

Annual Financial Report

City of Rogers
Rogers, Minnesota

For the Year Ended
December 31, 2017

THIS PAGE IS LEFT
BLANK INTENTIONALLY

City of Rogers, Minnesota
Annual Financial Report
Table of Contents
For the Year Ended December 31, 2017

	<u>Page No.</u>
Introductory Section	
Elected and Appointed Officials	9
Financial Section	
Independent Auditor's Report	13
Management's Discussion and Analysis	17
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	35
Statement of Activities	36
Fund Financial Statements	
Governmental Funds	
Balance Sheet	40
Reconciliation of the Balance Sheet to the Statement of Net Position	43
Statement of Revenues, Expenditures and Changes in Fund Balances	44
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	46
General Fund	
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	47
Rogers Activity Center Fund	
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	49
Proprietary Funds	
Statement of Net Position	50
Statement of Revenues, Expenses and Changes in Net Position	53
Statement of Cash Flows	54
Notes to the Financial Statements	57
Required Supplementary Information	
Schedule of Employer's Share of Public Employees Retirement Association Net Pension Liability - General Employees Retirement Fund	94
Schedule of Employer's Public Employees Retirement Association Contributions - General Employees Retirement Fund	94
Notes to the Required Supplementary Information - General Employees Retirement Fund	95
Schedule of Employer's Share of Public Employees Retirement Association Net Pension Liability - Public Employees Police and Fire Fund	96
Schedule of Employer's Public Employees Retirement Association Contributions - Public Employees Police and Fire Fund	96
Notes to the Required Supplementary Information - Public Employees Police and Fire Fund	97
Schedule of Changes in the Fire Relief Association's Net Pension Liability (Asset) and Related Ratios	98
Schedule of Employer's Fire Relief Association's Contributions	99
Schedule of Funding Progress for the Postemployment Benefit Plan	99
Combining and Individual Fund Financial Statements and Schedules	
Nonmajor Governmental Funds	
Combining Balance Sheet	102
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	103
Nonmajor Special Revenue Funds	
Combining Balance Sheet	104
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	105
Nonmajor Capital Projects Funds	
Combining Balance Sheet	106
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	108
General Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	111

THIS PAGE IS LEFT
BLANK INTENTIONALLY

City of Rogers, Minnesota
Annual Financial Report
Table of Contents
For the Year Ended December 31, 2017

	<u>Page No.</u>
Combining and Individual Fund Financial Statements and Schedules (Continued)	
Debt Service Funds	
Combining Balance Sheet	118
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	120
TIF Funds	
Combining Balance Sheet	122
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	124
Street and Related Improvement Projects Funds	
Combining Balance Sheet	126
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	128
Enterprise Funds	
Water Fund	
Combining Schedule of Net Position	130
Combining Schedule of Revenues, Expenses and Changes in Net Position	133
Sewer Fund	
Combining Schedule of Net Position	134
Combining Schedule of Revenues, Expenses and Changes in Net Position	136
Storm Sewer Fund	
Combining Schedule Net Position	137
Combining Schedule of Revenues, Expenses and Changes in Net Position	138
Municipal Liquor Store Fund	
Combining Schedule of Operating Revenues and Expenses	139
Summary Financial Report	
Revenues and Expenditures for General Operations - Governmental Funds	140
 Other Required Reports	
Independent Auditor's Report	
on Minnesota Legal Compliance	143
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 <i>Government Auditing Standards</i>	144

THIS PAGE IS LEFT
BLANK INTENTIONALLY

INTRODUCTORY SECTION

CITY OF ROGERS
ROGERS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2017

THIS PAGE IS LEFT
BLANK INTENTIONALLY

City of Rogers, Minnesota
Elected and Appointed Officials
For the Year Ended December 31, 2017

ELECTED

Name	Title	Term Expires
Rick Ihli	Mayor	12/31/2018
Mark Eiden	Council Member	12/31/2018
Bruce Gorecki	Council Member	12/31/2018
Darren Jakel	Council Member	12/31/2020
Shannon Klick	Council Member	12/31/2020

APPOINTED

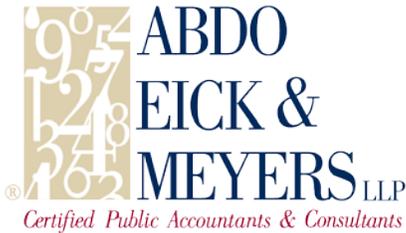
Steve Stahmer	City Administrator
Lisa Herbert	Finance Director
Stacy Scharber	Assistant City Administrator / City Clerk
Bridget Bruska	Assistant Finance Director
Bradley Feist	Fire Chief
Jason Greninger	Information Systems Director
Gary Buysse	Liquor Operations Director
Jason Ziemer	Planner / Community Development Coordinator
Jeffrey Beahen	Police Chief
John Seifert	Public Works Director
Mike Bauer	Recreation & Facilities Director

THIS PAGE IS LEFT
BLANK INTENTIONALLY

FINANCIAL SECTION
CITY OF ROGERS
ROGERS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2017

THIS PAGE IS LEFT
BLANK INTENTIONALLY



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Rogers, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Rogers, Minnesota (the City), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund and Rogers Activity Center special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

THIS PAGE IS LEFT
BLANK INTENTIONALLY

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 17, the Schedules of Employer's Share of the Net Pension Liability, the Schedule of Changes in Net Pension Liability (Asset) and Related Ratios, the Schedules of Employer's Contributions and the Schedule of Funding Progress for the Postemployment Benefit Plan on page 94 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

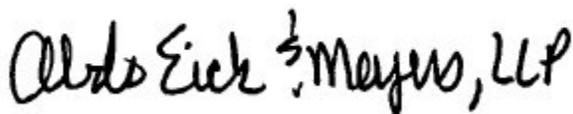
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section and combining and individual fund financial statements and schedules are presented for purposes of additional analysis and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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
May 22, 2018

THIS PAGE IS LEFT
BLANK INTENTIONALLY

Management's Discussion and Analysis

As management of the City of Rogers, Minnesota, (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2017.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$119,305,877 (net position). Of this amount, \$26,024,634 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$2,841,338 as a result of revenues in excess of expenses. \$1,458,731 was a result of an increase of net position within Enterprise Funds, and \$1,382,607 from an increase of net position within Governmental Funds. This is largely due to continued development and growth. The City's partnerships with developers to expand utility and transportation infrastructure and associated development fees and prepaid assessments have contributed to a large part of the increase in total net position.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$16,733,406 an increase of \$2,208,526 in comparison with the prior year. Approximately 34.2 percent of this total amount, \$5,730,135, is either nonspendable or restricted for specific purposes. The remaining fund balance was committed by City Council, assigned or unassigned.
- At the end of the current fiscal year, unrestricted fund balance for the General fund was \$5,172,057, or 69.4 percent of 2017 actual expenditures and 64.1 percent of budgeted 2018 expenditures.
- The City's total long-term debt decreased \$1,385,000 or 10.64 percent during the current fiscal year. The key factor of this decrease was due to annually scheduled bond payments.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves. The following chart shows how the various parts of this annual report are arranged and related to one another:

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of combining and individual fund financial statements and schedules that further explains and supports the information in the financial statements. Figure 1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining and individual fund financial statements and schedules that provide details about nonmajor governmental funds, which are added together and presented in single columns in the basic financial statements. Internal service funds statements are also included, reflecting balances prior to their elimination from the government-wide financial statements, to avoid "doubling-up" effect within the governmental and business-type activities columns of said statements.

Figure 1
Required Components of the
City's Annual Financial Report

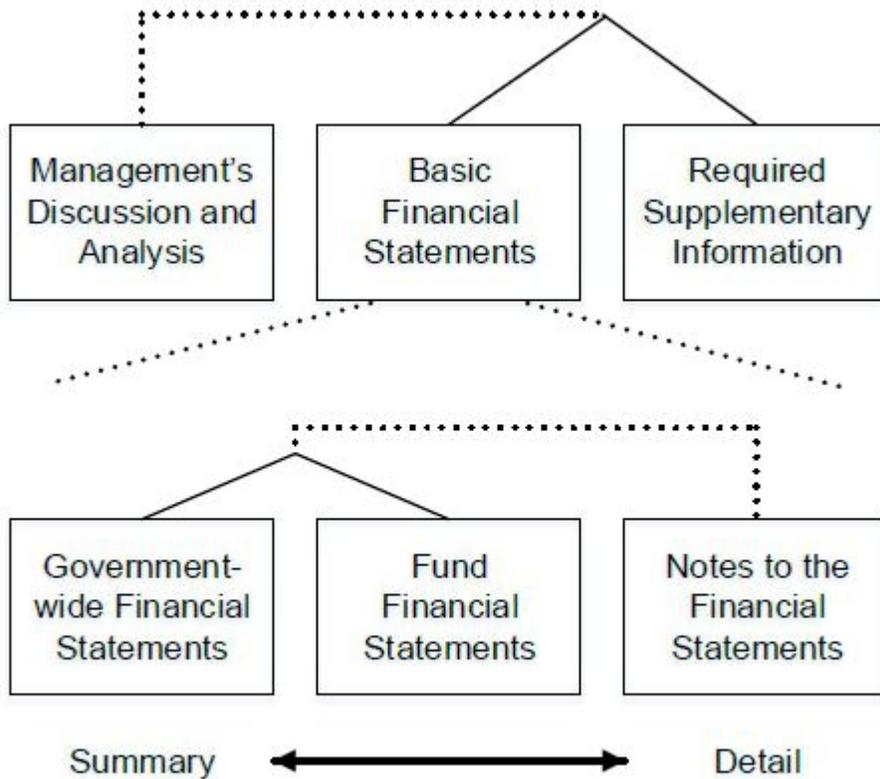


Figure 2 summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

Figure 2
Major features of the Government-wide and Fund Financial Statements

	Fund Financial Statements		
	Government-wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire City government and the City’s component units	The activities of the City that are not proprietary or fiduciary, such as police, fire and parks	Activities the City operates similar to private businesses, such as the water and sewer system
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statements of Net Position • Statements of Revenues, Expenses and Changes in Fund Net Position • Statements of Cash Flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of deferred outflows/inflows of resources information	All deferred outflows/inflows of resources, regardless of when cash is received or paid	Only deferred outflows of resources expected to be used up and deferred inflows or resources that come due during the year or soon thereafter; no capital assets included	All deferred outflows/inflows of resources, regardless of when cash is received or paid
Type of inflow/out flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

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 of resources and liabilities and deferred inflows of resources, with the difference between them 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.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, culture and recreation, economic development, housing, and interest on long-term debt. The business-type activities of the City include water, sewer, storm sewer and municipal liquor.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate Economic Development Authority (EDA) for which the City is financially accountable. Financial information for this *component unit* is not reported separately from the financial information presented for the primary government itself.

The government-wide financial statements start on page 35 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 government, 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 by 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 (deficits) provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 16 individual governmental funds. The Debt Service fund consists of 9 sub-funds, the street and related improvement project fund consists of 10 sub-funds, and the tax increment financing fund consists of 7 sub-funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General fund, Debt Service fund, Rogers Activity Center fund, Revolving Capital fund and the Street and Related Improvement Projects fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements or schedules* elsewhere in this report.

The City adopts an annual appropriated budget for the General fund and the Rogers Activity Center special revenue fund. Budgetary comparison statements have been provided for the General fund and the Rogers Activity Center fund to demonstrate compliance with their budgets.

The basic governmental fund financial statements start on page 40 of this report.

Proprietary Funds. The City maintains four 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 water, sewer, storm sewer and municipal liquor.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for each of the enterprise funds which are considered to be major funds of the City.

The basic proprietary funds financial statements start on page 50 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 57 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 94 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented following the notes to the financial statements. Combining and individual fund financial statements and schedules start on page 102 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$119,305,877 at the close of the most recent fiscal year.

By far, the largest portion of the City's net position (70.7 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Rogers's Summary of Net Position

	Governmental Activities			Business-type Activities		
	2017	2016	Increase (Decrease)	2017	2016	Increase (Decrease)
Assets						
Current and other assets	\$ 24,270,035	\$ 22,646,955	\$ 1,623,080	\$ 20,875,040	\$ 19,332,258	\$ 1,542,782
Capital assets	63,821,538	64,505,661	(684,123)	31,839,039	31,914,061	(75,022)
Total Assets	<u>88,091,573</u>	<u>87,152,616</u>	<u>938,957</u>	<u>52,714,079</u>	<u>51,246,319</u>	<u>1,467,760</u>
Deferred Outflows of Resources	<u>3,786,051</u>	<u>5,140,314</u>	<u>(1,354,263)</u>	<u>127,685</u>	<u>407,189</u>	<u>(279,504)</u>
Liabilities						
Noncurrent liabilities outstanding	15,615,802	20,236,229	(4,620,427)	1,991,066	2,730,596	(739,530)
Other liabilities	3,204,476	3,280,008	(75,532)	789,055	313,471	475,584
Total Liabilities	<u>18,820,278</u>	<u>23,516,237</u>	<u>(4,695,959)</u>	<u>2,780,121</u>	<u>3,044,067</u>	<u>(263,946)</u>
Deferred Inflows of Resources	<u>3,719,063</u>	<u>821,017</u>	<u>2,898,046</u>	<u>94,049</u>	<u>100,578</u>	<u>(6,529)</u>
Net Position						
Net investment in capital assets	53,651,578	53,090,551	561,027	30,659,039	30,629,061	29,978
Restricted	8,970,626	10,629,344	(1,658,718)	-	-	-
Unrestricted	<u>6,716,079</u>	<u>4,235,781</u>	<u>2,480,298</u>	<u>19,308,555</u>	<u>17,879,802</u>	<u>1,428,753</u>
Total Net Position	<u>\$ 69,338,283</u>	<u>\$ 67,955,676</u>	<u>\$ 1,382,607</u>	<u>\$ 49,967,594</u>	<u>\$ 48,508,863</u>	<u>\$ 1,458,731</u>

An additional portion of the City's net position (\$8,970,626) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$26,024,634) may be used to meet the City's ongoing obligations to citizens and creditors.

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

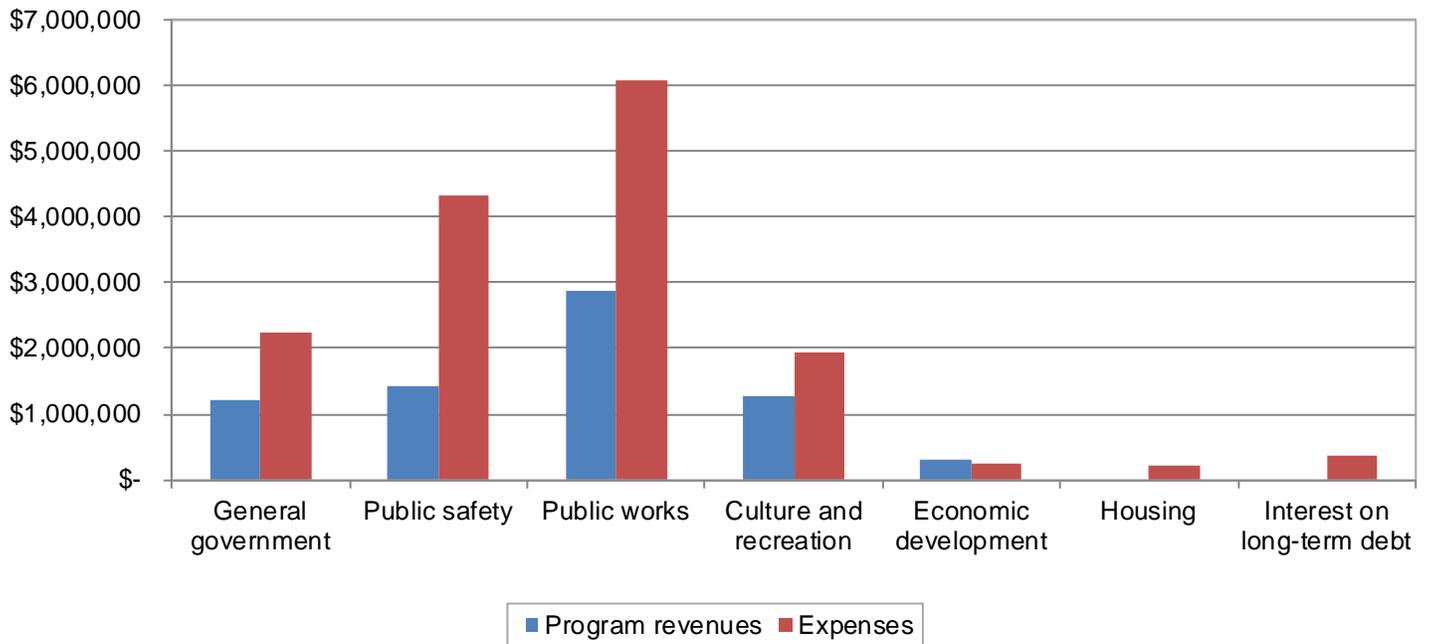
Governmental Activities. Governmental activities increased the City's net position by \$1,382,607, thereby accounting for approximately 48.66 percent of the growth in the net position of the City. Key elements of this increase are as follows:

