



Finance Commission Agenda

Tuesday, May 14, 2024

6:30 PM

City Council Chambers

(Any times listed are approximate – please note that items may be earlier or later than listed on the agenda)

- 1. Roll Call**
- 2. Receive Public Comment**
- 3. Approval of Meeting Minutes**
 - a. Approve Minutes
- 4. Business Items**
 - a. Audit presentation of the 2023 Annual Financial Report
 - b. Receive Finance Commission Tracking Report
 - c. Discuss items for joint meeting with City Council
- 5. Other Business**
 - a. Commission members brief background discussion
 - b. Staff update
 - c. Future meeting topics and work plan
- 6. Adjourn**

Roseville Finance Commission Agenda Item

DATE: May 14, 2024

ITEM: 3.a.

ITEM DESCRIPTION: Approve Minutes

Background

As an advisory commission to the City Council, the Finance Commission's discussions and recommendations play an important role in setting City policies and influencing decisions on programs and services.

To ensure an accurate historical account of the Finance Commission's activities are preserved, the City maintains a practice of keeping meeting minutes. The attached file contains the draft minutes from the April 9, 2024, meeting. The Commission is asked to review the minutes and identify any typos, errors or inaccuracies of the discussion that took place.

Where applicable, Commission members are asked to identify any necessary corrections at the meeting. The Commission should subsequently vote to approve the amended (if necessary) minutes. Once the minutes are approved, they become part of the City's permanent records.

Recommendation

Review the draft minutes.

Requested Commission Action

Amend (as necessary) and approve the Finance Commission meeting minutes for the April 9, 2024 meeting.

Attachments

1. FC 04.09.2024

Review 2023 Year-End Cash Reserve Levels

Finance Director Pietrick reviewed the 2023 year-end Cash Reserve Fund levels with the Commission.

Commissioner Tupy asked what the interest revenues were out of the particular accounts associated with this fund. He wondered if this was just a general money market fund.

Ms. Pietrick explained she pools all cash, and it is either invested in municipal securities, CDs, or Federal agencies depending on what the best interest rate was available at the time the money was invested. The City also sweeps its cash into a money market account overnight, which earns interest. Interest earnings are allocated back to the individual funds based on the average monthly cash balances.

Chair Bester explained he was trying to picture this once it gets to the audit. He reviewed page 15 and wondered when it comes time to measure the percentage of target would the cash reserve fund and any amounts that have been swept be added to this.

Ms. Pietrick explained the audit will have the \$8,879,750 plus the million dollars that is now in the excess Cash Reserve fund. The audit will produce a higher reserve ratio because the two funds are combined in the audit.

Ms. Pietrick reviewed the various funds and highlighted that the Parks & Recreation and License Center funds exceed the high target range and the amounts that are swept into the cash reserve fund from those two funds. In the case of the License Center, a one time infusion of money came from the State to help offset the additional time that deputy registrars are now spending on various transactions that were previously done at the State level.

Chair Bester asked if the Finance Commission is looking to revise the target for the License Center.

Ms. Pietrick explained the Finance Commission could review this and it was discussed at one point in time.

Chair Bester thought right now it is in good shape and he thought the rationale for increasing it goes back to 2020 and COVID.

Ms. Pietrick indicated she was thinking about putting the fund balance policy on a future agenda to take a look at whether the Commission was still ok with this. Also, in the Capital Improvement policy the City also notes reserves for the various Capital Project funds.

Commissioner Vervoort asked why the one-time infusion for the License Center is not counted as a gift or a donation, since it was earmarked for the License Center.

Ms. Pietrick explained the funds did not come with any strings attached to them. It was just in recognition of the increased staff workload without increased fee revenue.

Ms. Pietrick explained the City has also been conservative in budgeting at the License Center but based on workload and customer volume, she will be looking at increasing some of the part time staff to full time potentially in the 2025 budget.

Staff Update – Council Amended Commission Ordinance

Finance Director Pietrick updated the Commission on the amended Commission Ordinance.

Ms. Pietrick indicated she also received some information back from the State Investment Board with regard to equities. She explained she is reviewing that information along with closing out the 2023 audit. She explained the City's long-term dollars are currently tied up in investments but as the shorter-term and medium-term investments start to mature, she will have the opportunity to start with small steps investing in equities. She would do it as a pilot to see how it goes. She indicated one of the things she needs to do is to take a resolution back to the City Council to get explicit authorization for doing this.

Chair Bester wondered if this would be better to discuss this at the next meeting or take a quick moment but in terms of action to wait.

Chair Bester reviewed his analysis of the investments the City has in its portfolio.

Ms. Pietrick explained her hesitancy regarding investing in equities. She noted Woodbury is the only City that is doing this so she would start this out with minimal investment and see how it goes. She noted she could see this as an opportunity to make a little more interest that could go into a specific Capital Improvement fund.

Sagisser thought a pilot approach to this would be appropriate because it seemed like the City Council was hesitant to let the Finance Department explore this option at all, so he understood why Ms. Pietrick wanted to go slow.

Sagisser asked what Chair Bester would like to see. He wondered if a pilot plan should be brought to the Finance Commission for review.

Chair Bester explained this was, in fact, to be the first baby step in that direction. He thought Ms. Pietrick was doing some homework and research with PARA State Investment Board, which ties into this and a look into the Capital Improvement Plan ties into this for sure. He thought the time is appropriate.

Sagisser thought the most important thing is to get the City Council comfortable with this, so something is more than nothing.

Ms. Pietrick indicated this will also give the City some diversity in its portfolio.

Chair Bester thought this sounded good and looked forward to this coming back in a few months.

Future Meeting Topics and Work Plan

Ms. Pietrick reviewed the upcoming meeting agendas with the Commission.

Adjourn

Commissioner Barclay made a motion, seconded by Commissioner Tupy to adjourn. The **motion passed unanimously.**

Meeting adjourned at 7:36 p.m.

Roseville Finance Commission Agenda Item

DATE: May 14, 2024

ITEM: 4.a.

ITEM DESCRIPTION: Audit presentation of the 2023 Annual Financial Report

Background

On May 6, 2024, the City Council received the City's annual audit presentation from the City's auditors, Redpath & Company. The presentation included a series of separately issued communications and compliance reports from the auditors along with a copy of the 2023 Annual Comprehensive Financial Report.

Rebecca Petersen, Director, from Redpath & Company will be presenting the City's annual audit to the Finance Commission on May 14th.

Recommendation

Not applicable.

Requested Commission Action

For information purposes only. No formal action is required.

Attachments

1. 2023 FINAL ISSUED SUMMARY OF AUDIT RESULTS
2. Roseville City Council Presentation - 2023
3. 2023 Annual Comprehensive Financial Report

SUMMARY OF AUDIT RESULTS

Report Name	Elements of Report	Overview
<i>Annual Comprehensive Financial Report (ACFR)</i>	• Independent Auditor's Report • Management's Discussion and Analysis (MD&A) • Financial statements • Footnotes • Required supplementary information • Additional information	• Unmodified ("clean") opinion on the Basic Financial Statements • The ACFR is entirely prepared by City's Finance Department
<i>Report on Internal Control over Financial Reporting and on Compliance and Other Matters</i>	Comments on: • Internal controls over financial reporting • Compliance with laws, regulations, contracts and grants	• One finding – audit adjustments
<i>State Legal Compliance Report</i>	• Results of testing certain provisions of Minnesota Statutes	• No findings reported
<i>Federal Single Audit Report</i>	• Results of testing certain federal compliance requirements	• No findings reported
<i>Audit Management Letter</i>	• Audit results • Other matters • Required communications	• Intended to be a working tool for the City Council and management

City of Roseville, Minnesota

2023 Audit Review

May 6, 2024

Rebecca M. Petersen, CPA

Director

Phone: 651.407.5826

Email: rpetersen@redpathcpas.com

Reports Issued by Auditor

- Opinion on the Fair Presentation of the Financial Statements
- Report on Internal Controls
- Report on Minnesota Legal Compliance
- Report on Federal Program Compliance
- Communication to Those Charged with Governance

Opinion on Financial Statements

- What did we do?
 - Determine the financial statements are free of material misstatement and presented in accordance with established accounting principles.
- How did we do it?
 - Audit Standards
 - GAAS (AICPA)
 - GAGAS (GAO)
- What is the result?
 - An Unmodified or “clean” opinion was issued on the 2023 financial statements.



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Roseville
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morrell

Executive Director/CEO

Report on Internal Controls

- What did we do?
 - We gained an understanding of internal controls in place and their effectiveness in order to design our audit procedures.
 - Deficiencies in internal control that are identified are discussed with management and reported to the City Council.
- How did we do it?
 - Obtain understanding of controls on each major class of transaction and account balance.
 - Select a sample of transactions and perform detailed tests to determine adherence to controls in place and effectiveness.
- What is the result?
 - One item noted regarding financial statement adjustments.

Report on Minnesota Legal Compliance

■ What did we do?

- Determine the City has complied with certain Laws that pertain to financial transactions.
- Followed the audit guide published by the Office of the State Auditor. The guide consists of seven sections:
 - Conflicts of interest
 - Contracting bid laws
 - Miscellaneous provisions
 - Depositories of public funds and investments
 - Public Indebtedness
 - Claims and disbursements
 - Tax increment

■ How did we do it?

- Select sample of transactions to test for compliance with statutory provisions.

■ What is the result?

- No items of noncompliance reported

Report on Federal Program Compliance

- What did we do?
 - Required when City expends greater than \$750,000 of federal award dollars (City expended approximately \$1,960,000 in 2023).
 - Determine the City has complied with various requirements of federal programs.
 - Federal programs have up to twelve areas of compliance
- How did we do it?
 - Select sample of transactions to test for compliance with federal program requirements.
- What is the result?
 - No instances of noncompliance identified and no questioned costs.

Communication to Those Charged With Governance

- Accounting standards changed
 - Implementation of GASB 96 - SBITAs
- Accounting estimates in the financial statements.
 - Net Pension Liability (\$18,410,000)
 - OPEB liability (\$1,290,000)
- No disagreements with management.
- No difficulties encountered in performing the audit.
- Other matters

2023 Financial Summary

Fund Type	Revenues and Other Sources	Expenditures and Other Uses	Interfund Transfers (Net)	Change in Fund Balance	Fund Balance 12/31/23
General	\$23,507,000	\$21,910,000	\$783,000	\$2,380,000	\$10,885,000
Special Revenue	12,789,000	10,529,000	(1,483,000)	777,000	12,350,000
Debt Service	2,288,000	2,479,000	266,000	75,000	2,299,000
Capital Project	10,700,000	6,538,000	(66,000)	4,096,000	25,688,000
Total	<u>\$49,284,000</u>	<u>\$41,456,000</u>	<u>(\$500,000)</u>	<u>\$7,328,000</u>	<u>\$51,222,000</u>

General Fund Budget Performance

	2023		
	Budget	Actual	Budget Variance
Revenues	\$20,879,000	\$23,507,000	\$2,628,000
Expenditures	21,901,000	21,911,000	(10,000)
Revenues over (under) expenditures	(1,022,000)	1,596,000	2,618,000
Transfers in	597,000	983,000	386,000
Transfers out	-	(200,000)	(200,000)
Total transfers	597,000	783,000	186,000
Net change in fund balance	<u>(\$425,000)</u>	2,379,000	<u>\$2,804,000</u>
Fund Balance - January 1		<u>8,506,000</u>	
Fund Balance - December 31		<u>\$10,885,000</u>	

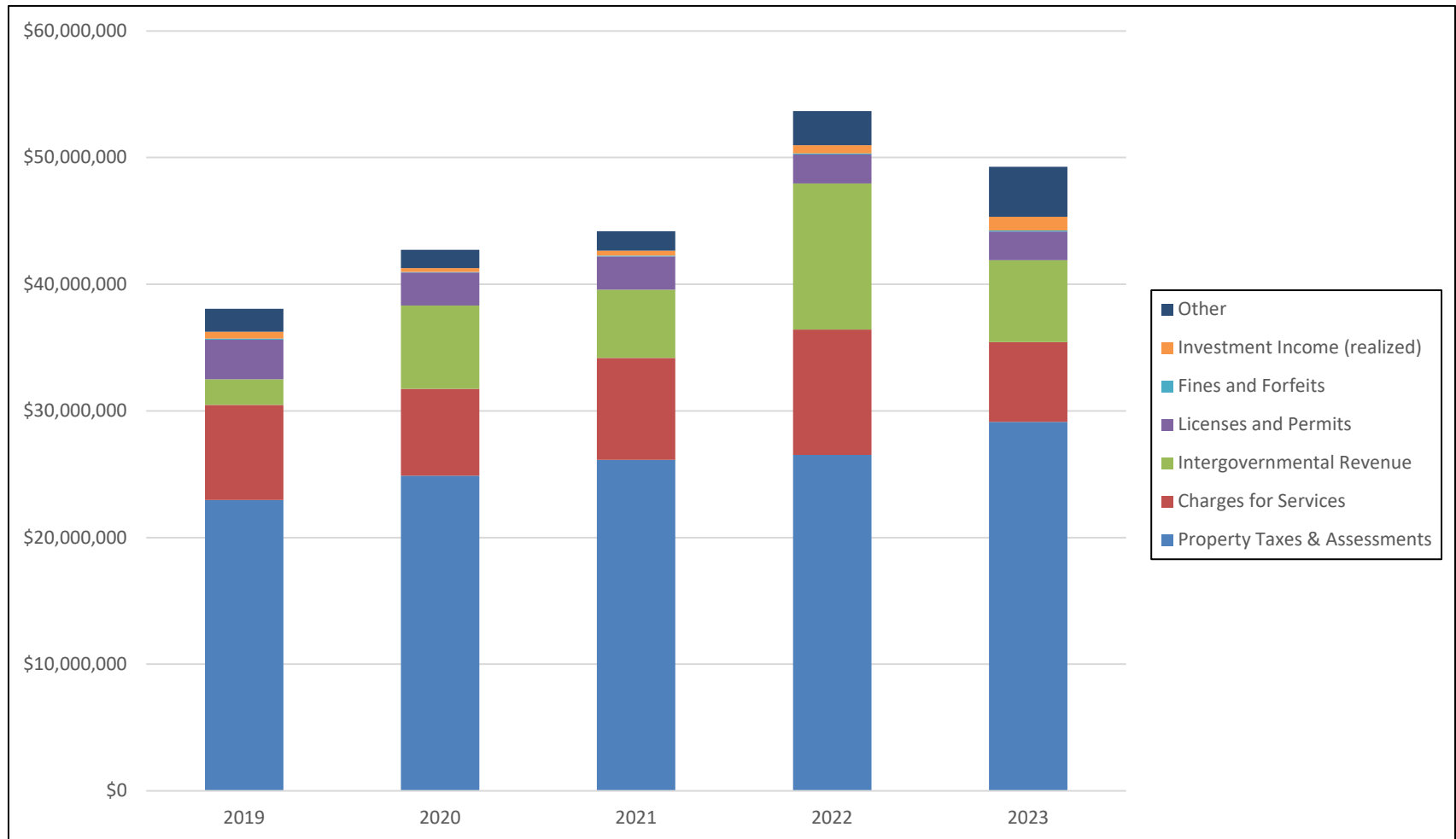
General Fund Balance

Fund Balance Component	2023
Nonspendable - prepaids	\$67,195
Restricted - Law Enforcement	348,866
Restricted - Public safety	1,594,625
Assigned - general service	972,349
Assigned - professional services	437,134
Unassigned - Working capital	<u>7,464,892</u>
Total fund balance	<u><u>\$10,885,061</u></u>

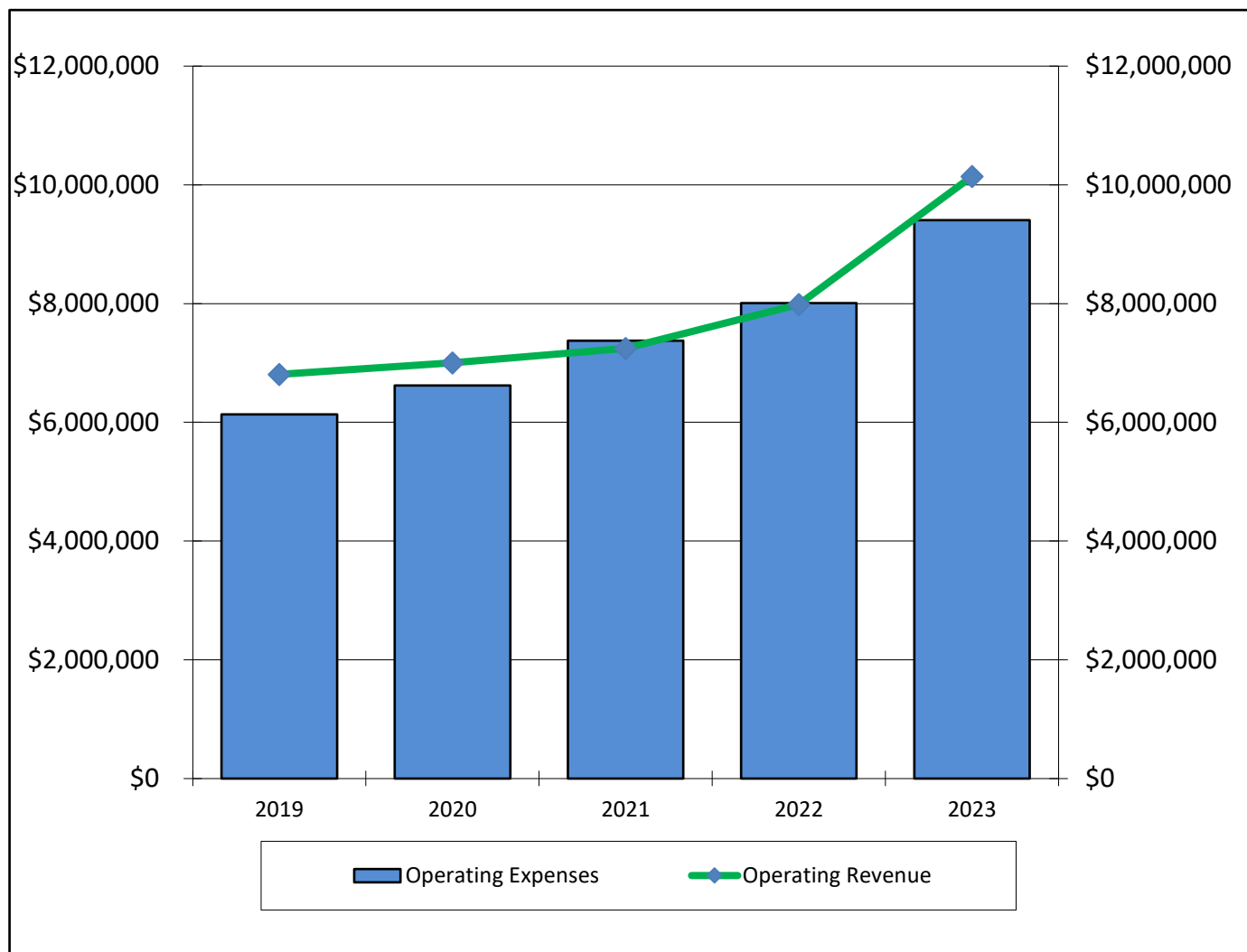
City policy is to maintain a minimum fund balance of 35% - 50% of annual expenditures for cash flow purposes:

2024 budgeted expenditures	\$23,637,883
Applicable percentage	<u>37.543%</u>
Working Capital amount	<u><u>\$8,874,375</u></u>

Governmental Funds Revenue



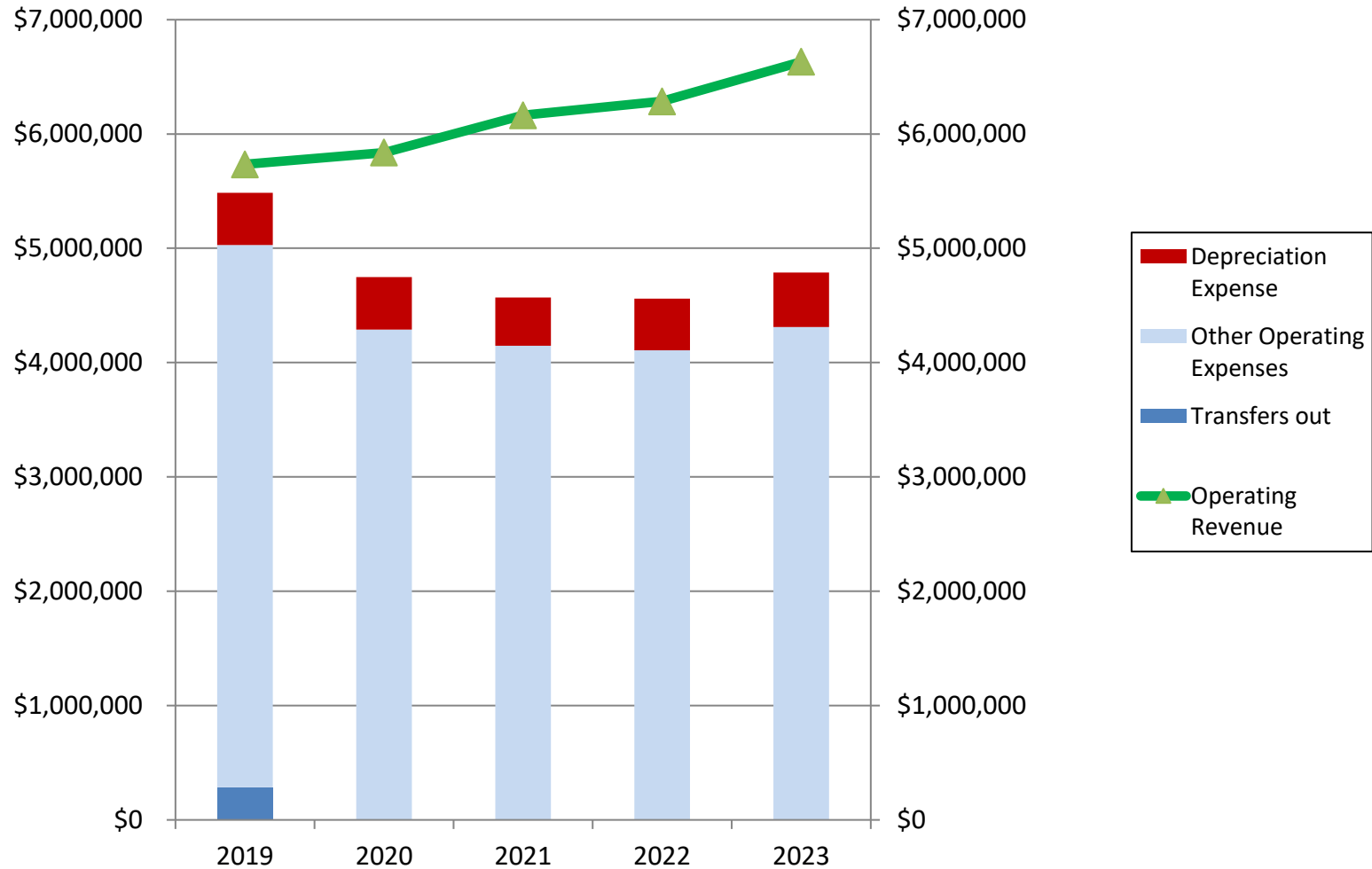
Water Utility



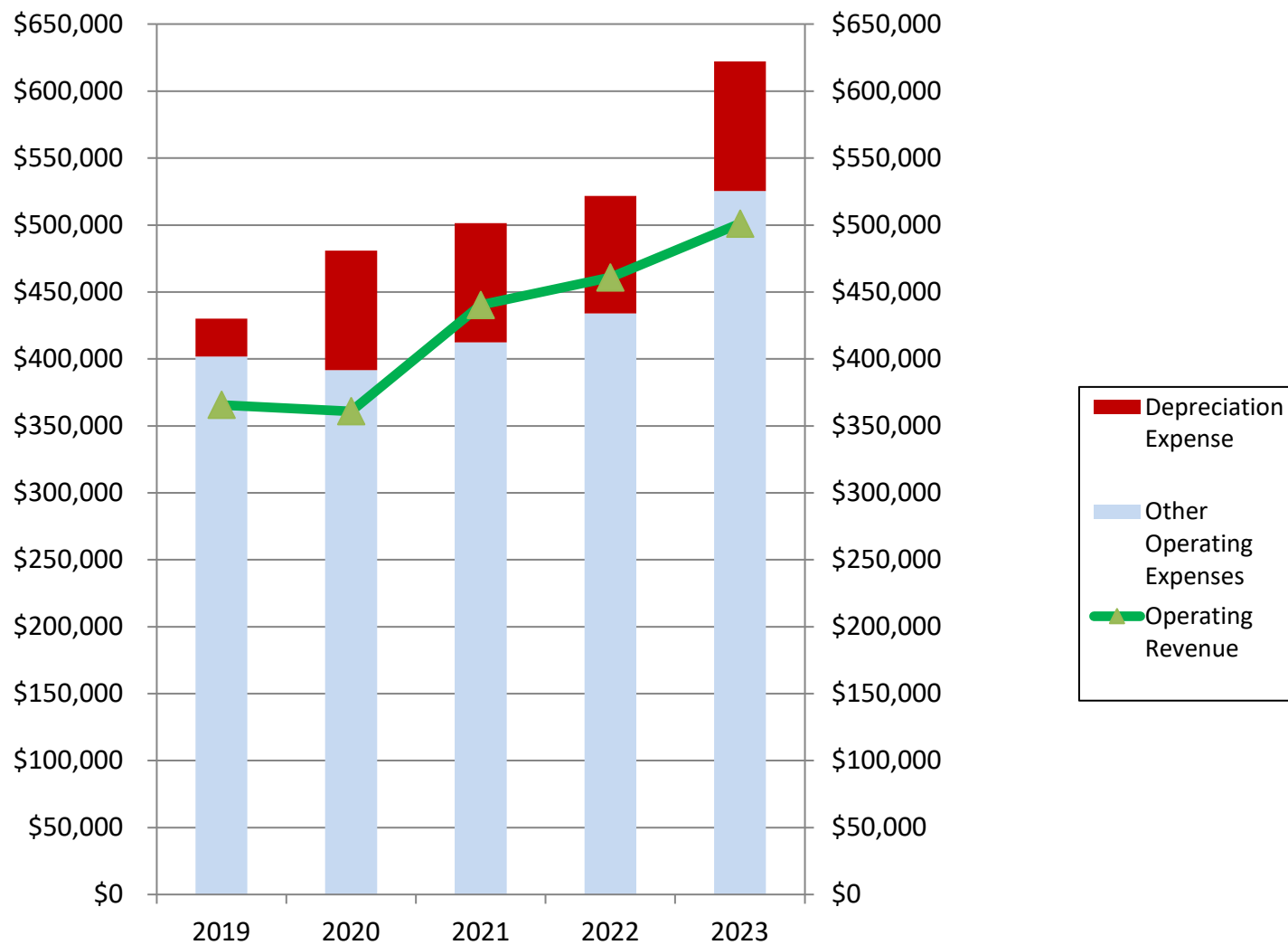
Water Fund Cash Flows

Cash flows from:	2020	2021	2022	2023
Operating activities	\$937,217	\$694,502	(\$49,833)	\$1,059,690
Noncapital financing activities	(1,234,554)	2,108	341,785	163,759
Capital and related financing activities	2,057,992	(1,303,838)	(1,457,794)	(334,964)
Investing activities	-	(159)	12,574	(50,499)
Net change in cash flow	1,760,655	(607,387)	(1,153,268)	837,986
Cash and cash equivalents - January 1	-	1,760,655	1,153,268	-
Cash and cash equivalents - December 31	<u>\$1,760,655</u>	<u>\$1,153,268</u>	<u>\$0</u>	<u>\$837,986</u>
Less:				
Due to other funds - December 31	\$ -	\$ -	(\$347,521)	\$ -
Customer deposits payable - December 31	(1,456,569)	(1,533,794)	(1,585,300)	(1,492,902)
Cash balance available for operations/CIP - December 31	<u>\$304,086</u>	<u>(\$380,526)</u>	<u>(\$1,932,821)</u>	<u>(\$654,916)</u>

