6,822	\$ 7,342	\$ 7,814
Public safety	9,353	9,683	10,086	10,679	11,501
Public works	2,397	2,488	2,499	4,934	5,180
Economic development	1,280	1,114	4,602	3,944	1,179
Recreation	4,070	4,617	4,380	4,685	4,725
Capital outlay	14,098	10,552	9,822	4,836	3,822
Debt service					
Principal	6,355	2,595	2,660	2,760	2,880
Interest	990	877	849	789	730
Other Charges	-	-	-	-	-
Total expenditures	43,882	37,678	41,720	39,969	37,830
Excess of revenues over (under) expenditures	(12,827)	(5,006)	(6,357)	(5,105)	(2,959)
Other financing sources (uses)					
Transfers in	\$ 1,001	\$ 1,419	\$ 2,579	\$ 2,821	\$ 3,365
Transfers out	(219)	(637)	(1,774)	(2,944)	(3,884)
Refunding bonds issued	-	-	-	-	-
Discount on bonds issued	-	-	-	-	-
Bonds issued	-	3,060	-	-	-
Premium on bonds issued	-	186	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	-
Proceeds from letter of credit	-	-	-	-	-
Sale of assets	27	531	173	144	119
Total other financing sources (uses)	809	4,559	978	21	(400)
Net change in fund balances	\$ (12,018)	\$ (447)	\$ (5,379)	\$ (5,084)	\$ (3,359)
Debt service as a percentage of noncapital expenditures	24.66% (1)	12.80%	11.00%	10.03%	10.62%

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

Table 5
 (Page 1 of 1)
Unaudited

Fiscal Year	Property Tax	Tax Increments	Cable Franchise Taxes	Gambling Taxes	Total
2009	12,553,187	3,288,562	375,551	81,274	16,298,574
2010	15,611,387	1,966,665	380,108	80,282	18,038,442
2011	13,501,068	1,592,214	393,657	86,952	15,573,891
2012	15,085,154	2,342,447	415,385	74,504	17,917,490
2013	16,895,804	1,607,882	424,812	76,272	19,004,770
2014	17,318,833	1,927,267	448,088	77,604	19,771,792
2015	17,710,161	2,220,661	436,851	83,879	20,451,552
2016	19,550,637	1,677,742	449,920	93,815	21,772,114
2017	20,730,169	1,191,202	452,123	58,581	22,432,075
2018	20,918,842	922,055	403,224	38,018	22,282,139

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

Table 6
(Page 1 of 2)
Unaudited

Fiscal Year Ended December 31	Real Property			Gas & Electric	Personal Property Leased Machinery & Equipment
	Residential Property	Commercial Property	Other		
2009	34,976,945	16,599,228	7,706,785	471,602	93,052
2010	33,951,760	16,112,699	7,480,896	470,187	29,739
2011	31,104,614	14,761,512	6,853,559	500,574	42,639
2012	29,774,292	14,130,173	6,560,437	535,063	55,906
2013	28,559,312	13,553,572	6,292,730	575,028	55,906
2014	29,146,350	13,832,166	6,422,077	579,255	55,197
2015	25,829,116	24,279,369	1,549,747	644,147	67,716
2016	25,839,545	16,230,896	9,066,597	707,709	65,466
2017	27,523,973	17,137,024	9,461,535	682,029	91,259
2018	29,331,022	18,261,950	10,082,719	739,086	72,205

Sources: Ramsey County & League of MN Cities

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

Table 6
(Page 2 of 2)
Unaudited

Fiscal Year Ended December 31	Less: TIF & Fiscal Disparity Contribution (Net)	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assesed Value as a Percentage of Actual Value
2009	(9,487,097)	48,558,184	24.54%	4,455,162,600	1.14%
2010	(8,191,870)	45,071,027	27.37%	4,288,071,400	1.13%
2011	(7,769,452)	45,459,056	29.76%	3,985,073,200	1.16%
2012	(8,386,165)	42,669,706	33.45%	3,751,962,400	1.14%
2013	(6,191,131)	42,845,417	38.90%	3,735,196,900	1.15%
2014	(7,114,388)	42,920,657	40.12%	3,814,082,800	1.13%
2015	(7,468,963)	44,901,131	39.33%	4,033,873,100	1.11%
2016	(6,700,122)	45,983,266	39.32%	4,067,077,000	1.13%
2017	(6,198,994)	49,475,356	38.56%	4,293,939,000	1.15%
2018	(6,237,582)	53,066,460	38.18%	4,539,121,600	1.17%