City of Rogers's Changes in Net Position

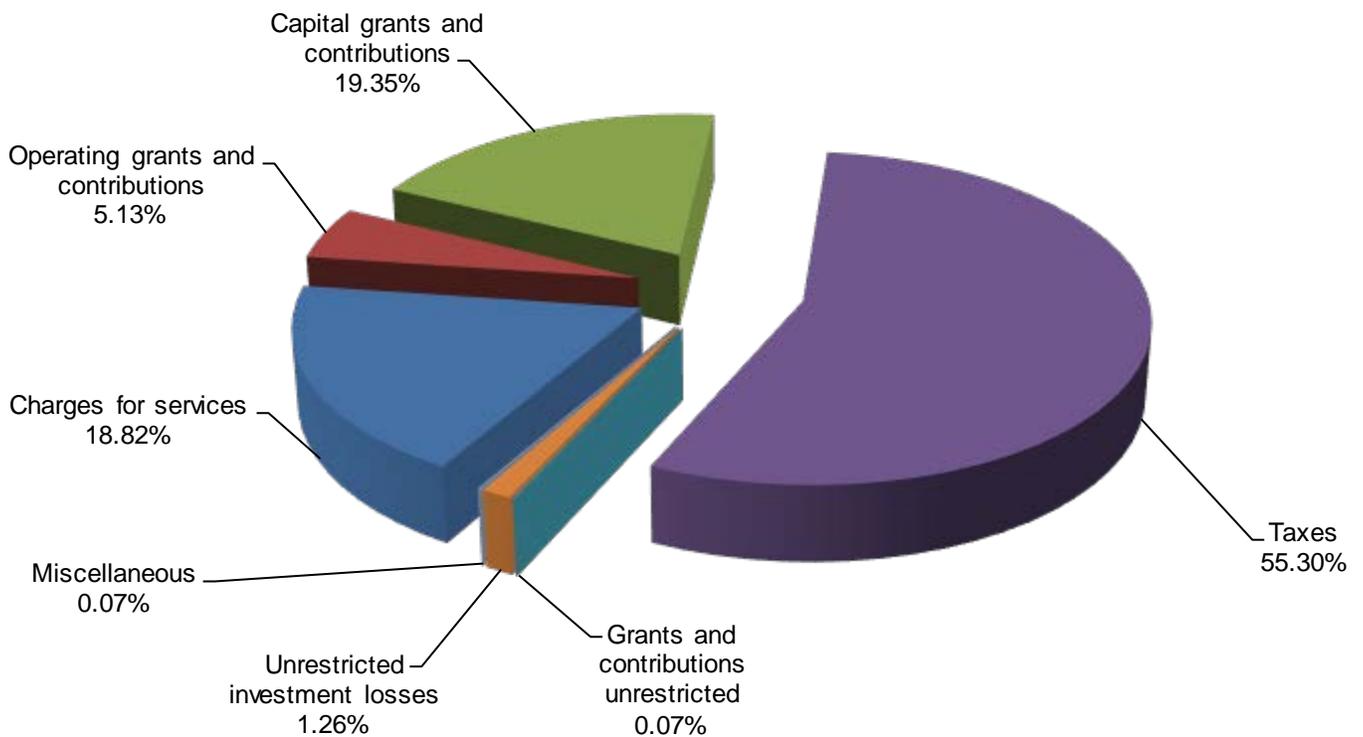
	Governmental Activities			Business-type Activities		
	2017	2016	Increase (Decrease)	2017	2016	Increase (Decrease)
Revenues						
Program Revenues						
Charges for services	\$ 3,084,797	\$ 2,451,628	\$ 633,169	\$ 5,953,282	\$ 5,661,605	\$ 291,677
Operating grants and contributions	842,114	531,234	310,880	159	4,325	(4,166)
Capital grants and contributions	3,174,043	1,916,925	1,257,118	1,517,679	817,659	700,020
General Revenues						
Taxes						
Property taxes	7,463,771	6,755,445	708,326	-	-	-
Tax increments	399,889	375,507	24,382	-	-	-
Franchise taxes	1,206,342	1,139,670	66,672	-	-	-
Grants and contributions not restricted to specific programs	12,205	11,848	357	-	-	-
Unrestricted investment earnings (loss)	206,814	(1,174)	207,988	186,392	(53,171)	239,563
Gain on sale of capital assets	4,407	25,279	(20,872)	-	-	-
Miscellaneous	11,386	30,107	(18,721)	-	-	-
Total Revenues	16,405,768	13,236,469	3,169,299	7,657,512	6,430,418	1,227,094
Expenses						
General government	2,234,762	1,962,099	272,663	-	-	-
Public safety	4,335,551	4,585,140	(249,589)	-	-	-
Public works	6,075,391	3,699,523	2,375,868	-	-	-
Culture and recreation	1,954,075	1,567,133	386,942	-	-	-
Economic development	244,230	161,672	82,558	-	-	-
Housing	205,370	191,297	14,073	-	-	-
Interest on long-term debt	352,603	411,434	(58,831)	-	-	-
Water	-	-	-	1,244,126	1,301,714	(57,588)
Sewer	-	-	-	1,010,162	1,022,441	(12,279)
Storm sewer	-	-	-	462,661	521,685	(59,024)
Municipal liquor	-	-	-	3,103,011	3,130,329	(27,318)
Total Expenses	15,401,982	12,578,298	2,823,684	5,819,960	5,976,169	(156,209)
Increase in Net Position						
Before Transfers	1,003,786	658,171	345,615	1,837,552	454,249	1,383,303
Transfers - Internal Activities	379,317	511,917	(132,600)	(379,317)	(511,917)	132,600
Transfers - Contribution of Capital Assets	(496)	(178,947)	178,451	496	178,947	(178,451)
Change in Net Position	1,382,607	991,141	391,466	1,458,731	121,279	1,337,452
Net Position, January 1	67,955,676	66,964,535	991,141	48,508,863	48,387,584	121,279
Net Position, December 31	\$ 69,338,283	\$ 67,955,676	\$ 1,382,607	\$ 49,967,594	\$ 48,508,863	\$ 1,458,731

The following graph depicts various governmental activities and shows the program revenues and expenses directly related to those activities.

Expenses and Program Revenues - Governmental Activities

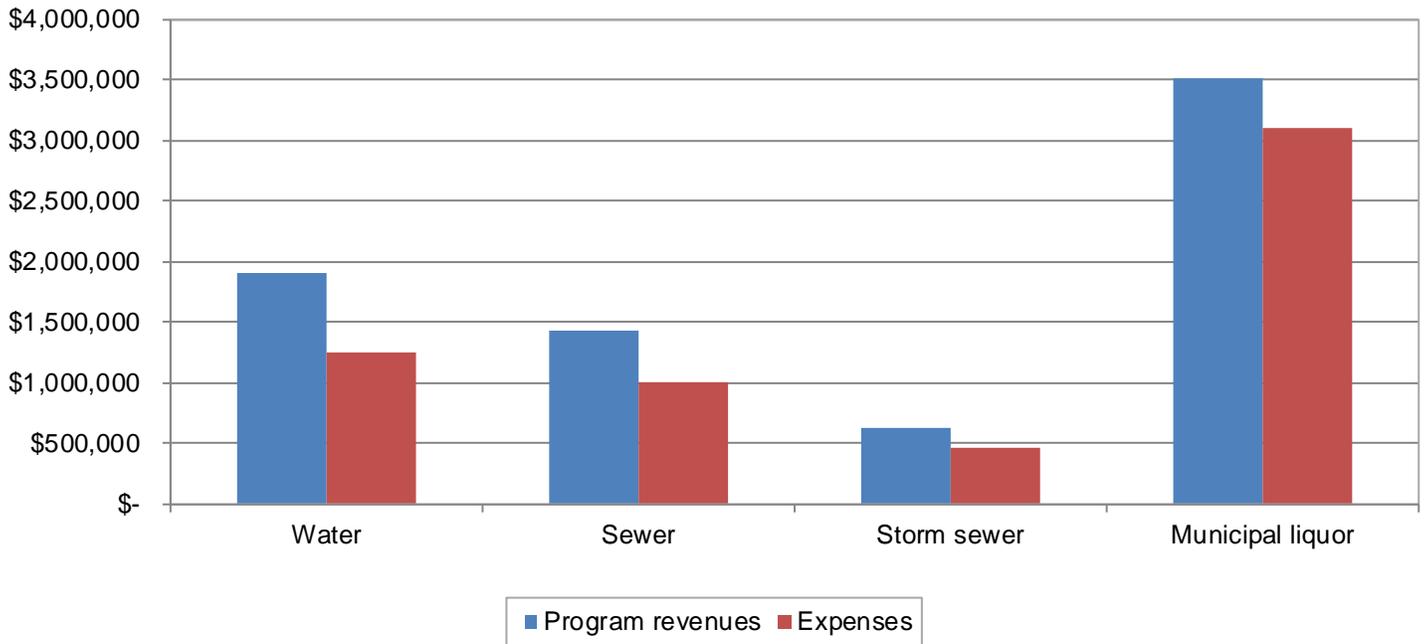


Revenues by Source - Governmental Activities

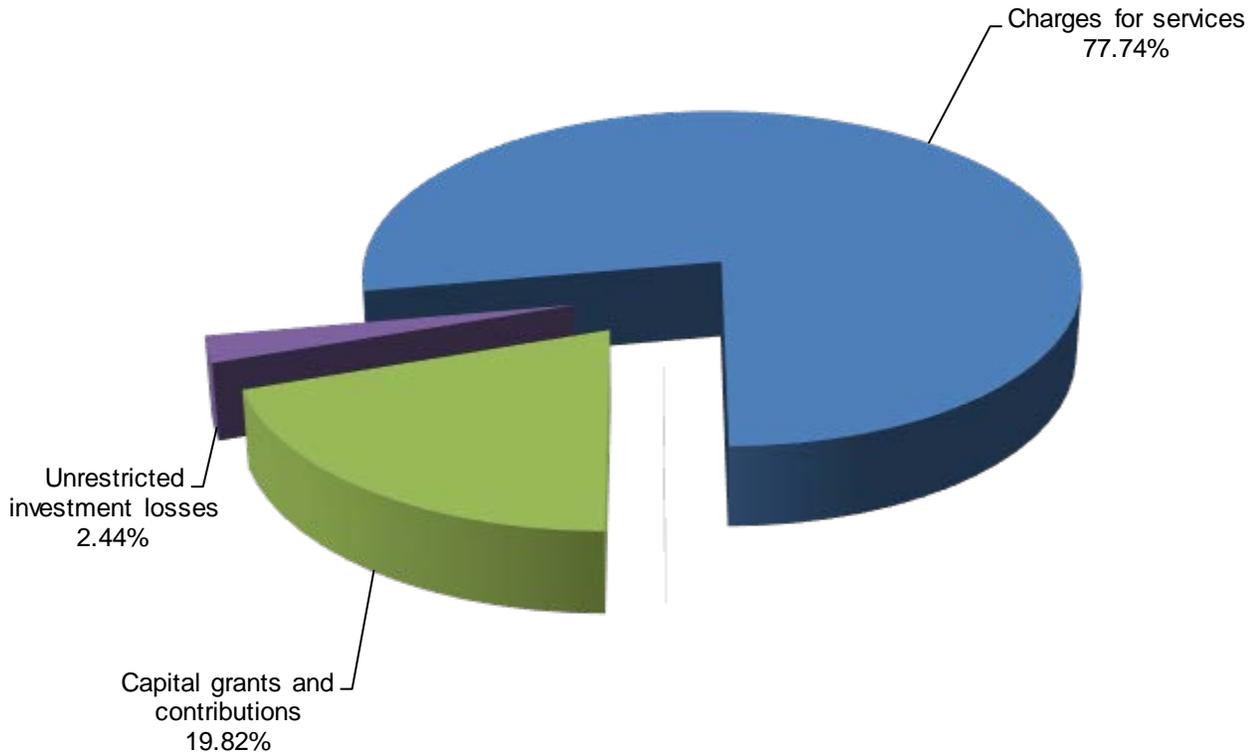


Business-type Activities. Business-type activities increased the City's net position by \$1,458,731, contributing for 51.34 percent of the total growth in the City's net position. Key elements of this increase are as follows:

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

Governmental Funds. As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$16,733,406, an increase of \$2,208,526 in comparison with the prior year. Approximately 30.0 percent of this total amount, \$5,015,612, constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance (\$11,717,794) is not available for new spending because it is either 1) nonspendable (\$48,815), 2) restricted (\$5,681,320), 3) committed (\$5,851,882) or 4) assigned (\$135,777) for specific purposes.

Major Funds	Fund Balances		Increase (Decrease)
	December 31, 2016	December 31, 2017	
General	\$ 4,592,841	\$ 5,220,273	\$ 627,432
The General fund experienced an increase in fund balance in 2017. See the below section, "General Fund Budgetary Highlights" for more detailed information.			
Debt Service	\$ (231,235)	\$ 45,186	\$ 276,421
The fund balance of the Debt Service fund increased \$267,421 from the prior year due to deferred Industrial Boulevard assessments paid on Fox Creek North 4 th and 5 th Additions and a transfer in to close the Rogers Drive Intersection Expansion project to the debt fund. In 2017, the 2012A G.O. Equipment Certificates were also defeased.			
Rogers Activity Center	\$ (50,343)	\$ 327,042	\$ 377,385
During the year, the Rogers Activity Center (RAC) had revenues in excess of expenditures and transfers out allowing the fund deficit to be eliminated. The RAC has a capital interfund loan, which is being repaid through contributions and revenues; the debt schedule is currently estimated to be repaid in full by 2020. The RAC also has bonded debt outstanding in the amount of \$2,100,000 which matures in 2029.			
Revolving Capital	\$ 4,006,864	\$ 4,932,120	\$ 925,256
The Revolving Capital fund experienced an increase in fund balance of \$925,256. The increase is mainly due to a transfer in to close the Rogers Drive Intersection Expansion project (\$669,995) as well as a transfer in of non-increment revenue from TIF #1 (\$69,936).			
Street and Related Improvement Projects	\$ 2,691,636	\$ 810,958	\$ (1,880,678)

The Street and Related Improvement Projects fund experienced a decrease in fund balance of \$1,880,678. The decrease is due to the Rogers Drive Intersection projects at CSAH 81/13.

General Fund Budgetary Highlights

Actual revenues were \$554,912 over budget and expenditures were \$180,373 under budget; along with transfers and other financing sources, the end result was an increase in fund balance of \$627,432.

Revenue highlights include:

- The City received a tax forfeited property settlement (approximately \$140,000) which was the main reason for the positive budget variance of \$78,566 in tax revenue.
- Non-business licenses and permits were \$125,573 in excess of budget; this is mainly due to an increase in building permit fees, some of which can be attributed to the new Laurel Creek development.
- Intergovernmental revenue had a positive budget variance of \$62,220 which was mainly due to fire and police state aid actual revenue being \$34,647 over budget. State aid is budgeted based on prior year amounts since actual amounts are not available at the time of budget and amounts generally go up each year. In addition, the City received a supplemental Fire State Aid amount of \$20,834 which was passed through to the Relief Association.
- General government charges for services exceeded the budget by \$90,345 due to development agreement fees for Laurel Creek Phase I.
- Investment earnings improved in 2017 and interest on investments (net of the fair market value adjustment) was over budget by \$21,062.
- Refunds and reimbursements had a positive budget variance of \$154,373 mainly due to escrow reimbursements offset by expenditures incurred by the City for private development projects.

Expenditures highlights include:

General Government

- Planning and zoning had a positive budget variance of \$10,062 some of which was due to the City Planner position being open for a portion of the year and was offset by overspending of contractual services for the Comprehensive Plan update.
- The general engineering department showed a negative budget variance of \$128,804 which was the result of the engineer not being hired until June as well as expenditures made by the City for private development projects. These private development expenses are offset by refunds and reimbursements through escrows and the City has a shared personnel agreement with the City of St. Michael which offsets a portion of the Project Engineer's personal services expenses.

Public Safety

- Police protection and administration had a positive budget variance of \$95,943; this is the result of not backfilling an officer when promoting a new detective and workers compensation coming in under budget. The positive personal services variances are offset by expenses in excess of budget for communications, equipment and vehicle repairs, and equipment leases.
- Firefighting and administration showed a positive budget variance of \$73,384 which is due to coming in under budget for volunteer fire on-call pay, workers compensation premiums, other communication, insurance, building repairs, and training.
- Capital purchases included a Police K-9 dog (Spitz), the outfitting of a vehicle for Spitz, and emergency operations center equipment.