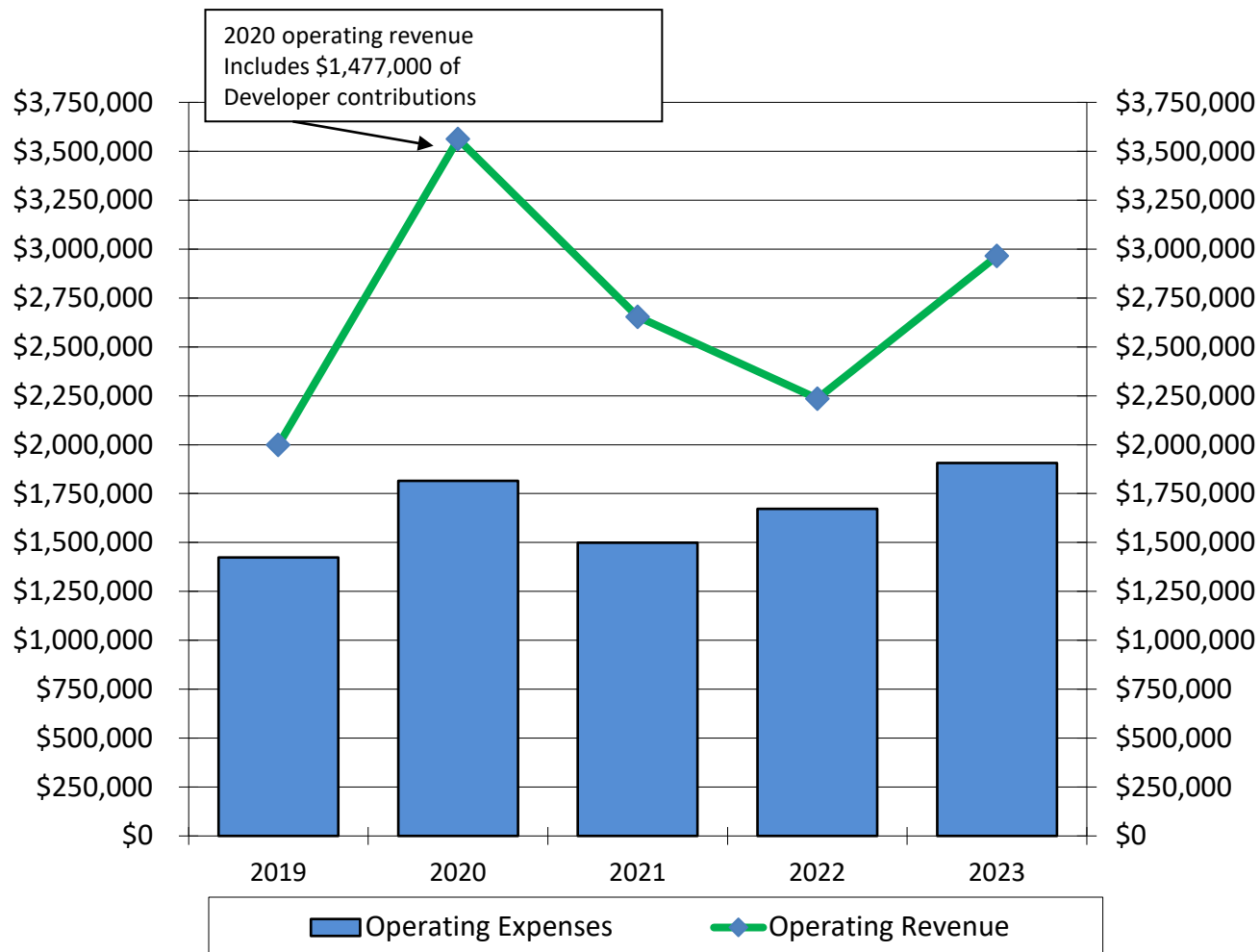
Sanitary Sewer Utility



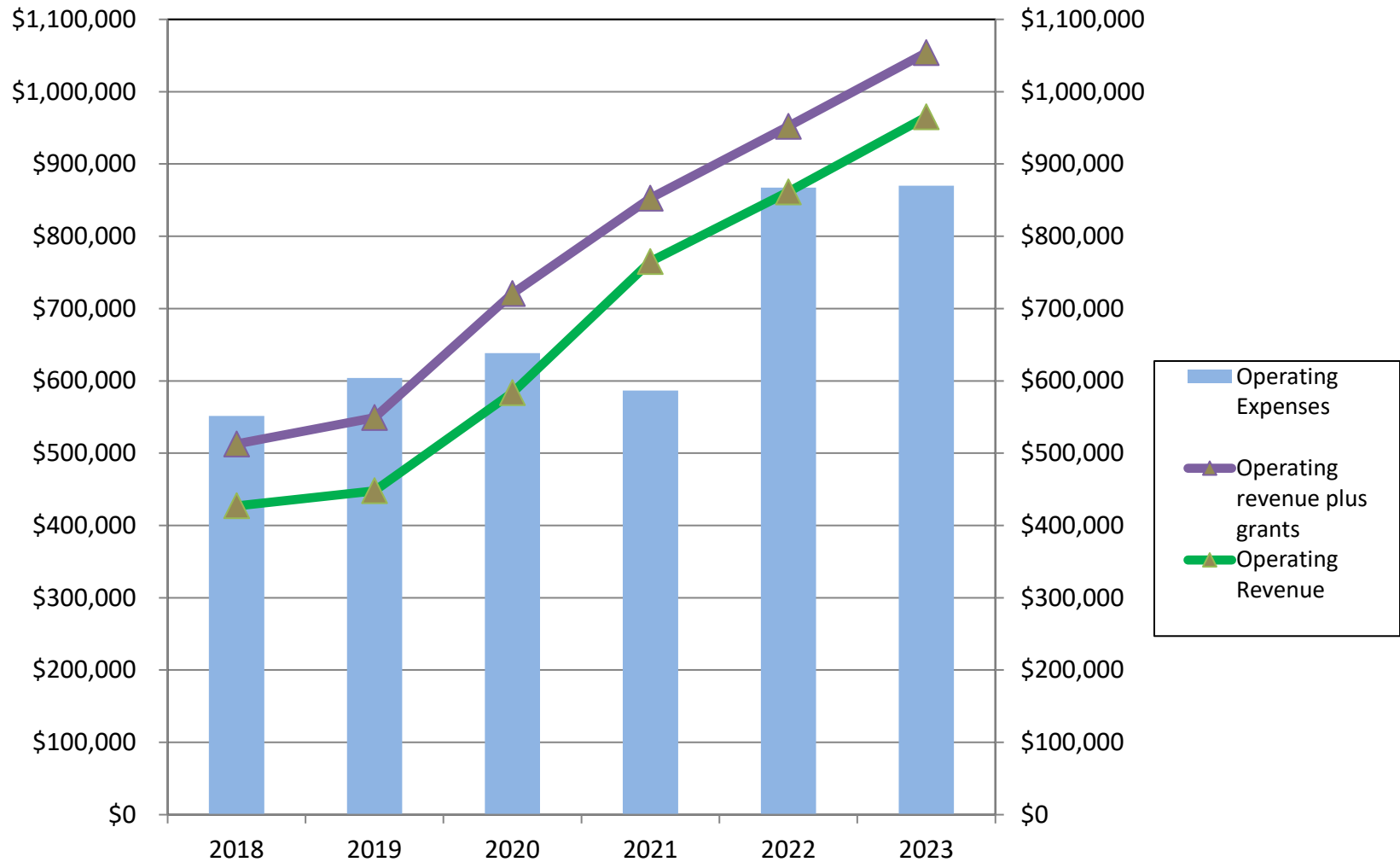
Golf Course

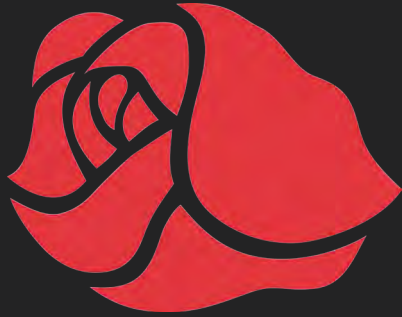


Storm Drainage



Solid Waste Recycling





Annual Comprehensive Financial Report

Fiscal Year Ended December 31, 2023

CITY OF ROSEVILLE, MN



PREPARED BY THE
FINANCE DEPARTMENT

City of Roseville, Minnesota
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Introductory Section

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April 29th, 2024

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 annual comprehensive financial report of the City of Roseville for the fiscal year ended December 31, 2023.

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, 2023 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 unmodified opinion that the City of Roseville's financial statements for the fiscal year ended December 31, 2023, 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 36,810. 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 84 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 85-87 and 102-106.

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 annual comprehensive financial report (ACFR) for the fiscal year ended December 31, 2022. This was the 44th 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 ACFR. 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 ACFR 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 City also received its 28th GFOA Distinguished Budget Presentation Award for its annual budget document dated January 1, 2023. 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 that reads "Michelle Pietrick". The script is cursive and fluid.

Michelle Pietrick
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Roseville
Minnesota**

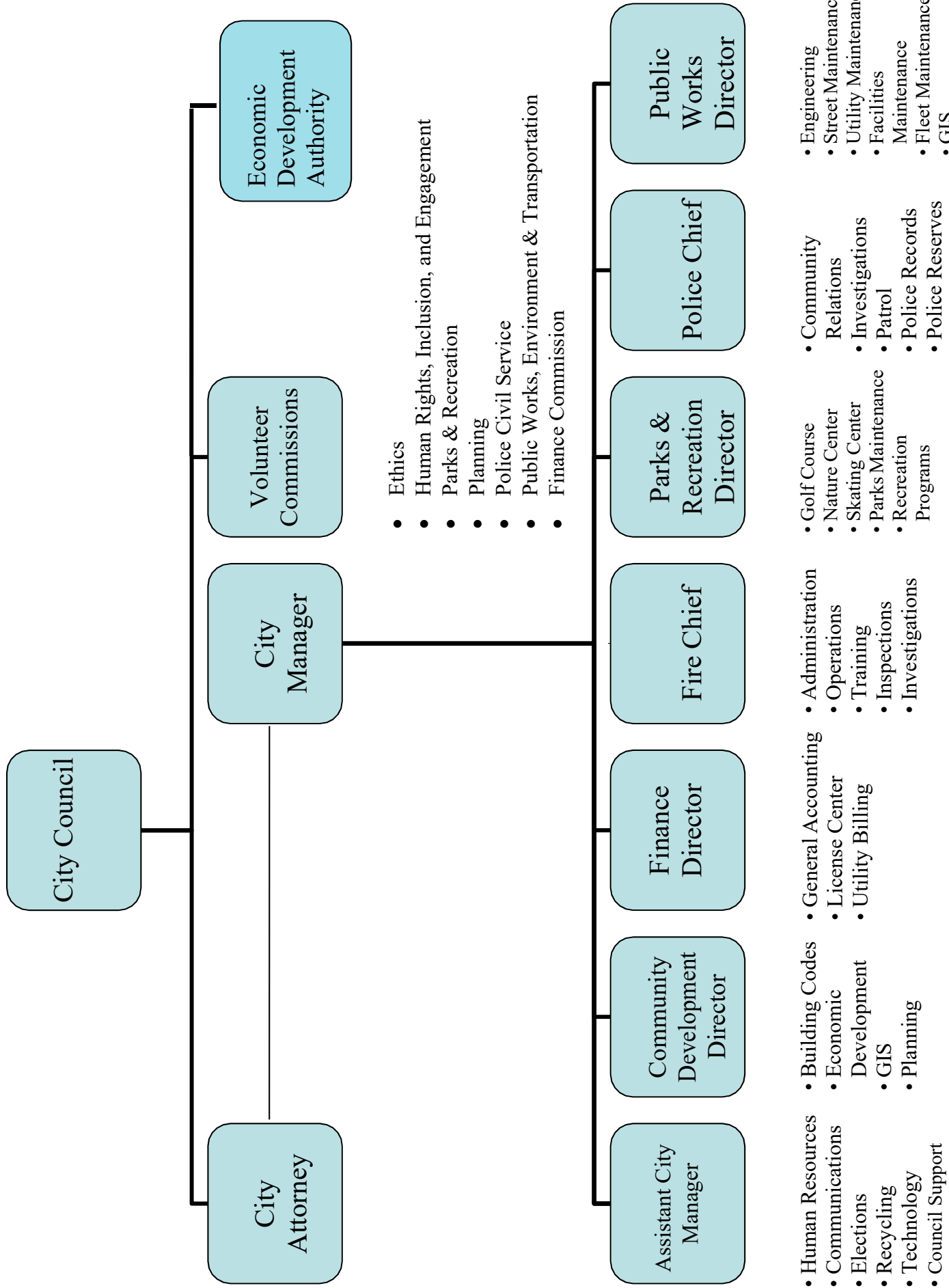
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO

City of Roseville Organizational Chart



City of
ROSEVILLE
Minnesota, USA **Officials**
December 31, 2023

Elected Officials

Mayor	Dan Roe	Term expires 12/31/2026
Council	Julie Strahan	Term expires 12/31/2024
Council	Jason Etten	Term expires 12/31/2024
Council	Wayne Groff	Term expires 12/31/2026
Council	Robin Schroeder	Term expires 12/31/2026

Appointed Officials

City Manager	Pat Trudgeon
Finance Director	Michelle Pietrick
Police Chief	Erika Scheider
Fire Chief	David Brosnahan
Public Works Director	Jesse Freihammer
Parks & Recreation Director	Matthew Johnson
Community Development Director	Janice Gundlach

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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 Audit of the Financial Statements

Opinions

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, 2023, 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.

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, 2023, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Roseville, Minnesota and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Roseville, Minnesota's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Governmental Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Roseville, Minnesota's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Roseville, Minnesota's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, and the schedules of OPEB and pension information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 accompanying combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to

the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2024, on our consideration of 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Roseville, Minnesota's 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 LLC

REDPATH AND COMPANY, LLC
St. Paul, Minnesota

April 29, 2024

CITY OF ROSEVILLE, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2023

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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, 2023. 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 3 through 6 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 \$218,301,920 (Net position). Of this amount, \$22,646,869 (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 \$10,224,249.
- As of the close of the current fiscal year, the City of Roseville's governmental activities reported combined ending unrestricted net position of \$14,773,190.
- At the end of the current fiscal year, unrestricted fund balance for the general fund was \$8,874,375 or 37.54% of total general fund expenditures.
- The City of Roseville total bonded debt decreased by \$2,350,000 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).

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-

CITY OF ROSEVILLE, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2023

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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 13 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, ARPA, Community Development, Roseville Economic Development Authority, Debt Service, Revolving Improvements, Economic Increments Construction and Street Construction, all of which are considered 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, Storm Drainage and Solid Waste Recycling operations. Internal service 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

CITY OF ROSEVILLE, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2023

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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, 2023

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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 \$218,301,920 as of December 31, 2023. This represents an increase of \$10,224,249 from the previous year.

By far the largest portion of the City of Roseville's net position (79.37% 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 2023	Governmental Activities 2022	Business-Type Activities 2023	Business-Type Activities 2022	Total 2023	Total 2022
Current and other assets	\$69,610,348	\$60,956,675	\$12,715,985	\$7,545,169	\$82,326,333	\$68,501,844
Capital assets	139,376,004	141,097,883	48,619,899	49,380,866	187,995,903	190,478,749
Total Assets	208,986,352	202,054,558	61,335,884	56,926,035	270,322,236	258,980,593
Deferred outflows of resources	18,381,687	24,944,818	250,093	515,589	18,631,780	25,460,407
Long-term liabilities						
Outstanding	33,964,503	56,190,781	3,495,125	4,430,081	37,459,628	60,620,862
Other liabilities	7,278,855	10,717,748	3,402,599	3,314,815	10,681,454	14,032,563
Total Liabilities	41,243,358	66,908,529	6,897,724	7,744,896	48,141,082	74,653,425
Deferred inflows of resources	22,074,727	1,623,211	436,287	90,535	22,511,014	1,713,746
Net Position						
Net investment in capital assets	126,897,771	126,195,186	46,378,287	47,163,517	173,276,058	173,358,703
Restricted	22,378,993	13,709,941	-	-	22,378,993	13,709,941
Unrestricted	14,773,190	18,562,509	7,873,679	2,446,518	22,646,869	21,009,027
Total Net Position	\$164,049,954	\$158,467,636	\$54,251,966	\$49,610,035	\$218,301,920	\$208,077,671

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 totaling \$22,646,869 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. The only exception to this is the charitable gambling fund, which was negative as a result of the fair value adjustment for investments and timing as to when funds were reimbursed to charities.

CITY OF ROSEVILLE, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2023

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Analysis of the City's Operations – Governmental activities increased the City of Roseville's net position by \$5,582,318; Business-type activities increased Roseville's net position by \$4,641,931; for an overall increase of \$10,224,249. Key elements of this increase are as follows:

CONDENSED STATEMENT OF CHANGES IN NET POSITION

	Governmental Activities 2023	Governmental Activities 2022	Business-Type Activities 2023	Business-Type Activities 2022	Total 2023	Total 2022
Revenues						
Program Revenues						
Charges for services	\$10,092,925	\$14,623,582	\$21,201,948	\$17,826,843	\$31,294,873	\$32,450,425
Operating grants and Contributions	4,847,508	5,513,179	182,014	95,927	5,029,522	5,609,106
Capital grants and Contributions	1,544,559	6,205,118	349,840	98,211	1,894,399	6,303,329
General Revenues						
Property taxes	26,143,346	24,964,220	-	-	26,143,346	24,964,220
Other taxes	2,826,147	1,817,870	-	-	2,826,147	1,817,870
Grants & contributions not Restricted to specific Programs	-	-	-	-	-	-
Investment earnings	1,117,581	648,345	150,502	60,808	1,268,083	709,153
Net Increase (decrease) in fair value of investments	1,961,633	(5,596,474)	(162,264)	(347,228)	1,799,369	(5,943,702)
Gain on Sale of capital asset	249,985	1,464,277	26,414	34,450	276,399	1,498,727
Total Revenues	\$48,783,684	\$49,640,117	\$21,748,454	\$17,769,011	\$70,532,138	\$67,409,128
Expenses						
General government	\$8,353,906	\$11,681,627	\$ -	\$ -	\$8,353,906	\$11,681,627
Public safety	17,997,888	16,967,185	-	-	17,997,888	16,967,185
Public works	6,592,587	8,777,781	-	-	6,592,587	8,777,781
Economic development	1,887,813	3,985,490	-	-	1,887,813	3,985,490
Recreation	7,525,663	7,315,293	-	-	7,525,663	7,315,293
Interest on debt	343,509	396,986	21,427	26,596	364,936	423,582
Sanitary sewer	-	-	4,788,374	4,558,112	4,788,374	4,558,112
Water	-	-	9,403,379	8,007,013	9,403,379	8,007,013
Golf	-	-	622,209	521,681	622,209	521,681
Storm drainage	-	-	1,901,167	1,672,286	1,901,167	1,672,286
Recycling	-	-	869,967	867,109	869,967	867,109
Total Expenses	\$ 42,701,366	\$ 49,124,362	\$ 17,606,523	\$ 15,652,797	\$ 60,307,889	\$ 64,777,159
Change in Net Position before Transfers	\$6,082,318	\$515,755	\$4,141,931	\$2,116,214	\$10,224,249	\$2,631,969
Transfers	(500,000)	(5,179)	500,000	5,179	-	-
Special Item - Disposal of Metro-INET	-	(1,504,232)	-	-	-	(1,504,232)
Increase (decrease) in Net position	5,582,318	(993,656)	4,641,931	2,121,393	10,224,249	1,127,737
Net position, January 1	\$158,467,636	\$159,461,292	\$49,610,035	\$47,488,642	208,077,671	206,949,934
Net position on December 31st	\$164,049,954	\$158,467,636	\$54,251,966	\$49,610,035	\$218,301,920	\$208,077,671

CITY OF ROSEVILLE, MINNESOTA

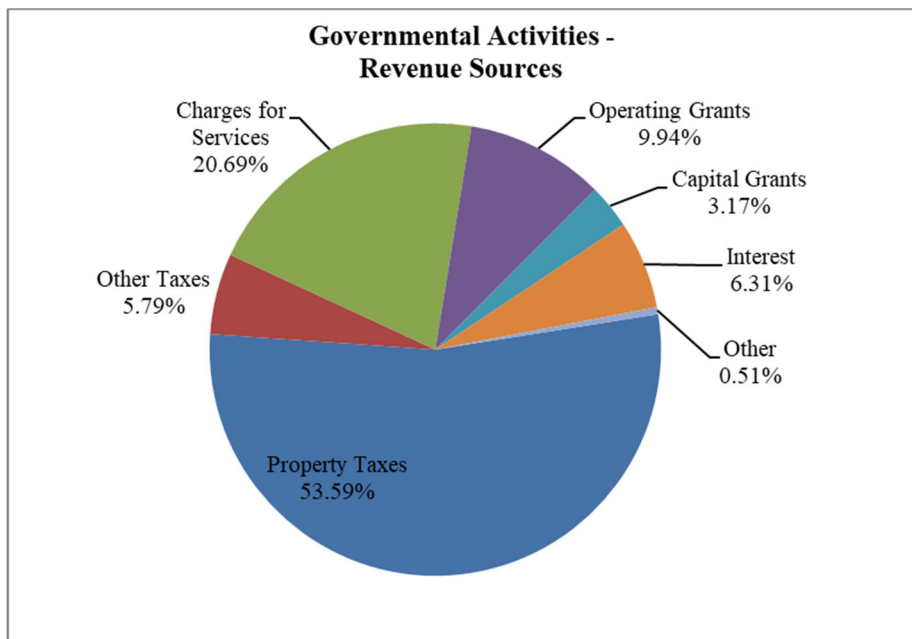
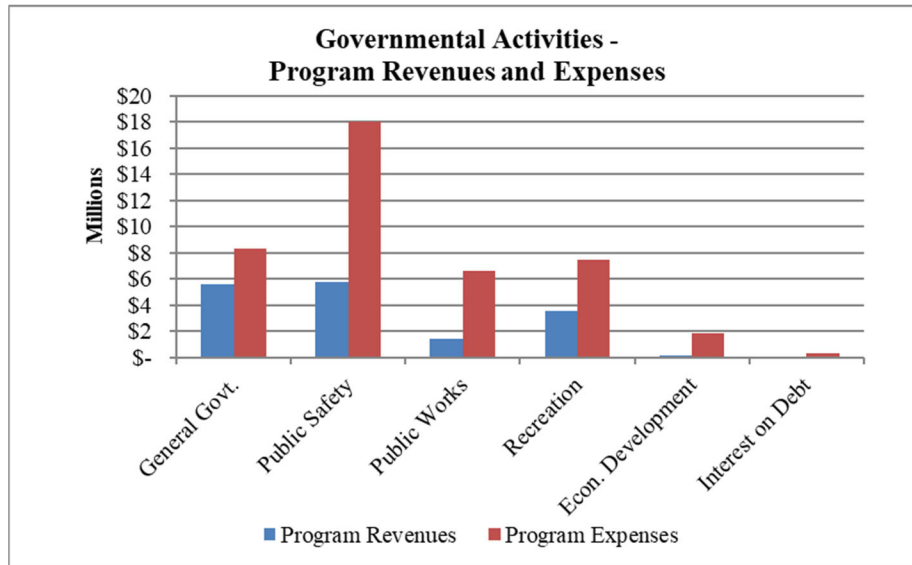
MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2023

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Activities

The increase in net position resulted from the increase in fair value of investments and a focus on prudent spending habits.