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

Table 7
(Page 1 of 2)
Unaudited

Fiscal Year	City of Roseville			Ramsey County	Special Districts
	Operating Tax Capacity	Debt Service Tax Capacity	Total City Tax Capacity	Total County Tax Capacity	
2009	21.11%	3.43%	24.54%	46.55%	8.13%
2010	23.59%	3.78%	27.37%	50.25%	8.69%
2011	26.82%	2.94%	29.76%	54.68%	9.11%
2012	30.12%	3.33%	33.45%	61.32%	10.79%
2013	33.42%	5.48%	38.90%	65.24%	12.05%
2014	34.09%	6.03%	40.12%	63.74%	11.79%
2015	33.78%	5.55%	39.33%	58.92%	11.13%
2016	33.77%	5.55%	39.32%	58.89%	9.56%
2017	33.38%	5.18%	38.55%	55.85%	9.04%
2018	33.35%	4.83%	38.18%	53.96%	9.20%

Sources: Ramsey County & League of MN Cities

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

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

Table 7
(Page 2 of 2)
Unaudited

Fiscal Year	Overlapping Rates (1)		School District - ISD#623		Total Direct & Overlapping Tax Capacity
	School District - ISD#621		Total Capacity Based	Market Value Based Tax Rate	
	Tax Capacity Based	Market Value Based Tax Rate			
2009	22.94%	0.18685%	12.98%	0.22290%	115.14%
2010	24.56%	0.18882%	13.07%	0.20374%	123.93%
2011	25.57%	0.19536%	14.57%	0.19715%	133.68%
2012	29.04%	0.21242%	17.07%	0.19591%	151.66%
2013	29.44%	0.22834%	15.46%	0.24553%	161.10%
2014	29.73%	0.21069%	16.25%	0.25826%	161.63%
2015	27.38%	0.21901%	17.18%	0.25930%	153.94%
2016	26.25%	0.22261%	20.96%	0.22104%	154.97%
2017	25.31%	0.20119%	18.89%	0.19350%	147.64%
2018	28.46%	0.19725%	34.40%	0.21951%	164.20%

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

Table 8
(Page 1 of 1)
Unaudited

Taxpayer	2018			2009		
	Taxes Levied	Rank	Percentage of Total Taxes Levied	Taxes Levied	Rank	Percentage of Total Taxes Levied
PPF Rtl Rosedale Shopping Ctr LLC	\$ 1,621,797	1	7.81%	\$ 148,839	3	1.13%
Gateway Washington Inc	412,689	2	1.99%	158,995	2	1.21%
St Paul Fire And Marine Ins Co	407,033	3	1.96%	92,058	6	0.70%
Magellan Pipeline Co LP	309,128	4	1.49%	-	-	-
Rosedale Square LLC	291,737	5	1.41%	-	-	-
BRE Timberwolf Property Owner LLC	243,936	6	1.18%	-	-	-
Rosedale Commons LP	228,593	7	1.10%	75,059	9	0.57%
Arrow Lexington Apartments LLC	223,099	8	1.07%			
Rosedale Marketplace Associate	222,776	9	1.07%	90,885	7	0.69%
CSM Investors Inc	197,109	10	0.95%			
Compass Retail, Inc.	-	-	-	423,058	1	3.22%
Williams Bros Pipeline	-	-	-	130,171	4	0.99%
JTL Roseville Corp Center LLC	-	-	-	95,868	5	0.73%
Kpers Realty Holding #41 INC	-	-	-	87,901	8	0.67%
Minnesota Office Plaza LLC	-	-	-	72,314	10	0.55%
	\$ 4,157,897		20.03%	\$ 1,375,148		10.46%

Source: Ramsey County

Fiscal Year Ended 31-Dec	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	Amount	Percentage of Levy
2009	13,138,860	12,553,187	95.54%	-	12,553,187	95.54%
2010	14,282,404	14,099,407	98.72%	-	14,099,407	98.72%
2011	14,703,044	13,501,068	91.82%	-	13,501,068	91.82%
2012	14,962,294	14,814,570	99.01%	-	14,814,570	99.01%
2013	17,319,826	16,861,841	97.36%	-	16,861,841	97.36%
2014	18,028,721	17,318,833	96.06%	-	17,318,833	96.06%
2015	18,276,902	17,592,866	96.26%	-	17,592,866	96.26%
2016	18,944,720	17,663,506	93.24%	-	17,663,506	93.24%
2017	19,513,060	18,131,382	92.92%	-	18,131,382	92.92%
2018	20,756,100	20,721,589	99.83%	-	20,721,589	99.83%