Public Works

- General public works expenses had a positive budget variance of \$61,208; this is due the late hiring of the Public Works Analyst position and fuel and lubricant expenses coming in significantly under budget.
- Positive budget variances in the paved streets due to unspent MSA funds and a positive variance in the snow and ice removal department due to operational efficiencies and lower than average snow and ice totals are offset by transfers out to the pavement management program.

Rogers Activity Center Fund Budgetary Highlights

Revenues were over budgeted amounts by \$68,548 mainly due to charges for services (with ice rental accounting for the majority of the variance) and interest on investments, which were \$52,925 and \$7,976 over budget, respectively. Expenditures were over budgeted amounts by \$12,799 due to increased electrical expenses and vehicle and equipment repairs.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2017, amounts to \$95,660,577 (net of accumulated depreciation). This investment in capital assets includes land, structures, improvements, machinery and equipment, park facilities and roads.

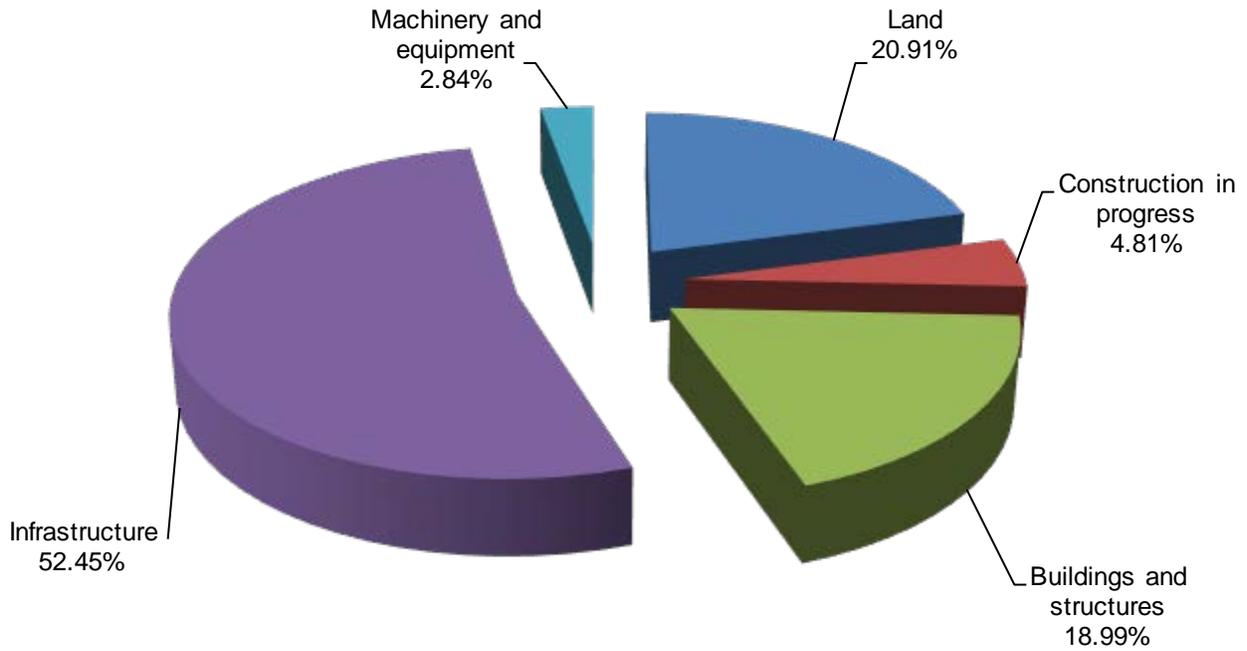
Major public project capital asset events during the current fiscal year were as follows:

- Completion of the following projects:
 - CSAH 144 Trail (Rogers Middle School to Mallard Drive)
 - Rogers Drive Reconstruction
 - Genereux Utility Extension
 - Rogers Drive Intersection Expansion
 - Augusta Prairie Trail
- Purchase of a Sterling Acterra truck and Belos Sidewalk Machine
- Tucker Road had an outdoor warning siren installed
- Right-of-way property was purchased as part of the CSAH 81/13 project
- Purchased 6 SCBA packs, bottles, and masks for Fire Truck, Engine 11

Additional information on the City's capital assets can be found in Note 3B starting on page 69 of this report.

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

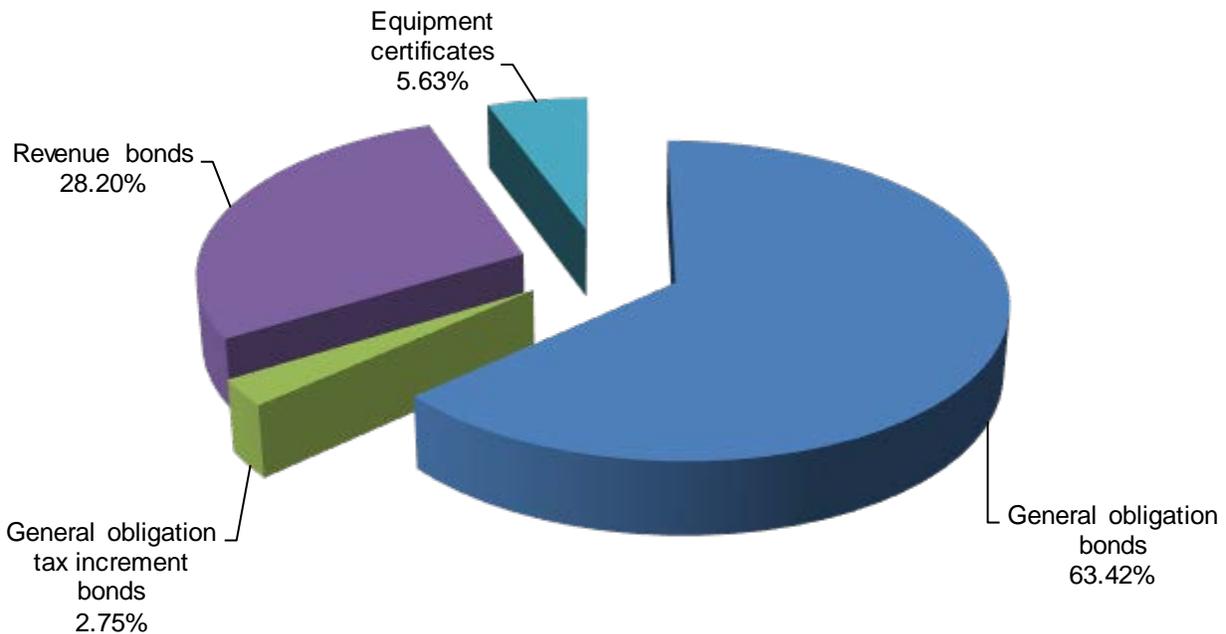
	Governmental Activities			Business-type Activities		
	2017	2016	Increase (Decrease)	2017	2016	Increase (Decrease)
Land	\$ 18,038,229	\$ 17,963,264	\$ 74,965	\$ 1,969,145	\$ 1,969,145	\$ -
Construction in Progress	2,447,376	2,272,469	174,907	2,151,522	1,258,712	892,810
Buildings and Structures	14,147,036	14,614,723	(467,687)	4,015,559	4,313,077	(297,518)
Infrastructure	26,737,824	26,824,240	(86,416)	23,436,492	24,049,926	(613,434)
Machinery and Equipment	2,451,073	2,830,965	(379,892)	266,321	323,201	(56,880)
Total	\$ 63,821,538	\$ 64,505,661	\$ (684,123)	\$ 31,839,039	\$ 31,914,061	\$ (75,022)



Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$11,630,000. \$10,450,000 is governmental-related debt, and \$1,180,000 is enterprise fund-related debt. While all of the City's bonds have revenue streams, they are all backed by the full faith and credit of the City.

City of Rogers's Outstanding Debt

	Governmental Activities			Business-type Activities		
	2017	2016	Increase (Decrease)	2017	2016	Increase (Decrease)
General Obligation Bonds	\$ 7,375,000	\$ 8,105,000	\$ (730,000)	\$ -	\$ -	\$ -
General Obligation Tax Increment Bonds	320,000	415,000	(95,000)	-	-	-
Revenue Bonds	2,100,000	2,250,000	(150,000)	1,180,000	1,285,000	(105,000)
Equipment Certificates	655,000	960,000	(305,000)	-	-	-
Total	\$ 10,450,000	\$ 11,730,000	\$ (1,280,000)	\$ 1,180,000	\$ 1,285,000	\$ (105,000)



The City's total debt decreased \$1,385,000 (10.64 percent) during the current fiscal year, due to annually schedule bond payments.

Minnesota statutes limit the amount of net general obligation debt a City may issue to 3 percent of the market value of taxable property within the City. Net debt is debt payable solely from ad valorem taxes. The current debt limitation for the City is \$51,064,098. The City is under the statutory debt limit as of December 31, 2017.

The City improved its bond rating of AA2 by Moody's Investors Service to an AA+ rating from Standard & Poors which was formally assigned on February 7, 2014, which was reaffirmed in 2015.

Additional information on the City's long-term debt can be found in Note 3E starting on page 74 of this report.

Economic Factors and Next Year's Budgets and Rates

The City of Rogers is located in the northwest corner of Hennepin County, within the seven county metropolitan area of Minnesota and is comprised of 26.2 square miles. The 2010 U.S. Census reports Rogers having a population of 11,197 which includes the former Hassan Township annexed into Rogers on December 31, 2011. According to the Metropolitan Council's most recent information dated April 1, 2017, the City of Rogers has an estimated 2017 population of 12,753 (up from 12,539 in 2016). The 2017 household estimate was 4,184 (up from 4,126 in 2016). The City of Rogers is anticipated to have a 2020 employment estimate of 11,400. The 2040 population estimate is over 22,800 with a household forecast of 8,500 and employment forecast of 14,800.

The City's taxable market values continue to add new commercial, industrial and residential growth. Property valuations are stable and increasing. Valuations have been adjusted based upon economic conditions occurring nationally, statewide and regionally. The City's full value of taxable property for payable 2018 is \$1,817,124,926. Commercial/Industrial properties comprise approximately 50.73 percent of the total City net tax capacity, 44.04 percent Residential and the balance fall into other classifications.

Rogers has been reaffirmed the AA+ Stable credit rating from Standard & Poor's Ratings Services in September 2015, which is one notch below a perfect AAA rating. Many factors go into the rating process and it is a direct reflection of the local economy along with the City's ability to securely manage the City's fiduciary responsibilities. The City's ability to implement timely and sound financial and operational decisions in response to economic and fiscal demands is a primary determinant of changes in credit quality. Rogers' long-term rating reflects a positive assessment of the following factors for the City - very strong economy, very strong management, strong financial policies and practices, strong budgetary performance, very strong budgetary flexibility, very strong liquidity, and strong institutional framework. A nearly perfect credit rating keeps the cost of financing capital projects low while providing a substantial savings to taxpayers.

Inflationary trends in the region are comparable to national indices.

The net property tax levy for 2018 provided for a 3.79 percent increase, while reflecting a reduced tax rate from 2017 of 38.308 percent to 36.810 percent in 2018. The City's total net tax capacity for 2017 (Pay 2018) increased 5.92 percent over 2016 (Pay 2017) due to increased development and valuation adjustments made by the Hennepin County Assessor's Office. Residential, commercial and industrial capacity is anticipated to remain strong in terms of growth potential during the next 5-10 years. From 2013 into early 2017, residential new-home building permits have been strong. 136 new residential building permits were issued during 2013, 56 during 2014, 43 during 2015, 49 during 2016, 74 during 2017, and an additional 39 during the first 4 months of 2018.

2040 Comprehensive Plan and Residential Development Density

The City of Rogers is working on its 2040 Comprehensive Plan. Every 10 years, as required by Minnesota State Statute §462.355, local governments are required to review and revise their Comprehensive Plans as a means of responding to local issues and trends, and accommodating community change and growth. The Plan is a vision of the future used to plan development and redevelopment activities that encourage smart use of the land, preserve natural resources and other areas of local significance, and enable effective financial planning necessary to fund necessary public improvements. The 2040 Plan will be completed in 2019. Upon completion, City staff will work with the Planning Commission and City Council on updates to the City's zoning code.

A significant topic of conversation in the residential realm is the need for greater diversity in available housing options in Rogers – notably affordable and market-rate multi-family developments. High density development is a topic being guided by the development community, local businesses needing improved housing options for employees, and the City as part of its 2040 Comprehensive Plan. Specifically, Sand Companies met with the City Council and began pursuit of Hennepin County funding to assist with development of a 49-unit affordable apartment project on 1.88 acres, adjacent to the Preserve on Commerce Boulevard. City staff has also met with apartment developers actively pursuing other types of multi-family development projects on various sites throughout the community.

Commercial/Industrial Economic Development:

Between 2011 and 2017, significant industrial developments occurred in Rogers. The most significant growth due to development occurred in an area known to the City as Brockton Area Industrial Park (along CSAH 13) and in the Launch Park area northwest of the newly constructed TH101/CSAH144 Interchange. In total, more than 1,925,000 square feet of new industrial distribution space has been constructed in the City of Rogers (complete or nearly complete) since 2011. Developers such as Liberty Partnership, Scannell, Kinghorn, NR Rogers, and others, brought in or expanded Commercial/Industrial businesses including Medline, Graco Manufacturing, Clam Corporation World Headquarters, FedEx Distribution Center, Ferguson Plumbing, Arctic Cat, Ruan Trucking, Turbine Pros, DSI, CSM, Midwest Steel and Advanced Extrusion.

An additional 580,000 square feet has received final City planning approvals with yet another 1,098,000 square feet in the conceptual planning stages. This includes Capitol Beverage, Kinghorn Industrial Park 2nd Outlot A, Kinghorn Industrial Park 3rd, Liberty French Lake Industrial Center Two Outlots A & B, and Launch Park North.

Several projects have occurred in the Brockton Area Industrial Park development which required improvements to the CSAH 81/CSAH 13 intersection. Utilities were extended south along CSAH 13 and under I94 to provide water to the Lennar owned Laurel Creek Development with sewer connection being provided by MCES to the southeast corner of Rogers. The expanded utilities to the east and southeast area of Rogers will help provide for new C/I growth and development.

Other commercial development and expansions for 2017 included Short or Tall bar/grill and Lil Explorers daycare.

For 2018 the City has begun planning with Graco Corporation, an international commercial manufacturing and distribution company to expand their existing facility in Rogers by an additional 434,000 square feet; and additional planning for Interstate Companies which plans to construct a new truck and power equipment sales and service facility.

Residential Development:

During 2014-2016, new residential development projects included Edgewater Shores 2nd, Augusta Prairie, Park View Acres 3rd Addition, Villas at Lyndhaven Meadows, Parkway Preserve, Augusta Prairie 2nd and Ryan Meadows with a total 189 Single Family Units. In 2017 into 2018, Laurel Creek/Lennar Homes (former Stones Throw) Phase I was platted with home construction beginning and Phase II underway, as part of the five phase residential development of 316 acres of residential single-family and multi-family housing. This development will provide for 475 new housing units. Other 2017-18 residential development planning and approvals include Augusta Prairie Phase 3, Fletcher Hills 2nd and Mallard South. The City has continued developer interest in single-family development.

Public Projects:

Utility expansion through the Brockton Area Industrial Park south under I94, to the Laurel Creek Development were completed in 2017. This utility expansion provides for a joint City of Rogers and City of Dayton shared services intergovernmental agreement as the major development expansions border both communities and opens up the SE side of Rogers. The City Council has also taken into consideration the expansion of utilities, which could open up 1,200 additional lots within Rogers over the next 5 years in the SW Rogers area.

Other public projects completed during 2017, or planning for/underway in 2018, include the construction of a lacrosse wall, Augusta Prairie Trail, South Community Park Entrance Road, Pedestrian Crossing Improvements on CSAH 101 over I94, street construction for future CR117, CSAH 159/CSAH 101 intersection improvements, expansion of utilities to Arthur Street, Fox Creek Stabilization, Industrial Boulevard Extension to CSAH 144, Territorial View Trail, the potential public/private partnership with a developer for a Tennis Center, and Triangle Park Pavilion.

The City is pursuing inclusion in the MN State Bonding Bill for a pedestrian crossing over I94, with a City pledge to match funds, for the safety of our residents walking or biking to cross over the freeway, and continued pursuit of a SRTS Grant for CSAH 144 Trail (west of TH 101). While not included in the 2018 State Bonding Bill, the City intends to pursue additional state and federal funding programs, including future Bonding Bills. The City is working with property owners and Hennepin County to secure the ROW for the future Fletcher Bypass which could also include future turn back of other County road(s) to the City. All of the public projects identified are part of the 10 year Financial Management Plan (FMP) adopted annually by the City of Rogers.

During 2016, the City of Rogers Pavement Management Program (PMP) was implemented via franchise fee funding thereby eliminating the need to assess or tax levy for reconstruction and maintenance of streets. This is a long-range solution to preserve one of the City's major assets – streets. A long-range plan has been incorporated into the program with 2018 plans including the rehabilitation of Crow River Heights and Mallard Estates pavement projects.