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



CITY OF ROSEVILLE, MINNESOTA

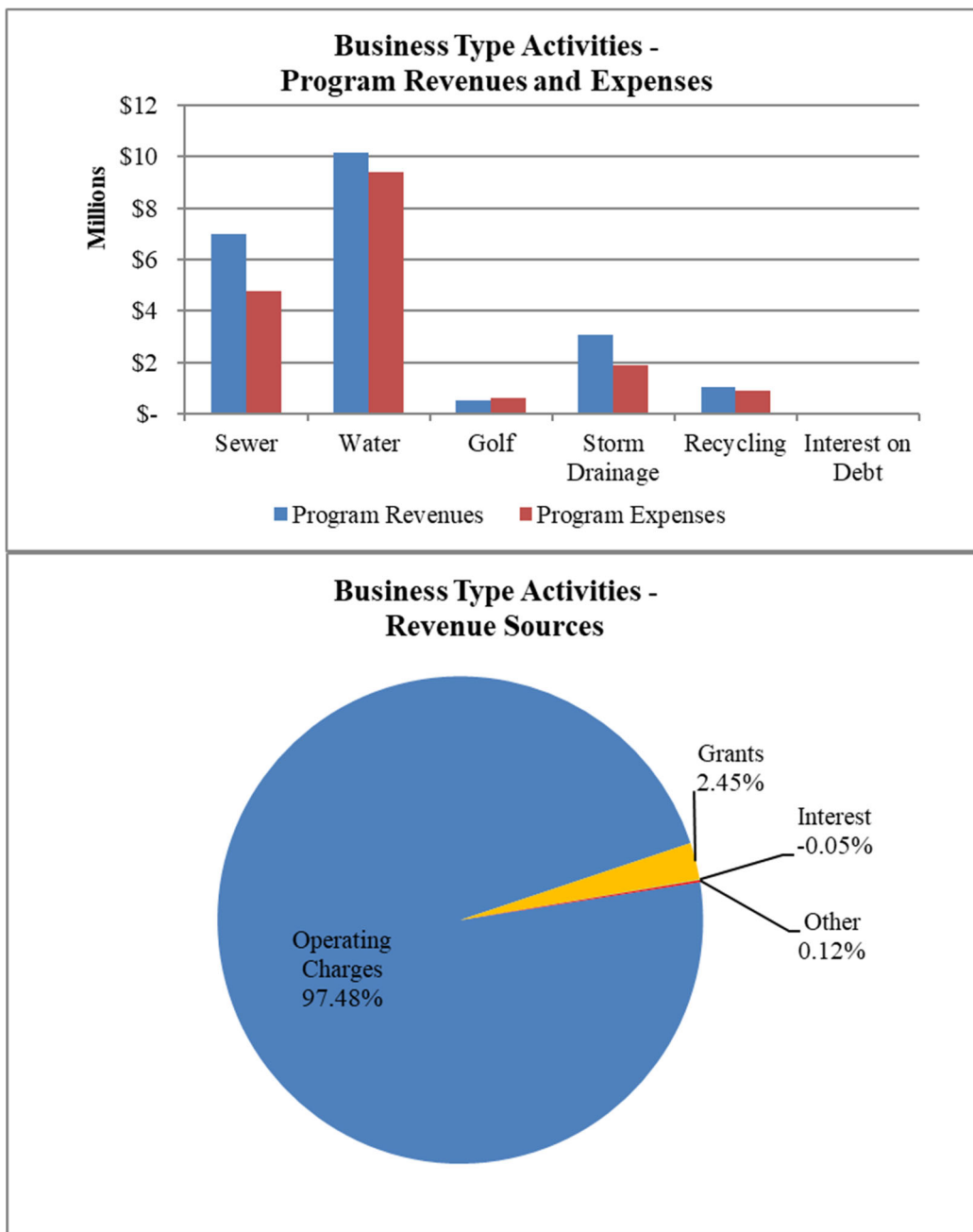
MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2023

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Business-type Activities

The increase in net position for business-type activities reflects improved cost containment. Rate increases in 2023 for Water, Sewer, Storm Drainage and Recycling were 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, 2023

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 \$51,222,151. Approximately 66.03% of this total amount \$33,820,067 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 - \$7,082,958, 2) for tax increment financing activities - \$5,506,016, 3) debt service - \$2,298,919 4) Public Safety Aid \$1,594,625 and 5) housing and economic development - \$919,566.

The General Fund increased \$2,379,118 due to the increase fair value of investments valuation adjustment, intergovernmental revenue in relation to Public Safety Aid, and rental revenue.

The Recreation Fund increased by \$229,603, due mainly to increased program charges for services as the participation continues to rebound from the pandemic in 2020.

The Community Development fund increased by \$271,470 due to the increase of fair value of investments valuation adjustment.

The Roseville Economic Development Authority fund increased by \$432,934 due to the increase in fair value of investments valuation adjustment, and reduction in expenses overall.

The Debt Service Fund increased by \$74,587 largely due to the increase in fair value of investments valuation adjustment.

The Revolving Improvements Fund increased by \$2,066,393 mainly due to the increase in fair value of investments valuation adjustment and frugal spending.

The Economic Increments Construction Fund accounts for the activities in the City's Tax Increment Financing (TIF) Districts. The Fund's balance increased by \$1,502,177 due to receipt of new district tax increment that began in 2022.

The Street Construction Fund increased by \$527,743 mainly due to the increase in fair value of investments valuation adjustment and frugal spending.

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 Sanitary Sewer fund net position increased by \$2,204,455 in 2023. This was a result of an increase in sanitary sewer fee increases in 2023 to fund future capital investment needs and to offset increased operation costs.

The Water fund net position increased by \$1,186,288, which was a result of a transfer of ARPA funds to cover capital projects that took place in 2023, water fee increases and the collection of back billed water usage rates.

CITY OF ROSEVILLE, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2023

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

The Golf fund net position decreased by \$114,026 in 2023. This fund historically has not covered depreciation costs.

The Storm Drainage fund net position increased by \$1,167,263 in 2023. This was a result of an increase in the rates charged in 2023 to cover future capital asset replacement.

The Solid Waste Recycling fund net position increased by \$197,951 in 2023. This was a result of increased rates charged in 2023 to cover operating costs and to build reserves for future capital outlay to purchase city owned recycling carts. Currently, the recycling contractor provides the carts.

The unrestricted net position in the respective proprietary funds is Sewer - \$4,655,045; Water – \$165,911; Golf - \$(133,834); Storm - \$2,560,880 and Recycling - \$625,680. Overall, net position increased \$4,641,931 reflecting positive cash flow from utility rates, which were designated for future capital replacements.

General Fund Budgetary Analysis

The General Fund balance increased by \$2,379,118 in 2023. Intergovernmental revenue was \$2,154,552 higher than the final budget mainly due to a Public Safety Assistance Grant that was received in 2023. The general fund investment income revenue was higher than the final budget mainly due to the increase in fair value of investment adjustment, which is based on the market value as of December 31, 2023. The General Fund Public Safety function was \$131,932 over budget due to increased overtime for staff vacancies and work comp shift vacancies and vehicle repairs as a result of multiple vehicles damaged during the year.

CITY OF ROSEVILLE, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2023

CAPITAL ASSETS

The City of Roseville's investment in capital assets for its governmental and business type activities as of December 31, 2023, amounts to \$187,995,903 (net of accumulated depreciation) – a decrease of \$2,482,846 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:

- Approximately \$2.6 million in improvements to the City's speed skating facility and streets
- Approximately \$1 million in improvements to the City's sewer lines, water lines, lift stations and storm drainage infrastructure.
- Depreciation of capital assets exceeded additions which resulted in the \$2.5 million decrease from the prior year.

CAPITAL ASSETS AT YEAR-END NET OF ACCUMULATED DEPRECIATION

	Governmental Activities 2023	Governmental Activities 2022	Business-Type Activities 2023	Business-Type Activities 2022	Total 2023	Total 2022
Land & easements	\$37,072,750	\$37,072,750	\$893,299	\$893,299	\$37,966,049	\$37,966,049
Buildings	26,280,766	24,362,677	2,387,772	2,512,380	28,668,538	26,875,057
Improvements other Than buildings	7,625,848	5,652,986	163,175	223,483	7,789,023	5,876,469
Machinery & equipment	7,779,596	7,466,158	1,095,135	1,145,720	8,874,731	8,611,878
Infrastructure	59,747,433	60,895,798	43,502,411	43,699,401	103,249,844	104,595,199
Construction in progress	869,611	5,647,514	578,107	906,583	1,447,718	6,554,097
Total Capital Assets	\$139,376,004	\$141,097,883	\$48,619,899	\$49,380,866	\$187,995,903	\$190,478,749

Additional information on the City of Roseville's capital assets can be found in Notes 1D and Note 3-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, 2023

LONG-TERM OBLIGATIONS

At the end of the current fiscal year, The City of Roseville had total long-term debt outstanding of \$14,070,000. Of this amount:

- \$200,000 for housing improvements
- \$6,290,000 for the general obligation for remaining construction of a new fire station and for various parks renewal projects
- \$3,480,000 for the refunding of general obligation bonds that financed the original construction of a new fire station and to make various park improvements
- \$2,005,000 in general obligation tax increment revenue bonds to finance public improvements within Tax Increment Financing District No. 17
- \$2,095,000 in general obligation water revenue bonds to finance the replacement of water infrastructure capital assets

OUTSTANDING DEBT GENERAL OBLIGATION IMPROVEMENT BONDS AND CERTIFICATES OF INDEBTEDNESS

	Governmental Activities 2023	Governmental Activities 2022	Business-Type Activities 2023	Business-Type Activities 2022	Total 2023	Total 2022
General obligation bonds						
Tax Increment Revenue Bonds	\$2,005,000	\$2,205,000	\$ -	\$ -	\$2,005,000	\$2,205,000
Municipal bonds	9,970,000	11,880,000	2,095,000	2,335,000	12,065,000	14,215,000
Total Outstanding Debt	\$11,975,000	\$14,085,000	\$2,095,000	\$2,335,000	\$14,070,000	\$16,420,000

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 \$189,878,008. \$11,975,000 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 3-H this report.

CITY OF ROSEVILLE, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2023

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 to minimize the increased property taxes needed to ensure that the City's core services are funded in a manner that preserves the greatest value to the community. Main strategies of the 2024 budget were to invest in infrastructure, maintain city programs and workforce, and the strategic use of financial reserves and grant funding.
- ❖ User charges in the proprietary funds were increased to cover increased operational costs and to address asset replacement needs.

These factors were considered when the City of Roseville prepared its 2024 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.

Basic Financial Statements

	Primary Government		
	Governmental	Business-Type	Totals
	Activities	Activities	
ASSETS			
Cash and cash equivalents	\$ 55,247,562	\$ 7,416,399	\$ 62,663,961
Receivables			
Accounts	760,731	4,355,121	5,115,852
Taxes	625,045	-	625,045
Investment interest	204,918	27,261	232,179
Special assessments	526,827	594,634	1,121,461
Due from other governments	380,870	27,871	408,741
Notes	2,948,899	-	2,948,899
Leases	3,795,315	-	3,795,315
Prepays	84,177	294,699	378,876
Assets held for resale	10,410	-	10,410
Net pension asset - fire relief	5,025,594	-	5,025,594
Capital Assets Not Being Depreciated			
Land	29,340,857	893,299	30,234,156
Easements	7,731,893	-	7,731,893
Construction in Progress	869,611	578,106	1,447,717
Capital Assets Net of Accumulated Depreciation			
Buildings	26,280,766	2,387,774	28,668,540
Improvements other than Buildings	7,625,848	163,174	7,789,022
Machinery, equipment, and vehicles	7,779,596	1,095,134	8,874,730
Infrastructure	59,747,433	43,502,412	103,249,845
Total Assets	208,986,352	61,335,884	270,322,236
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension resources	18,381,687	250,093	18,631,780
LIABILITIES			
Accounts payable	1,503,556	1,738,501	3,242,057
Accrued payroll	687,417	56,583	744,000
Contracts and retainage payable	34,892	23,684	58,576
Bond interest payable	116,535	14,011	130,546
Due to other governmental units	2,783,067	76,918	2,859,985
Unearned revenue	1,193,352	-	1,193,352
Deposits payable	960,036	1,492,902	2,452,938
Noncurrent Liabilities:			
Due Within One Year	2,949,147	250,675	3,199,822
Due in More than One Year	31,015,356	3,244,450	34,259,806
Total Liabilities	41,243,358	6,897,724	48,141,082
DEFERRED INFLOWS OF RESOURCES			
Deferred lease revenue	3,795,315	-	3,795,315
Deferred pension resources	18,279,412	436,287	18,715,699
Total Deferred Inflows of Resources	22,074,727	436,287	22,511,014
NET POSITION			
Net Investment in Capital Assets	126,897,771	46,378,287	173,276,058
Restricted for:			
Fire Relief Pension	5,025,594	-	5,025,594
Law enforcement	437,852	-	437,852
Public Safety Aid	1,594,625	-	1,594,625
Telecommunication	72,768	-	72,768
Community development	4,399,493	-	4,399,493
Park dedication	2,172,845	-	2,172,845
Tax increment	5,506,016	-	5,506,016
Debt service	2,250,234	-	2,250,234
Housing and Economic Development	919,566	-	919,566
Unrestricted	14,773,190	7,873,679	22,646,869
Total Net Position	\$ 164,049,954	\$ 54,251,966	\$ 218,301,920

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		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 8,353,906	\$ 4,370,052	\$ 1,211,296	\$ -	\$ (2,772,558)	\$ -	\$ (2,772,558)
Public safety	17,997,888	2,321,438	3,431,624	-	(12,244,826)	-	(12,244,826)
Public works	6,592,587	387,212	-	1,036,480	(5,168,895)	-	(5,168,895)
Economic development	1,887,813	74,183	111,105	-	(1,702,525)	-	(1,702,525)
Recreation	7,525,663	2,940,040	93,483	508,079	(3,984,061)	-	(3,984,061)
Interest on long-term debt	343,509	-	-	-	(343,509)	-	(343,509)
Total governmental activities	42,701,366	10,092,925	4,847,508	1,544,559	\$ (26,216,374)	-	(26,216,374)
Business-type activities:							
Sewer	4,788,374	6,630,712	-	349,840	-	2,192,178	2,192,178
Water	9,403,379	10,140,144	11,280	-	-	748,045	748,045
Golf	622,209	500,989	-	-	-	(121,220)	(121,220)
Storm Drainage	1,901,167	2,964,884	81,908	-	-	1,145,625	1,145,625
Recycling	869,967	965,219	88,826	-	-	184,078	184,078
Interest on long-term debt	21,427	-	-	-	-	(21,427)	(21,427)
Total business-type activities	17,606,523	21,201,948	182,014	349,840	-	4,127,279	4,127,279
Total primary government	\$ 60,307,889	\$ 31,294,873	\$ 5,029,522	\$ 1,894,399	\$ (26,216,374)	\$ 4,127,279	\$ (22,089,095)
General revenues:							
Property taxes					26,143,346	-	26,143,346
Tax increments					2,429,997	-	2,429,997
Cable franchise taxes					354,531	-	354,531
Gambling taxes					41,619	-	41,619
Unrestricted investment earnings					1,117,581	150,502	1,268,083
Unrestricted net increase(decrease) in the fair value of investments					1,961,633	(162,264)	1,799,369
Gain on sale of capital assets					249,985	26,414	276,399
Transfers					(500,000)	500,000	-
Total general revenues, and transfers					31,798,692	514,652	32,313,344
Change in net position					5,582,318	4,641,931	10,224,249
Net position, January 1					158,467,636	49,610,035	208,077,671
Net position - ending					\$ 164,049,954	\$ 54,251,966	\$ 218,301,920

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

	Special Revenue				
	General	Recreation	ARPA	Community Development	Economic Development Authority
ASSETS					
Cash and investments	\$ 12,528,968	\$ 2,413,953	\$ 1,193,352	\$ 4,717,145	\$ 3,596,983
Investment interest receivable	48,651	9,053	-	17,338	13,220
Accounts receivable	80,834	120,579	-	1,771	5,447
Taxes receivable	403,557	79,562	-	-	15,447
Special assessments receivable	2,815	795	-	-	-
Due from other governments	230,573	-	-	-	-
Due from other funds	-	-	-	-	10,000
Notes receivable	-	-	-	1,309,801	1,639,098
Lease receivable	3,795,315	-	-	-	-
Property held for sale	-	-	-	-	10,410
Prepaid items	67,195	2,465	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	17,157,908	2,626,407	1,193,352	6,046,055	5,290,605
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	614,014	189,644	-	33,397	21,132
Accrued payroll	504,629	83,437	-	39,727	4,718
Contracts and retention payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governmental units	333,762	54,649	-	1,344,537	7,293
Unearned Revenue	-	-	1,193,352	-	-
Deposits payable	708,527	953	-	228,901	-
Total Liabilities	2,160,932	328,683	1,193,352	1,646,562	33,143
Deferred Inflows of Resources					
Deferred Revenue - related to leases	3,795,315	-	-	-	-
Unavailable Revenue - property taxes	315,432	60,384	-	-	12,951
Unavailable Revenue - special assessments	1,168	-	-	-	-
Total Deferred Inflows of Resources	4,111,915	60,384	-	-	12,951
FUND BALANCE					
Nonspendable	67,195	2,465	-	-	-
Restricted					
Law Enforcement	348,866	-	-	-	-
Telecommunications	-	-	-	-	-
Public Safety Aid	1,594,625	-	-	-	-
Community Development	-	-	-	4,399,493	-
Park Dedication	-	-	-	-	-
Tax Increment	-	-	-	-	-
Debt Service	-	-	-	-	-
Housing and Economic Development	-	-	-	-	919,566
Committed					
Street Replacement	-	-	-	-	-
Assigned					
Parks and Recreation Programs and Maintenance	-	2,234,875	-	-	-
License Center Improvements	-	-	-	-	-
Information Technology	100,863	-	-	-	-
Engineering Services	320,866	-	-	-	-
Accounting Service	15,405	-	-	-	-
General Service Reserve	972,349	-	-	-	-
Capital Projects	-	-	-	-	-
Housing and Economic Development	-	-	-	-	4,324,945
Unassigned	7,464,892	-	-	-	-
Total Fund Balances	10,885,061	2,237,340	-	4,399,493	5,244,511
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 17,157,908	\$ 2,626,407	\$ 1,193,352	\$ 6,046,055	\$ 5,290,605

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

	Capital Projects				Other	Total
	Debt Service	Revolving Improvements	Economic Increments Construction	Street Construction	Governmental Funds	Governmental Funds
ASSETS						
Cash and investments	\$ 2,276,940	\$ 15,090,862	\$ 5,547,010	\$ 5,322,630	\$ 1,161,115	\$ 53,848,958
Investment interest receivable	8,369	55,622	20,388	24,551	2,688	199,880
Accounts receivable	-	16,118	-	-	535,982	760,731
Taxes receivable	56,382	89,103	(50,750)	28,513	3,231	625,045
Special assessments receivable	25,077	-	-	498,140	-	526,827
Due from other governments	-	150,297	-	-	-	380,870
Due from other funds	-	-	-	-	-	10,000
Notes receivable	-	-	-	-	-	2,948,899
Lease receivable	-	-	-	-	-	3,795,315
Property held for sale	-	-	-	-	-	10,410
Prepaid items	-	-	-	-	14,517	84,177
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	2,366,768	15,402,002	5,516,648	5,873,834	1,717,533	63,191,112
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Accounts payable	-	366,733	632	82,734	148,955	1,457,241
Accrued payroll	-	-	-	-	54,906	687,417
Contracts and retention payable	-	-	-	34,892	-	34,892
Due to other funds	-	-	10,000	-	-	10,000
Due to other governmental units	-	-	-	-	1,042,826	2,783,067
Unearned Revenue	-	-	-	-	-	1,193,352
Deposits payable	-	21,655	-	-	-	960,036
Total Liabilities	-	388,388	10,632	117,626	1,246,687	7,126,005
Deferred Inflows of Resources						
Unavailable Revenue - related to leases	-	-	-	-	-	3,795,315
Unavailable Revenue - property taxes	42,772	67,625	-	21,640	2,452	523,256
Unavailable Revenue - special assessments	25,077	-	-	498,140	-	524,385
Total Deferred Inflows of Resources	67,849	67,625	-	519,780	2,452	4,842,956
FUND BALANCE						
Nonspendable	-	-	-	-	14,517	84,177
Restricted						
Law Enforcement	-	-	-	-	88,986	437,852
Telecommunications	-	-	-	-	72,768	72,768
Public Safety Aid	-	-	-	-	-	1,594,625
Community Development	-	-	-	-	-	4,399,493
Park Dedication	-	2,172,845	-	-	-	2,172,845
Tax Increment	-	-	5,506,016	-	-	5,506,016
Debt Service	2,298,919	-	-	-	-	2,298,919
Housing and Economic Development	-	-	-	-	-	919,566
Committed						
Street Replacement	-	-	-	5,236,428	-	5,236,428
Assigned						
Parks and Recreation Programs and Maintenance	-	-	-	-	-	2,234,875
License Center Improvements	-	-	-	-	307,929	307,929
Information Technology	-	-	-	-	-	100,863
Engineering Services	-	-	-	-	-	320,866
Accounting Service	-	-	-	-	-	15,405
General Service Reserve	-	-	-	-	-	972,349
Capital Projects	-	12,773,144	-	-	-	12,773,144
Housing and Economic Development	-	-	-	-	-	4,324,945
Unassigned	-	-	-	-	(15,806)	7,449,086
Total Fund Balances	2,298,919	14,945,989	5,506,016	5,236,428	468,394	51,222,151
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 2,366,768	\$ 15,402,002	\$ 5,516,648	\$ 5,873,834	\$ 1,717,533	\$ 63,191,112
Capital assets (net of depreciation) used in governmental activities and are not financial resources and therefore, are not reported in the funds.						139,376,004
Long term liabilities including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.						(33,727,114)
Internal service funds are used by management to charge the cost of insurance to individual funds.						1,003,403
Other long term assets are not available to pay for current-period expenditures and, therefore, are deferred or are not reported in the funds.						
Net pension obligation - fire relief						6,073,235
Governmental funds do not report long term amounts related to pensions						
Deferred outflow of resources						18,381,687
Deferred inflow of resources						(18,279,412)
Net position of governmental activities						<u>\$ 164,049,954</u>