Fiscal Year	Governmental Activities			Certificate of Indebtedness	Total Primary Government	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Special Assessment Bonds	Tax Increment Revenue Bonds				
2009	8,465,000	1,750,000	-	2,550,000	12,765,000	0.29%	374
2010	7,860,000	1,330,000	-	2,330,000	11,520,000	0.29%	337
2011	17,175,000	890,000	-	2,070,000	20,135,000	0.51%	598
2012	33,594,996	435,000	-	1,800,000	35,829,996	0.95%	1,060
2013	36,927,216	225,000	-	1,525,000	38,677,216	1.04%	1,122
2014	30,953,624	-	-	1,240,000	32,193,624	0.81%	934
2015	28,525,032	-	3,246,065	945,000	32,716,097	0.81%	927
2016	26,041,440	-	3,246,065	640,000	29,927,505	0.74%	849
2017	23,492,848	-	3,208,661	325,000	27,026,509	0.63%	754
2018	20,904,256	-	3,101,257	-	24,005,513	0.53%	671

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

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

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

Fiscal Year	General Obligation Debt	Resources Restricted for Repayment (4)	Net General Bonded Debt (4)	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)	Estimated (3) Personal Income (amounts expressed in whole dollars)	Outstanding Debt to Personal income
2009	12,765,000	N/A	N/A	0.29%	374.35	1,632,080,437	0.78%
2010	11,520,000	N/A	N/A	0.27%	337.06	1,561,148,506	0.74%
2011	20,135,000	1,807,185	18,327,815	0.51%	598.19	1,582,289,280	1.27%
2012	35,829,996	1,683,056	36,994,160	0.95%	1,010.06	1,644,947,199	2.18%
2013	38,677,216	2,493,489	32,203,727	1.04%	933.82	1,590,632,264	2.43%
2014	30,780,000	3,024,612	27,755,388	0.81%	805.06	1,604,133,804	2.01%
2015	29,470,032	2,635,521	26,834,511	0.81%	760.06	1,660,052,814	1.97%
2016	26,681,440	2,693,499	23,987,941	0.74%	680.62	1,707,818,508	1.75%
2017	23,817,848	2,626,667	21,191,181	0.63%	591.34	1,784,095,260	1.51%
2018	20,904,256	2,533,921	18,370,336	0.53%	513.20	1,871,808,636	1.28%

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

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

Governmental Unit	Gross Debt Net of Refunding	Percentage Applicable to Roseville	Amount Applicable to Roseville
Direct Debt:			
City of Roseville	\$ 24,005,513	100%	\$ 24,005,513
Overlapping Debt*			
School District #621	\$ 246,135,000	8%	\$ 19,690,800
School District #623	206,883,978	61%	\$ 126,199,227
Special School District #916	79,875,000	8%	\$ 6,390,000
Metropolitan Council	1,549,087,966	1%	\$ 15,490,880
Metropolitan Airports Commission	1,458,170,000	1%	\$ 14,581,700
Ramsey County	182,657,000	9%	\$ 16,439,130
Total Overlapping Debt	3,722,808,944		198,791,736
Total Direct and Overlapping Debt	\$ 3,746,814,457		\$ 222,797,249

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

	Fiscal Year				
	2009	2010	2011	2012	2013
Debt Limit	\$ 133,654,878	\$ 128,642,142	\$ 119,552,196	\$ 112,558,872	\$ 112,055,907
Total net debt applicable to limit	11,015,000	9,035,000	18,090,000	32,795,000	37,297,216
Legal debt margin	<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>
Total net debt applicable to the limit as a percentage of debt limit	8.24%	8.24%	15.13%	29.14%	33.28%