The City also acquired properties within the Downtown Redevelopment Plan during 2016 which now has 3 adjacent lots available for potential commercial or residential development at the entrance to the City's historic downtown; and acquired property adjacent to the Rogers High School and Rogers Activity Center for future park and recreation buildings, storm water, parking, and potential retail development that would be suitable for the area.

The City incorporated over \$2,800,000 in annual capital sinking fund levies since 2013 as part of the 10 year FMP to offset future capital borrowing needs which was continued within the 2018 budget. These monies are included in the long-range financial planning FMP for new and replacement buildings, capital equipment (including police, fire, public works vehicles & equipment), transportation needs, and park & trail needs.

All of these factors were considered in the preparation of the City's budget for the 2018 year.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Finance Department, 22350 South Diamond Lake Road, Rogers, MN 55374.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF ROGERS
ROGERS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2017

THIS PAGE IS LEFT
BLANK INTENTIONALLY

City of Rogers, Minnesota
Statement of Net Position
December 31, 2017

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and temporary investments	\$ 19,507,608	\$ 18,492,709	\$ 38,000,317
Receivables			
Accounts	628,047	475,345	1,103,392
Accrued interest	100,971	-	100,971
Delinquent taxes	75,976	-	75,976
Special assessments	4,171,334	83,981	4,255,315
Loans	261,583	-	261,583
Due from other governments	479,038	355,540	834,578
Internal balances	(1,099,411)	1,099,411	-
Inventories	13,850	360,239	374,089
Prepaid items	34,965	7,815	42,780
Pension asset	96,074	-	96,074
Capital assets			
Land and construction in progress	20,485,605	4,120,667	24,606,272
Depreciable assets (net of accumulated depreciation)	43,335,933	27,718,372	71,054,305
Total Assets	88,091,573	52,714,079	140,805,652
Deferred Outflows of Resources			
Deferred charge on refunding	280,040	-	280,040
Deferred pension resources	3,506,011	127,685	3,633,696
Total Deferred Outflows of Resources	3,786,051	127,685	3,913,736
Liabilities			
Accounts payable	707,166	707,923	1,415,089
Accrued salaries payable	201,199	38,775	239,974
Accrued interest payable	11,231	2,243	13,474
Due to other governments	43,896	40,114	84,010
Escrows payable	2,210,371	-	2,210,371
Unearned revenue	30,613	-	30,613
Noncurrent liabilities			
Due within one year	1,371,485	174,228	1,545,713
Due in more than one year	14,244,317	1,816,838	16,061,155
Total Liabilities	18,820,278	2,780,121	21,600,399
Deferred Inflows of Resources			
Deferred pension resources	3,719,063	94,049	3,813,112
Net Position			
Net investment in capital assets	53,651,578	30,659,039	84,310,617
Restricted for			
Debt service	3,333,178	-	3,333,178
Tax increment financing	1,092,142	-	1,092,142
Loans	425,376	-	425,376
Police forfeitures	1,749	-	1,749
Park improvements	258,146	-	258,146
Economic development	64,048	-	64,048
Capital improvements	3,795,987	-	3,795,987
Unrestricted	6,716,079	19,308,555	26,024,634
Total Net Position	\$ 69,338,283	\$ 49,967,594	\$ 119,305,877

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

City of Rogers, Minnesota
Statement of Activities
For the Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 2,234,762	\$ 1,218,368	\$ -	\$ -
Public safety	4,335,551	1,008,134	340,107	69,000
Public works	6,075,391	176,629	216,765	2,477,870
Culture and recreation	1,954,075	654,176	5,242	627,173
Economic development	244,230	27,490	280,000	-
Housing	205,370	-	-	-
Interest on long-term debt	352,603	-	-	-
Total Governmental Activities	<u>15,401,982</u>	<u>3,084,797</u>	<u>842,114</u>	<u>3,174,043</u>
Business-type Activities				
Water	1,244,126	1,013,897	36	888,156
Sewer	1,010,162	884,237	36	539,681
Storm sewer	462,661	537,471	23	89,842
Municipal liquor	3,103,011	3,517,677	64	-
Total Business-type Activities	<u>5,819,960</u>	<u>5,953,282</u>	<u>159</u>	<u>1,517,679</u>
Total	<u>\$ 21,221,942</u>	<u>\$ 9,038,079</u>	<u>\$ 842,273</u>	<u>\$ 4,691,722</u>

General Revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Tax increments

Franchise taxes

Grants and contributions not restricted to specific programs

Unrestricted investment earnings (loss)

Miscellaneous

Gain on sale of capital assets

Transfers - Internal Activities

Transfers - Capital Assets

Total General Revenues and Transfers

Change in Net Position

Net Position, January 1

Net Position, December 31

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

Net (Expenses) Revenues and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (1,016,394)	\$ -	\$ (1,016,394)
(2,918,310)	-	(2,918,310)
(3,204,127)	-	(3,204,127)
(667,484)	-	(667,484)
63,260	-	63,260
(205,370)	-	(205,370)
(352,603)	-	(352,603)
<u>(8,301,028)</u>	<u>-</u>	<u>(8,301,028)</u>
-	657,963	657,963
-	413,792	413,792
-	164,675	164,675
-	414,730	414,730
<u>-</u>	<u>1,651,160</u>	<u>1,651,160</u>
<u>(8,301,028)</u>	<u>1,651,160</u>	<u>(6,649,868)</u>
6,401,991	-	6,401,991
1,061,780	-	1,061,780
399,889	-	399,889
1,206,342	-	1,206,342
12,205	-	12,205
206,814	186,392	393,206
11,386	-	11,386
4,407	-	4,407
379,317	(379,317)	-
(496)	496	-
<u>9,683,635</u>	<u>(192,429)</u>	<u>9,491,206</u>
1,382,607	1,458,731	2,841,338
<u>67,955,676</u>	<u>48,508,863</u>	<u>116,464,539</u>
<u>\$ 69,338,283</u>	<u>\$ 49,967,594</u>	<u>\$ 119,305,877</u>

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

THIS PAGE IS LEFT
BLANK INTENTIONALLY

FUND FINANCIAL STATEMENTS

CITY OF ROGERS
ROGERS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2017

City of Rogers, Minnesota
Balance Sheet
Governmental Funds
December 31, 2017

	General	Debt Service	Rogers Activity Center
Assets			
Cash and temporary investments	\$ 6,591,665	\$ 541,401	\$ 760,870
Receivables			
Accounts (net)	262,916	-	76,446
Accrued interest	100,426	-	-
Delinquent taxes	75,976	-	-
Special assessments	-	3,299,223	-
Notes receivable	-	-	-
Due from other funds	210,611	-	-
Due from other governments	81,640	-	19,974
Inventory	13,850	-	-
Prepaid items	32,975	1,314	676
	<u>\$ 7,370,059</u>	<u>\$ 3,841,938</u>	<u>\$ 857,966</u>
Liabilities			
Accounts payable	\$ 287,141	\$ -	\$ 23,329
Accrued salaries payable	193,166	-	8,033
Escrows payable	1,535,039	-	-
Due to other governments	38,473	-	2,767
Due to other funds	-	94,976	195,176
Advance from other funds	-	402,553	300,689
Unearned revenue	19,991	-	930
Total Liabilities	<u>2,073,810</u>	<u>497,529</u>	<u>530,924</u>
Deferred Inflows of Resources			
Unavailable revenue - property taxes	75,976	-	-
Unavailable revenue - special assessments	-	3,299,223	-
Total Deferred Inflows of Resources	<u>75,976</u>	<u>3,299,223</u>	<u>-</u>
Fund Balances			
Nonspendable	46,825	1,314	676
Restricted	-	43,872	-
Committed	-	-	326,366
Assigned	1,391	-	-
Unassigned	5,172,057	-	-
Total Fund Balances	<u>5,220,273</u>	<u>45,186</u>	<u>327,042</u>
	<u>\$ 7,370,059</u>	<u>\$ 3,841,938</u>	<u>\$ 857,966</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances			
	<u>\$ 7,370,059</u>	<u>\$ 3,841,938</u>	<u>\$ 857,966</u>

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

Revolving Capital	Street and Related Improvement Projects	Other Governmental Funds	Total Governmental Funds
\$ 4,759,380	\$ 1,529,545	\$ 5,324,747	\$ 19,507,608
-	-	288,685	628,047
-	-	545	100,971
-	-	-	75,976
820,155	51,956	-	4,171,334
-	-	261,583	261,583
-	-	-	210,611
268,111	102,313	7,000	479,038
-	-	-	13,850
-	-	-	34,965
<u>\$ 5,847,646</u>	<u>\$ 1,683,814</u>	<u>\$ 5,882,560</u>	<u>\$ 25,483,983</u>
\$ 95,371	\$ 169,283	\$ 132,042	\$ 707,166
-	-	-	201,199
-	651,617	23,715	2,210,371
-	-	2,656	43,896
-	-	77,398	367,550
-	-	239,230	942,472
-	-	9,692	30,613
<u>95,371</u>	<u>820,900</u>	<u>484,733</u>	<u>4,503,267</u>
-	-	-	75,976
820,155	51,956	-	4,171,334
<u>820,155</u>	<u>51,956</u>	<u>-</u>	<u>4,247,310</u>
-	-	-	48,815
3,034,050	136,958	2,466,440	5,681,320
1,898,070	830,445	2,797,001	5,851,882
-	-	134,386	135,777
-	(156,445)	-	5,015,612
<u>4,932,120</u>	<u>810,958</u>	<u>5,397,827</u>	<u>16,733,406</u>
<u>\$ 5,847,646</u>	<u>\$ 1,683,814</u>	<u>\$ 5,882,560</u>	<u>\$ 25,483,983</u>

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

THIS PAGE IS LEFT
BLANK INTENTIONALLY

City of Rogers, Minnesota
 Reconciliation of the Balance Sheet
 to the Statement of Net Position
 Governmental Funds
 December 31, 2017

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

Total Fund Balances - Governmental	\$ 16,733,406
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of capital assets	115,483,496
Less accumulated depreciation	(51,661,958)
Long-term assets from pensions reported in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.	
	96,074
Noncurrent liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Noncurrent liabilities at year-end consist of	
Compensated absences payable	(600,850)
Severance obligations payable	(77,174)
Other postemployment benefits payable	(525,444)
Bonds payable	(10,450,000)
Deferred charge on refunding, net of accumulated amortization	280,040
Pension liability	(3,962,334)
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable in the funds.	
Special assessments receivable	4,171,334
Delinquent taxes receivable	75,976
Governmental funds do not report a liability for accrued interest until due and payable.	
	(11,231)
Governmental funds do not report long-term amounts related to pensions.	
Deferred outflows of resources	3,506,011
Deferred inflows of resources	(3,719,063)
Total Net Position - Governmental Activities	\$ 69,338,283

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

City of Rogers, Minnesota
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2017

	General	Debt Service	Rogers Activity Center
Revenues			
Taxes	\$ 5,561,504	\$ 1,061,780	\$ 263,464
Tax increments	-	-	-
Franchise taxes	-	-	-
Licenses and permits	746,060	-	-
Intergovernmental	535,400	-	-
Charges for services	703,447	-	503,575
Fines and forfeitures	113,139	-	-
Special assessments	-	498,843	-
Interest on investments	61,062	7,367	7,976
Miscellaneous	266,539	-	92,647
Total Revenues	<u>7,987,151</u>	<u>1,567,990</u>	<u>867,662</u>
Expenditures			
Current			
General government	1,825,578	-	-
Public safety	3,675,064	-	-
Public works	1,149,705	-	-
Culture and recreation	782,394	-	487,797
Economic development	-	-	-
Capital outlay			
General government	-	-	-
Public safety	21,768	-	-
Public works	-	-	-
Culture and recreation	800	-	-
Economic development	-	-	-
Housing	-	-	-
Debt service			
Principal	-	1,280,000	-
Interest and other	-	310,247	-
Total Expenditures	<u>7,455,309</u>	<u>1,590,247</u>	<u>487,797</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>531,842</u>	<u>(22,257)</u>	<u>379,865</u>
Other Financing Sources (Uses)			
Transfers in	204,845	321,489	-
Sale of capital assets	4,407	-	-
Transfers out	(113,662)	(22,811)	(2,480)
Total Other Financing Sources (Uses)	<u>95,590</u>	<u>298,678</u>	<u>(2,480)</u>
Net Change in Fund Balances	627,432	276,421	377,385
Fund Balances, January 1	<u>4,592,841</u>	<u>(231,235)</u>	<u>(50,343)</u>
Fund Balances, December 31	<u>\$ 5,220,273</u>	<u>\$ 45,186</u>	<u>\$ 327,042</u>

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

Revolving Capital	Street and Related Improvement Projects	Other Governmental Funds	Total Governmental Funds
\$ 125,000	\$ -	\$ 611,747	\$ 7,623,495
-	-	399,889	399,889
-	-	1,066,930	1,066,930
-	-	-	746,060
746,037	102,313	430,952	1,814,702
428,850	-	1,093,618	2,729,490
-	-	5,774	118,913
111,101	39,766	-	649,710
36,093	36,007	58,309	206,814
178,799	901,427	142,767	1,582,179
<u>1,625,880</u>	<u>1,079,513</u>	<u>3,809,986</u>	<u>16,938,182</u>
-	-	17,694	1,843,272
-	-	9,064	3,684,128
-	-	-	1,149,705
-	-	-	1,270,191
-	-	122,418	122,418
-	-	41,729	41,729
-	-	43,608	65,376
1,921,620	2,243,350	676,129	4,841,099
-	-	177,066	177,866
-	-	113,204	113,204
-	-	205,370	205,370
-	-	-	1,280,000
-	-	8,775	319,022
<u>1,921,620</u>	<u>2,243,350</u>	<u>1,415,057</u>	<u>15,113,380</u>
<u>(295,740)</u>	<u>(1,163,837)</u>	<u>2,394,929</u>	<u>1,824,802</u>
1,397,300	158	383,904	2,307,696
-	-	-	4,407
<u>(176,304)</u>	<u>(716,999)</u>	<u>(896,123)</u>	<u>(1,928,379)</u>
<u>1,220,996</u>	<u>(716,841)</u>	<u>(512,219)</u>	<u>383,724</u>
925,256	(1,880,678)	1,882,710	2,208,526
<u>4,006,864</u>	<u>2,691,636</u>	<u>3,515,117</u>	<u>14,524,880</u>
<u>\$ 4,932,120</u>	<u>\$ 810,958</u>	<u>\$ 5,397,827</u>	<u>\$ 16,733,406</u>

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

City of Rogers, Minnesota
 Reconciliation of the Statement of Revenues,
 Expenditures and Changes in Fund Balances
 to the Statement of Activities
 Governmental Funds
 For the Year Ended December 31, 2017

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

Net Change in Fund Balances - Governmental Funds	\$ 2,208,526
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.</p>	
Capital outlays	2,230,415
Depreciation expense	(2,914,042)
<p>Assets constructed in the governmental funds for the enterprise funds are eliminated in the government-wide statements.</p>	
	(496)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The amounts below are the effects of these differences in the treatment of long-term debt and related items.</p>	
Principal repayments	1,280,000
<p>Interest on long-term debt in the statement of activities differs from the amount reported in the governmental fund because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however interest expense is recognized as the interest accrues, regardless of when it is due.</p>	
	(33,581)
<p>Certain revenues are recognized as soon as earned. Under the modified accrual basis of accounting certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.</p>	
Special assessments	(529,266)
Taxes	(20,312)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Compensated absences	(102,639)
Severance obligations	(18,809)
Other postemployment benefits	(56,950)
<p>Long-term pension activity is not reported in governmental funds.</p>	
Pension expense	(672,996)
Direct aid contributions	12,757
	12,757
Change in Net Position - Governmental Activities	\$ 1,382,607