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

	General	Special Revenue			Roseville Economic Development Authority
		Recreation	ARPA	Community Development	
REVENUES					
General property taxes	\$ 15,846,459	\$ 3,024,852	\$ -	\$ -	\$ 398,298
Tax increment	-	-	-	-	-
Intergovernmental revenue	3,961,552	-	1,083,066	-	111,105
Licenses and permits	562,701	-	-	1,687,232	-
Gambling taxes	-	-	-	-	-
Charges for services	1,568,997	2,549,644	-	50,940	-
Fines and forfeits	76,371	-	-	-	-
Cable franchise taxes	-	-	-	-	-
Rentals	468,253	100,245	-	-	-
Donations	35,631	51,649	-	-	-
Special assessments	145	150	-	-	-
Investment income	-	-	-	-	-
Interest earned on investments	211,518	47,148	-	106,909	91,001
Increase (decrease) in fair value of investments	596,659	56,428	-	170,233	255,328
Miscellaneous Revenue	179,000	68,352	-	2,750	31,106
Total Revenues	23,507,286	5,898,468	1,083,066	2,018,064	886,838
EXPENDITURES					
Current	-	-	-	-	-
General government	4,346,115	-	78,452	-	228,450
Public safety	14,476,306	-	23,167	1,101,056	-
Public works	3,088,741	-	(15,466)	-	-
Economic development	-	-	160,000	645,538	225,454
Recreation	-	5,506,658	-	-	-
Capital outlay	-	-	-	-	-
Bond principal	-	-	-	-	-
Interest and other charges - Bonds	-	-	-	-	-
Total Expenditures	21,911,162	5,506,658	246,153	1,746,594	453,904
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,596,124	391,810	836,913	271,470	432,934
OTHER FINANCING SOURCES (USES)					
Transfers in	982,994	-	-	-	500,000
Transfers out	(200,000)	(162,207)	(836,913)	-	(500,000)
Sale of capital assets	-	-	-	-	-
Total Other Financing Sources (Uses)	782,994	(162,207)	(836,913)	-	-
Net Change in Fund Balances	2,379,118	229,603	-	271,470	432,934
FUND BALANCES, January 1	8,505,943	2,007,737	-	4,128,023	4,811,577
FUND BALANCES, December 31	\$ 10,885,061	\$ 2,237,340	\$ -	\$ 4,399,493	\$ 5,244,511

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

		Capital Projects					
	Debt Service	Revolving Improvements	Economic Increments Construction	Street Construction	Other Governmental Funds	Intra Activity Eliminations	Total Governmental Funds
REVENUES							
General property taxes	\$ 2,142,706	\$ 3,387,585	\$ -	\$ 1,084,027	122,815	\$ -	\$ 26,006,742
Tax increment	-	-	2,429,997	-	-	-	2,429,997
Intergovernmental revenue	-	583,019	-	602,152	127,697	-	6,468,591
Licenses and permits	-	25,710	-	-	-	-	2,275,643
Gambling taxes	-	-	-	-	41,619	-	41,619
Charges for services	-	-	-	-	2,120,745	-	6,290,326
Fines and forfeits	-	-	-	-	-	-	76,371
Cable franchise taxes	-	-	-	-	354,531	-	354,531
Rentals	-	127,182	-	-	-	-	695,680
Donations	-	-	-	-	98,073	-	185,353
Special assessments	29,053	-	-	668,333	-	-	697,681
Investment income	-	-	-	-	-	-	-
Interest earned on investments	29,750	321,807	107,643	155,251	16,647	-	1,087,674
Increase (decrease) in fair value of investments	86,655	497,414	61,894	209,057	(43,366)	-	1,890,302
Miscellaneous Revenue	-	190,912	(1,383)	-	64,557	-	535,294
Total Revenues	2,288,164	5,133,629	2,598,151	2,718,820	2,903,318	-	49,035,804
EXPENDITURES							
Current	-	-	-	-	-	-	-
General government	-	402,552	-	-	2,574,622	-	7,630,191
Public safety	-	334,099	-	-	-	-	15,934,628
Public works	-	288,102	-	420,191	-	-	3,781,568
Economic development	-	752	830,043	-	-	-	1,861,787
Recreation	-	753,679	-	-	-	-	6,260,337
Capital outlay	-	1,738,037	-	1,770,886	-	-	3,508,923
Bond principal	2,110,000	-	-	-	-	-	2,110,000
Interest and other charges - Bonds	369,508	-	-	-	-	-	369,508
Total Expenditures	2,479,508	3,517,221	830,043	2,191,077	2,574,622	-	41,456,942
Excess (Deficiency) of Revenues Over (Under) Expenditures	(191,344)	1,616,408	1,768,108	527,743	328,696	-	7,578,862
OTHER FINANCING SOURCES (USES)							
Transfers in	449,029	765,343	44,464	-	20,444	(2,762,274)	-
Transfers out	(183,098)	(565,343)	(310,395)	-	(504,318)	2,762,274	(500,000)
Sale of capital assets	-	249,985	-	-	-	-	249,985
Total Other Financing Sources (Uses)	265,931	449,985	(265,931)	-	(483,874)	-	(250,015)
Net Change in Fund Balances	74,587	2,066,393	1,502,177	527,743	(155,178)	-	7,328,847
FUND BALANCES, January 1	2,224,332	12,879,596	4,003,839	4,708,685	623,572	-	43,893,304
FUND BALANCES, December 31	\$ 2,298,919	\$ 14,945,989	\$ 5,506,016	\$ 5,236,428	\$ 468,394	\$ -	\$ 51,222,151

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, 2023

Statement 5
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Net Change in Fund Balances - Total Governmental Funds	\$ 7,328,847
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlay as expenditures and do not report capital contributions. 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 and capital contributions are reported as program revenue.	(1,593,638)
Net effect of sales, trade-ins and retirements of capital assets	(128,241)
Payments on general obligation debt	2,110,000
Premium on general obligation bonds amortized	154,681
Net change due to internal service funds incorporated into statement of activities	(350,585)
Net change in net pension obligation - City	(2,856,249)
Net change in net pension asset - Fire Relief	1,247,697
Net change in net pension obligation - OPEB	436,424
Change in compensated absences	(186,938)
Change in bond interest payable	25,999
Adjustment for modified accrual revenue recognition related to Special assessments, delinquent property tax and delinquent tax increment	<u>(605,679)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 5,582,318</u></u>

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

	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	\$ 3,780,483	\$ 837,986	\$ 88,068	\$ 2,266,973	\$ 442,889	\$ 7,416,399	\$ 1,398,604
Investment interest receivable	13,892	3,080	315	8,346	1,628	27,261	5,038
Accounts receivable	1,534,164	1,932,067	2,180	672,681	214,029	4,355,121	-
Special assessments	554,850	15,142	-	24,642	-	594,634	-
Due from other funds	-	-	-	-	-	-	-
Due from other governmental units	2,976	-	-	24,895	-	27,871	-
Prepaid Items	292,803	-	-	1,896	-	294,699	-
Total Current Assets	6,179,168	2,788,275	90,563	2,999,433	658,546	12,715,985	1,403,642
Noncurrent Assets							
Capital Assets							
Land	-	-	319,892	573,407	-	893,299	-
Buildings	50,566	1,490,784	2,650,556	-	-	4,191,906	-
Improvements other than buildings	-	11,972	394,039	1,050,683	-	1,456,694	-
Machinery, equipment, and vehicles	1,251,059	1,630,255	422,836	2,361,261	-	5,665,411	-
Infrastructure	24,836,909	23,481,669	-	25,425,846	-	73,744,424	-
Construction in Progress	96,444	-	-	481,662	-	578,106	-
Less: Accumulated depreciation and amortization	(9,657,672)	(11,995,536)	(969,607)	(15,287,126)	-	(37,909,941)	-
Total Noncurrent Assets	16,577,306	14,619,144	2,817,716	14,605,733	-	48,619,899	-
TOTAL ASSETS	22,756,474	17,407,419	2,908,279	17,605,166	658,546	61,335,884	1,403,642
DEFERRED OUTFLOWS OF RESOURCES							
Deferred pension resources	96,929	78,757	14,709	51,065	5,333	246,793	-
LIABILITIES							
Current Liabilities (Payable from Current Assets)							
Accounts Payable	1,107,770	536,427	8,525	51,689	421	1,704,832	46,315
Accrued payroll	10,907	18,507	8,318	16,186	2,665	56,583	-
Accrued interest	-	14,011	-	-	-	14,011	-
Compensated absences payable	6,445	7,556	10,487	9,181	-	33,669	-
Contracts and retainage payable	-	-	-	23,684	-	23,684	-
Customer deposits payable	-	1,492,902	-	-	-	1,492,902	-
Due to other funds	-	-	-	-	-	-	-
Due to other governmental units	7,192	52,465	5,476	10,062	1,723	76,918	-
Bonds payable - current portion	-	245,000	-	-	-	245,000	-
Lease Payable - current portion	-	-	10,675	-	-	10,675	-
Insurance claims payable	-	-	-	-	-	-	167,052
Total Current Liabilities	1,132,314	2,366,868	43,481	110,802	4,809	3,658,274	213,367
Noncurrent Liabilities							
Compensated absences payable	25,780	30,226	41,946	36,723	-	134,675	-
Net other postemployment benefits obligation	32,080	31,168	12,175	15,686	-	91,109	-
Net Pension liability	318,832	378,723	92,704	238,233	22,921	1,051,413	-
Bonds payable	-	1,940,252	-	-	-	1,940,252	-
Lease payable	-	-	22,001	-	-	22,001	-
Insurance claims payable	-	-	-	-	-	-	186,872
Total Noncurrent Liabilities	376,692	2,380,369	168,826	290,642	22,921	3,239,450	186,872
TOTAL LIABILITIES	1,509,006	4,747,237	212,307	401,444	27,730	6,897,724	400,239
DEFERRED INFLOWS OF RESOURCES							
Deferred pension resources	112,047	139,137	59,475	111,859	10,469	432,987	-
NET POSITION							
Net Investment in Capital Assets	16,577,306	12,433,892	2,785,040	14,582,049	-	46,378,287	-
Unrestricted	4,655,044	165,910	(133,834)	2,560,879	625,680	7,873,679	1,003,403
TOTAL NET POSITION	\$ 21,232,350	\$ 12,599,802	\$ 2,651,206	\$ 17,142,928	\$ 625,680	\$ 54,251,966	\$ 1,003,403

City of Roseville, Minnesota
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended December 31, 2023

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	\$ -	\$ -	\$ 32,671	\$ -	\$ 63	\$ 32,734
Cost of sales	-	-	(18,394)	-	-	(18,394)
Gross profit	-	-	14,277	-	63	14,340
OPERATING REVENUES						
User charges	6,624,922	9,991,120	382,236	2,950,670	965,156	20,914,104
Delinquency collections	(1,185)	-	-	1,443	-	258
Miscellaneous	6,975	149,024	104,476	12,771	-	273,246
Total Operating Revenues	6,630,712	10,140,144	486,712	2,964,884	965,156	21,187,608
OPERATING EXPENSES						
Personal service	393,795	689,466	388,346	517,326	67,585	2,056,518
Supplies	86,341	233,096	64,653	84,312	2,261	470,663
Other services and charges	3,829,933	7,982,086	72,499	591,695	800,121	13,276,334
Depreciation and amortization	478,305	498,731	96,711	707,834	-	1,781,581
Total Operating Expenses	4,788,374	9,403,379	622,209	1,901,167	869,967	17,585,096
OPERATING INCOME (LOSS)	1,842,338	736,765	(121,220)	1,063,717	95,252	3,616,852
NON-OPERATING REVENUES (EXPENSES)						
Investment Income						
Interest Earned on Investments	76,377	13,046	2,688	49,614	8,777	150,502
Increase (Decrease) in Fair Value of Investments	(81,086)	(60,466)	4,506	(30,314)	5,096	(162,264)
Intergovernmental Revenue	349,840	11,280	-	81,908	88,826	531,854
Bond interest payments	-	(21,427)	-	-	-	(21,427)
Gain on Sale of Capital Assets	16,986	7,090	-	2,338	-	26,414
Total Non-Operating Revenues (Expenses)	362,117	(50,477)	7,194	103,546	102,699	525,079
Income (Loss) Before Capital Contributions and Transfers	2,204,455	686,288	(114,026)	1,167,263	197,951	4,141,931
Transfers In	-	500,000	-	-	-	500,000
Change in Net Position	2,204,455	1,186,288	(114,026)	1,167,263	197,951	4,641,931
NET POSITION, January 1	19,027,895	11,413,514	2,765,232	15,975,665	427,729	49,610,035
NET POSITION, December 31	\$ 21,232,350	\$ 12,599,802	\$ 2,651,206	\$ 17,142,928	\$ 625,680	\$ 54,251,966

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

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Sanitary Sewer	Water	Golf Course	Storm Drainage	Solid Waste Recycling	Total	
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash received from customers and users, including deposits	\$ 6,333,466	\$ 9,868,841	\$ 394,610	\$ 2,809,319	\$ 952,725	\$ 20,358,961	\$ 343,585
Cash payments to suppliers for goods and services	(3,798,363)	(8,272,090)	(138,154)	(656,194)	(865,966)	(13,730,767)	(506,986)
Cash payments to employees	(392,938)	(686,085)	(364,130)	(510,048)	(65,476)	(2,018,677)	12,122
Other operating revenues	6,975	149,024	104,476	12,771	-	273,246	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	2,149,140	1,059,690	(3,198)	1,655,848	21,283	4,882,763	(151,279)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers In From Other Funds	-	500,000	-	-	-	500,000	-
Advance Repayment to Other Funds	-	(347,521)	-	-	-	(347,521)	-
Advance Repayment From Other Funds	347,521	-	-	-	-	347,521	-
Subsidy from governmental grants	-	11,280	-	81,908	88,826	182,014	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	347,521	163,759	-	81,908	88,826	682,014	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Purchase of capital assets	(355,243)	(45,893)	-	(619,480)	-	(1,020,616)	-
Subsidy from governmental grants	349,840	-	-	-	-	349,840	-
Lease - GASB 87	(19,845)	(20,061)	(10,464)	(19,845)	-	(70,215)	-
Interest paid on capital debt	-	(36,100)	-	-	-	(36,100)	-
Bond Payment	-	(240,000)	-	-	-	(240,000)	-
Proceeds from sale of capital assets	16,986	7,090	-	2,338	-	26,414	-
NET CASH PROVIDED (USED) IN CAPITAL AND RELATED FINANCING ACTIVITIES	(8,262)	(334,964)	(10,464)	(636,987)	-	(990,677)	-
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest received on investments	68,103	9,967	2,686	45,185	8,235	134,176	29,859
Increase (Decrease) in Fair Value of Investments	(81,086)	(60,466)	4,506	(30,314)	5,096	(162,264)	71,331
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(12,983)	(50,499)	7,192	14,871	13,331	(28,088)	101,190
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,475,416	837,986	(6,470)	1,115,640	123,440	4,546,012	(50,089)
CASH AND CASH EQUIVALENTS, JANUARY 1 as restated	1,305,067	-	94,538	1,151,333	319,449	2,870,387	1,448,693
CASH AND CASH EQUIVALENTS, DECEMBER 31	3,780,483	837,986	88,068	2,266,973	442,889	7,416,399	1,398,604
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES							
Operating Income (Loss)	1,842,338	736,765	(121,220)	1,063,717	95,252	3,616,852	(451,823)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities							
Depreciation	478,305	498,731	96,711	707,834	-	1,781,581	-
Pension related activity	6,622	12,992	6,849	10,601	1,018	38,082	-
Changes in elements affecting cash:							
(Increase) Decrease in Accounts receivable	(95,637)	(123,040)	(1,903)	(174,683)	(12,494)	(407,757)	-
(Increase) Decrease in Special assessments	(191,657)	762	-	4,216	-	(186,679)	-
(Increase) Decrease in Due from other governmental units	(2,976)	-	-	27,674	-	24,698	-
(Increase) Decrease in Prepaid items	(36,839)	-	-	(1,896)	-	(38,735)	-
Increase (Decrease) in Accounts payable	186,879	23,818	(946)	(892)	(64,271)	144,588	13,711
Increase (Decrease) in Accrued payroll	(92)	(518)	583	82	1,091	1,146	-
Increase (Decrease) in Compensated absences	5,089	(450)	21,190	5,238	-	31,067	-
Increase (Decrease) in Contracts payable	(32,360)	-	-	22,783	-	(9,577)	-
Increase (Decrease) in Customer deposits	-	(92,398)	-	-	-	(92,398)	-
Increase (Decrease) in Due to other governmental units	230	11,671	(56)	(183)	687	12,349	-
Increase (Decrease) in Net other postemployment benefits obligation	(10,762)	(8,643)	(4,406)	(8,643)	-	(32,454)	-
Increase (Decrease) in Insurance claim payable	-	-	-	-	-	-	286,833
Total Adjustments	306,802	322,925	118,022	592,131	(73,969)	1,265,911	300,544
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 2,149,140	\$ 1,059,690	\$ (3,198)	\$ 1,655,848	\$ 21,283	\$ 4,882,763	\$ (151,279)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES							
Increase/(Decrease) in fair value of investments	\$ (81,086)	\$ (60,466)	\$ 4,506	\$ (30,314)	\$ 5,096	\$ (162,264)	\$ 71,331

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

City of Roseville, Minnesota
 STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUND
 December 31, 2023

Statement 9
 (Page 1 of 1)

	<u>Roseville Islamic Cemetery Fund</u>
ASSETS:	
Cash and cash equivalents	\$ 86,050
Receivables	
Investment interest receivable	<u>316</u>
TOTAL ASSETS	<u>86,366</u>
 LIABILITIES:	
Due to other organizations	<u>86,366</u>
 Net Position:	
Restricted	<u><u>\$ -</u></u>

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

	Roseville Islamic Cemetery Fund
ADDITIONS:	
Investment Income	
Interest earned on investments	\$ 1,938
Increase (decrease) in fair value of investments	3,183
TOTAL ADDITIONS	5,121
DEDUCTIONS:	
Payments due to other entities	(5,121)
TOTAL DEDUCTIONS	(5,121)
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	-
Net position - beginning	-
Net position - ending	\$ -

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

Note 1 SUMMARY DESCRIPTION OF THE PLAN

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. With the economic resource's 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 American Rescue Plan (ARPA) fund accounts for revenues and expenditures related to the Coronavirus State and Local Fiscal Recovery Funds grant authorized by the American Rescue Plan Act. The City did not budget for these funds.

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.

The Roseville economic development authority accounts for the revenue and expenditures used for the activity of the Roseville Economic Development Authority general operations.

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 solid waste 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.

Fiduciary Fund - Custodial funds are used to account for assets held by the City as an agent for other organizations and are not available to the City for general operations. The City's custodial fund accounts for resources held by the City for the Roseville Islamic Cemetery. The funds use the economic resources measurement focus.

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

Cash and investment balances from all funds are pooled and invested to the extent available in authorized investments. Investment income is allocated to individual funds on the basis of the fund's equity in the cash and investment pool.

Investments are stated at fair value, except for investments in external investment pools that meet GASB 79 requirements, which are stated at amortized costs. Interest earnings are accrued at year-end.

For purposes of the Statement of Cash Flows, 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.

Authorized investments are pursuant to applicable Minnesota Statutes including Chapter 118A and the more restrictive City policy. Minnesota Statutes authorize the City to invest in the following:

- a) United States Treasury obligations and United States Government Agency securities (excluding high-risk mortgage-backed securities).
- b) Obligations of the State of Minnesota or any of its municipalities as follows:
 - 1. any security which a general obligation of any state or local government with taxing powers which is rated "A" or better by a national bond rating service;
 - 2. any security which is a revenue obligation of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service; and
 - 3. a general obligation of the Minnesota housing finance agency which is a moral obligation of the State of Minnesota and is rated "A" or better by a national bond rating agency.
 - 4. Any security which is an obligation of a school district with an original maturity is not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in a credit enhancement program pursuant to section 126C.55.
- c) Bankers' acceptance of United States banks eligible for purchase by the Federal Reserve System.

- d) Commercial paper issued by United States corporations or their Canadian subsidiaries, of the highest quality, and maturing in 270 days or less.
- e) Repurchase or reverse repurchase agreements with U.S. government.
- f) General obligation temporary bonds of the same governmental entity issued under section 429.091, subdivision 7; 469.178, subdivision 5; or 475.61, subdivision 6.
- g) Time deposits that are fully insured by the Federal Deposit Insurance Corporation.
- h) Guaranteed Investment contracts issued or guaranteed by United States commercial banks, domestic branches of foreign banks, United States insurance companies, or their Canadian subsidiaries, or domestic affiliates of any if the foregoing with a credit quality in in one of the two highest risk rating categories by at least one nationally recognized statistical rating organization.
- i) Shares of a Minnesota joint powers investment trust whose investments are restricted to securities described in Section 118A.04 and 118A.05.

Investments for the City and the component unit 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.

The entity's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the entity may receive variable lease payments that are dependent upon the lessee's revenue/the lessee's usage levels.

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. The City uses the consumption method for accounting prepaid expenses, where the City reports the prepaid items as an asset in the period in which they are purchased and defers the recognition of the expenditure until the period in which the prepaid items are used or consumed.

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:

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

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

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 a consumption of net assets 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 qualify for reporting in this category. The City 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 assets 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 three 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 three sources: property taxes, special assessments and lease agreements. 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 and leases. Deferred inflows of resources related to pensions results from the net difference expected and actual economic experience and changes in proportion. The deferred inflow of resources is recorded at the commencement of the lease in an amount equal to the initial recording of the lease receivable, and is recognized as revenue over the lease term.

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.

9. 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.

10. 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.

b. Minimum Fund Balance

It is the City's policy that at the end of each year, the City will maintain the unrestricted portion of the fund balance for cash flow in a range equal to 35% to 50% of the General Fund operating expenditures budgeted for next year. At December 31, 2023 this percentage was 44% and therefore the minimum fund balance was met.

11. 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

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forfeitures generated from driving under the influence (DUI) or drug possession whose proceeds are restricted for specific law enforcement uses. Opioid revenues are settlement funds that are restricted for the prevention of opioid addiction throughout the community. 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 use. 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	(\$11,975,000)
Premium on bonds payable	(668,341)
Bond interest payable	(116,535)
Net OPEB obligation	(1,196,413)
Net Pension liability	(17,358,754)
Compensated absences	<u>(2,412,071)</u>
Net change due to long-term liabilities	<u>(\$33,727,114)</u>
Other long-term assets:	
Net pension obligation - fire relief	\$5,025,594
Elimination of unavailable deferred revenue	\$1,047,641
Deferred outflows of resources	18,381,687
Capital assets - net of depreciation	<u>139,376,004</u>
Net change in other long-term assets	<u>\$163,830,926</u>

CITY OF ROSEVILLE, MINNESOTA
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B. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the governmental-wide statement of activities 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	\$3,508,923
Capital asset contribution	-
Depreciation expense	<u>(5,102,561)</u>
Net change in fund-balances-total governmental funds and change in net position of governmental activities	<u><u>(\$1,593,638)</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, 2023 consist of the following:

Deposits	\$1,863,434
Investments	60,875,277
Cash on Hand	<u>11,300</u>
Total	<u><u>\$62,750,011</u></u>

Cash and investments at year-end December 31, 2023 consist of the following:

Statement of Net Positions - Government Wide	
Cash and cash equivalents	\$62,663,961
Statement of Fiduciary Net Positions	
Cash and cash equivalents - Custodial Funds	<u>86,050</u>
Total	<u><u>\$62,750,011</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 City's deposits were fully insured and

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collateralized at December 31, 2023. The City's investment policy has no additional deposit policies addressing custodial credit risk.

2. Deposits

As of December 31, 2023 the City's bank balances of \$1,851,779 were covered by insurance or collateral pledged and held in the City's name.