	Fiscal Year				
	2014	2015	2016	2017	2018
Debt Limit	\$ 114,422,484	\$ 121,016,193	\$ 122,012,310	\$ 128,818,170	\$ 136,173,648
Total net debt applicable to limit	29,875,000	28,185,000	28,585,000	27,026,509	24,005,513
Legal debt margin	<u>\$ 84,547,484</u>	<u>\$ 92,831,193</u>	<u>\$ 93,427,310</u>	<u>\$ 101,791,661</u>	<u>\$ 112,168,135</u>
Total net debt applicable to the limit as a percentage of debt limit	26.11%	23.29%	23.43%	20.98%	17.63%

Legal Debt Margin Calculation for Fiscal Year 2018

Estimated Market Value	<u>\$ 4,539,121,600</u>
Debt Limit (3% of total estimated market value)	136,173,648
Debt applicable to limit:	
Total Bonded Debt	24,005,513
Less:	
Special Assessment Bonds	-
Housing Bonds	-
Total net debt applicable to limit	<u>24,005,513</u>
Legal Debt Margin	<u>\$ 112,168,135</u>

Note: Under Minnesota state law, the City of Roseville's net debt cannot exceed 3 percent of the estimated market value of property. This limit increased from 2% to 3% in calendar 2008.

Fiscal Year	Population (1)	Estimated Personal Income (2)	Per Capita Personal income (3)	School Enrollment District #623 (4)	School Enrollment District #621 (4)	Unemployment Rate (5)
2009	34,099	1,632,080,437	47,863	6,400	9,674	7.0%
2010	34,178	1,561,148,506	45,677	6,444	9,849	5.5%
2011	33,660	1,582,289,280	47,008	6,588	9,765	4.5%
2012	33,807	1,644,947,199	48,657	6,804	9,948	4.4%
2013	34,486	1,590,632,264	46,124	7,587	10,236	4.3%
2014	34,476	1,604,133,804	46,529	7,397	10,504	3.2%
2015	35,306	1,660,052,814	47,019	7,507	10,759	3.0%
2016	35,244	1,707,818,508	48,457	7,580	11,145	3.0%
2017	35,836	1,784,095,260	49,785	7,581	11,285	2.5%
2018	35,796	1,871,808,636	52,291	7,531	11,389	2.4%

- (1) Population and per capita income figures, other than census year, are estimates provided by the Metropolitan Council. The last census was taken in the year 2010.
- (2) This estimated personal income number is calculated by taking the per capita personal income of Ramsey County and multiplying it by the City population. Also see note (3) regarding the Per Capita Personal Income figures.
- (3) The per capita personal income used is for that of Ramsey County, in which the city resides, the smallest region applicable to the City that this information is available for. In addition, the 2009 - 2011 figures are an estimate for the State of Minnesota provided by the Bureau of Economic Analysis as there were no other relevant estimates available at the time of this report.
- (4) The City is served by two independent school districts.
District #623 covers approximately 67% of the City, while District #621 covers approximately 33% of the City. Accordingly, not all students enrolled in District #621 live in the City of Roseville.
Information is provided by the Roseville and Moundview School Districts.
- (5) Annual average unemployment provided by the Minnesota Department of Employment & Economic Development

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<u>Employer</u>	<u>2018</u>			<u>2009</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Roseville Area Schools	983	1	5.16%	900	2	2.41%
MN Dept. of Transportation	800	2	4.20%	700	3	1.87%
University-Northwestern-St Pl	500	3	2.62%	615	4	1.64%
Symantec Corp	500	4	2.62%	600	5	1.60%
Minnesota Department-Education	500	5	2.62%	400	8	1.07%
Old Dutch Foods	400	6	2.10%			
Lunds & Byerlys	377	7	1.98%			
Pentair Hypro	375	8	1.97%			
Time Communications	300	9	1.57%			
Berger Moving & Storage Inc	300	10	1.57%			
McGough Construction				480	6	1.28%
Target				407	7	1.09%
JC Penny				313	9	0.84%
Macy's				300	10	0.80%
Presbyterian Homes Housing				1120	1	2.99%
Total	5,035		25.92%	5,835		31.86%

Sources: Minnesota Department of Employment and Economic Development
Reference USA