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

City of Rogers, Minnesota
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
General Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 5,482,938	\$ 5,482,938	\$ 5,561,504	\$ 78,566
Licenses and permits	620,487	620,487	746,060	125,573
Intergovernmental	473,180	473,180	535,400	62,220
Charges for services	599,734	599,734	703,447	103,713
Fines and forfeitures	125,700	125,700	113,139	(12,561)
Interest on investments	40,000	40,000	61,062	21,062
Miscellaneous	90,200	90,200	266,539	176,339
Total Revenues	<u>7,432,239</u>	<u>7,432,239</u>	<u>7,987,151</u>	<u>554,912</u>
Expenditures				
Current				
General government	1,678,118	1,678,118	1,825,578	(147,460)
Public safety	3,793,216	3,796,659	3,675,064	121,595
Public works	1,359,353	1,359,353	1,149,705	209,648
Culture and recreation	801,552	801,552	782,394	19,158
Capital outlay				
Public safety	-	-	21,768	(21,768)
Culture and recreation	-	-	800	(800)
Total Expenditures	<u>7,632,239</u>	<u>7,635,682</u>	<u>7,455,309</u>	<u>180,373</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	<u>(200,000)</u>	<u>(203,443)</u>	<u>531,842</u>	<u>735,285</u>
Other Financing Sources (Uses)				
Transfers in	200,000	200,000	204,845	4,845
Sale of capital assets	-	-	4,407	4,407
Transfers out	-	-	(113,662)	(113,662)
Total Other Financing Sources (Uses)	<u>200,000</u>	<u>200,000</u>	<u>95,590</u>	<u>(104,410)</u>
Net Change in Fund Balances				
	-	(3,443)	627,432	630,875
Fund Balances, January 1				
	<u>4,592,841</u>	<u>4,592,841</u>	<u>4,592,841</u>	<u>-</u>
Fund Balances, December 31				
	<u>\$ 4,592,841</u>	<u>\$ 4,589,398</u>	<u>\$ 5,220,273</u>	<u>\$ 630,875</u>

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

THIS PAGE IS LEFT
BLANK INTENTIONALLY

City of Rogers, Minnesota
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Rogers Activity Center Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 263,464	\$ 263,464	\$ 263,464	\$ -
Charges for services	450,650	450,650	503,575	52,925
Interest on investments	-	-	7,976	7,976
Miscellaneous				
Contributions and donations	85,000	85,000	90,306	5,306
Other	-	-	2,341	2,341
Total Revenues	<u>799,114</u>	<u>799,114</u>	<u>867,662</u>	<u>68,548</u>
Expenditures				
Current				
Culture and recreation				
Personal services	251,226	251,226	245,712	5,514
Supplies	59,650	59,650	60,568	(918)
Other services and charges	164,122	164,122	181,517	(17,395)
Total Expenditures	<u>474,998</u>	<u>474,998</u>	<u>487,797</u>	<u>(12,799)</u>
Excess of Revenues Over Expenditures	324,116	324,116	379,865	55,749
Other Financing Uses				
Transfers out	<u>(197,656)</u>	<u>(197,656)</u>	<u>(2,480)</u>	<u>195,176</u>
Net Change in Fund Balances	126,460	126,460	377,385	250,925
Fund Balances, January 1	<u>(50,343)</u>	<u>(50,343)</u>	<u>(50,343)</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 76,117</u>	<u>\$ 76,117</u>	<u>\$ 327,042</u>	<u>\$ 250,925</u>

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

City of Rogers, Minnesota
Statement of Net Position
Proprietary Funds
December 31, 2017

	Business-type Activities - Enterprise Funds				Totals
	Water	Sewer	Storm Sewer	Municipal Liquor	
Assets					
Current Assets					
Cash and temporary investments	\$ 7,393,004	\$ 8,592,370	\$ 1,721,893	\$ 785,442	\$ 18,492,709
Receivables					
Accounts	130,567	195,788	86,946	62,044	475,345
Due from other governments	226,194	129,346	-	-	355,540
Due from other funds	-	367,550	-	-	367,550
Inventories	-	-	-	360,239	360,239
Prepaid items	461	47	47	7,260	7,815
Total Current Assets	<u>7,750,226</u>	<u>9,285,101</u>	<u>1,808,886</u>	<u>1,214,985</u>	<u>20,059,198</u>
Noncurrent Assets					
Special assessments receivable	2,794	81,187	-	-	83,981
Advance to other funds	-	942,472	-	-	942,472
Capital assets					
Land	752,708	75,437	166,421	974,579	1,969,145
Buildings and improvements	3,991,348	4,827,838	-	1,211,213	10,030,399
Infrastructure	13,775,638	11,763,137	9,425,448	-	34,964,223
Machinery and equipment	216,730	512,274	228,057	183,081	1,140,142
Construction in progress	1,730,625	290,724	130,173	-	2,151,522
Less accumulated depreciation	<u>(7,969,601)</u>	<u>(5,890,815)</u>	<u>(3,849,969)</u>	<u>(706,007)</u>	<u>(18,416,392)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>12,497,448</u>	<u>11,578,595</u>	<u>6,100,130</u>	<u>1,662,866</u>	<u>31,839,039</u>
Total Noncurrent Assets	<u>12,500,242</u>	<u>12,602,254</u>	<u>6,100,130</u>	<u>1,662,866</u>	<u>32,865,492</u>
Total Assets	<u>20,250,468</u>	<u>21,887,355</u>	<u>7,909,016</u>	<u>2,877,851</u>	<u>52,924,690</u>
Deferred Outflows of Resources					
Deferred pension resources	29,109	28,978	18,213	51,385	127,685
Liabilities					
Current Liabilities					
Accounts payable	558,135	93,568	6,454	49,766	707,923
Accrued salaries payable	8,263	8,221	5,378	16,913	38,775
Accrued interest payable	2,243	-	-	-	2,243
Due to other governments	261	609	-	39,244	40,114
Due to other funds	-	-	-	210,611	210,611
Compensated absences payable - current	16,317	18,018	5,580	29,313	69,228
Bonds payable - current	105,000	-	-	-	105,000
Total Current Liabilities	<u>690,219</u>	<u>120,416</u>	<u>17,412</u>	<u>345,847</u>	<u>1,173,894</u>

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

City of Rogers, Minnesota
Statement of Net Position (Continued)
Proprietary Funds
December 31, 2017

	Business-type Activities - Enterprise Funds				Totals
	Water	Sewer	Storm Sewer	Municipal Liquor	
Noncurrent Liabilities					
Severance obligations payable	\$ 11,542	\$ 12,882	\$ 3,875	\$ 12,262	\$ 40,561
Compensated absences payable	27,948	30,862	9,558	50,207	118,575
Other postemployment benefits payable	33,946	33,983	20,949	55,855	144,733
Bonds payable	1,075,000	-	-	-	1,075,000
Pension liability	99,845	99,397	62,472	176,255	437,969
Total Noncurrent Liabilities	<u>1,248,281</u>	<u>177,124</u>	<u>96,854</u>	<u>294,579</u>	<u>1,816,838</u>
Total Liabilities	<u>1,938,500</u>	<u>297,540</u>	<u>114,266</u>	<u>640,426</u>	<u>2,990,732</u>
Deferred Inflows of Resources					
Deferred pension resources	<u>21,441</u>	<u>21,344</u>	<u>13,415</u>	<u>37,849</u>	<u>94,049</u>
Net Position					
Net investment in capital assets	11,317,448	11,578,595	6,100,130	1,662,866	30,659,039
Unrestricted	<u>7,002,188</u>	<u>10,018,854</u>	<u>1,699,418</u>	<u>588,095</u>	<u>19,308,555</u>
Total Net Position	<u><u>\$ 18,319,636</u></u>	<u><u>\$ 21,597,449</u></u>	<u><u>\$ 7,799,548</u></u>	<u><u>\$ 2,250,961</u></u>	<u><u>\$ 49,967,594</u></u>

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

THIS PAGE IS LEFT
BLANK INTENTIONALLY

City of Rogers, Minnesota
Statement of Revenues, Expenses and
Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2017

	Business-type Activities - Enterprise Funds				Totals
	Water	Sewer	Storm Sewer	Municipal Liquor	
Operating Revenues					
Sales	\$ -	\$ -	\$ -	\$ 3,517,677	\$ 3,517,677
Cost of sales	-	-	-	(2,448,839)	(2,448,839)
Gross Profit	-	-	-	1,068,838	1,068,838
Charges for services	1,002,623	881,333	526,207	-	2,410,163
Miscellaneous	11,274	2,904	11,264	-	25,442
Total Operating Revenues	<u>1,013,897</u>	<u>884,237</u>	<u>537,471</u>	<u>1,068,838</u>	<u>3,504,443</u>
Operating Expenses					
Personal services	228,319	227,684	128,211	346,217	930,431
Supplies	124,470	59,071	12,515	27,634	223,690
Other services and charges	319,745	342,237	120,737	247,445	1,030,164
Depreciation	542,747	381,170	201,198	32,876	1,157,991
Total Operating Expenses	<u>1,215,281</u>	<u>1,010,162</u>	<u>462,661</u>	<u>654,172</u>	<u>3,342,276</u>
Operating Income (Loss)	<u>(201,384)</u>	<u>(125,925)</u>	<u>74,810</u>	<u>414,666</u>	<u>162,167</u>
Nonoperating Revenues (Expenses)					
Income (loss) on investments	68,522	102,976	16,038	(1,144)	186,392
Interest expense	(28,845)	-	-	-	(28,845)
Other income	36	36	23	64	159
Total Nonoperating Revenues (Expenses)	<u>39,713</u>	<u>103,012</u>	<u>16,061</u>	<u>(1,080)</u>	<u>157,706</u>
Income (Loss) Before Contributions and Transfers	(161,671)	(22,913)	90,871	413,586	319,873
Capital Contributions					
Connection fees and special assessments	485,687	426,060	89,842	-	1,001,589
Intergovernmental	210,469	113,621	-	-	324,090
Contributions from Other Funds	256	240	-	-	496
Contributions from Developers	192,000	-	-	-	192,000
Transfers Out	(75,000)	(77,365)	(15,000)	(211,952)	(379,317)
Change in Net Position	651,741	439,643	165,713	201,634	1,458,731
Net Position, January 1	<u>17,667,895</u>	<u>21,157,806</u>	<u>7,633,835</u>	<u>2,049,327</u>	<u>48,508,863</u>
Net Position, December 31	<u>\$ 18,319,636</u>	<u>\$ 21,597,449</u>	<u>\$ 7,799,548</u>	<u>\$ 2,250,961</u>	<u>\$ 49,967,594</u>

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

City of Rogers, Minnesota
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017

	Business-type Activities - Enterprise Funds				Totals
	Water	Sewer	Storm Sewer	Municipal Liquor	
Cash Flows from Operating Activities					
Receipts from customers and users	\$ 1,004,659	\$ 870,214	\$ 535,159	\$ 3,515,981	\$ 5,926,013
Payments to suppliers	(446,425)	(366,549)	(135,197)	(2,656,483)	(3,604,654)
Payments to employees	(307,039)	(306,240)	(184,907)	(492,950)	(1,291,136)
Net Cash Provided by Operating Activities	<u>251,195</u>	<u>197,425</u>	<u>215,055</u>	<u>366,548</u>	<u>1,030,223</u>
Cash Flows from Noncapital Financing Activities					
Receipt on due from other funds	-	366,083	-	-	366,083
Receipt on due to other funds	-	-	-	8,294	8,294
Transfers to other funds	(75,000)	(77,365)	(15,000)	(211,952)	(379,317)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(75,000)</u>	<u>288,718</u>	<u>(15,000)</u>	<u>(203,658)</u>	<u>(4,940)</u>
Cash Flows from Capital Financing Activities					
Acquisition of property and equipment	(355,290)	(154,054)	(122,335)	-	(631,679)
Connection fees/special assessments received	453,248	379,911	89,842	-	923,001
Developer reimbursements	192,000	-	-	-	192,000
Interest paid on bonds	(29,020)	-	-	-	(29,020)
Principal paid on bonds	(105,000)	-	-	-	(105,000)
Net Cash Provided (Used) by Capital Financing Activities	<u>155,938</u>	<u>225,857</u>	<u>(32,493)</u>	<u>-</u>	<u>349,302</u>
Cash Flows from Investing Activities					
Interest paid on investments	<u>68,527</u>	<u>102,971</u>	<u>16,038</u>	<u>(1,144)</u>	<u>186,392</u>
Net Increase in Cash and Cash Equivalents	400,660	814,971	183,600	161,746	1,560,977
Cash and Cash Equivalents, January 1	<u>6,992,344</u>	<u>7,777,399</u>	<u>1,538,293</u>	<u>623,696</u>	<u>16,931,732</u>
Cash and Cash Equivalents, December 31	<u>\$ 7,393,004</u>	<u>\$ 8,592,370</u>	<u>\$ 1,721,893</u>	<u>\$ 785,442</u>	<u>\$ 18,492,709</u>

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

City of Rogers, Minnesota
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended December 31, 2017

	Business-type Activities - Enterprise Funds				Totals
	Water	Sewer	Storm Sewer	Municipal Liquor	
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities					
Operating income (loss)	\$ (201,384)	\$ (125,925)	\$ 74,810	\$ 414,666	\$ 162,167
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Other income related to operations	36	36	23	64	159
Depreciation	542,747	381,170	201,198	32,876	1,157,991
(Increase) decrease in assets					
Accounts receivable	(9,132)	(15,116)	(2,312)	(1,696)	(28,256)
Due from other governments	(106)	1,093	-	-	987
Inventory	-	-	-	71,321	71,321
Prepaid items	443	635	635	731	2,444
Decrease in deferred outflows					
Deferred pension resources	61,861	61,748	41,745	114,150	279,504
Increase (decrease) in liabilities					
Accounts payable	(1,727)	33,443	(2,626)	(7,108)	21,982
Due to other governments	(432)	609	-	2,363	2,540
Accrued salaries payable	(566)	(565)	(162)	1,736	443
Compensated absences payable	3,653	4,156	1,303	8,039	17,151
Severance obligations payable	1,420	1,592	573	1,589	5,174
Other postemployment benefits payable	3,645	3,632	2,298	6,021	15,596
Pension liability	(148,234)	(148,017)	(101,035)	(275,165)	(672,451)
Decrease in deferred inflows					
Deferred pension resources	(1,029)	(1,066)	(1,395)	(3,039)	(6,529)
 Net Cash Provided by Operating Activities	 <u>\$ 251,195</u>	 <u>\$ 197,425</u>	 <u>\$ 215,055</u>	 <u>\$ 366,548</u>	 <u>\$ 1,030,223</u>
 Noncash Capital Financing and Investing Activities					
Capital assets contributed by other funds	\$ 256	\$ 240	\$ -	\$ -	\$ 496
Capital assets contributed by developers	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	\$ 210,469	\$ 113,621	\$ -	\$ -	\$ 324,090
Capital assets purchased on account	\$ 509,303	\$ 37,194	\$ -	\$ -	\$ 546,497

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

THIS PAGE IS LEFT
BLANK INTENTIONALLY

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

The City of Rogers, Minnesota (the City) operates under “Optional Plan A” as defined in the State of Minnesota statutes. The City is governed by an elected Mayor and four-member City Council. The City Council exercises legislative authority and determines all matters of policy. The City Council appoints personnel responsible for the proper administration of all affairs relating to the City. The City has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City’s financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization’s governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government. The City has identified the following component unit using the above criteria.

Blended Component Unit. The Economic Development Authority (the EDA) of the City was organized in 2002 and is an entity legally separate from the City. The governing body is composed of a five-member Board, all of whom are members of the City Council. The City Council approves all appointments to the Board, with the Mayor being elected President of the EDA each year. Although legally separate, the EDA is reported as if it were part of the primary government since its governing body is substantively the same as the City Council and there is a financial burden/benefit relationship between the City and EDA. There is currently no financial activity in the EDA. Separate financial statements are not prepared for the EDA.

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 activities of the City 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 fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, 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 and proprietary funds. 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 financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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 expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Note 1: Summary of Significant Accounting Policies (Continued)

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.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlement and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as unearned revenue.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The City reports the following major governmental funds:

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

The *Debt Service fund* accounts for the servicing of general long-term debt not being financed by proprietary funds.

The *Rogers Activity Center fund* accounts for the resources accumulated, through committed tax levies and charges for services, and payments made related to the operations of the Rogers Activity Center.

The *Revolving Capital fund* accounts for the resources accumulated and payments made for a variety of capital projects.

The *Street and Related Improvement Projects fund* accounts for the resources accumulated and payments made for street and related improvement projects.

The City reports the following major proprietary funds:

The *Water fund* accounts for the activities of the water distribution system the City maintains.

The *Sewer fund* accounts for the activities of the City's sewage collection operations.

The *Storm Sewer fund* accounts for the costs associated with the City's storm sewer system.

The *Municipal Liquor fund* accounts for the costs associated with the City's liquor store operation.

Note 1: Summary of Significant Accounting Policies (Continued)

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

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 proprietary funds' principal ongoing operations. The principal operating revenues of the City enterprise funds are charges to customers for sales and services. Operating expenses for enterprise 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.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, commercial paper, government securities and short-term investments with original maturities of three months or less from the date of acquisition. The proprietary funds' portion in the government-wide cash and temporary investments pool is considered to be cash and cash equivalents for purposes of the statement of cash flows.

Cash balances from all funds are pooled and invested, to the extent available, in certificates of deposit and other authorized investments. Earnings on investments are allocated to the individual funds based upon the average of month-end cash and investment balances.