3. Investments

The City has the following investments at year-end December 31, 2023:

Investment type	Rating	Investment maturities				Total
		Less than one year	1-5 years	6-10 years	Over 10 Years	
Municipal securities	A, A+, A1, AA-, AA, AA+, Aa2, Aa3, AAA-, AAA	\$ 6,190,400	\$22,666,071	\$ 9,863,020	\$ 130,332	\$38,849,823
U.S. Agency Securities	AA+	500,095	439,745	-	-	939,840
Certificates of Deposit	NA	709,961	686,545	-	-	1,396,506
Money Market Funds	AAAmmf	19,689,108	-	-	-	19,689,108
Total		<u>\$ 27,089,564</u>	<u>\$23,792,361</u>	<u>\$ 9,863,020</u>	<u>\$ 130,332</u>	<u>\$60,875,277</u>

The City has the following recurring fair value measurements as of December 31, 2023:

- Municipal securities and US Agency securities of \$39,789,663 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)
- The money market fund is an external investment pool. The fund seeks to maintain a constant net asset value (NAV) of \$1 per share. The securities held by each fund are valued on the basis of amortized cost. Shares may be redeemed without penalty on any business day.

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

Credit risk – Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The City's policy to minimize credit risk includes limiting investing funds to those allowable under Minnesota Statute 118A, annually appointing all financial institutions where investments are held, and diversifying the investment portfolio. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Custodial credit risk – For investments, this is the risk that in the event of failure of the counterparty to an investment transaction 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 – Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issuer. The City's investment policy does not limit the concentration of investments. At December 31, 2023, the City held 8.15% with New York NY G.O. and 6.64% with Anchor Bay, MI School District.

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Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City's investment policy does not address interest rate risk. The City holds all investments to maturity.

B. Receivables

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

	Unavailable
Delinquent property taxes (General)	\$ 315,433
Delinquent property taxes (Telecommunications)	2,452
Delinquent property taxes (Recreation)	60,384
Delinquent property taxes (Debt service)	42,772
Delinquent property taxes (Revolving Improvements)	67,625
Delinquent property taxes (Street Construction)	21,640
Delinquent property taxes (EDA)	12,951
Delinquent special assessments (General)	1,168
Special assessments not yet due (G.O. Improvement Bonds)	25,077
Special assessments not yet due (Street Construction)	498,140
Deferred Lease Revenue (General)	3,795,314
Total deferred inflows for governmental funds	<u>\$ 4,842,956</u>

Significant receivable balances not expected to be collected within one year of December 31, 2023 are as follows:

	Special Assessments Receivable	Notes Receivable	Leases Receivable	Total
Major Funds:				
General	\$ 1,168	\$ -	\$3,434,523	\$3,435,691
Community Development	-	1,309,801	-	1,309,801
Debt Service	25,077	-	-	25,077
Street Construction	498,140	-	-	498,140
Roseville Economic Development Authority	-	1,639,098	-	1,639,098
	<u>\$ 524,385</u>	<u>\$2,948,899</u>	<u>\$3,434,523</u>	<u>\$6,907,807</u>

CITY OF ROSEVILLE, MINNESOTA
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C. Capital asset

Capital asset activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Completed Construction & Transfers	Ending Balance
Governmental activities					
Capital assets not being depreciated					
Land	\$29,340,857	\$ -	\$ -	\$ -	\$29,340,857
Permanent easements	7,731,893	-	-	-	7,731,893
Construction in progress	5,647,514	872,402	-	(5,650,305)	869,611
Total capital assets not being depreciated	42,720,264	872,402	-	(5,650,305)	37,942,361
Capital assets being depreciated					
Buildings	41,738,754	-	-	2,860,785	44,599,539
Improvements other than buildings	11,789,293	180,647	-	2,452,848	14,422,788
Machinery and equipment	23,079,590	1,424,130	(763,993)	(28,196)	23,711,531
Infrastructure	124,036,304	1,031,744	-	253,652	125,321,700
Total capital assets being depreciated	200,643,941	2,636,521	(763,993)	5,539,089	208,055,558
Less accumulated depreciation for					
Buildings	17,376,077	942,696	-	-	18,318,773
Improvements other than buildings	6,136,307	660,633	-	-	6,796,940
Machinery and equipment	15,613,432	1,065,471	(746,968)	-	15,931,935
Infrastructure	63,140,506	2,433,761	-	-	65,574,267
Total accumulated depreciation	102,266,322	5,102,561	(746,968)	-	106,621,915
Total capital assets being depreciated, net	98,377,619	(2,466,040)	(17,025)	5,539,089	101,433,643
Governmental activities capital assets, net	<u>\$141,097,883</u>	<u>(\$1,593,638)</u>	<u>(\$17,025)</u>	<u>(\$111,216)</u>	<u>\$139,376,004</u>

CITY OF ROSEVILLE, MINNESOTA
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	Beginning Balance	Increases	Decreases	Completed Construction & Transfers	Ending Balance
Business-type activities					
Capital assets not being amortized/depreciated					
Land	\$893,299	\$ -	\$ -	\$ -	\$893,299
Construction in progress	906,583	675,079	-	(1,003,556)	578,106
Total capital assets not being amortized/depreciated	1,799,882	675,079	-	(1,003,556)	1,471,405
Capital assets being amortized/depreciated					
Buildings	4,307,997	-	(116,091)	-	4,191,906
Improvements other than buildings	1,456,694	-	-	-	1,456,694
Machinery and equipment	5,492,961	261,701	(89,251)	-	5,665,411
Infrastructure	72,657,035	83,833	-	1,003,556	73,744,424
Total capital assets being amortized/depreciated	83,914,687	345,534	(205,342)	1,003,556	85,058,435
Less accumulated amortization/depreciation for					
Buildings	1,795,617	124,606	(116,091)	-	1,804,132
Improvements other than buildings	1,233,211	60,309	-	-	1,293,520
Machinery and equipment	4,347,241	312,287	(89,251)	-	4,570,277
Infrastructure	28,957,634	1,284,378	-	-	30,242,012
Total accumulated amortization/depreciation	36,333,703	1,781,580	(205,342)	-	37,909,941
Total capital assets being amortized/depreciated, net	47,580,984	(1,436,046)	-	1,003,556	47,148,494
Business-type activities capital assets, net	\$49,380,866	(\$760,967)	\$ -	\$ -	\$48,619,899

*Refer to note G.1 "Right to Use Leased Assets" for additional detail

CITY OF ROSEVILLE, MINNESOTA
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Depreciation and amortization expense was charged to functions/programs of the City is follows:

Governmental activities:

General government	\$467,015
Public safety	687,389
Public works including depreciation of infrastructure	2,807,973
Recreation	<u>1,140,184</u>

Total depreciation expense - governmental activities	<u><u>\$5,102,561</u></u>
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Business-type activities:

Sanitary sewer	\$478,305
Water	498,730
Golf	96,711
Storm drainage	<u>707,834</u>

Total amortization/depreciation expense - business-type activities	<u><u>\$1,781,580</u></u>
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D. Construction commitments

The City has construction projects in progress as of December 31, 2023. 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
Lexington Pathway TH36	\$721,605	\$133,371
McCarrons Retaining Wall	107,296	7,734
2023 Drainage Improvements	481,662	12,630

CITY OF ROSEVILLE, MINNESOTA
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E. Interfund receivables, payables, and transfers

Transfers are used to 1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, 2) move grant funds to specific funds where the grant dollars are used (specifically American Recovery Program Act dollars), 3) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs. The following is a schedule of interfund transfers as of December 31, 2023:

<u>Fund</u>	<u>Transfer In</u>	<u>Description</u>
Transfers to General Fund from:		
License Center	504,318	2023 Budgeted Transfer - Admin Support, and Excess Fund Balance per Council Approval
Parks & Recreation Fund	162,207	Excess of Fund Balance per Council Approval
ARPA Fund	316,469	To fund for ADA software, Public Safety second SRO, Social Worker, Housing Navigator, and Metro-INET Costs
Total General Fund	<u>982,994</u>	
Transfers to Debt Service Fund from:		
Economic Increments Construction	<u>265,931</u>	Principle, Interest, and Bond Issuance Costs
Transfers to Telecommunications Fund from:		
ARPA Fund	<u>20,444</u>	Systems Redesign and Implementation
Transfers to Revolving Improvements Fund from:		
General Fund	<u>200,000</u>	2023 Budget Transfer - Capital Purchases
Transfers to Water Fund from:		
ARPA Fund	<u>500,000</u>	2023 Budget Transfer - Capital Purchases
	<u>\$ 1,969,369</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 six 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 the agreements, 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, 2023, the City generated \$2,429,997 in tax increment revenue and made \$811,284 in payments to developers.

CITY OF ROSEVILLE, MINNESOTA
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G. Leases

1. Right to Use Leased Assets

The City has recorded 2 right to use leased assets for a vehicle and building space. The related leases are discussed in Long Term Liabilities footnote disclosure.

The City of Roseville has entered into lease agreements to lease various assets. Lease agreements that qualify as other than short-term leases under GASB 87 have been recorded at the present value of the future minimum lease payments as of the date of lease commencement.

The City entered into an agreement which commenced January 1, 2022 to lease golf carts. The lease requires 60 bi-monthly lease payments of \$1,875. The lease liability is measured at discount rate of 2% which is the City's incremental borrowing rate. As a result of the lease, the City has recorded a right to use asset with the net book value of \$32,039 on December 31, 2023.

This City entered into an agreement which commenced January 1, 2022 to lease a storage unit. The lease requires 24 monthly lease payments of \$4,863. The lease liability is measured at a discount rate of 2% which is the City's incremental borrowing rate. As a result of the lease, the City has recorded a right to use asset with the net book value of \$0 on December 31, 2023.

Right to use leased asset activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Additions	Modifications & Remeasurements	Subtractions	Ending Balance
Right to use leased assets					
Vehicles	\$ 53,397	\$ -	\$ -	\$ -	\$ 53,397
Buildings	116,091	-	-	116,091	-
Total leased assets	169,488	-	-	116,091	53,397
Less: accumulated amortization for:					
Vehicles	(10,679)	(10,679)	-	-	(21,358)
Buildings	(58,046)	(58,045)	-	(116,091)	-
Total accumulated amortization	(68,725)	(68,724)	-	(116,091)	(21,358)
Total right to use leased assets, net	\$ 100,763	\$ (68,724)	\$ -	\$ 232,182	\$ 32,039

	Beginning Balance	Additions	Modifications & Remeasurements	Subtractions	End of Year	Due Within One Year
Lease Liabilities	\$ 107,433	\$ -	\$ -	\$ 74,757	\$ 32,676	\$ 10,675

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	For the year ended 12/31/2023
Amortization expense by asset class:	
Vehicles	\$ 10,679
Buildings	58,045
Total amortization expense	68,724
Variable lease expense	-
Interest on lease liabilities	1,433
Other lease expense	-
Total expense recognized in relation to leased assets	\$ 70,157

Principal and interest requirements to maturity for the lease liabilities as of December 31, 2023 were as follows:

Year Ending	Vehicle Lease Liability		
	Principal Payments	Interest Payments	Total
2024	\$ 10,675	\$ 575	\$ 11,250
2025	10,891	359	11,250
2026	11,110	140	11,250
	<u>\$ 32,676</u>	<u>\$ 1,074</u>	<u>\$ 33,750</u>

2. Lease Receivable

The City leases a portion of its water towers for cellular tower antenna sites. These leases are non-cancelable with an automatic renewal period at the lessee's option. The City of Roseville considers these options being exercised to be greater than 50%. The agreements call for annual lease payments for \$13,000-\$51,000 with annual increases based on the contract agreement. The lease receivable is measured as the present value of the future minimum lease payments expected to be received during the lease term at a discount rate of 2% which is based on the City's borrowing rate over the same time periods.

The following table shows additional details of the lease contracts:

Location	Lessee	Annual Lease Adjustment Factor	Expiration Date	Renewal Options
1901 Alta Vista	Cingular	4% Increase on Jan 1	10/31/28	5 year terms
1901 Alta Vista	Clearwire	1% Increase Apr 1 & 2% May 1	04/30/25	5 year terms
1901 Alta Vista	Sprint	4% Increase Jan	12/31/27	5 year terms
1901 Alta Vista	T-Mobile	4% Increase Jan	12/31/27	10 year terms
1901 Alta Vista	Verizon	2.5% Increase on Jun 1	05/31/28	5 year terms
2501 Fairview (Lattice Tower)	Clearwire	1% Increase Apr 1 & 2% May 1	04/30/26	5 year terms
2501 Fairview (Lattice Tower)	Sprint	4% Increase Jan 1	12/31/26	5 year terms
2501 Fairview (Lattice Tower)	T-Mobile	3% Increase Jan 1	12/31/28	5 year terms
2501 Fairview (Water Tower)	AT&T	3% Increase on Aug 1	07/31/26	5 year terms
2501 Fairview (Water Tower)	Verizon	3% Increase on Jan 1	08/31/25	5 year terms
2660 Civic Center Dr (South Tower)	Sprint	3% Increase on Sep 1	09/15/28	5 year terms
2660 Civic Center Dr (South Tower)	T-Mobile	3% Increase on Sep 1	09/14/24	5 year terms
2660 Civic Center Dr (South Tower)	Verizon	3% Increase on Sep 1	08/31/24	5 year terms
2660 Civic Center Dr (North Tower)	AT&T	3% Increase on Sep 1	12/31/24	5 year terms

At December 31, 2023 the entity recorded \$3,795,314 in lease receivables and deferred inflows of resources for these arrangements.

Total revenue recognized in relation to these leases is as follows:

	For the year ended 12/31/2023
Amortization of lease-related deferred inflows	
Antenna leases	\$ 440,375
Other leases	53,835
Total revenue recognized resulting from deferred inflow amortization	494,210
Variable lease revenue	-
Interest revenue	76,820
Other lease revenues	-
Total revenue recognized in relation to leased assets	\$ 571,030

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 are direct obligations and pledge the full faith and credit of the government. The original amount of general obligation bonds for the issues listed below is \$27,240,000.

General obligation debt currently outstanding is as follows:

Purpose	Net Interest Rates	Amount
Governmental activities	.85% - 5.6%	\$11,975,000
Business-Type activities	1.0% - 2.0%	\$2,095,000

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

Years ending December 31	Governmental activities		Business-Type activities	
	Principal	Interest	Principal	Interest
2024	\$ 2,145,000	\$ 299,871	\$ 245,000	\$ 31,250
2025	2,215,000	236,621	250,000	26,300
2026	2,155,000	174,556	255,000	21,250
2027	2,230,000	115,606	260,000	16,100
2028	2,280,000	56,659	265,000	10,850
2029-2033	950,000	56,294	820,000	12,350
Total	<u>\$11,975,000</u>	<u>\$939,607</u>	<u>\$2,095,000</u>	<u>\$118,100</u>

a. CURRENT REFUNDING

On December 29, 2020 the City issued \$4,775,000 in General Obligation Refunding Bonds, Series 2020A. The proceeds were used to current refund the City's General Obligation Bonds, Series 2011A. The City will realize a savings in interest costs of \$417,806 over the life of the bonds. The net present value cash flow savings of the transaction was \$410,030.

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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	\$11,880,000	\$ -	\$1,910,000	\$9,970,000	\$1,945,000
Premium on Bonds Payable	823,022	-	154,681	668,341	-
Tax Increment Revenue Bonds	2,205,000	-	200,000	2,005,000	200,000
Total Bonds Payable	<u>14,908,022</u>	<u>-</u>	<u>2,264,681</u>	<u>12,643,341</u>	<u>2,145,000</u>
Compensated Absences	2,225,133	1,877,435	1,690,497	2,412,071	482,414
Insurance Claims Payable	67,091	439,989	153,156	353,924	167,052
Governmental activities Long-Term Liabilities	<u>\$17,200,246</u>	<u>\$2,317,424</u>	<u>\$4,108,334</u>	<u>\$15,409,336</u>	<u>\$2,794,466</u>
Business-Type Activities					
Bonds payable					
General Obligation Bonds	\$2,335,000	\$ -	240,000	\$2,095,000	\$245,000
Premium on Bonds Payable	103,145	-	12,893	90,252	-
Total Bonds Payable	<u>2,438,145</u>	<u>-</u>	<u>252,893</u>	<u>2,185,252</u>	<u>245,000</u>
Compensated Absences	<u>\$137,277</u>	<u>153,281</u>	<u>\$122,215</u>	<u>168,343</u>	<u>33,669</u>
Business type activities Long-Term Liabilities	<u>\$2,575,422</u>	<u>\$153,281</u>	<u>\$375,108</u>	<u>\$2,353,595</u>	<u>\$278,669</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, 2023, there were five series of Housing and Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$68.5 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 2023, the Worker's Compensation Fund provided coverage up to a maximum of \$500,000 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 \$2,000,000. 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 claim's 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 four fiscal years. There were no significant reductions in the City's insurance coverage in 2023. 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, 2023, were \$405,940 and \$597,463 for the Workers' Compensation Fund and Risk Management Fund, respectively. The claims liability of \$177,033 and \$176,891, respectively, reported in both funds at December 31, 2023 are based on the requirements of Governmental Accounting Standards Board Statement No. 10.

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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 2022 and 2023 were:

Worker's Compensation Fund					
Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in estimates	Claims Payment	Ending of Fiscal Year Liability	
2022	\$ 103,542	\$ 535,943	\$ 606,469	\$ 33,016	
2023	\$ 33,016	\$ 273,489	\$ 129,472	\$ 177,033	

Risk Management Fund					
Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in estimates	Claims Payment	Ending of Fiscal Year Liability	
2022	\$ 218,639	\$ (66,967)	\$ 117,597	\$ 34,075	
2023	\$ 34,075	\$ 166,500	\$ 23,684	\$ 176,891	

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 defined benefit pension plans

1. Public Employees' Retirement Association

A. Plan Description

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

1. General Employees Retirement Fund (GERF)

All full-time (with the exception of employees covered by PEPFF) and certain part-time employees of the City are covered by the General Employees Retirement Fund (GERF). GERF members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

2. Public Employees Police and Fire Fund (PEPFF)

The PEPFF, 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 PEPFF also covers police officers and firefighters belonging to local relief associations 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. 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.

1. GERF 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 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 members is 1.2% for each of the first ten years of service and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated Plan members is 1.7% for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

2. PEPFF Benefits

Benefits for PEPFF members first hired after June 30, 2010 but before July 1, 2014 vest on a prorated basis from 50% after five years up to 100% after ten years of credited service. Benefits for PEPFF members first hired after June 30, 2014 vest on a prorated basis from 50% after ten years up to 100% after twenty years of credited service. The annuity accrual rate is 3% of average salary for each year

of service. For PEPFF members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

Benefit increases are provided to benefit recipients each January. The postretirement increase is fixed at 1%. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

C. Contributions

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

1. GERS Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2023 and the City was required to contribute 7.50% for Coordinated Plan members. The City's contributions to the GERS for the year ended December 31, 2023 were \$781,793. The City's contributions were equal to the required contributions as set by state statute.

2. PEPFF Contributions

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2023 and the City was required to contribute 17.70% for Police and Fire Plan members. The City's contributions to the PEPFF for the year ended December 31, 2023 were \$1,463,654. The City's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

1. GERS Pension Costs

At December 31, 2023, the City reported a liability of \$7,744,765 for its proportionate share of GERS's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. 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 \$213,469.

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The net pension liability was measured as of June 30, 2023, 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 proportionate share 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, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.1385% at the end of the measurement period and 0.1522% for the beginning of the period.

City's proportionate share of the net pension liability	\$7,744,765
State of Minnesota's proportionate share of the net pension liability associated with the City	213,469
Total	<u>\$7,958,234</u>

For the year ended December 31, 2023, the City recognized pension expense of \$1,068,143 for its proportionate share of the GERS's pension expense. In addition, the City recognized an additional \$959 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the GERS.

At December 31, 2023, the City reported its proportionate share of the GERS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$254,341	(\$50,714)
Changes in actuarial assumptions	1,194,233	(2,122,774)
Difference between projected and actual investment earnings	-	(214,250)
Changes in proportion	45,097	(560,071)
Contributions paid to PERA subsequent to the measurement date	397,673	-
Total	<u>\$1,891,344</u>	<u>(\$2,947,809)</u>

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The \$397,673 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, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expense
2024	(\$36,788)
2025	(1,261,148)
2026	11,808
2027	(168,010)
2028	-
Thereafter	-

2. PEPFF Pension Costs

At December 31, 2023, the City reported a liability of \$10,665,149 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2023 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 proportionate share 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, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.6176% at the end of the measurement period and 0.6188% for the beginning of the period.

The State of Minnesota also contributed \$18 million to PEPFF during the plan fiscal year ended June 30, 2023. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state aid was paid on October 1, 2022. Thereafter, by October 1 of each year, the state will pay \$9 million to the PEPFF until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$429,615.

City's proportionate share of the net pension liability	\$10,665,149
State of Minnesota's proportionate share of the net pension liability associated with the City	429,615
Total	<u>\$11,094,764</u>

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The State of Minnesota is included as a non-employer contributing entity in the PEPFF Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$9 million in direct state aid. PEPFF employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2023, the City recognized pension expense of \$4,127,222 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized an additional \$25,875 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$9 million to the PEPFF.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The City recognized \$55,584 for the year ended December 31, 2023 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.

At December 31, 2023, the City reported its proportionate share of the PEPFF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$2,943,293	\$ -
Changes in actuarial assumptions	12,373,998	(14,998,137)
Difference between projected and actual investment earnings	-	(495,829)
Changes in proportion	685,374	(194,945)
Contributions paid to PERA subsequent to the measurement date	734,471	-
Total	<u>\$16,737,136</u>	<u>(\$15,688,911)</u>

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The \$734,471 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, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Pension Expense</u>
2024	\$664,240
2025	216,850
2026	2,661,983
2027	(580,439)
2028	(2,648,880)
Thereafter	-

The net pension liability will be liquidated by the general, water, sewer, storm, solid waste and golf funds.

E. Actuarial Assumptions

The total pension liability in the June 30, 2023 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.25% per year
Investment Rate of Return	7.00%

The long-term investment rate of return is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates deemed to be reasonable by the actuary. An investment return of 7.00% was deemed to be within that range of reasonableness for financial reporting purposes.

Benefit increases after retirement are assumed to be 1.25% for the GERF and 1.00% for the PEPFF.

Salary growth assumptions in the GERF range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service. In the PEPFF, salary growth assumptions range from 11.75% after one year of service to 3.0% after 24 years of service.

Mortality rates for GERF were based on the Pub-2010 General Employee Mortality Table. Mortality rates for PEPFF were based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions for GERF are reviewed every four years. The most recent four-year experience study for GERF was completed in 2022. The assumption changes were adopted by the Board and become effective with the July 1, 2023 actuarial valuation. The most recent four-year experience study for PEPFF was completed in 2020 and adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2023:

General Employees Fund

Changes in Actuarial Assumptions:

- The investment return assumption and single discount rate were changed from 6.50% to 7.00%.

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$170.1 million was contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010 was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.50% minus the actual adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

Police and Fire Fund

Changes in Actuarial Assumptions:

- The investment return assumption was changed from 6.50% to 7.00%.
- The single discount rate changed from 5.40% to 7.00%.

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$19.4 million was contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014 was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50% vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, non-compounding benefit increase of 3.00% will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

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 equity	33.5%	5.10%
International equity	16.5%	5.30%
Fixed income	25%	0.75%
Private markets	25%	5.90%
Total	100%	

F. Discount Rate

The discount rate used to measure the total pension liability in 2023 was 7.00%. 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 these assumptions, the fiduciary net position of the GERP and PEPFF were 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 presents the City's proportionate share of the net pension liability, 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 one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current discount rate:

	<u>1% Decrease in Discount Rate</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
Proportionate share of the GERP net pension liability	\$13,701,111	\$7,744,765	\$2,845,444
Proportionate share of the PEPFF net pension liability	\$21,160,928	\$10,665,149	\$2,036,215

H. Pension Plan Fiduciary Net 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 at www.mnpera.org.

I. PENSION EXPENSE

Pension expense recognized by the City for the year ended December 31, 2023 is as follows:

GERF	\$1,069,102
PEPFF	4,101,347
Fire Relief	<u>(1,198,972)</u>
Total	<u>\$3,971,477</u>

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, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	67
Inactive employees entitled to but not yet receiving benefits	15
Active employees	<u>4</u>
Total	<u>86</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

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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 \$ 48,725 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, 2023 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 June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.50% per year
Discount rate	7.00% percent average
Investment Rate of Return	7.00% percent , net of pension plan investment expense

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) 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	77.51%	4.91%	7.41%
International equity	0.00%	5.32%	7.82%
Fixed income	21.86%	2.30%	4.80%
Real estate and alternatives	0.00%	3.79%	6.29%
Cash and equivalents	0.63%	0.77%	3.27%
Total	100%		7.09%
Reduced for assumed investment expense			-0.10%
Net assumed investment return (rounded to quarter percent)			7.00%

Discount rate:

The discount rate used to measure the total pension liability was 7.00%. 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.