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015 (1)	2016	2017	2018
General government	33.5	34	34	35.5	39.3	40.75	41.25	45.19	47.85	50.15
Public safety										
Police	58	56.5	56.5	57	54.25	54.5	63.5	62.99	58.66	58.74
Fire	8	8	7	6	6	11	26.5	26.88	18.35	20.19
Public Works	17.25	16.75	16.74	16.47	15.75	15.75	18.5	19.29	18.11	18.79
Recreation	22.25	21.25	20.25	22.25	23	24	45.25	48.76	49.16	47.84
Economic Development	10.9	10.9	10.9	9.9	10	11	13.5	14.06	13.16	13.57
Water	6.17	6.17	7.29	7.54	6.62	6.97	8.5	7.41	7.92	7.34
Sewer	5.16	5.66	3.71	3.71	5.47	5.12	5.75	5.41	5.21	5.22
Golf	2.5	2.5	2.5	1.75	1.75	1.75	4.5	3.28	3.82	5.2
Recycling	-	-	-	-	0.3	0.3	0.25	0.3	0.3	0.3
Storm Drainage	3.42	3.42	4.01	4.03	4.87	4.87	4.75	4.9	4.79	4.31
Total	165.15	167.15	167.15	164.15	167.31	176.01	232.25	238.47	227.33	231.65

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

City of Roseville, Minnesota
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

Table 17
(Page 1 of 2)
Unaudited

Function	Fiscal Year				
	2009	2010	2011	2012	2013
Police					
Serious offenses	2,669	2,551	2,810	2,758	2,522
Public Assistance Calls	35,000	38,000	36,571	34,665	34,942
Traffic citations	8,138	8,551	8,404	10,503	10,823
Fire					
Fire incidents	4,036	4,225	4,290	4,383	4,468
Fire inspections	1,051	1,011	1,050	473	673
Public Works					
Street patching (tons)	1,000	900	920	715	810
Sealcoating (miles)	14	14	15	14	13
Snow / ice control (miles)	125	125	125	125	125
Sign repair / replacements	300	524	254	150	140
Recreation					
Recreation and leisure participations	112,800	112,700	112,750	112,730	112,825
Facility usage permits	1,095	1,080	1,075	1,060	1,170
Economic Development					
Building permits issued	1,307	1,146	1,714	1,508	1,763
Number of inspections	5,509	5,306	4,826	5,020	5,574
Planning / zoning cases	35	29	30	35	27
Water					
Meters repaired / replaced	519	592	780	590	900
Water main breaks	33	29	29	21	27
Hydrants repaired / flushed	1,711	1,711	1,836	1,799	1,875
Annual water pumped (thousands of gallons)	2,081,975	1,807,879	1,857,404	1,996,677	1,826,482
Sewer					
Sewer pipes repaired / replaced (linear feet)	8,162	5,457	15,109	21,900	39,827
Sewer pipes cleaned (linear feet)	237,000	261,000	274,560	274,673	255,672
Sewer pipes televised (linear feet)	72,772	89,260	59,567	67,794	40,166
Annual sewer flow (thousands of gallons)	2,081,976	1,157,210	1,399,720	1,213,440	1,243,730
Golf					
Number of rounds played	30,458	28,325	25,518	25,929	24,282
Recycling					
Materials collected (tons)	2,697	3,321	3,244	3,173	3,226
Storm Drainage					
Sweeping (centerline miles)	125	125	125	125	125
Leaf collection (Cubic yards)	20,000	20,000	20,000	20,000	20,000
Structure inspections	350	258	500	400	200
Infrastructure repair / replace (linear feet)	242	96	128	70	1,049