The City may also invest idle funds as authorized by Minnesota statutes, as follows:

1. Direct obligations or obligations guaranteed by the United States or its agencies.
2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of thirteen months or less.
3. General obligations of a state or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.
4. General obligations of the Minnesota Housing Finance Agency rated "A" or better.
5. Obligation of a school district with an original maturity not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to statute section 126C.55.
6. Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.
7. Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.
8. Repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
9. Guaranteed Investment Contracts (GIC's) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

Note 1: Summary of Significant Accounting Policies (Continued)

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. The City's recurring fair value measurements are listed in detail on page 67.

The City has the following recurring fair value measurements as of December 31, 2017:

- US agency securities of \$9,166,734 are valued using quoted market prices (Level 1 inputs)
- Brokered money markets of \$87,905 are valued using quoted market prices (Level 1 inputs)
- Municipal securities of \$134,203 are valued using a matrix pricing model (Level 2 inputs)
- Brokered certificates of deposits of \$6,723,937 are valued using a matrix pricing model (Level 2 inputs)
- Mortgage backed securities of \$8,297,911 are valued using a matrix pricing model (Level 2 inputs)

Property Taxes

The City Council annually adopts a tax levy and certifies it to the County in December for collection in the following year. The County is responsible for collecting all property taxes for the City. These taxes attach an enforceable lien on taxable property within the City on January 1 and are payable by the property owners in two installments. The taxes are collected by the County Treasurer and tax settlements are made to the City during January, June and December each year.

Delinquent taxes receivable include the past six years' uncollected taxes. Delinquent taxes have been offset by a deferred inflow of resources for delinquent taxes not received within 60 days after year end in the governmental financial statements.

Accounts Receivable

Accounts receivable include amounts billed for services provided before year end. Unbilled utility enterprise fund receivables are also included for services provided in 2017. The City annually certifies delinquent water, sewer and storm sewer accounts to the County for collection in the following year. As a result, there has been no allowance for doubtful accounts established in the enterprise funds.

Special Assessments

Special assessments represent the financing for public improvements paid for by benefiting property owners. These assessments are recorded as receivables upon certification to the County. Special assessments are recognized as revenue when they are received in cash or within 60 days after year end. All governmental special assessments receivable are offset by a deferred inflow of resources in the fund financial statements.

Interfund 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 loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2017

Note 1: Summary of Significant Accounting Policies (Continued)

Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items,) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an estimated useful life of more than five years and an initial individual cost of more than the following:

Assets	Cost
Land Improvements	\$ 10,000
Buildings and Building Improvements	50,000
Improvements other than Buildings (Land Improvements)	25,000
Machinery and Equipment	5,000
Infrastructure and Other Improvements	100,000
Other Assets	5,000
Construction in Progress	Accumulate all costs and capitalize if > \$100,000 when completed

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

In the case of initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include items dating back to June 30, 1980. The City was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires 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.

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2017

Note 1: Summary of Significant Accounting Policies (Continued)

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

Assets	Useful Lives in Years
Land Improvements	Not depreciated
Buildings and Improvements	7 to 40
Improvements other than Buildings	15 to 20
Machinery and Equipment	5 to 15
Infrastructure and Other Improvements	15 to 50
Construction in Progress	Not depreciated

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. One of the items is the deferred charge on refunding, which is reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item, deferred pension resources, is reported only in the statements of net position. This item results from actuarial calculations and current year pension contributions made subsequent to the measurement date.

Compensated Absences

Vacation time for all permanent full-time employees is earned according to years of service. Permanent part-time employees who work at least twenty hours per week receive a proportionate amount of vacation time according to the number of hours worked each week. An employee's earned vacation time may be carried over into a new year if it is no more than twice the vacation time earned during each year.

Permanent full-time employees earn 96 hours of paid sick leave each year and can accrue up to 800 hours. Permanent part-time employees working at least 20 hours per week earn sick leave in proportion to the number of hours worked.

Regular employees who leave before completing five years of service may receive their accrued vacation time in pay or time off before their termination date. Regular full-time or part-time employees who leave the City after five years of continuous service may be paid for one half of their unused sick leave in addition to any accrued vacation time. Employees who leave after ten years of continuous service will additionally receive one day's pay for each full year of service to the City.

All vacation pay is accrued when earned in the government-wide and proprietary funds 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. The General fund is typically used to liquidate governmental compensated absences payable.

Note 1: Summary of Significant Accounting Policies (Continued)

Long-term Obligations

In the government-wide financial statements, and proprietary funds 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 or proprietary funds type statement of net position. The recognition of bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

In the fund financial statements, governmental fund types recognized 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.

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 additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA 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.

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit plan administered by Rogers Fire Department Relief Association and additions to and deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions

Under Minnesota statute §471.61, subdivision 2b, public employers must allow retirees and their dependents to continue coverage indefinitely in an employer-sponsored health care plan, under the following conditions: 1) Retirees must be receiving (or eligible to receive) an annuity from a Minnesota public pension plan, 2) Coverage must continue in group plan until age 65, and retirees must pay no more than the group premium, and 3) Retirees may obtain dependent coverage immediately before retirement. All premiums are funded on a pay-as-you-go basis. The liability was actuarially determined, in accordance with GASB Statement 45, at January 1, 2016.

Deferred Inflows of Resources

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

The City has an additional item which qualifies for reporting in this category. The item, deferred pension resources, is reported only in the statements of net position and results from actuarial calculations.

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balance

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources reported in the governmental funds. These classifications are defined as follows:

Nonspendable - Amounts that cannot be spent because they are not in spendable form, such as prepaid items.

Restricted - Amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed - Amounts constrained for specific purposes that are internally imposed by formal action (resolution) of the City Council which is the City's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the City Council modifies or rescinds the commitment by resolution.

Assigned - Amounts constrained for specific purposes that are internally imposed. In governmental funds other than the General fund, assigned fund balance represents all remaining amounts that are not classified as nonspendable and are neither restricted nor committed. In the General fund, assigned amounts represent intended uses established by the City Council itself or by an official to which the governing body delegates the authority. The City Council has adopted a fund balance policy which delegates the authority to assign amounts for specific purposes to the Finance Director.

Unassigned - The residual classification for the General fund and also negative residual amounts in other funds.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City has formally adopted a fund balance policy for the General fund. The City's policy is to maintain a minimum unassigned fund balance of 45-50 percent of the next year's budgeted expenditures for cash-flow timing needs.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.
- b. Restricted net position - Consists of net position balances restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.
- c. Unrestricted net position - All other net position balances that do not meet the definition of "restricted" or "net investment in capital assets".

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

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2017

Note 2: Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General fund and the Rogers Activity Center special revenue fund. All annual appropriations lapse at fiscal year-end. The City does not use encumbrance accounting.

In June of each year, all departments of the City submit requests for appropriations to the Finance Director so that a budget may be prepared. Before September 30th, the proposed budget is presented to the City Council for review. The City Council holds public hearings and a final budget is prepared and adopted in early December.

The appropriated budget is prepared by fund, function and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Council. The legal level of budgetary control is the department level.

The original General fund budget was amended to increase expenditures \$3,443 for a total decrease in fund balance of \$3,443.

B. Excess of Expenditures Over Appropriations

For the year ended December 31, 2017 expenditures exceeded appropriations in the following fund:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Excess of Expenditures Over Appropriations</u>
Rogers Activity Center	<u>\$ 474,998</u>	<u>\$ 487,797</u>	<u>\$ 12,799</u>

The excess expenditures were funded by revenues in excess of expectations.

Note 3: Detailed Notes on All Funds

A. Deposits and Investments

Deposits

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the City's deposits and investments may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. In accordance with Minnesota statutes and as authorized by the City Council, the City maintains deposits at those depository banks, all of which are members of the Federal Reserve System.

Minnesota statutes require that all City deposits be protected by insurance, surety bond or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by insurance, bonds, or irrevocable standby letters of credit from Federal Home Loan Banks.

Authorized collateral in lieu of a corporate surety bond includes:

- United States government Treasury bills, Treasury notes, Treasury bonds;
- Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and
- Time deposits that are fully insured by any Federal agency.

Minnesota statutes require that all collateral shall be placed in safekeeping in a restricted account at a Federal Reserve Bank, or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The selection should be approved by the City.

At year end, the City's carrying amount of deposits was \$13,576,581 and the bank balance was \$14,119,652. The bank balance was covered by federal depository insurance totaling \$750,000. The remaining balance was covered by collateral held by the City's agent in the City's name.

Investments

The Minnesota Municipal Money Market Fund (the 4M Fund) is a customized cash management and investment program for Minnesota public funds. Sponsored and governed by the League of Minnesota Cities since 1987, the 4M Fund is a unique investment alternative designed to address the daily and long-term investment needs of Minnesota cities and other municipal entities. Allowable under Minnesota statutes, the 4M Fund is comprised of top quality, rated investments.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2017

Note 3: Detailed Notes on All Funds (Continued)

The Minnesota Municipal Money Market Fund is regulated by Minnesota statutes and the Board of Directors of the League of Minnesota Cities and is an external investment pool not registered with the Securities Exchange Commission (SEC) that follows the regulatory rules of the SEC. In accordance with GASB Statement No. 79, the City's investment in this pool is valued at amortized cost, which approximates fair value. There are no restrictions or limitations on withdrawals from the 4M Liquid Asset Fund. Investments in the 4M Plus must be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period will be subject to a penalty equal to seven days interest on the amount withdrawn. Seven days' notice of redemption is required for withdrawals of investments in the 4M Term Series withdrawn prior to the maturity date of that series. A penalty could be assessed as necessary to recoup the Series for any charges, losses, and other costs attributable to the early redemption. Financial statements of the 4M Fund can be obtained by contracting RBC Global Management at 100 South Fifth Street, Suite 2300, Minneapolis, MN 55402-1240.

As of December 31, 2017, the City had the following investments that are insured or registered, or securities held by the City or its agent in the City's name:

Investment Type	Credit Quality/ Ratings (1)	Segmented Time Distribution (2)	Amount	Fair Value Measurement Using	
				Level 1	Level 2
Pooled Investments at Amortized Costs					
4M fund	N/A	6 to 12 months	\$ 1,997		
Non-pooled Investments at Fair Value					
Brokered money market	N/A	less than 6 months	87,905	\$ 87,905	\$ -
U.S. agency securities	AAA	more than 3 years	8,922,034	8,922,034	-
U.S. agency securities	AAA	1 to 3 years	244,700	244,700	-
Municipal securities	A1	1 to 3 years	134,203	-	134,203
Brokered certificates of deposits	N/A	less than 6 months	979,716	-	979,716
Brokered certificates of deposits	N/A	6 to 12 months	495,006	-	495,006
Brokered certificates of deposits	N/A	1 to 3 years	2,167,176	-	2,167,176
Brokered certificates of deposits	N/A	more than 3 years	3,082,039	-	3,082,039
Mortgage backed securities	AAA	6 to 12 months	695,562	-	695,562
Mortgage backed securities	AAA	1 to 3 years	4,146,311	-	4,146,311
Mortgage backed securities	AAA	more than 3 years	3,456,038	-	3,456,038
Total Investments			<u>\$ 24,412,687</u>	<u>\$ 9,254,639</u>	<u>\$ 15,156,051</u>

(1) Ratings are provided by Moody's where applicable to indicate associated credit risk.

(2) Interest rate risk is disclosed using the segmented time distribution method.

N/A Indicates not applicable or available.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2017

Note 3: Detailed Notes on All Funds (Continued)

The investments of the City are subject to the following risks:

- *Credit Risk.* Is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk. Minnesota statutes limit the City's investments to the list on page 59 of the notes.
- *Custodial Credit Risk.* The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.
- *Concentration of Credit Risk.* Is the risk of loss attributed to the magnitude of a government's investment in a single issuer. As of December 31, 2017, the City had invested 5 percent or more of its total investment portfolio in the following issuers:
 - Federal Home Loan Banks \$5,100,023
 - FHLMC MTN \$5,113,764
 - Federal Farm Credit Banks \$4,066,710
 - FNMA \$3,184,146
- *Interest Rate Risk.* Is the risk that changes in interest rates will adversely affect the fair value of an investment.

The City does not currently have a formal investment policy that addresses the above mentioned risks; however, follows all applicable Minnesota statutes.

A reconciliation of cash and temporary investments as shown on the statement of net position for the City follows:

Carrying Amount of Deposits	\$ 13,576,581
Investments	24,412,687
Cash on Hand	<u>11,049</u>
 Total	 <u><u>\$ 38,000,317</u></u>
 Cash and Investments Unrestricted	 <u><u>\$ 38,000,317</u></u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2017

Note 3: Detailed Notes on All Funds (Continued)

B. Capital Assets

Capital asset activity for the year ended December 31, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets not being Depreciated				
Land	\$ 17,963,264	\$ 74,965	\$ -	\$ 18,038,229
Construction in progress	2,272,469	2,110,668	(1,935,761)	2,447,376
Total Capital Assets not being Depreciated	<u>20,235,733</u>	<u>2,185,633</u>	<u>(1,935,761)</u>	<u>20,485,605</u>
Capital Assets being Depreciated				
Buildings and structures	20,012,561	-	-	20,012,561
Infrastructure	65,459,577	1,875,705	-	67,335,282
Machinery and equipment	7,545,706	104,342	-	7,650,048
Total Capital Assets being Depreciated	<u>93,017,844</u>	<u>1,980,047</u>	<u>-</u>	<u>94,997,891</u>
Less Accumulated Depreciation for				
Buildings and structures	(5,397,838)	(467,687)	-	(5,865,525)
Infrastructure	(38,635,337)	(1,962,121)	-	(40,597,458)
Machinery and equipment	(4,714,741)	(484,234)	-	(5,198,975)
Total Accumulated Depreciation	<u>(48,747,916)</u>	<u>(2,914,042)</u>	<u>-</u>	<u>(51,661,958)</u>
Total Capital Assets being Depreciated, Net	<u>44,269,928</u>	<u>(933,995)</u>	<u>-</u>	<u>43,335,933</u>
Governmental Activities Capital Assets, Net	<u>\$ 64,505,661</u>	<u>\$ 1,251,638</u>	<u>\$ (1,935,761)</u>	<u>\$ 63,821,538</u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2017

Note 3: Detailed Notes on All Funds (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets not being Depreciated				
Land	\$ 1,969,145	\$ -	\$ -	\$ 1,969,145
Construction in progress	1,258,712	1,082,969	(190,159)	2,151,522
Total Capital Assets not being Depreciated	<u>3,227,857</u>	<u>1,082,969</u>	<u>(190,159)</u>	<u>4,120,667</u>
Capital Assets being Depreciated				
Buildings and structures	10,030,399	-	-	10,030,399
Infrastructure	34,774,064	190,159	-	34,964,223
Machinery and equipment	1,140,142	-	-	1,140,142
Total Capital Assets being Depreciated	<u>45,944,605</u>	<u>190,159</u>	<u>-</u>	<u>46,134,764</u>
Less Accumulated Depreciation for				
Buildings and structures	(5,717,322)	(297,518)	-	(6,014,840)
Infrastructure	(10,724,138)	(803,593)	-	(11,527,731)
Machinery and equipment	(816,941)	(56,880)	-	(873,821)
Total Accumulated Depreciation	<u>(17,258,401)</u>	<u>(1,157,991)</u>	<u>-</u>	<u>(18,416,392)</u>
Total Capital Assets being Depreciated, Net	<u>28,686,204</u>	<u>(967,832)</u>	<u>-</u>	<u>27,718,372</u>
Business-type Activities Capital Assets, Net	<u>\$ 31,914,061</u>	<u>\$ 115,137</u>	<u>\$ (190,159)</u>	<u>\$ 31,839,039</u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2017

Note 3: Detailed Notes on All Funds (Continued)

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

Function/Program	Amount
Governmental Activities	
General government	\$ 38,890
Public safety	427,267
Public works	2,096,954
Culture and recreation	342,323
Economic development	8,608
Total Depreciation Expense - Governmental Activities	\$ 2,914,042
Business-type Activities	
Water	\$ 542,747
Sewer	381,170
Storm sewer	201,198
Municipal liquor	32,876
Total Depreciation Expense - Business-type Activities	\$ 1,157,991

C. Construction Commitments

As of December 31, 2017, the City has signed contracts in place for construction projects. The following summarizes those commitments:

Project	Spent to Date	Remaining Commitment
CR 81/CSAH 13 Intersection Improvements	\$ 1,632,516	\$ 735,040
2015 Brockton Lane Utilities Extension	532,340	76,307
2015 SDLR/Brockton Improvements	152,546	9,546
2015 Well No. 9 and Pump House No. 5 Improvements	360,626	49,373
2016 Justen Circle Street and Utility Improvements	966,900	821,663
2017 Rogers Drive Reconstructon (Phase 2)	598,683	48,582
2017 NE Hassan Street Improvements	538,943	67,770

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2017

Note 3: Detailed Notes on All Funds (Continued)

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2017 is as follows:

Receivable Fund	Payable Fund	Amount
Due from/to other Funds		
Governmental General	Business-type Municipal Liquor	\$ 210,611
Business-type Sewer	Governmental Debt Service	94,976
Business-type Sewer	Governmental Rogers Activity Center	195,176
Business-type Sewer	Governmental Capital Improvement Projects	77,398
Total Due from/to other Funds		\$ 578,161
Advance from/to other Funds		
Business-type Sewer	Governmental Debt Service	\$ 402,553
Business-type Sewer	Governmental Rogers Activity Center	300,689
Business-type Sewer	Governmental Capital Improvement Projects	239,230
Total Advances from/to other Funds		\$ 942,472

The balance between the General fund and the Municipal Liquor fund includes certain operating expenses paid through the City's general checking account.