CITY OF ROSEVILLE, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

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, 2023	<u>\$ 10,401,098</u>	<u>\$ 12,870,933</u>	<u>\$ (2,469,835)</u>
Changes for the year			
Service cost	19,131	-	19,131
Interest	599,189	-	599,189
Differences between expected and actual experience	57,073	-	57,073
Changes in assumptions	(851,626)	-	(851,626)
Contributions - state and local	-	48,725	(48,725)
Change of benefit terms	291,640	-	291,640
Net investment income	-	2,650,695	(2,650,695)
Benefit payments, including refunds of employee contributions	(867,484)	(867,484)	-
Administrative expense	-	(28,254)	28,254
Other charges	-	-	-
Net Charges	<u>\$ (752,077)</u>	<u>\$ 1,803,682</u>	<u>\$ (2,555,759)</u>
Balances at December 31, 2023	<u>\$ 9,649,021</u>	<u>\$ 14,674,615</u>	<u>\$ (5,025,594)</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 7.00%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net pension liability (asset)	<u>\$ (4,147,191)</u>	<u>\$ (5,025,594)</u>	<u>\$ (5,775,099)</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, 2023, the City recognized a decrease of pension expense of \$1,198,972. At December 31, 2023, 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	\$ -	\$ -
Changes in actuarial assumptions	-	-
Net difference between projected and actual investment earnings	-	75,680
	<u>\$ -</u>	<u>\$ 75,680</u>

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

Year Ending December 31,	
2024	\$ (215,857)
2025	94,653
2026	426,910
2027	(381,386)
2028	-
Thereafter	-
Total	<u>\$ (75,680)</u>

Note 5 OTHER POST-EMPLOYMENT BENEFITS

A. Plan Description

In addition to providing the pension benefits described in Note 4, 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

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, 2023 to December 31, 2023 monthly premiums paid for Police or Firefighters disabled in the line of duty are:

<u>Plan</u>	<u>Single</u>	<u>Two Person</u>	<u>Family</u>
HRA Medica	\$603	\$1,182	\$1,632
HSA Medica	\$488	\$958	\$1,322

C. Participants

As of the actuarial valuation dated January 1, 2023, participants consisted of:

Retirees and beneficiaries currently purchasing health insurance through the City	14
Disabled police and firefighters	3
Active Employees	<u>196</u>
Total	<u><u>213</u></u>

D. Total OPEB Liability and Changes in Total OPEB Liability

The City's total OPEB liability of \$1,290,091 was measured as of January 1, 2023 and was determined by an actuarial valuation dated January 1, 2023. Changes in the total OPEB liability during 2023 were:

Balances at January 1, 2023	\$1,758,292
Changes for the year	
Service cost	96,877
Interest	36,008
Assumption changes	(181,507)
Plan changes	-
Differences between expected and actual experience	(309,503)
Other Changes	-
Benefit payments	<u>(110,076)</u>
Net changes	<u>(468,201)</u>
Balance at December 31, 2023	<u>\$1,290,091</u>

There were no plan changes since the measurement date of January 1, 2023.

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	Service Graded Table
Discount rate	4.00%
20-year municipal bond yield	4.00%
Medical cost trend rates	6.50% as of January 1, 2023 grading to 5% over 6 years and then 4% over the next 48 years

Salary Increase Rates

Years of Service	Public Safety Salary Increase	Other Salary Increase	Years of Service	Public Safety Salary Increase	Other Salary Increase
1	11.75%	10.25%	14	3.60%	3.70%
2	9.25%	7.25%	15	3.50%	3.65%
3	8.00%	6.00%	16	3.50%	3.60%
4	7.00%	5.50%	17	3.50%	3.50%
5	5.50%	5.00%	18	3.50%	3.40%
6	4.80%	4.70%	19	3.40%	3.40%
7	4.60%	4.50%	20	3.40%	3.40%
8	4.30%	4.40%	21	3.40%	3.30%
9	4.10%	4.30%	22	3.30%	3.30%
10	4.00%	4.20%	23	3.15%	3.30%
11	3.90%	4.00%	24 or 25	3.00%	3.20%
12	3.80%	3.90%	26	3.00%	3.10%
13	3.70%	3.80%	27 or More	3.00%	3.00%

The health care trend rates were changed to better anticipate short term and long term medical increases.

The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2020 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General Safety) with MP-2021 Generational Improvement Scale.

The retirement, withdrawal, and salary increase rates for public safety employees were updated to reflect the latest experience study.

The inflation rate was changed from 2.00% to 2.50%.

The discount rate was changed from 2.00% to 4.00%.

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 (3.00%) or 1% higher (5.00%) than the current discount rate:

	1% Decrease (3.00%)	Discount Rate (4.00%)	1% Increase (5.00%)
Total OPEB liability	\$1,396,846	\$1,290,091	\$1,191,817

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 (5.50% decreasing to 4.00% then 3.00%) or 1% higher (7.50% decreasing to 6.00% then 5.00%) than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$1,154,333	\$1,290,091	\$1,451,369

Note 6 GASB STATEMENTS ISSUED BUT NOT YET IMPLEMENTED

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

Statement No. 99 *Omnibus 2022*. The provisions of this Statement contain multiple effective dates, the next implementation date being for fiscal years beginning after June 15, 2023.

Statement No. 100 *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2023.

Statement No. 101 *Compensated Absences*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2023.

Statement No. 102 *Certain Risk Disclosures*. The provision of this Statement are effective for fiscal years beginning after June 15, 2024.

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

REQUIRED SUPPLEMENTARY INFORMATION

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

GENERAL FUND

For the Fiscal Year Ended December 31, 2023

Schedule 1

(Page 1 of 1)

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes				
General property taxes	\$ 16,325,549	\$ 16,325,549	\$ 15,846,459	\$ (479,090)
Licenses and permits	605,450	605,450	562,701	(42,749)
Intergovernmental revenue	1,807,000	1,807,000	3,961,552	2,154,552
Charges for services	1,443,984	1,443,984	1,568,997	125,013
Fines and forfeits	72,500	72,500	76,371	3,871
Donations	-	-	35,631	35,631
Rentals	451,680	451,680	468,253	16,573
Special assessments	-	-	145	145
Investment income				
Interest earned on investments	52,000	52,000	211,518	159,518
Increase (decrease) in fair value of investments	-	-	596,659	596,659
Miscellaneous Revenue	120,963	120,963	179,000	58,037
Total Revenues	20,879,126	20,879,126	23,507,286	2,628,160
EXPENDITURES				
Current				
General government	4,474,864	4,474,864	4,346,115	128,749
Public safety	14,344,374	14,344,374	14,476,306	(131,932)
Public works	3,081,988	3,081,988	3,088,741	(6,753)
Total Expenditures	21,901,226	21,901,226	21,911,162	(9,936)
Excess (Deficiency) of Revenue Over (Under) Expenditures	(1,022,100)	(1,022,100)	1,596,124	2,618,224
OTHER FINANCING SOURCES (USES)				
Transfers In	597,100	597,100	982,994	385,894
Transfers Out	-	-	(200,000)	(200,000)
Total Other Financing Sources (Uses)	597,100	597,100	782,994	185,894
Net Change in Fund Balance	(425,000)	(425,000)	2,379,118	2,804,118
FUND BALANCE, January 1	8,505,943	8,505,943	8,505,943	-
FUND BALANCE, December 31	\$ 8,080,943	\$ 8,080,943	\$ 10,885,061	\$ 2,804,118

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

City of Roseville, Minnesota

REQUIRED SUPPLEMENTARY INFORMATION

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

RECREATION FUND

For the Fiscal Year Ended December 31, 2023

Schedule 2

(Page 1 of 1)

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes				
General property taxes	\$ 3,125,230	\$ 3,125,230	\$ 3,024,852	\$ (100,378)
Charges for services	2,343,410	2,343,410	2,549,644	206,234
Rentals	73,000	73,000	100,245	27,245
Donations	48,500	48,500	51,649	3,149
Special assessments	-	-	150	150
Investment income				
Interest earned on investments	15,000	15,000	47,148	32,148
Increase (decrease) in fair value of investments	-	-	56,428	56,428
Miscellaneous Revenue	41,000	41,000	68,352	27,352
Total Revenues	5,646,140	5,646,140	5,898,468	252,328
EXPENDITURES				
Current				
Recreation				
Personal services	3,679,555	3,679,555	3,434,748	244,807
Supplies and materials	367,625	367,625	361,055	6,570
Other services and charges	1,600,460	1,600,460	1,710,855	(110,395)
Total Expenditures	5,647,640	5,647,640	5,506,658	140,982
Excess (Deficiency) of Revenue Over (Under) Expenditures	(1,500)	(1,500)	391,810	393,310
OTHER FINANCING SOURCES (USES)				
Transfers In	1,500	1,500	-	(1,500)
Transfers Out	-	-	(162,207)	(162,207)
Total Other Financing Sources (Uses)	1,500	1,500	(162,207)	(163,707)
Net Change in Fund Balance	-	-	229,603	229,603
FUND BALANCE, January 1	2,007,737	2,007,737	2,007,737	-
FUND BALANCE, December 31	\$ 2,007,737	\$ 2,007,737	\$ 2,237,340	\$ 229,603

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

City of Roseville, Minnesota

REQUIRED SUPPLEMENTARY INFORMATION

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

COMMUNITY DEVELOPMENT FUND

For the Fiscal Year Ended December 31, 2023

Schedule 3

(Page 1 of 1)

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES				
Licenses and permits	\$ 1,917,720	\$ 1,917,720	\$ 1,687,232	\$ (230,488)
Charges for services	55,700	55,700	50,940	(4,760)
Investment income				
Interest earned on investments	25,000	25,000	106,909	81,909
Increase (decrease) in fair value of investments	-	-	170,233	170,233
Miscellaneous Revenue	-	-	2,750	2,750
Total Revenues	1,998,420	1,998,420	2,018,064	19,644
EXPENDITURES				
Current				
Public safety	1,085,322	1,085,322	1,101,056	(15,734)
Economic development	723,507	723,507	645,538	77,969
Capital outlay	1,650	1,650	-	1,650
Total Expenditures	1,810,479	1,810,479	1,746,594	63,885
Excess (Deficiency) of Revenue Over (Under) Expenditures	187,941	187,941	271,470	83,529
FUND BALANCE, January 1	4,128,023	4,128,023	4,128,023	-
FUND BALANCE, December 31	\$ 4,315,964	\$ 4,315,964	\$ 4,399,493	\$ 83,529

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

REQUIRED SUPPLEMENTARY INFORMATION

(Page 1 of 1)

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

ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY FUND

For the Fiscal Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 411,505	\$ 411,505	\$ 398,298	\$ (13,207)
Intergovernmental revenue (Schedule 5)	85,000	85,000	111,105	26,105
Investment income				
Interest earned on investments	-	-	91,001	
Increase (decrease) in fair value of investments	-	-	255,328	255,328
Miscellaneous Revenue	23,125	23,125	31,106	7,981
Total Revenues	519,630	519,630	886,838	276,207
EXPENDITURES				
Current				
Economic development				
Personal services	198,080	198,080	198,900	(820)
Other services and charges	321,550	321,550	255,004	66,546
Total Expenditures	519,630	519,630	453,904	65,726
Excess (Deficiency) of Revenue Over (Under) Expenditures	-	-	432,934	341,933
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	500,000	500,000
Transfers Out	-	-	(500,000)	(500,000)
Net Change in Fund Balance	-	-	432,934	841,933
FUND BALANCE, January 1	4,811,577	4,811,577	4,811,577	-
FUND BALANCE, December 31	\$ 4,811,577	\$ 4,811,577	\$ 5,244,511	\$ 841,933

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

Total OPEB Liability:	2023	2022	2021	2020	2019	2018
Service cost	\$ 96,877	\$ 139,534	\$ 135,470	\$ 112,235	\$ 93,240	\$ 91,108
Interest cost	36,008	35,311	52,102	59,781	51,636	49,752
Changes in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(309,503)	-	(149,745)	-	(21,855)	-
Changes in assumptions	(181,507)	-	10,616	102,065	(61,560)	-
Benefit payments	(110,076)	(84,739)	(82,195)	(65,582)	(78,354)	(93,369)
Net changes in total OPEB liability	(468,201)	90,106	(33,752)	208,499	(16,893)	47,491
Total OPEB liability - beginning	1,758,292	1,668,186	1,701,938	1,493,439	1,510,332	1,462,841
Total OPEB liability - ending	<u>\$ 1,290,091</u>	<u>\$ 1,758,292</u>	<u>\$ 1,668,186</u>	<u>\$ 1,701,938</u>	<u>\$ 1,493,439</u>	<u>\$ 1,510,332</u>
Covered-employee payroll	\$ 15,401,259	\$ 17,591,639	\$ 17,079,261	\$ 16,129,907	\$ 15,660,104	\$ 13,011,570
Total OPEB liability as a percentage of covered-employee payroll	8.38%	10.00%	9.77%	10.55%	9.54%	11.61%

Assumption Changes for 2023:

- * The health care trend rates were changed to better anticipate short term and long term medical increases.
- * The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2020 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2021 Generational Improvement Scale.
- * The retirement, withdrawal, and salary increase rates for public safety employees were updated to reflect latest experience study.
- * The inflation rate was changed from 2.00% to 2.50%.
- * The discount rate was changed from 2.00% to 4.00%.
- * These assumption changes decreased the liability \$181,507.

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.

*No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75 to pay related benefits.

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

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%
2019	2019	0.1423%	\$ 7,867,448	\$ 244,489	\$ 8,111,937	\$ 10,059,973	80.6%	80.20%
2020	2020	0.1512%	\$ 9,065,131	\$ 279,604	\$ 9,344,735	\$ 10,785,733	86.6%	79.10%
2021	2021	0.1458%	\$ 6,226,313	\$ 190,072	\$ 6,416,385	\$ 10,472,613	61.3%	87.00%
2022	2022	0.1522%	\$ 12,054,290	\$ 353,256	\$ 12,407,546	\$ 11,390,160	108.9%	76.70%
2023	2023	0.1385%	\$ 7,744,765	\$ 213,469	\$ 7,958,234	\$ 11,013,706	72.3%	83.10%

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.

*No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75 to pay related benefits.

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

City of Roseville, Minnesota
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER'S PERA CONTRIBUTIONS
 - GENERAL EMPLOYEES RETIREMENT FUND
 For the Last Ten Years

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	\$ -	\$ 8,253,507	7.5%
12/31/2016	\$ 659,339	\$ 659,339	\$ -	\$ 8,791,187	7.5%
12/31/2017	\$ 708,179	\$ 708,179	\$ -	\$ 9,448,003	7.5%
12/31/2018	\$ 738,318	\$ 738,318	\$ -	\$ 9,844,240	7.5%
12/31/2019	\$ 802,161	\$ 802,161	\$ -	\$ 10,695,480	7.5%
12/31/2020	\$ 764,800	\$ 764,800	\$ -	\$ 10,197,333	7.5%
12/31/2021	\$ 831,049	\$ 831,049	\$ -	\$ 11,080,653	7.5%
12/31/2022	\$ 878,830	\$ 878,830	\$ -	\$ 11,717,733	7.5%
12/31/2023	\$ 781,793	\$ 781,793	\$ -	\$ 10,423,909	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.

*No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75 to pay related benefits.

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

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 Last Ten Years

Schedule 8
(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	0.4940%	\$ 5,612,996	\$ -	\$ 5,612,996	\$ 4,399,667	127.6%	86.6%
2016	2016	0.5110%	\$ 20,507,319	\$ -	\$ 20,507,319	\$ 4,920,648	416.8%	63.9%
2017	2017	0.5160%	\$ 6,966,614	\$ -	\$ 6,966,614	\$ 5,293,562	131.6%	85.4%
2018	2018	0.5259%	\$ 5,605,552	\$ -	\$ 5,605,552	\$ 5,542,123	101.1%	88.8%
2018	2019	0.5452%	\$ 5,804,205	\$ -	\$ 5,804,205	\$ 5,748,900	101.0%	89.3%
2020	2020	0.5625%	\$ 7,414,352	\$ 174,653	\$ 7,589,005	\$ 6,347,408	119.6%	87.2%
2021	2021	0.5472%	\$ 4,223,804	\$ 189,890	\$ 4,413,694	\$ 6,466,593	68.3%	93.7%
2022	2022	0.6188%	\$ 26,927,732	\$ 1,176,293	\$ 28,104,025	\$ 7,517,243	373.9%	70.5%
2023	2023	0.6176%	\$ 10,665,149	\$ 429,615	\$ 11,094,764	\$ 8,039,111	138.0%	86.5%

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.

*No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75 to pay related benefits.

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

City of Roseville, Minnesota
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER'S PERA CONTRIBUTIONS
 - PUBLIC EMPLOYEES POLICE AND FIRE FUND
 For the Last Ten Years

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	\$ -	\$ 4,713,556	16.2%
12/31/2016	\$ 825,632	\$ 825,632	\$ -	\$ 5,096,494	16.2%
12/31/2017	\$ 874,916	\$ 874,916	\$ -	\$ 5,400,716	16.2%
12/31/2018	\$ 919,728	\$ 919,728	\$ -	\$ 5,677,333	16.2%
12/31/2019	\$ 1,031,508	\$ 1,031,508	\$ -	\$ 6,085,593	16.9%
12/31/2020	\$ 1,083,309	\$ 1,083,309	\$ -	\$ 6,120,390	17.7%
12/31/2021	\$ 1,265,887	\$ 1,265,887	\$ -	\$ 7,151,904	17.7%
12/31/2022	\$ 1,381,677	\$ 1,381,677	\$ -	\$ 7,806,085	17.7%
12/31/2023	\$ 1,463,654	\$ 1,463,654	\$ -	\$ 8,269,232	17.7%

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.

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

	2023	2022	2021	2020	2019
Total Pension Liability (TPL, actuarial accrued liability)					
Service cost	\$ 19,131	\$ 23,829	\$ 26,622	\$ 25,957	\$ 35,904
Interest	599,189	563,444	563,110	565,282	552,707
Differences between expected and actual experience	57,073	110,275	(61,093)	125,568	5,906
Changes of assumptions	(851,626)	14,290	186,143	382,673	(8,425)
Changes of benefit terms	291,640	813,363	537,679	265,019	299,036
Benefit payments, including member contributions	(867,484)	(982,017)	(755,377)	(704,524)	(673,245)
Net change in total pension liability	(752,077)	543,184	497,084	659,975	211,883
Total Pension Liability - beginning of year	10,401,098	9,857,914	9,360,830	8,700,855	8,488,972
Total Pension Liability - end of year	<u>\$ 9,649,021</u>	<u>\$ 10,401,098</u>	<u>\$ 9,857,914</u>	<u>\$ 9,360,830</u>	<u>\$ 8,700,855</u>
Plan Fiduciary Net Position (FNP, assets)					
Contributions - State and local	\$ 48,725	\$ 48,815	\$ 264,259	\$ 250,948	\$ 238,755
Contributions - donations and other income	-	-	-	-	-
Contributions - members	-	-	-	-	-
Net investment income	2,650,695	(3,060,562)	2,566,985	2,410,051	2,626,352
Other additions (e.g. receivables)	-	-	-	-	-
Benefit payments, including member contributions	(867,484)	(982,017)	(755,377)	(704,524)	(673,245)
Administrative expense	(28,254)	(31,353)	(30,056)	(22,314)	(25,433)
Other deductions (e.g. payables)	-	-	-	-	-
Net change in plan fiduciary net position	1,803,682	(4,025,117)	2,045,811	1,934,161	2,166,429
Plan Fiduciary Net Position - beginning of year	12,870,933	16,896,050	14,850,239	12,916,078	10,749,649
Plan Fiduciary Net Position - end of year	<u>\$ 14,674,615</u>	<u>\$ 12,870,933</u>	<u>\$ 16,896,050</u>	<u>\$ 14,850,239</u>	<u>\$ 12,916,078</u>
Net Pension Liability (NPL) - end of year	\$ (5,025,594)	\$ (2,469,835)	\$ (7,038,136)	\$ (5,489,409)	\$ (4,215,223)
Plan Fiduciary Net Position (FNP, assets)	152.08%	123.75%	171.40%	158.64%	148.45%

	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.

*No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75 to pay related benefits.

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

City of Roseville, Minnesota
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS AND NON-EMPLOYER
CONTRIBUTING ENTITIES - FIRE RELIEF ASSOCIATION
For the Fiscal Year Ended December 31, 2023

Schedule 11
(Page 1 of 1)

	2023	2022	2021	2020	2019
Employer					
Actuarially determined contribution (ADC)	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution in relation to the ADC	48,725	48,815	264,259	250,948	238,755
Contribution deficiency (excess)	<u>(48,725)</u>	<u>(48,815)</u>	<u>(264,259)</u>	<u>(250,948)</u>	<u>(238,755)</u>

	2018	2017	2016	2015	2014
Employer					
Actuarially determined contribution (ADC)	\$ 2,541	\$ 55,689	\$ 55,689	\$ 115,204	\$ 173,096
Contribution in relation to the ADC	229,050	222,882	221,324	220,012	341,617
Contribution deficiency (excess)	<u>(226,509)</u>	<u>(167,193)</u>	<u>(165,635)</u>	<u>(104,808)</u>	<u>(168,521)</u>

*No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75 to pay related benefits.

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

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 the same fund, which only requires the approval of the City's manager, and does not require 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.

Note A LEGAL COMPLIANCE – BUDGETS

The General Fund budget is legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the department level for the General Fund and the fund level for certain Special Revenue Funds.

Expenditures occurred in excess of appropriations in the following funds:

- General fund exceeded the budget by \$9,936. However, actual revenue exceeded the budget by \$2,628,160.
- Telecommunications fund exceeded the budget by \$9,351.

Note B PENSION INFORMATION

PERA – General Employees Retirement Fund

2023 Changes in Actuarial Assumptions:

- The investment return assumption and single discount rate were changed from 6.50% to 7.00%.

2023 Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$170.1 million was contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.50% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2021 Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50% for financial reporting purposes.

- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

2020 Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were decreased 0.25% and assumed rates of retirement were changed resulting in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination and disability were also changed.
- Base mortality tables were changed from RP-2014 tables to Pub-2010 tables, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

2020 Changes in Plan Provisions:

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2017 to MP-2018.

2019 Changes in the Plan Provisions:

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018 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% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

2017 Changes in Actuarial Assumptions:

- The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15.0% for vested deferred member liability and 3.0% for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

2016 Changes in Actuarial Assumptions:

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

PERA – Public Employees Police and Fire Fund

2023 Changes in Actuarial Assumptions:

- The investment return assumption was changed from 6.50% to 7.00%.
- The single discount rate changed from 5.40% to 7.00%

2023 Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$19.4 million was contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50% vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, non-compounding benefit increase of 3.00% will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

2022 Changes in Actuarial Assumptions:

- The single discount rate changed from 6.50% to 5.4%.
- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2021 Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50% for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- The base mortality tables for healthy annuitants, disabled annuitants and employees were changed from RP-2014 tables to Pub-2010 Public Safety Mortality tables. The mortality improvement scale was changed from MP-2019 to MN-2020.
- Assumed salary increase and retirement rates were modified as recommended in the July 14, 2020 experience study. The changes result in a decrease in gross salary increase rates, slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60% to 70%.

2020 Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2018 to MP-2019.

2019 Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2017 to MP-2018.

2018 Changes in Actuarial Assumptions:

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

2017 Changes in Actuarial Assumptions:

- The single discount rate was changed from 5.6% to 7.5%.
- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30% for vested and non-vested deferred members. The CSA was changed to 33% for vested members and 2% 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% 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% to 60%.
- 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% for all years to 1.00% per year through 2064 and 2.50% thereafter.

2016 Changes in Actuarial Assumptions:

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

Single Employer – Fire Relief Association

2023 Changes in Actuarial Assumptions:

- The discount rate increased from 6.00% to 7.00%
- The expected rate of return on plan assets increased from 6.00% to 7.00%

2022 Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2021 Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.
- The expected return on assets decreased from 6.25% to 6.00%
- The discount rate decreased from 6.25% to 6.00%
- Base mortality tables were changed from RP-2014 tables to Pub- 2010 tables, with adjustments.

2020 Changes in Actuarial Assumptions:

- The discount rate decreased from 6.75% to 6.25%
- The expected return on plan assets decreased from 6.75% to 6.25%
- The price inflation assumption was decreased from 2.50% to 2.25%

- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019

2019 Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2017 to Scale MP-2018

2018 Changes in Actuarial Assumptions:

- The discount rate decreased from 7.50% to 6.75%
- The expected return on plan assets decreased from 7.50% to 6.75%
- The price of inflation assumption was decreased from 2.75% to 2.50%
- The mortality improvement scale was changed from Scale MP-2016 to Scale MP-2017

2017 Changes in Actuarial Assumptions:

- 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.