Sources: Various city departments

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

Function	Fiscal Year				
	2014	2015	2016	2017	2018
Police					
Serious offenses	3,008	3,096	3,243	3,263	3,232
Public Assistance Calls	32,624	33,549	36,058	36,378	42,085
Traffic citations	9,250	6,138	4,232	2,459	5,373
Fire					
Fire incidents	4,701	4,746	4,997	4,793	4,969
Fire inspections	565	495	285	557	589
Public Works					
Street patching (tons)	770	655	612	625	1,150
Sealcoating (miles)	10	-	-	-	-
Snow / ice control (miles)	125	125	125	125	125
Sign repair / replacements	131	369	490	342	1,303
Recreation					
Recreation and leisure participations	113,000	115,000	110,000	137,000	145,210
Facility usage permits	1,200	1,440	1,595	1,691	2,041
Economic Development					
Building permits issued	1,539	1,874	1,625	1,370	1,568
Number of inspections	5,246	5,685	5,543	4,716	4,854
Planning / zoning cases	33	26	32	23	29
Water					
Meters repaired / replaced	1,100	5,836	1,000	780	620
Water main breaks	49	31	40	35	30
Hydrants repaired / flushed	1,875	1,875	1,885	1,885	1,990
Annual water pumped (thousands of gallons)	1,650,069	1,645,610	1,653,881	1,640,606	1,714,346
Sewer					
Sewer pipes repaired / replaced (linear feet)	33,312	30,348	31,042	39,916	31,152
Sewer pipes cleaned (linear feet)	230,923	282,740	258,564	241,031	
Sewer pipes televised (linear feet)	15,312	95,044	71,804	79,844	79,841
Annual sewer flow (thousands of gallons)	1,248,820	1,134,520	1,133,420	1,202,980	1,246,420
Golf					
Number of rounds played	25,186	25,663	25,905	22,500	20,444
Recycling					
Materials collected (tons)	3,150	3,305	3,241	3,261	3,188
Storm Drainage					
Sweeping (centerline miles)	125	125	125	125	125
Leaf collection (Cubic yards) (1)	20,000	20,000	0	0	0
Structure inspections	113	169	181	322	293
Infrastructure repair / replace (linear feet)	1,233	2,074	2,940	809	100

City of Roseville, Minnesota
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Table 18

(Page 1 of 2)

Unaudited

Function	Fiscal Year				
	2009	2010	2011	2012	2013
Public Safety					
Police:					
Stations	1	1	1	1	1
Patrol Units	27	34	36	33	38
Fire Stations	3	3	2	2	1
Public Works					
Streets (miles)	123	122	125	125	125
Street Lights	1,125	1,125	1,125	1,133	1,133
Recreation					
Parks and playgrounds	30	30	30	30	30
Lighted park shelters	8	8	8	8	8
Parks Acreage	685	685	685	685	685
Skating Rinks					
Outdoor	8	8	8	12	10
Indoor	1	1	1	1	1
Golf Course	1	1	1	1	1
Ballfields	41	41	41	41	41
Soccer/football fields	8	8	8	8	8
Tennis Courts	17	17	17	17	17
Volleyball Courts	9	9	9	6	6
Basketball Courts	8	8	8	8	9
Miles of Trails	69	69	69	69	69
Water					
Number of connections	10,300	10,261	10,303	10,303	10,303
Water mains (miles)	166	166	166	166	166
Fire Hydrants	1,711	1,711	1,711	1,711	1,711
Water purchased from St. Paul (thousands of gallons)	2,081,975	1,807,879	1,857,404	1,996,677	1,826,482
Sewer					
Number of connections	10,021	10,188	10,200	10,130	10,130
Sanitary sewers (miles)	156	156	156	156	156
Storm drainage					
Storm sewers (miles)	145	145	145	145	145

Sources: Various city departments

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

City of Roseville, Minnesota
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Table 18

(Page 2 of 2)

Unaudited

Function	Fiscal Year				
	2014	2015	2016	2017	2018
Public Safety					
Police:					
Stations	1	1	1	1	1
Patrol Units	38	38	38	37	36
Fire Stations	1	1	1	1	1
Public Works					
Streets (miles)	125	125	125	125	125
Street Lights	1,133	1,133	1,145	1,145	1,388
Recreation					
Parks and playgrounds	30	30	32	32	32
Lighted park shelters	5	5	5	5	5
Parks Acreage	685	685	685	685	685
Skating Rinks					
Outdoor	10	11	11	11	11
Indoor	1	1	1	1	1
Golf Course	1	1	1	1	1
Ballfields	21	21	21	21	21
Soccer/football fields	19	19	19	19	19
Tennis Courts	17	17	17	17	17
Volleyball Courts	5	5	5	5	5
Basketball Courts	15	15	15	15	15
Miles of Trails	71	71	71	71	71
Water					
Number of connections	10,303	10,311	10,224	10,278	10,303
Water mains (miles)	166	166	166	166	166
Fire Hydrants	1,711	1,711	1,711	1,711	1,784
Water purchased from St. Paul (thousands of gallons)	1,650,069	1,645,610	1,653,881	1,640,606	1,714,346
Sewer					
Number of connections	10,130	10,135	10,159	10,208	10,230
Sanitary sewers (miles)	156	156	156	156	156
Storm drainage					
Storm sewers (miles)	145	145	145	145	145

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