The balance of \$497,529 (combination of \$94,976 and \$402,553) is payable from the G.O. Capital Improvement Plan Bonds of 2011 and was issued to assist the financing of the public works building.

The balance between the Sewer fund and the Rogers Activity Center fund was issued to assist in financing of the building.

The balance between the Sewer fund and the Capital Improvement Project fund was issued to assist in financing of equipment purchases.

All of the above interfund loans have associated amortization schedules, of which current payments are being made.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2017

Note 3: Detailed Notes on All Funds (Continued)

The composition of interfund transfers at December 31, 2017, is as follows:

Fund	Transfers in					Total
	General	Debt Service	Street and Related Improvement Projects	Revolving Capital	Other Governmental Funds	
Transfers Out						
General	\$ -	\$ -	\$ -	\$ -	\$ 113,662	\$ 113,662
Rogers Activity Center	2,480	-	-	-	-	2,480
Debt Service	-	-	158	-	22,653	22,811
Revolving Capital	-	-	-	-	176,304	176,304
Street and Related Improvement Projects	-	47,000	-	669,999	-	716,999
Other Governmental Func	-	109,489	-	727,301	59,333	896,123
Water	-	75,000	-	-	-	75,000
Sewer	2,365	75,000	-	-	-	77,365
Storm Sewer	-	15,000	-	-	-	15,000
Municipal Liquor	200,000	-	-	-	11,952	211,952
Total	\$ 204,845	\$ 321,489	\$ 158	\$ 1,397,300	\$ 383,904	\$ 2,307,696

During the year, 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) transfer General fund resources to cover a fund's annual operations, 3) transfer funds as part of the capital improvement plans, 4) transfer pull tab rental resources and 5) transfer resources for lease payments. Further, during the year ended December 31, 2017, the City made the following one-time transfers:

During the year, the City made transfers for the following purposes:

- Budgeted debt service transfers to move revenue from the fund with collection authorization to the Debt Service fund for payment of obligations.
- To close the 2012A Equipment Certificate fund, the Territorial View fund, and the Brockton Area Industrial Park (Rogers Drive Extension and Intersection) fund.
- Budgeted transfers of \$200,000 of Liquor funds to the General fund and \$4,845 from the Sewer and Rogers Activity Center funds to the General fund for the energy initiative program.
- Monthly pull tab rental transfers to the Fire Department Capital fund.
- To transfer the unspent budget within the Snow and Ice Removal department for replacement of the City wide fuel station (\$8,662) and unspent Municipal State Aid funds to the Pavement Management Program (\$105,000).
- Transfers between funds as part of capital improvement plans.
- Non-increment revenue from TIF #1 was transferred to the Revolving Capital fund and also was used to pay for tax court petition settlements in TIF #10 and TIF #11.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2017

Note 3: Detailed Notes on All Funds (Continued)

E. Long-term Debt

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for general government activities. In addition, general obligation bonds have been issued to refund bond issues.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds currently outstanding are as follows:

General Obligation Improvement Bonds

The following bonds were used to finance improvements and buildings. They will be repaid with ad valorem taxes, special assessments levied against the properties and tax increments. The bonds are backed by the full faith and credit of the City.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Governmental Activities					
G.O. Improvement Bonds					
Series 2011	\$ 4,845,000	2.00 - 2.70 %	12/06/11	12/15/25	\$ 2,830,000
Series 2014	2,500,000	2.00 - 3.65	03/06/14	12/15/34	2,215,000
Series 2015	2,845,000	2.00 - 2.25	10/01/15	12/15/25	<u>2,330,000</u>
Total General Obligation Improvement Bonds					<u><u>\$ 7,375,000</u></u>

Annual debt service requirements to maturity for general obligation improvement bonds outstanding at December 31, 2017 are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2018	\$ 680,000	\$ 184,518	\$ 864,518
2019	705,000	170,917	875,917
2020	720,000	156,818	876,818
2021	745,000	141,368	886,368
2022	760,000	125,023	885,023
2023-2027	2,710,000	344,180	3,054,180
2028-2032	725,000	137,188	862,188
2033-2034	<u>330,000</u>	<u>18,250</u>	<u>348,250</u>
Total	<u><u>\$ 7,375,000</u></u>	<u><u>\$ 1,278,262</u></u>	<u><u>\$ 8,653,262</u></u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2017

Note 3: Detailed Notes on All Funds (Continued)

General Obligation Tax Increment Bonds

The following bonds were issued for development purposes. The additional tax increments resulting from increased tax capacity of the redeveloped properties will be used to retire the related debt.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Governmental Activities					
G.O. Tax Increment Bonds, Series 2003	\$ 235,000	2.50 - 4.90 %	11/01/03	12/01/21	\$ 65,000
G.O. Tax Increment Refunding Bonds, Series 2011	725,000	0.75 - 3.00	12/06/11	12/01/21	<u>255,000</u>
Total General Obligation Tax Increment Bonds					<u><u>\$ 320,000</u></u>

Annual debt service requirements to maturity for general obligation tax increment bonds outstanding at December 31, 2017, are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2018	\$ 100,000	\$ 10,105	\$ 110,105
2019	70,000	7,260	77,260
2020	70,000	5,165	75,165
2021	<u>80,000</u>	<u>2,780</u>	<u>82,780</u>
Total	<u><u>\$ 320,000</u></u>	<u><u>\$ 25,310</u></u>	<u><u>\$ 345,310</u></u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2017

Note 3: Detailed Notes on All Funds (Continued)

Revenue Bonds

The following bonds were used to finance improvements. The Water Revenue Bond is funded with net revenue of the water fund and the Ice Arena Revenue Bond is funded with transfers from the Rogers Activity Center. The Liquor Store revenue refunding bond will be repaid with revenue from operations. The bonds are backed by the full faith and credit of the City.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Governmental Activities					
G.O. Tax Abatement Bonds					
Series 2015A	\$ 2,390,000	2.00 - 3.00 %	10/01/15	12/15/29	<u>\$ 2,100,000</u>
Business-type Activities					
Water Revenue Bonds					
Series 2012A	1,685,000	2.00 - 2.65	04/25/12	12/01/27	<u>\$ 1,180,000</u>

Annual debt service requirements to maturity for revenue bonds are as follows:

Year Ending December 31,	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 155,000	\$ 48,463	\$ 203,463	\$ 105,000	\$ 26,920	\$ 131,920
2019	155,000	45,363	200,363	110,000	24,820	134,820
2020	160,000	42,263	202,263	110,000	22,620	132,620
2021	165,000	39,063	204,063	115,000	20,420	135,420
2022	175,000	35,763	210,763	115,000	18,063	133,063
2023-2027	925,000	121,688	1,046,688	625,000	48,713	673,713
2028-2029	365,000	16,050	381,050	-	-	-
Total	<u>\$ 2,100,000</u>	<u>\$ 348,653</u>	<u>\$ 2,448,653</u>	<u>\$ 1,180,000</u>	<u>\$ 161,556</u>	<u>\$ 1,341,556</u>

Annual revenues from charges for services, principal and interest payments, and percentage of revenue required to cover principal and interest payments are as follows:

	<u>Water</u>
Net Operating Revenues (Charges for Services)	\$ 1,002,623
Principal and Interest	134,020
Percentage of Revenues	13 %

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2017

Note 3: Detailed Notes on All Funds (Continued)

Equipment Certificates

The City has issued the following certificates for the purchase of equipment. They will be repaid with ad valorem taxes or charges for service and are secured by the full faith and credit of the City.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Governmental Activities					
Equipment Certificates					
Series 2011	\$ 1,035,000	0.55 - 2.80 %	05/26/11	12/15/20	\$ 190,000
Series 2014	920,000	2.00 - 4.00	03/06/14	12/15/22	465,000
Total Equipment Certificates					<u><u>\$ 655,000</u></u>

Annual debt service requirements to maturity for equipment certificates are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2018	\$ 215,000	\$ 16,350	\$ 231,350
2019	225,000	11,840	236,840
2020	115,000	6,820	121,820
2021	50,000	3,500	53,500
2022	50,000	2,000	52,000
Total	<u><u>\$ 655,000</u></u>	<u><u>\$ 40,510</u></u>	<u><u>\$ 695,510</u></u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2017

Note 3: Detailed Notes on All Funds (Continued)

Changes in long-term liabilities

During the year ended December 31, 2017, the following changes occurred in long-term liabilities.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds Payable					
General obligation bonds	\$ 8,105,000	\$ -	\$ (730,000)	\$ 7,375,000	\$ 680,000
General obligation tax increment bonds	415,000	-	(95,000)	320,000	100,000
Revenue bonds	2,250,000	-	(150,000)	2,100,000	155,000
Equipment Certificates	960,000	-	(305,000)	655,000	215,000
Total Bonds Payable	<u>11,730,000</u>	<u>-</u>	<u>(1,280,000)</u>	<u>10,450,000</u>	<u>1,150,000</u>
Compensated Absences Payable	498,211	271,256	(168,617)	600,850	221,485
Severance Obligations Payable	58,365	18,809	-	77,174	-
Other Postemployment Benefits Payable	468,494	66,783	(9,833)	525,444	-
Pension Liability					
GERF	1,983,111	496,966	(313,401)	2,166,676	-
PEPFF	5,498,048	324,467	(4,026,857)	1,795,658	-
Governmental Activities Long-term Liabilities	<u>\$ 20,236,229</u>	<u>\$ 853,814</u>	<u>\$ (1,771,851)</u>	<u>\$ 15,615,802</u>	<u>\$ 1,371,485</u>
Business-type Activities					
Bonds Payable					
Revenue bonds	\$ 1,285,000	\$ -	\$ (105,000)	\$ 1,180,000	\$ 105,000
Compensated Absences Payable	170,652	139,247	(122,096)	187,803	69,228
Severance Obligations Payable	35,387	5,174	-	40,561	-
Other Postemployment Benefits Payable	129,137	18,289	(2,693)	144,733	-
Pension Liability					
GERF	1,110,420	399,315	(1,071,766)	437,969	-
Business-type Activities Long-term Liabilities	<u>\$ 2,730,596</u>	<u>\$ 562,025</u>	<u>\$ (1,301,555)</u>	<u>\$ 1,991,066</u>	<u>\$ 174,228</u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2017

Note 3: Detailed Notes on All Funds (Continued)

F. Components of Fund Balance

At December 31, 2017, portions of the City's fund balance are not available for appropriation due to not being in spendable form (Nonspendable), legal restrictions (Restricted), or City Council action (Committed). The following is a summary of the components of fund balance:

	General	Debt Service	Rogers Activity Center	Revolving Capital
Nonspendable				
Prepaid items	\$ 32,975	\$ 1,314	\$ 676	\$ -
Inventory	13,850	-	-	-
Total Nonspendable	<u>\$ 46,825</u>	<u>\$ 1,314</u>	<u>\$ 676</u>	<u>\$ -</u>
Restricted for				
Debt service	\$ -	\$ 43,872	\$ -	\$ -
Transportation infrastructure	-	-	-	3,034,050
Total Restricted	<u>\$ -</u>	<u>\$ 43,872</u>	<u>\$ -</u>	<u>\$ 3,034,050</u>
Committed to				
Rogers activity center	\$ -	\$ -	\$ 326,366	\$ -
Capital improvement projects	-	-	-	1,898,070
Total Committed	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,898,070</u>
Assigned to				
Street lighting	\$ 1,391	\$ -	\$ -	\$ -
Total Assigned	<u>\$ 1,391</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2017

Note 3: Detailed Notes on All Funds (Continued)

	Street and Related Improvement Projects	Other Governmental Funds	Total Governmental Funds
Nonspendable			
Prepaid items	\$ -	\$ -	\$ 34,965
Inventory	-	-	13,850
Total Nonspendable	\$ -	\$ -	\$ 48,815
Restricted for			
Debt service	\$ -	\$ -	\$ 43,872
Tax increment financing	-	1,092,142	1,092,142
Revolving loans	-	425,376	425,376
Police expenditures	-	1,749	1,749
Capital improvement projects	136,958	10,000	146,958
Economic Development	-	64,048	64,048
Park dedication fees	-	258,146	258,146
Transportation infrastructure	-	-	3,034,050
Trail dedication	-	272,296	272,296
Lions park	-	342,683	342,683
Total Restricted	\$ 136,958	\$ 2,466,440	\$ 5,681,320
Committed to			
Lions park	\$ -	\$ 34,008	\$ 34,008
Pavement management	-	592,389	592,389
Fire department capital projects	-	244,445	244,445
Park Dedication	-	375,000	375,000
Capital improvement projects	830,445	861,267	3,589,782
Rogers activity center	-	326,366	326,366
Tower and billboard leases	-	689,892	689,892
Total Committed	\$ 830,445	\$ 3,123,367	\$ 5,851,882
Assigned to			
Street lighting	\$ -	\$ -	\$ 1,391
Park dedication	-	134,386	134,386
Total Assigned	\$ -	\$ 134,386	\$ 135,777

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2017

Note 4: Postemployment Benefits Other Than Pensions

A. Plan Description

The City's defined benefit healthcare plan ("the Retiree Health Plan") provides healthcare insurance for eligible retirees and their spouses. The Retiree Health Plan is affiliated with the healthcare plan administered through LOGIS, an agent multiple-employer postemployment healthcare plan. LOGIS is a consortium of Minnesota local government units controlled by its members. LOGIS' Board of Directors is composed of one representative from each agency. LOGIS issues a publicly available financial report that includes financial statements and required supplementary information for the health plan. That report may be obtained by writing to LOGIS, 5750 Duluth Street, Golden Valley, MN 55422, or by calling (763) 543-2600.

B. Funding Policy

The contribution requirements of plan members and the City are established and may be amended by LOGIS' Board of Directors. The required contributions are based on projected pay-as-you-go financing requirements. The City contributed \$12,526 to the plan for the year ended December 31, 2017. As of January 1, 2016, there was one retiree that was receiving health benefits from the plan.

C. Annual other Postemployment Benefit Cost

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)* of the City, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

Annual Required Contribution	\$ 81,509
Interest on Net OPEB Obligation	26,893
Adjustment to Annual Required Contribution	<u>(23,330)</u>
 Annual OPEB Cost (Expense)	 85,072
 Contributions Made	 <u>(12,526)</u>
 Increase in Net OPEB Obligation	 72,546
 Net OPEB Obligation - January 1	 <u>597,631</u>
 Net OPEB Obligation - December 31	 <u><u>\$ 670,177</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ended December 31, 2017, 2016 and 2015 follows:

Year Ending	Trend Information		
	Annual OPEB Cost	Percentage Annual OPEB Contributed	Net OPEB Obligation
12/31/17	\$ 85,072	14.72 %	\$ 670,177
12/31/16	81,931	15.92	597,631
12/31/15	99,701	8.99	528,744
12/31/14	95,492	4.80	438,004

Note 4: Postemployment Benefits Other Than Pensions (Continued)

D. Funded Status and Funding Progress

As of January 1, 2016, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$610,159, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$3,501,000 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 16 percent.

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

E. Actuarial Methods and Assumptions

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

In the January 1, 2016 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.50 percent investment rate of return, which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments. The initial healthcare trend rate was 9.00 percent, reduced by decrements to an ultimate rate of 5.00 percent after twelve years. The unfunded actuarial accrued liability (UAAL) is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2017 was 30 years.

Note 5: Defined Benefit Pension Plans - Statewide

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.

General Employees Retirement Fund (GERF)

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

Public Employees Police and Fire 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 a local relief association that elected to merge with and transfer assets and administration to PERA.

Note 5: Defined Benefit Pension Plans - Statewide (Continued)

B. Benefits Provided

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

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. Members in plans that are at least 90 percent funded for two consecutive years are given 2.5 percent increases. Members in plans that have not exceeded 90 percent funded, or have fallen below 80 percent, are given 1 percent increases.

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

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 and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first ten years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first ten years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For 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.