2016 Changes in Actuarial Assumptions:

- The discount rate increased from 6.75% to 7.50%
- The expected return on plan assets increased from 6.75% to 7.50%

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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.

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

License Center: accounts for the revenue and expenditures used to provide state hunting, fishing and motor vehicle licenses, as well as passports.

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

Opioid Settlement Fund: accounts for the revenue and expenditures used towards preventing the abuse of opioid addiction.

	Tele- communications	License Center	Charitable Gambling	Opioid	Total Nonmajor Special Revenue Funds
ASSETS					
Cash and investments	\$ 81,427	\$ 970,776	\$ 20,252	\$ 88,660	\$ 1,161,115
Investment interest receivable	299	2,016	47	326	2,688
Accounts receivable	86,702	449,280	-	-	535,982
Taxes receivable	3,231	-	-	-	3,231
Prepaid items	-	-	14,517	-	14,517
TOTAL ASSETS	171,659	1,422,072	34,816	88,986	1,717,533
LIABILITIES					
Accounts payable	82,021	31,409	35,525	-	148,955
Accrued payroll	9,115	45,441	350	-	54,906
Due to other governmental units	5,303	1,037,293	230	-	1,042,826
Total Liabilities	96,439	1,114,143	36,105	-	1,246,687
Deferred Inflows of Resources					
Unavailable Revenue - property taxes	2,452	-	-	-	2,452
Total Deferred Inflows of Resources	2,452	-	-	-	2,452
FUND BALANCE					
Nonspendable	-	-	14,517	-	14,517
Restricted					
Law Enforcement	-	-	-	88,986	88,986
Telecommunications	72,768	-	-	-	72,768
Assigned					
License center improvements	-	307,929	-	-	307,929
Unassigned	-	-	(15,806)	-	(15,806)
Total Fund Balances	72,768	307,929	(1,289)	88,986	468,394
TOTAL LIABILITIES AND FUND BALANCES	\$ 171,659	\$ 1,422,072	\$ 34,816	\$ 88,986	\$ 1,717,533

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

(Page 1 of 1)

NONMAJOR SPECIAL REVENUE FUNDS

For the Fiscal Year Ended December 31, 2023

	Tele- Communications	License Center	Charitable Gambling	Opioid	Total Nonmajor Special Revenue Funds
REVENUES					
Taxes	\$ 122,815	\$ -	\$ -	\$ -	\$ 122,815
Intergovernmental revenue	-	127,697	-	-	127,697
Gambling taxes	-	-	41,619	-	41,619
Charges for services	-	2,120,745	-	-	2,120,745
Cable franchise taxes	354,531	-	-	-	354,531
Donations	-	-	98,073	-	98,073
Investment income					
Interest earned on investments	786	13,463	377	2,021	16,647
Increase (decrease) in fair value of investments	(5,875)	(32,617)	240	(5,114)	(43,366)
Miscellaneous Revenue	46,000	-	-	18,557	64,557
Total Revenues	518,257	2,229,288	140,309	15,464	2,903,318
EXPENDITURES					
Current					
General Government	584,741	1,849,572	140,309	-	2,574,622
Total Expenditures	584,741	1,849,572	140,309	-	2,574,622
Excess (Deficiency) of Revenues Over (Under) Expenditures	(66,484)	379,716	-	15,464	328,696
OTHER FINANCING SOURCES (USES)					
Transfers In	20,444	-	-	-	20,444
Transfers Out	-	(504,318)	-	-	(504,318)
Total Other Financing Sources (Uses)	20,444	(504,318)	-	-	(483,874)
Net Change in Fund Balances	(46,040)	(124,602)	-	15,464	(155,178)
FUND BALANCES, January 1	118,808	432,531	(1,289)	73,522	623,572
FUND BALANCES, December 31	\$ 72,768	\$ 307,929	\$ (1,289)	\$ 88,986	\$ 468,394

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 126,890	\$ 126,890	\$ 122,815	\$ (4,075)
Cable franchise taxes	376,000	376,000	354,531	(21,469)
Investment income				
Interest earned on investments	500	500	786	286
Increase (decrease) in fair value of investments	-	-	(5,875)	(5,875)
Miscellaneous Revenue	46,000	46,000	46,000	-
Total Revenues	549,390	549,390	518,257	(31,133)
EXPENDITURES				
Current				
General government				
Personal services	340,020	340,020	331,412	8,608
Supplies and materials	1,000	1,000	-	1,000
Other services and charges	234,370	234,370	253,329	(18,959)
Total Expenditures	575,390	575,390	584,741	(9,351)
Excess (Deficiency) of Revenue Over (Under) Expenditures	(26,000)	(26,000)	(66,484)	(40,484)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	20,444	20,444
Net Change in Fund Balance	(26,000)	(26,000)	(46,040)	(20,040)
FUND BALANCE, January 1	118,808	118,808	118,808	-
FUND BALANCE, December 31	\$ 92,808	\$ 92,808	\$ 72,768	\$ (20,040)

City of Roseville, Minnesota

SUPPLEMENTARY INFORMATION

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

LICENSE CENTER FUND

For the Fiscal Year Ended December 31, 2023

Schedule 14

(Page 1 of 1)

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenue (Schedule 5)	\$ -	\$ -	\$ 127,697	\$ 127,697
Charges for services	2,100,000	2,100,000	2,120,745	20,745
Investment income				
Interest earned on investments	1,000	1,000	13,463	12,463
Increase (decrease) in fair value of investments	-	-	(32,617)	(32,617)
Total Revenues	2,101,000	2,101,000	2,229,288	128,288
EXPENDITURES				
Current				
General government				
Personal services	1,683,210	1,683,210	1,621,265	61,945
Supplies and materials	29,000	29,000	35,535	(6,535)
Other services and charges	180,620	180,620	192,772	(12,152)
Total Expenditures	1,892,830	1,892,830	1,849,572	43,258
Excess (Deficiency) of Revenue Over (Under) Expenditures	208,170	208,170	379,716	171,546
OTHER FINANCING SOURCES (USES)				
Transfers Out	(302,000)	(302,000)	(504,318)	(202,318)
Net Change in Fund Balance	(93,830)	(93,830)	(124,602)	(30,772)
FUND BALANCE, January 1	432,531	432,531	432,531	-
FUND BALANCE, December 31	\$ 338,701	\$ 338,701	\$ 307,929	\$ (30,772)

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

CHARTABLE GAMBLING FUND

For the Fiscal Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES				
Gambling taxes	\$ 33,406	\$ 33,406	\$ 41,619	\$ 8,213
Donations	120,000	120,000	98,073	(21,927)
Investment income				
Interest earned on investments	-	-	377	377
Increase (decrease) in fair value of investments	-	-	240	240
Total Revenues	153,406	153,406	140,309	(13,097)
EXPENDITURES				
Current				
General government				
Personal services	33,176	33,406	27,101	6,305
Other services and charges	75,000	120,000	113,208	6,792
Total Expenditures	108,176	153,406	140,309	13,097
Net Change in Fund Balance	45,230	-	-	-
FUND BALANCE, January 1	(1,289)	(1,289)	(1,289)	-
FUND BALANCE, December 31	\$ 43,941	\$ (1,289)	\$ (1,289)	\$ -

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	\$ 610,687	\$ 787,917	\$ 1,398,604
Investments interest receivable	2,142	2,896	5,038
Total Assets	<u>612,829</u>	<u>790,813</u>	<u>1,403,642</u>
LIABILITIES			
Current Liabilities			
Accounts payable	29,856	16,459	46,315
Insurance claims payable	132,976	34,076	167,052
Total Current Liabilities	<u>162,832</u>	<u>50,535</u>	<u>213,367</u>
Noncurrent Liabilities			
Insurance claims payable	44,057	142,815	186,872
Total Noncurrent Liabilities	<u>44,057</u>	<u>142,815</u>	<u>186,872</u>
TOTAL LIABILITIES	<u>206,889</u>	<u>193,350</u>	<u>400,239</u>
NET POSITION			
Unrestricted	<u>405,940</u>	<u>597,463</u>	<u>1,003,403</u>
TOTAL NET POSITION	<u>\$ 405,940</u>	<u>\$ 597,463</u>	<u>\$ 1,003,403</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, 2023

Statement 14
(Page 1 of 1)

	Workers' Compensation Self-Insurance	Risk Management	Total Internal Service Funds
OPERATING REVENUES			
Departmental charges	\$ 92,707	\$ 250,878	\$ 343,585
Employee charges	-	12,122	12,122
Total Operating Revenues	92,707	263,000	355,707
OPERATING EXPENSES			
Professional services	8,913	10,684	19,597
Supplies	-	-	-
Insurance	86,568	257,588	344,156
Training	-	3,789	3,789
Payment of claims	273,489	166,499	439,988
Total Operating Expenses	368,970	438,560	807,530
OPERATING INCOME (LOSS)	(276,263)	(175,560)	(451,823)
NON-OPERATING REVENUES (EXPENSES)			
Investment Income			
Interest Earned on Investments	13,579	16,328	29,907
Increase (Decrease) in Fair Value of Investments	33,726	37,605	71,331
Total Non-Operating Revenues (Expenses)	47,305	53,933	101,238
Change in Net Position	(228,958)	(121,627)	(350,585)
NET POSITION, January 1	634,898	719,090	1,353,988
NET POSITION, December 31	\$ 405,940	\$ 597,463	\$ 1,003,403

	Workers' Compensation Self-Insurance	Risk Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers and users, including deposits	\$ 92,707	\$ 250,878	\$ 343,585
Cash payments to suppliers for goods and services	(210,654)	(296,332)	(506,986)
Cash payments to employees and others for resolved claims	-	12,122	12,122
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(117,947)	(33,332)	(151,279)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments received	13,658	16,201	29,859
Increase (Decrease) in Fair Value of Investments	33,726	37,605	71,331
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	47,384	53,806	101,190
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(70,563)	20,474	(50,089)
CASH AND CASH EQUIVALENTS, JANUARY 1	681,250	767,443	1,448,693
CASH AND CASH EQUIVALENTS, DECEMBER 31	610,687	787,917	1,398,604
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	(276,263)	(175,560)	(451,823)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities			
Changes in elements affecting cash			
Increase (Decrease) in Accounts payable	14,299	(588)	13,711
Increase (Decrease) in Insurance claim payable	144,017	142,816	286,833
Total Adjustments	158,316	142,228	300,544
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (117,947)	\$ (33,332)	\$ (151,279)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Increase/(Decrease) in fair value of investments	\$ 33,726	\$ 37,605	\$ 71,331

STATISTICAL SECTION

This part of the City of Roseville's annual comprehensive 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.

Contents:	Page
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	132-133
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				
	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

	Fiscal Year				
	2019	2020	2021	2022	2023
Governmental Activities					
Net Investment in Capital Assets	\$ 122,449,714	\$ 123,848,344	\$ 122,812,999	\$ 126,195,186	\$ 126,897,771
Restricted	13,744,369	17,447,435	13,047,725	13,652,088	22,378,993
Unrestricted	12,256,314	12,428,273	23,600,568	18,620,362	14,773,190
Total Governmental Activities Net Position	148,450,397	153,724,052	159,461,292	158,467,636	164,049,954
Business-Type Activities					
Net Investment in Capital Assets	40,295,471	39,212,702	46,264,802	47,163,517	46,378,287
Restricted	-	-	-	-	-
Unrestricted	(370,939)	4,109,521	1,223,840	2,446,518	7,873,679
Total Business-Type Activities Net Position	39,924,532	43,322,223	47,488,642	49,610,035	54,251,966
Primary Government					
Net Investment in Capital Assets	162,745,185	163,061,046	169,077,801	173,358,703	173,276,058
Restricted	13,744,369	17,447,435	13,047,725	13,652,088	22,378,993
Unrestricted	11,885,375	16,537,794	24,824,408	21,066,880	22,646,869
Total Primary Government Net Position	\$ 188,374,929	\$ 197,046,275	\$ 206,949,934	\$ 208,077,671	\$ 218,301,920

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				
	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
Special Item - Disposal of Metro-INET					
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
Bond Interest Payable	-	-	-	-	-
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
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

Table 2
(Page 2 of 2)
Unaudited

Expenses	Fiscal Year				
	2019	2020	2021	2022	2023
Governmental activities:					
General government	\$ 8,890,774	\$ 10,031,213	\$ 9,700,733	\$ 11,681,627	\$ 8,353,906
Public safety	12,109,598	13,334,603	12,199,338	16,967,185	17,997,888
Public works	6,201,372	5,804,335	5,784,692	8,777,781	6,592,587
Parks and recreation	5,719,426	5,847,653	6,345,259	7,315,293	7,525,663
Economic development	1,653,281	2,766,163	3,536,319	3,985,490	1,887,813
Interest on long-term debt	643,081	660,497	523,904	396,986	343,509
Total governmental activities expenses	35,217,532	38,444,464	38,090,245	49,124,362	42,701,366
Business-type activities:					
Sewer	5,199,878	4,748,858	4,569,332	4,558,112	4,788,374
Water	6,134,757	6,654,634	7,406,174	8,007,013	9,424,806
Golf	430,186	480,815	501,318	521,681	622,209
Storm Drainage	1,422,743	1,814,662	1,498,814	1,672,286	1,901,167
Recycling	604,052	638,481	586,429	867,109	869,967
Total business-type activities expenses	13,791,616	14,337,450	14,562,067	15,626,201	17,606,523
Total primary government expenses	\$ 49,009,148	\$ 52,781,914	\$ 52,652,312	\$ 64,750,563	\$ 60,307,889
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 6,178,307	\$ 6,691,937	\$ 7,169,949	\$ 8,233,716	\$ 4,370,052
Public safety	3,132,557	2,696,195	2,503,363	2,395,139	2,321,438
Parks and recreation	2,837,337	1,216,481	2,175,626	3,575,149	2,940,040
Other activities	443,830	412,534	453,650	419,578	461,395
Operating grants and contributions	2,018,835	4,905,134	4,816,658	5,513,179	4,847,508
Capital grants and contributions	257,859	2,236,032	885,421	6,205,118	1,544,559
Total governmental activities program revenues	14,868,725	18,158,313	18,004,667	26,341,879	16,484,992
Business-type activities:					
Charges for Services:					
Sewer	5,733,880	5,837,210	6,162,785	6,284,669	6,630,712
Water	6,806,682	7,000,085	7,244,014	7,984,635	10,140,144
Golf	378,383	362,572	454,586	460,845	500,989
Storm Drainage	1,999,186	3,562,737	2,654,349	2,235,351	2,964,884
Recycling	477,805	584,022	765,140	861,343	965,219
Operating grants and contributions	540,008	236,960	280,245	95,927	182,014
Capital grants and contributions	8,492	28,125	1,177,519	98,211	349,840
Total business-type activities program revenues	15,944,436	17,611,711	18,738,638	18,020,981	21,733,802
Total primary government program revenues	\$ 30,813,161	\$ 35,770,024	\$ 36,743,305	\$ 44,362,860	\$ 38,218,794
Net (expense)/revenue					
Governmental activities	\$ (20,348,807)	\$ (20,286,151)	\$ (20,085,578)	\$ (22,782,483)	\$ (26,216,374)
Business-type activities	2,152,820	3,274,261	4,176,571	2,394,780	4,127,279
Total primary government net expense	\$ (18,195,987)	\$ (17,011,890)	\$ (15,909,007)	\$ (20,387,703)	\$ (22,089,095)
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes	\$ 21,166,310	\$ 23,376,184	\$ 24,252,351	\$ 24,964,220	\$ 26,143,346
Tax increments	1,151,987	927,912	1,211,482	1,400,327	2,429,997
Cable franchise taxes	383,550	379,648	385,750	374,855	354,531
Gambling taxes	41,535	30,487	37,258	42,688	41,619
Grants and contributions not restricted to specific programs	72,372	-	-	-	-
Unrestricted investment earnings	568,744	319,237	436,027	648,345	1,117,581
Unrestricted net increase (decrease) in the fair value of Investments	842,941	285,640	(510,189)	(5,596,474)	1,961,633
Gain on sale of capital assets	46,800	90,058	10,139	1,464,277	249,985
Special Item - Disposal of Metro-INET				(1,504,232)	-
Transfers	810,000	0	0	(5,179)	(500,000)
Total governmental activities	25,084,239	25,409,166	25,822,818	21,788,827	31,798,692
Business-type activities:					
Unrestricted investment earnings	12,355	6,574	19,226	60,808	150,502
Unrestricted net increase(decrease) in the fair value of investments	15,544	8,827	(29,378)	(347,228)	(162,264)
Bond Interest Payable	-	-	-	(26,596)	-
Gain on sale of capital assets	22,690	8,029	0	34,450	26,414
Transfers	(810,000)	0	0	5,179	500,000
Total business-type activities	(759,411)	23,430	(10,152)	(273,387)	514,652
Total primary government	\$ 24,324,828	\$ 25,432,596	\$ 25,812,666	\$ 21,515,440	\$ 32,313,344
Change in Net Position					
Governmental activities	\$ 4,735,432	\$ 5,123,015	\$ 5,737,240	\$ (993,656)	\$ 5,582,318
Business-type activities	1,393,409	3,297,691	4,166,419	2,121,393	4,641,931
Total primary government	\$ 6,128,841	\$ 8,420,706	\$ 9,903,659	\$ 1,127,737	\$ 10,224,249

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				
	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
Public Safety Aid	-	-	-	-	-
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					
Law Enforcement	-	-	-	-	-
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
General Governmental Services	-	-	-	-	-
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

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

	Fiscal Year				
	2019	2020	2021	2022	2023
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	11,536	144,207	60,863	16,854	67,195
Restricted					
Law enforcement	364,145	353,541	333,661	366,443	348,866
Public Safety Aid	-	-	-	-	1,594,625
Assigned					
Information Technology					100,863
Engineering services	760,929	617,125	538,106	316,141	320,866
Accounting services	17,439	17,649	16,857	15,566	15,405
General Service Reserve	756,498	366,054	706,946	629,748	972,349
Unassigned	5,006,928	7,347,564	8,507,587	7,170,199	7,464,892
Total General Fund	\$ 6,917,475	\$ 8,846,140	\$ 10,164,020	\$ 8,514,951	\$ 10,885,061
All Other Governmental Funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Debt Service	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Nonspendable	1,000	1,125	1,100	864	16,982
Restricted					
Law Enforcement	-	-	-	73,522	88,986
Telecommunications	160,316	125,072	94,607	118,808	72,768
Lawful Gambling	128,918	12,362	2,479	-	-
Community Development	3,502,984	4,108,422	4,447,459	4,127,898	4,399,493
Park Dedication	1,009,255	1,160,950	1,205,885	1,905,328	2,172,845
Tax Increment	4,611,087	3,363,954	3,774,096	4,003,839	5,506,016
Debt Service	2,390,172	7,432,766	2,383,400	2,224,332	2,298,919
Bond Funded Capital Improvements	734,374	-	-	-	-
Housing and Economic Development	875,223	890,368	899,385	889,772	919,566
Committed					
Street Replacement	4,960,459	6,385,662	6,002,657	4,708,685	5,236,428
Equipment Replacement	-	-	-	-	-
Assigned					
Parks and Recreation Programs and Maintenance	1,589,307	1,613,737	1,923,773	2,007,037	2,234,875
License Center Improvements	526,572	-	364,574	432,531	307,929
General Governmental Services	-	-	-	-	-
Information Technology	1,525,445	2,015,010	1,897,601	873,177	-
Capital project funds	6,009,217	7,186,739	9,212,810	10,092,044	12,773,144
Housing and Economic Development	3,784,430	4,182,115	4,185,195	3,921,805	4,324,945
Unassigned	-	192,925	-	(1,289)	(15,806)
Total All Other Governmental Funds	\$ 31,808,759	\$ 38,671,207	\$ 36,395,021	\$ 35,378,353	\$ 40,337,090

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				
	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	-	0	-	-	-
Bonds issued	-	3,060	-	-	-
Premium on bonds issued	-	186	0	0	-
Payments to refunded bond escrow agent	-	-	-	-	-
Proceeds from letter of credit	-	-	0	0	-
Sale of assets	27	531	173	144	119
Total other financing sources (uses)	809	4,559	978	21	(400)
Special Item					
Sale of Metro-INET					
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% (1)	11.00%	10.10%	10.61%

(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

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 2 of 2)
Unaudited

	Fiscal Year				
	2019	2020	2021	2022	2023
Revenues					
Taxes	\$ 22,710	\$ 24,688	\$ 26,005	\$ 26,700	\$ 28,835
Intergovernmental	2,018	6,563	5,384	11,541	6,467
Licenses and permits	3,131	2,605	2,633	2,281	2,276
Charges for services	7,508	6,858	8,048	9,898	6,290
Fines and forfeits	85	57	62	87	76
Special assessments	261	207	137	246	698
Investment earnings	1,327	580	(73)	(4,809)	2,978
Miscellaneous	1,806	1,427	1,527	2,281	1,416
Total revenues	<u>38,846</u>	<u>42,985</u>	<u>43,723</u>	<u>48,225</u>	<u>49,036</u>
Expenditures					
General government	\$ 8,226	\$ 9,307	\$ 9,304	\$ 10,659	\$ 7,629
Public safety	11,360	12,681	13,627	15,013	15,935
Public works	2,616	2,819	2,949	5,822	3,782
Economic development	1,538	2,758	3,584	3,912	1,862
Recreation	4,926	4,231	4,851	6,099	6,260
Capital outlay	4,669	5,238	2,822	6,961	3,509
Debt service					
Principal	2,675	1,900	7,040	2,020	2,110
Interest	666	680	532	439	370
Other Charges	-	-	-	-	-
Total expenditures	<u>36,676</u>	<u>39,614</u>	<u>44,709</u>	<u>50,925</u>	<u>41,457</u>
Excess of revenues over (under) expenditures	2,170	3,371	(986)	(2,700)	7,579
Other financing sources (uses)					
Transfers in	\$ 2,832	\$ -	\$ -	\$ -	\$ 1,469
Transfers out	(2,022)	-	-	(5)	(1,969)
Refunding bonds issued	-	4,775	-	-	-
Discount on bonds issued	-	-	-	-	-
Bonds issued	-	-	-	-	-
Premium on bonds issued	-	322	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	-
Proceeds from letter of credit	-	-	-	-	-
Sale of assets	205	173	28	1,328	250
Total other financing sources (uses)	<u>1,015</u>	<u>5,270</u>	<u>28</u>	<u>1,323</u>	<u>(250)</u>
Special Item					
Sale of Metro-INET				(1,289)	
Net change in fund balances	<u>\$ 3,185</u>	<u>\$ 8,641</u>	<u>\$ (958)</u>	<u>\$ (2,666)</u>	<u>\$ 7,329</u>
Debt service as a percentage of noncapital expenditures	10.44%	7.51%	18.08%	5.59%	6.54%

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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
2014	\$ 17,318,833	\$ 1,927,267	\$ 448,088	\$ 77,604	\$ 19,004,770
2015	17,710,161	2,220,661	436,851	83,879	19,771,792
2016	19,550,637	1,677,742	449,920	93,815	20,451,552
2017	20,730,169	1,191,202	452,123	58,581	21,772,114
2018	20,918,842	922,055	403,224	38,018	22,432,075
2019	21,132,512	1,151,987	383,550	41,535	22,282,139
2020	23,376,184	927,912	379,648	30,487	22,709,584
2021	24,370,939	1,211,482	385,750	37,258	24,714,231
2022	24,880,844	1,400,327	374,855	42,688	26,005,429
2023	26,006,742	2,429,997	354,531	41,619	28,832,889

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
	Residential Property	Commercial Property	Other		Leased Machinery & Equipment
2014	\$ 29,146,350	\$ 13,832,166	\$ 6,422,077	\$ 579,255	\$ 55,197
2015	25,829,116	24,279,369	6,623,028	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
2019	31,375,778	19,535,047	10,785,617	763,065	48,226
2020	28,115,372	28,604,783	7,669,585	783,764	89,799
2021	29,790,164	31,695,674	8,306,067	852,904	113,487
2022	31,421,278	32,838,231	8,786,564	509,980	52,663
2023	35,186,256	36,772,991	9,839,392	528,059	54,852

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
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%
2019	(6,631,933)	56,719,579	37.42%	4,861,021,500	1.17%
2020	(6,981,638)	59,161,670	39.20%	5,087,172,300	1.16%
2021	(6,877,663)	64,854,004	37.07%	5,459,147,800	1.19%
2022	(8,190,519)	65,973,536	38.48%	5,666,632,400	1.16%
2023	(9,535,613)	72,837,758	36.08%	6,329,266,941	1.15%

Fiscal Year	City of Roseville			Ramsey County	Special Districts
	Operating Tax Capacity	Debt Service Tax Capacity	Total City Tax Capacity	Total County Tax Capacity	
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%
2019	33.53%	3.89%	37.42%	52.88%	8.74%
2020	35.45%	3.75%	39.20%	52.30%	8.74%
2021	33.67%	3.40%	37.07%	47.76%	8.38%
2022	35.08%	3.40%	38.48%	48.07%	10.40%
2023	33.04%	3.04%	36.08%	44.90%	9.78%

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#621		School District - ISD#623		Total Direct & Overlapping Tax Capacity
	Tax Capacity Based	Market Value Based Tax Rate	Total Capacity Based	Market Value Based Tax Rate	
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%
2019	26.33%	0.18765%	31.69%	0.22529%	157.06%
2020	24.96%	0.29347%	30.67%	0.19816%	155.87%
2021	23.86%	0.25290%	31.25%	0.16876%	148.32%
2022	23.42%	0.25640%	26.91%	0.26937%	147.28%
2023	18.37%	0.22776%	25.53%	0.21357%	134.66%

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

Table 8
(Page 1 of 1)
Unaudited

Taxpayer	2023			2014		
	Taxes Levied	Rank	Percentage of Total Taxes Levied	Taxes Levied	Rank	Percentage of Total Taxes Levied
Crossroads of Roseville 2023 LLC	\$ 1,038,636	1	3.87%	\$		
St Paul Fire And Marine Ins Co	532,662	2	1.99%	408,097	4	2.26%
Har Mar Retail Associates, LLC	406,734	3	1.52%			
Rosedale Commons LP	384,762	4	1.43%	220,897	9	1.23%
HR LLC	380,168	5	1.42%			
Meritex industrial Portfolio LLC	379,308	6	1.41%			
B9 Polar Gateway LLC	322,391	7	1.20%			
North Carolina Avenue Holdings LLC	296,235	8	1.10%			
Rosedale Square LLC	290,834	9	1.08%	258,345	7	1.43%
Magellan Pipeline	276,685	10	1.03%	329,399	6	1.83%
Compass Retail, Inc.	-	-	0.00%	1,092,205	1	6.06%
Gateway Washington Inc	-	-	0.00%	445,515	3	2.47%
CSM Investors Inc.	-	-	0.00%	207,576	10	1.15%
PPF Rtl Rosedale Shopping Ctr LLC	-	-	0.00%	767,017	2	4.25%
Wilcal Crossroads LLC	-	-	0.00%	346,580	5	1.92%
Target Corporation	-	-	0.00%	222,968	8	1.24%
	\$ 4,308,416		16.06%	\$ 4,298,599		23.84%

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
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%
2019	21,551,650	21,105,455	97.93%	-	21,105,455	97.93%
2020	23,105,170	22,981,304	99.46%	-	22,981,304	99.46%
2021	24,152,660	24,091,198	99.75%	-	24,091,198	99.75%
2022	25,429,114	25,046,700	98.50%	-	25,046,700	98.50%
2023	26,822,889	26,312,365	98.10%	-	26,312,365	98.10%

Fiscal Year	Governmental Activities				Business-Type Activities	Total Primary Government	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Special Assessment Bonds	Tax Incremental Revenue Bonds	Certificate of Indebtedness	Water Revenue Bonds			
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	0.63%	671
2019	18,265,665	-	2,923,852	-	-	21,189,517	0.44%	584
2020	21,535,936	-	2,741,448	-	2,693,931	26,971,315	0.53%	736
2021	14,553,659	-	2,529,044	-	2,681,038	19,763,741	0.36%	556
2022	12,591,382	-	2,316,639	-	2,438,145	17,346,166	0.31%	476
2023	10,539,096	-	2,104,235	-	2,185,252	14,828,583	0.23%	403

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
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%
2019	18,265,665	2,390,172	15,875,492	0.44%	437.68	1,992,566,048	1.06%
2020	21,535,936	7,432,766	14,103,170	0.53%	384.87	2,036,783,452	1.32%
2021	14,553,659	2,383,399	12,170,260	0.36%	332.12	2,082,638,262	0.95%
2022	12,591,382	2,213,907	10,377,475	0.31%	284.78	2,280,925,360	0.76%
2023	10,539,096	2,298,919	8,240,177	0.23%	223.86	2,405,827,980	0.62%

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

City of Roseville, Minnesota
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of December 31, 2023

Table 12
(Page 1 of 1)
Unaudited

Governmental Unit	Gross Debt Net of Refunding	Percentage Applicable to Roseville	Amount Applicable to Roseville
Direct Debt:			
City of Roseville	\$ 12,643,331	100%	\$ 12,643,331
Overlapping Debt*			
School District #621	\$ 172,370,000	8%	\$ 13,789,600
School District #623	165,640,000	61%	\$ 101,040,400
Special School District #916	69,450,000	8%	\$ 5,556,000
Metropolitan Council	1,717,186,171	1%	\$ 17,171,862
Metropolitan Airports Commission	1,471,225,000	1%	\$ 14,712,250
Ramsey County	229,647,000	9%	\$ 20,668,230
Total Overlapping Debt	3,825,518,171		172,938,342
Total Direct and Overlapping Debt	\$ 3,838,161,502		\$ 185,581,673

*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				
	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%

	Fiscal Year				
	2019	2020	2021	2022	2023
Debt Limit	\$ 145,830,645	\$ 152,615,169	\$ 163,774,434	\$ 169,998,972	\$ 189,878,008
Total net debt applicable to limit	21,189,517	26,971,315	19,763,741	17,346,166	14,828,583
Legal debt margin	<u>\$ 124,641,128</u>	<u>\$ (26,971,315)</u>	<u>\$ 144,010,693</u>	<u>\$ 152,652,806</u>	<u>\$ 175,049,425</u>
Total net debt applicable to the limit as a percentage of debt limit	14.53%	17.67%	12.07%	10.20%	7.81%

Legal Debt Margin Calculation for Fiscal Year 2023

Estimated Market Value	<u>\$ 6,329,266,941</u>
Debt Limit (3% of total estimated market value)	189,878,008
Debt applicable to limit:	
Total Bonded Debt	14,828,583
Less:	
Special Assessment Bonds	-
Housing Bonds	-
Total net debt applicable to limit	<u>14,828,583</u>
Legal Debt Margin	<u>\$ 175,049,425</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)
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%
2019	36,272	1,992,566,048	54,934	8,255	11,655	2.6%
2020	36,644	2,036,783,452	55,583	7,276	11,715	4.1%
2021	35,566	2,082,638,262	58,557	7,205	11,499	2.1%
2022	36,440	2,280,925,360	62,594	7,379	11,486	2.2%
2023	36,810	2,405,827,980	65,358	7,356	11,792	2.1%

- (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 2020.
- (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 National Center for Education Statistics School District Search.
- (5) Annual average unemployment provided by the Minnesota Department of Employment & Economic Development

<u>Employer</u>	<u>2023</u>			<u>2014</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	1,372	1	3.83%	897	1	2.60%
University-Northwestern-St Pl	1,130	2	3.15%	700	2	2.03%
MN Dept. of Transportation	800	3	2.23%			
Presbyterian Homes Housing	700	4	1.95%			
Old Dutch Foods	600	5	1.67%	400	7	1.16%
Hypro	400	6	1.12%	375	9	1.09%
Lunds & Byerlys	377	7	1.05%	377	8	1.09%
Pediatric Home Respiratory Service:	339	8	0.95%			
Asmodee North America	250	9	0.70%			
Colder Products Company	137	10	0.38%			
Metz Baking Co			0.00%	600	3	1.74%
Symantec Corp			0.00%	500	5	1.45%
Minnesota Department-Education			0.00%	500	4	1.45%
Medtox Scientific			0.00%	400	6	1.16%
Eagle Crest Retirement			0.00%	330	10	0.96%
Total	6,105		17.33%	5,079		14.73%

Sources: Minnesota Department of Employment and Economic Development
Data Axle Reference Solutions
Written and Phone Survey

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Function	Fiscal Year									
	2014	2015 (1)	2016	2017	2018	2019	2020	2021	2022	2023 (2)
General government	40.75	41.25	45.19	47.85	50.15	51.50	50.57	55.65	59.28	37.43
Public safety										
Police	54.50	63.50	62.99	58.66	58.74	57.23	62.10	64.74	70.00	72.69
Fire	11.00	26.50	26.88	18.35	20.19	18.32	22.07	28.23	28.77	29.23
Public Works	15.75	18.50	19.29	18.11	18.79	18.92	19.30	20.35	19.74	19.06
Recreation	24.00	45.25	48.76	49.16	47.84	45.36	36.57	42.12	43.09	46.03
Economic Development	11.00	13.50	14.06	13.16	13.57	13.46	13.92	13.36	11.70	12.32
Water	6.97	8.50	7.41	7.92	7.34	7.02	6.22	6.99	7.45	7.11
Sewer	5.12	5.75	5.41	5.21	5.22	5.49	5.40	5.50	4.41	4.04
Golf	1.75	4.50	3.28	3.82	5.20	5.90	4.70	5.17	5.24	5.66
Recycling	0.30	0.25	0.30	0.30	0.30	0.54	0.29	0.30	0.35	0.63
Storm Drainage	4.87	4.75	4.90	4.79	4.31	4.27	4.70	4.89	4.98	4.99
Total	176.01	232.25	238.47	227.33	231.65	228.01	225.84	247.30	255.01	239.19

- (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.
- (2) In 2023, Metro INET split off into a separate organization so they are no longer included in the General Government Function.

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	0	0	0	0
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	257,350
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)	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

Sources: Various city departments

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

(2) In 2023, the Fire Department started to inspect individual units in mulit-family units again.
This was suspended during COVID and was restarted.

Function	Fiscal Year				
	2019	2020	2021	2022	2023 (2)
Police					
Serious offenses	3,457	3,462	2,425	3,121	3,373
Public Assistance Calls	39,218	32,652	26,809	15,264	30,483
Traffic citations	4,123	1,775	1,824	183	226
Fire					
Fire incidents	5,540	5,528	6,245	6,650	6,907
Fire inspections	2,112	385	466	605	2,119
Public Works					
Street patching (tons)	1,200	1,422	1,673	998	935
Sealcoating (miles)	-	-	-	-	-
Snow / ice control (miles)	125	125	125	125	125
Sign repair / replacements	1,200	100	75	575	57
Recreation					
Recreation and leisure participations	151,290	103,514	193,974	214,462	215,321
Facility usage permits	2,211	737	585	1,341	2,407
Economic Development					
Building permits issued	1,629	1,480	1,559	2,086	2,173
Number of inspections	5,266	4,513	5,238	5,442	5,788
Planning / zoning cases	28	34	25	15	15
Water					
Meters repaired / replaced	716	371	882	827	739
Water main breaks	36	35	29	37	35
Hydrants repaired / flushed	2,100	7	1,913	1,758	1,753
Annual water pumped (thousands of gallons)	1,627,211	1,708,834	1,875,734	1,863,796	1,929,317
Sewer					
Sewer pipes repaired / replaced (linear feet)	34,343	37,846	37,622	29,146	357
Sewer pipes cleaned (linear feet)	259,110	102,719	173,067	142,514	253,859
Sewer pipes televised (linear feet)	28,213	35,736	42,280	33,293	70,130
Annual sewer flow (thousands of gallons)	1,175,780	1,203,420	1,024,525	956,640	1,015,220
Golf					
Number of rounds played	21,416	25,012	27,401	25,651	25,486
Recycling					
Materials collected (tons)	3,102	3,070	2,937	2,739	2,578
Storm Drainage					
Sweeping (centerline miles)	125	125	125	125	125
Leaf collection (Cubic yards) (1)					
Structure inspections	300	200	200	564	161
Infrastructure repair / replace (linear feet)	-	-	-	-	9

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
Pickleball Courts					
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

Sources: Various city departments

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

Function	Fiscal Year				
	2019	2020	2021	2022	2023
Public Safety					
Police:					
Stations	1	1	1	1	1
Patrol Units	36	36	38	42	41
Fire Stations	1	1	1	1	1
Public Works					
Streets (miles)	125	125	125	125	125
Street Lights	1,134	1,134	1,134	1,134	1,407
Recreation					
Parks and playgrounds	32	32	33	34	34
Lighted park shelters	5	5	5	5	5
Parks Acreage	685	685	686	688	688
Skating Rinks					
Outdoor	11	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	15	15
Volleyball Courts	5	5	5	5	5
Basketball Courts	15	15	15	15	15
Pickleball Courts				6	6
Miles of Trails	71	71	71	71	71
Water					
Number of connections	10,311	10,340	10,385	10,397	10,422
Water mains (miles)	166	166	166	162	162
Fire Hydrants	1,784	1,784	1,784	1,784	1,753
Water purchased from St. Paul (thousands of gallons)	1,629,466	1,708,834	1,875,734	1,863,796	1,929,317
Sewer					
Number of connections	10,258	10,266	10,305	10,291	10,341
Sanitary sewers (miles)	156	156	156	156	156
Storm drainage					
Storm sewers (miles)	145	145	145	125	125

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CITY OF ROSEVILLE, MINNESOTA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND INDEPENDENT AUDITOR'S REPORTS**

For The Year Ended December 31, 2023

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CITY OF ROSEVILLE, MINNESOTA
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the 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, the 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, 2023, and the related notes to the financial statements, which collectively comprise the City of Roseville, Minnesota's basic financial statements, and have issued our report thereon dated April 29, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Roseville, Minnesota's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Roseville, Minnesota's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Roseville, Minnesota's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

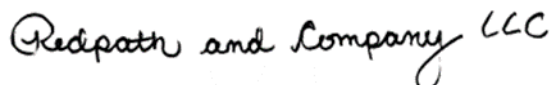
As part of obtaining reasonable assurance about whether the City of Roseville, Minnesota's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The City of Roseville, Minnesota's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Roseville, Minnesota's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The City of Roseville, Minnesota's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Roseville, Minnesota's internal control or on compliance. This 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 and compliance. Accordingly, this communication is not suitable for any other purpose.



REDPATH AND COMPANY, LLC
St. Paul, Minnesota

April 29, 2024

CITY OF ROSEVILLE, MINNESOTA
SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended December 31, 2023

2023-001 Financial Statement Corrections

Criteria: Material audit adjustments are considered to be a deficiency in internal control as defined by auditing standards.

Condition: During the audit, the following adjustment to the financial statements was made:

- Intergovernmental revenue and related expenditures were adjusted by approximately \$570,000 to reduce revenue and expenditures related to 2022, that had been recorded in 2023.

Cause: The City's year-end closing processes did not identify the misstatements prior to the audit. We understand that communications between the City departments may have been a contributing factor.

Effect: There is an increased risk that financial statement misstatements may occur and not be detected and corrected in a timely manner.

Recommendation: We recommend the City continue efforts to assure that all adjustments are identified during the year-end closing process.

City Response: The City recognizes a need for increased internal controls and will evaluate its current processes and implement additional procedures to help minimize such misstatements in the future.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT
ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY
THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Roseville, Minnesota's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City of Roseville, Minnesota's major federal programs for the year ended December 31, 2023. The City of Roseville, Minnesota's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Roseville, Minnesota complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Roseville, Minnesota and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Roseville, Minnesota's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Roseville, Minnesota's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Roseville, Minnesota's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Roseville, Minnesota's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Roseville, Minnesota's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the City of Roseville, Minnesota's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Roseville, Minnesota's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the 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, 2023, and the related notes to the financial statements, which collectively comprise the City of Roseville, Minnesota's basic financial statements. We issued our report thereon dated April 29, 2024, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Redpath and Company LLC

REDPATH AND COMPANY, LLC
St. Paul, Minnesota

April 29, 2024

CITY OF ROSEVILLE, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2023

Federal Funding Source/ Pass Through Agency/ Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Housing and Urban Development:			
Passed-through Ramsey County: Community Development Block Grants/Entitlement Grants (CDBG-Entitlement Grants Cluster)	14.218	None Noted	\$ 146,200
U.S. Department of Housing and Urban Development:			
Passed-through Ramsey County: Home Investment Partnerships Program	14.239	None Noted	87,264
Subtotal U.S. Department of Housing and Urban Development			233,464
U.S. Department of Justice:			
Direct: Bulletproof Vest Partnership Program	16.607	Not Applicable	6,348
U.S. Department of Justice:			
Passed-through Ramsey County Equitable Sharing Program	16.922	None Noted	1,400
U.S. Department of Justice:			
Passed-through Environmental Initiative Inc: Missing Children's Assistance	16.543	None Noted	-
Subtotal U.S. Department of Justice			7,748
U.S. Department of Education:			
Passed-through MN Department of Transportation: COVID-19 - Coronavirus Response and Relief Supplemental Appropriations Act	84.425	None Noted	-
U.S. Department of Treasury:			
Passed-through State of Minnesota: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	None Noted	1,083,066
U.S. Department of Transportation:			
Passed-through State of Minnesota: State and Community Highway Safety (Highway Safety Cluster)	20.600	None Noted	3,833
U.S. Department of Homeland Security/FEMA:			
Direct: Assistance to Firefighters Grant	97.044	Not Applicable	632,672
Total Federal Expenditures			\$ 1,960,783

CITY OF ROSEVILLE, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2023

Notes to the schedule of expenditures of federal awards

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Roseville, Minnesota (City) for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the financial statements.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized when incurred, following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

City of Roseville, Minnesota did not elect to use the 10% de minimis cost rate as allowed under the Uniform Guidance.

Note 4. Subrecipients

City of Roseville, Minnesota did not pass any federal fund to subrecipients during 2023.



COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

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

We have audited the 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 for the year ended December 31, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 29, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Roseville, Minnesota are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by the City of Roseville, Minnesota during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the City of Roseville, Minnesota's financial statements are the:

- estimated present value of the lease receivable
- estimated present value of the lease liability

- the estimates used to calculate the net pension liability, the pension related deferred outflows and inflows of resources, and pension expense

These estimates are based on the City of Roseville, Minnesota's estimated incremental borrowing rate, likelihood of lease renewals and actuarial studies. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. Determining sensitivity is subjective, however, we believe the disclosures most likely to be considered sensitive is Note 4C – Employee retirement systems and defined benefit pension plans.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. One of these known uncorrected misstatements of the financial statements is as follows:

- Payroll expenses related to compensated absences in the golf course fund were overstated by approximately \$21,000 in 2023 due to an understatement of accrued compensated absences in 2022.

Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

The following material misstatement detected as a result of audit procedures was corrected by management:

- Intergovernmental revenues and related expenditures were decreased by \$572,000 related to 2022 activity that was recorded in 2023. The adjustment had a net zero impact on the fund balance and net position for 2022 and 2023.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 29, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City of Roseville, Minnesota's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City of Roseville, Minnesota's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management discussion and analysis, budgetary comparison information, and schedules of OPEB and Pension information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on combining and individual nonmajor fund financial statements and schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory report and statistical sections, which accompany the financial statements but are not RSI. Such information has not been subjected to auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reports

Various reports on compliance and internal controls are contained in the Other Required Reports section of the audited financial statement document.

Restriction on Use

This information is intended solely for the information and use of the City Council and management of the City of Roseville, Minnesota and is not intended to be, and should not be, used by anyone other than these specified parties.

Redpath and Company LLC

REDPATH AND COMPANY, LLC
St. Paul, Minnesota

April 29, 2024



MINNESOTA LEGAL COMPLIANCE REPORT

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

We have audited, 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, the 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, 2023, and the related notes to the financial statements, which collectively comprise the City of Roseville, Minnesota's basic financial statements, and have issued our report thereon dated April 29, 2024.

In connection with our audit, nothing came to our attention that caused us to believe that the City of Roseville, Minnesota failed to comply with the provisions of the contracting – bid laws, depositories of public funds and public investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minnesota Statute § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City of Roseville, Minnesota's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

Redpath and Company LLC

REDPATH AND COMPANY, LLC
St. Paul, Minnesota

April 29, 2024

**Roseville Finance Commission
Agenda Item**

DATE: May 14, 2024

ITEM: 4.b.

ITEM DESCRIPTION: Receive Finance Commission Tracking Report

Background

A summary of the Finance Commission’s recent recommendations submitted to the City Council is included in Attachment 1 for review. The report has been updated to reflect items that have been closed or added per Commissioner Bester.

Recommendation

Not applicable.

Requested Commission Action

For review and discussion purposes only. No formal Commission action is necessary.

Attachments

1. Tracking Report

**Roseville Finance Commission
Recommendation Tracking Report
Report Date - May 14, 2024**

No.	Recommendation	Description	Date Recommended	Date Presented	Status	Discussion and Next Steps
2023-01	Finance Commission recommends that steps be taken to begin to act on incorporating limited equities in the City's investment portfolio.	Option to permit limited investment in equity investments	3/14/2023	3/14/2023	Pending	On 4/25/22 the City Council approved expanded Investment Policy language to permit limited use of equity investments.
2024-01	The Finance Commission recommends the purchase of electric fire engine over the diesel engine. Despite the extra cost associated with electric engines, Finance understands that there are environmental advantages that are in line with the City priorities. Also grant opportunities that may offset some of the cost and possible opportunities to negotiate a lower purchase price.	The Fire Department is proposing to transition to Electric Fire Engines.	1/9/2024	11/14/2023	Implemented	On 11/14/23 Fire Chief Brosnahan and Finance Director Pietrick presented information about electric vs diesel fire engines. Further discussion and financial analysis presented by Finance Commissioners on 1/9/24. Information and recommendation will be presented to City Council on 1/22/24. Approved by Council 1/22/24.

Roseville Finance Commission Recommendation Tracking Report - Definitions

Status	Definition
Pending	Recommendation has not yet been presented to the City Council
Received	Recommendation has been received by the City Council but has not received a formal reply or action
Accepted	Recommendation has been accepted by the City Council but action has not yet been taken
Rejected	Recommendation has been rejected by the City Council and will not move further
Implemented	Recommendation has been accepted by the City Council and action has been implemented
Rescinded	Recommendation has been rescinded by the Finance Commission
Received - Closed	Recommendation has been received by the City Council but has not received a formal reply or action and will be considered closed from future updates tracking.
Received - Further Development	Recommendation has been received by the City Council and returned to the Commission for modifications or further development.

Roseville Finance Commission Agenda Item

DATE: May 14, 2024

ITEM: 4.c.

ITEM DESCRIPTION: Discuss items for joint meeting with City Council

Background

The Finance Commission usually has a joint meeting with the City Council for purposes of reviewing the Commission's activities during the past year, to receive any Commission guidance or recommendations, and to discuss the Commission's workplan for the current year.

The Finance Commission is asked to identify specific topics to discuss with the City Council. Also, identify whether June 3 or June 17 works for the majority of the commissioners.

Recommendation

Not applicable

Requested Commission Action

Discussion on topics and preparation of recommendations for City Council consideration at a Joint City Council-Finance Commission meeting.

Attachments

None

**Roseville Finance Commission
Agenda Item**

DATE: May 14, 2024

ITEM: 5.a.

ITEM DESCRIPTION: Commission members brief background discussion

Background

With the addition of new commission members, it is often helpful to have the commission give a brief bio of their background and why they volunteered for the Finance Commission. This is an opportunity for the commission members to become acquainted with each other.

Recommendation

N/A

Attachments

None

Roseville Finance Commission

2024 Meeting Topics & Calendar

Month	Discussion Topic (Tentative)
January 9	- Continue discussion and recommend Electric vs Diesel Fire Engine - Follow up regarding vehicle maintenance
February 13	CANCELLED
March 12	- Select Chair, Vice-Chair, and Ethics Commission Representative - Review 2023 Investment Portfolio performance
April 9	- Review 2023 preliminary year-end cash reserve levels - Oath of office for new commissioners
May 14	- Discuss items for Joint City Council-Finance Commission meeting. - Review 2023 Audit Reports, auditors will present
June 13 Thursday	
July 9	2025-2044 Capital Improvement Plan review #1
August 22 * Thursday	- Discuss the 2025 City Manager Recommended Budget & Tax Levy 2025-2044 Capital Improvement Plan review #2
September 10	- Establish Recommendation on 2025 City Manager Recommended Budget & Tax Levy - Establish Recommendation on 2025-2044 Capital Improvement Plan
September 16	Present Budget Recommendation to City Council
October 8	- Update on the Council-adopted 2025 preliminary Budget & Tax Levy - Review and adopt a recommendation on the 2025 proposed utility rates
November 12	- Adopt 2025 Meeting Calendar - Adopt 2025 Work Plan