PEPFF Benefits

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

C. Contributions

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

GERF Contributions

Basic Plan members and Coordinated Plan members were required to contribute 9.10 percent and 6.50 percent, respectively, of their annual covered salary in calendar year 2017. The City was required to contribute 11.78 percent of pay for Basic Plan members and 7.50 percent for Coordinated Plan members in calendar year 2017. The City's contributions to the GERF for the years ending December 31, 2017, 2016 and 2015 were \$203,322, \$186,766, and \$170,477, respectively. The City's contributions were equal to the contractually required contributions for each year as set by Minnesota statute.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2017

Note 5: Defined Benefit Pension Plans - Statewide (Continued)

PEPFF Contributions

Plan members were required to contribute 10.8 percent of their annual covered salary in calendar year 2017. The City was required to contribute 16.20 percent of pay for PEPFF members in calendar year 2017. The City's contributions to the PEPFF for the years ending December 31, 2017, 2016 and 2015 were \$232,658, \$216,085, and \$208,196, respectively. The City's contributions were equal to the contractually required contributions for each year as set by Minnesota statute.

D. Pension Costs

GERF Pension Costs

At December 31, 2017, the City reported a liability of \$2,604,645 for its proportionate share of the GERF's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$6 million to the fund in 2017. 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 \$32,757. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2016 through June 30, 2017 relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2017, the City's proportionate share was 0.0408 percent, which was an increase of 0.0027 percent from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017, the City recognized pension expense of \$368,056 for its proportionate share of GERF's pension expense. In addition, the City recognized an additional \$946 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$6 million to the GERF.

At December 31, 2017, the City reported its proportionate share of GERF's deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 86,338	\$ 168,819
Changes in Actuarial Assumptions	435,763	261,116
Net Difference between Projected and Actual Earnings on Plan Investments	-	115,860
Changes in Proportion	134,540	13,525
Contributions to GERF Subsequent to the Measurement Date	<u>102,718</u>	<u>-</u>
Total	<u>\$ 759,359</u>	<u>\$ 559,320</u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2017

Note 5: Defined Benefit Pension Plans - Statewide (Continued)

Deferred outflows of resources totaling \$102,718 related to pensions resulting from the City's contributions to GERF subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows and inflows of resources related to GERF pensions will be recognized in pension expense as follows:

2018	\$ (25,630)
2019	(192,395)
2020	10,134
2021	110,570

PEPFF Pension Costs

At December 31, 2017, the City reported a liability of \$1,795,658 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2016 through June 30, 2017 relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2017, the City's proportionate share was 0.133 percent which was a decrease of 0.004 percent from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017, the City recognized pension expense of \$324,466 for its proportionate share of PEPFF's pension expense. The City also recognized \$11,970 for the year ended December 31, 2017, as pension expense for its proportionate share of the State of Minnesota's on-behalf contributions to the PEPFF. Legislation passed in 2013 required the State of Minnesota to begin contributing \$9 million to the PEPFF each year, starting in fiscal year 2014.

At December 31, 2017, the City reported its proportionate share of PEPFF's deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 42,139	\$ 487,253
Changes in Actuarial Assumptions	2,492,940	2,549,389
Net Difference Between Projected And Actual Earnings on Plan Investments		144,139
Changes in Proportion	8,695	65,242
Contributions to PEPFF Subsequent to the Measurement Date	120,660	
Total	\$ 2,664,434	\$ 3,246,023

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2017

Note 5: Defined Benefit Pension Plans - Statewide (Continued)

Deferred outflows of resources totaling \$120,660 related to pensions resulting from the City's contributions to PEPFF subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows and inflows of resources related to PEPFF pensions will be recognized in pension expense as follows:

2018	\$	86,372
2019		(94,824)
2020		46,358
2021		151,024
Thereafter		513,319

E. Actuarial Assumptions

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation		2.50% per year
Active Member Payroll Growth		3.25% per year
Investment Rate of Return		7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants were based on RP-2014 tables for all plans for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases for retirees are assumed to be: 1 percent per year for the GERF through 2044 and PEPFF through 2064 and then 2.5 percent thereafter for both plans.

Actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies. The most recent four-year experience study for the GERF was completed in 2015. The most recent five-year experience study for PEPFF was completed in 2016.

The following changes in actuarial assumptions occurred in 2017:

GERF

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

PEPFF

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30 percent for vested and non-vested deferred members. The CSA has been changed to 33 percent for vested members and 2 percent for non-vested members.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2017

Note 5: Defined Benefit Pension Plans - Statewide (Continued)

- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65 percent to 60 percent.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing joint and survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter.
- The single discount rate was changed from 5.6 percent to 7.5 percent.

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:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Stocks	39.00 %	5.10 %
International Stocks	19.00	5.30
Bonds	20.00	0.75
Alternative Assets	20.00	5.90
Cash	2.00	-
Total	100.00 %	

F. Discount Rate

The discount rate used to measure the total pension liability in 2017 was 7.5 percent, a reduction from the 7.90 percent used in 2016. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at the rate specified in statute. Based on these assumptions, the fiduciary net position of the GERF and PEPFF was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2017

Note 5: Defined Benefit Pension Plans - Statewide (Continued)

G. Pension Liability Sensitivity

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

	City Proportionate Share of NPL		
	1 Percent Decrease (6.50%)	Current (7.50%)	1 Percent Increase (8.50%)
	GERF	\$ 4,039,998	\$ 2,604,645

	City Proportionate Share of NPL		
	1 Percent Decrease (6.50%)	Current (7.50%)	1 Percent Increase (8.50%)
	PEPFF	\$ 3,381,748	\$ 1,795,658

H. Pension Plan Fiduciary Net Position

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

Note 6: Defined Benefit Pension Plans - Fire Relief Association

A. Plan Description

All members of the Rogers Fire Department (the Department) are covered by a defined benefit plan administered by the Rogers Fire Department Relief Association (the Association). As of December 31, 2016, the plan covered 37 active firefighters and 6 vested terminated fire fighters whose pension benefits are deferred. The plan is a single employer retirement plan and is established and administered in accordance with Minnesota statute, chapter 69.

The Association maintains a separate Special fund to accumulate assets to fund the retirement benefits earned by the Department's membership. Funding for the Association is derived from an insurance premium tax in accordance with the Volunteer Firefighter's Relief Association Financing Guidelines Act of 1971 (chapter 261 as amended by chapter 509 of Minnesota statutes 1980). Funds are also derived from investment income.

B. Benefits Provided

A fire fighter who completes at least 20 years as an active member of the Department is entitled, after age 50, to a full service pension upon retirement.

The bylaws of the Association also provide for an early vested service pension for a retiring member who has completed fewer than 20 years of service. The reduced pension, available to members with 10 years of service, shall be equal to 60 percent of the pension as prescribed by the bylaws. This percentage increases 4 percent per year so that at 20 years of service, the full amount prescribed is paid. Members who retire with less than 20 years of service and have reached the age of 50 years and have completed at least 10 years of active membership are entitled to a reduced service pension not to exceed the amount calculated by multiplying the member's service pension for the completed years of service times the applicable non-forfeitable percentage of pension.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2017

Note 6: Defined Benefit Pension Plans - Fire Relief Association (Continued)

C. Contributions

Minnesota statutes, chapters 424 and 424A authorize pension benefits for volunteer fire relief associations. The plan is funded by fire state aid, investment earnings and, if necessary, employer contributions as specified in Minnesota statutes and voluntary City contributions (if applicable). The State of Minnesota contributed \$106,896 in fire state aid to the plan on behalf of the City Fire Department for the year ended December 31, 2016, which was recorded as a revenue. Required employer contributions are calculated annually based on statutory provisions. The City made no voluntary contributions to the plan. Furthermore, the firefighter has no obligation to contribute to the plan.

D. Pension Costs

At December 31, 2017, the City reported a net pension asset of \$96,074 for the plan. The net pension asset was measured as of December 31, 2016. The total pension liability used to calculate the net pension asset in accordance with GASB 68 was determined by Van Iwaarden Associates, applying an actuarial formula to specific census data certified by the Department as of December 31, 2016. The following table presents the changes in net pension liability (asset) during the year:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a-b)
Beginning Balance January 1, 2016	\$ 1,105,609	\$ 1,163,288	\$ (57,679)
Changes for the Year			
Service cost	59,501	-	59,501
Interest on pension liability (asset)	64,536	-	64,536
Changes of assumptions	(8,841)	-	(8,841)
Change of benefit terms	42,381	-	42,381
Nonemployer contributions	-	106,896	(106,896)
Net investment income	-	91,540	(91,540)
Benefit payments	(85,477)	(85,477)	-
Administrative expenses	-	(2,464)	2,464
Total Net Changes	<u>72,100</u>	<u>110,495</u>	<u>(38,395)</u>
Ending Balance December 31, 2016	<u>\$ 1,177,709</u>	<u>\$ 1,273,783</u>	<u>\$ (96,074)</u>

For the year ended December 31, 2017, the City recognized pension expense of \$123,592.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2017

Note 6: Defined Benefit Pension Plans - Fire Relief Association (Continued)

At December 31, 2017, the City reported deferred outflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Actuarial Assumptions	\$ 44,874	\$ 7,769
Net Difference between Projected and Actual Earnings on Plan Investments	57,089	-
Contributions to Plan Subsequent to the Measurement Date	107,940	\$ -
Total	\$ 209,903	\$ 7,769

Deferred outflows of resources totaling \$107,940 related to pensions resulting from the City's contributions to the plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018.

2018	\$ (24,770)
2019	(24,770)
2020	(24,769)
2021	(12)
2022	(4,308)
Thereafter	(15,565)

E. Actuarial Assumptions

The total pension liability at December 31, 2016 was determined using the entry age normal actuarial cost method and the following actuarial assumptions:

Retirement Eligibility at 50 Percent of Age 50, 10 Percent at Age 51, and Increasing 10 Percent Each Year Until 100 percent at age 65	
Salary Increases	2.50% per year
Cost of living increases	2.75% per year
Investment rate of return	6.00%
20 year municipal bond yield	3.78%

There were no changes in actuarial assumptions in 2016.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates for expected future real rates of return (expected returns, net of inflation) were developed for each asset class using the plan's target investment allocation along with long-term return expectations by asset class. Inflation expectations were applied to derive the nominal rate of return for the portfolio.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2017

Note 6: Defined Benefit Pension Plans - Fire Relief Association (Continued)

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>
Equities	55.00 %	5.60 %
Fixed Income	25.00	2.27
Real Estate	5.00	4.44
Cash	<u>15.00</u>	0.84
Total	<u>100.00 %</u>	

F. Discount Rate

The discount rate used to measure the total pension liability was 6.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions to the plan will be made as specified in statute. Based on that assumption and considering the funding ratio of the plan, the fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive 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 Asset Sensitivity

The following presents the City's net pension asset for the plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's net pension asset would be if it were calculated using a discount rate 1 percent lower or 1 percent higher than the current discount rate:

	<u>1 Percent Decrease (5.00%)</u>	<u>Current (6.00%)</u>	<u>1 Percent Increase (7.00%)</u>
Defined Benefit Plan	\$ (61,107)	\$ (96,074)	\$ (130,126)

H. Pension Plan Fiduciary Net Position

The Association issues a publicly available financial report. The report may be obtained by writing to the Rogers Fire Department Relief Association, 12913 Main St, Rogers, MN 55374.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2017

Note 7: Other Information

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries insurance. The City obtains insurance through participation in the League of Minnesota Cities Insurance Trust (LMCIT), which is a risk sharing pool with approximately 800 other governmental units. The City pays an annual premium to LMCIT for its workers compensation and property and casualty insurance. The LMCIT is self-sustaining through member premiums and will reinsure for claims above a prescribed dollar amount for each insurance event. Settled claims have not exceeded the City's coverage in any of the past three fiscal years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities, if any, include an amount for claims that have been incurred but not reported (IBNRs). The City's management is not aware of any incurred but not reported claims.

B. Legal Debt Margin

In accordance with Minnesota statutes, the City may not incur or be subject to net debt in excess of 3 percent of the market value of taxable property within the City. Net debt is payable solely from ad valorem taxes and therefore, excludes debt financed partially or entirely by special assessments, enterprise fund revenues or tax increments. The current debt limit for the City is \$51,064,098. The City is under the debt limit as of December 31, 2017.

C. Tax Increment Financing Districts

The City's tax increment districts are subject to review by the State of Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance which would have a material effect on the financial statements.

The City has entered into "pay as you go" Tax Increment Financing notes within its TIF districts. These notes are payable only to the extent of the increment received. As a result they are a commitment within the district but they have not met the criteria to be reported as a liability on the statement of net position.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ROGERS
ROGERS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2017

City of Rogers, Minnesota
 Required Supplementary Information
 For the Year Ended December 31, 2017

Schedule of Employer's Share of PERA Net Pension Liability - General Employees Retirement Fund

Fiscal Year Ending	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 Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/17	0.0408 %	\$ 2,604,645	\$ 32,757	\$ 2,637,402	\$ 2,595,565	100.3 %	75.9 %
06/30/16	0.0381	3,093,531	40,405	3,133,936	2,368,108	132.3	68.9
06/30/15	0.0377	1,953,810	-	1,953,810	2,243,021	87.1	78.7

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Schedule of Employer's PERA Contributions - General Employees Retirement Fund

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)
12/31/17	\$ 203,322	\$ 203,322	\$ -	\$ 2,710,966	7.5 %
12/31/16	186,766	186,766	-	2,490,219	7.5 %
12/31/15	170,477	170,477	-	2,273,024	7.5

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

City of Rogers, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2017

Notes to the Required Supplementary Information - General Employees Retirement Fund

Changes in Actuarial Assumptions

2017 - The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability. The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 percent. 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 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

2015 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2035 and 2.5 percent per year thereafter.

Changes in Plan Provisions

2015 - On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised.

City of Rogers, Minnesota
 Required Supplementary Information (Continued)
 For the Year Ended December 31, 2017

Schedule of Employer's Share of PERA Net Pension Liability - Public Employees Police and Fire Fund

Fiscal Year Ending	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 Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/17	0.1330 %	\$ 1,795,658	\$ -	\$ 1,795,658	\$ 1,350,783	132.9 %	85.4 %
06/30/16	0.1370	5,498,048	-	5,498,048	1,330,936	413.1	63.9
06/30/15	0.1360	1,545,278	-	1,545,278	1,243,722	124.2	86.6

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Schedule of Employer's PERA Contributions - Public Employees Police and Fire Fund

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)
12/31/17	\$ 232,658	\$ 232,658	\$ -	\$ 1,436,163	16.2 %
12/31/16	216,085	216,085	-	1,333,861	16.2
12/31/15	208,196	208,196	-	1,285,160	16.2

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

City of Rogers, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2017

Notes to the Required Supplementary Information - Public Employees Police and Fire Fund

Changes in Actuarial Assumptions

2017 - Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The Combined Service Annuity (CSA) load was 30 percent for vested and non-vested deferred members. The CSA has been changed to 33 percent for vested members and 2 percent for non-vested members. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees. Assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall. Assumed percentage of married female members was decreased from 65 percent to 60 percent. Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females. The assumed percentage of female members electing joint and survivor annuities was increased. The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter. The single discount rate was changed from 5.6 percent to 7.5 percent.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2037 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 5.6 percent. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

2015 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2037 and 2.5 percent per year thereafter.

Changes in Plan Provisions

2015 - The post-retirement benefit increase to be paid after attainment of the 90 percent funding threshold was changed, from inflation up to 2.5 percent, to a fixed rate of 2.5 percent.

City of Rogers, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2017

Schedule of Changes in the Fire Relief Association's Net Pension Liability (Asset) and Related Ratios

	2017 (Fire Relief Report Date 2016)	2016 (Fire Relief Report Date 2015)	2015 (Fire Relief Report Date 2014)
Total Pension Liability			
Service cost	\$ 59,501	\$ 52,737	\$ 51,326
Interest on pension liability (asset)	64,536	64,094	61,294
Changes of assumptions	(8,841)	55,634	-
Change of benefit terms	42,381	-	-
Benefit payments	(85,477)	(79,255)	(59,219)
Net Change in Total Pension Liability	<u>72,100</u>	<u>93,210</u>	<u>53,401</u>
Total Pension Liability - January 1	<u>1,105,609</u>	<u>1,012,399</u>	<u>958,998</u>
Total Pension Liability - December 31	<u><u>\$ 1,177,709</u></u>	<u><u>\$ 1,105,609</u></u>	<u><u>\$ 1,012,399</u></u>
Plan Fiduciary Net Position			
Nonemployer contributions	106,896	101,996	103,985
Projected investment return	91,540	(48,600)	36,762
Benefit payments	(85,477)	(79,255)	(59,219)
Administrative expense	(2,464)	(2,250)	(2,200)
Net Change in Plan Fiduciary Net Position	<u>110,495</u>	<u>(28,109)</u>	<u>79,328</u>
Plan Fiduciary Net Position - January 1	<u>1,163,288</u>	<u>1,191,397</u>	<u>1,112,069</u>
Plan Fiduciary Net Position - December 31	<u><u>\$ 1,273,783</u></u>	<u><u>\$ 1,163,288</u></u>	<u><u>\$ 1,191,397</u></u>
Fire Relief's Net Pension Liability (Asset) - December 31	<u><u>\$ (96,074)</u></u>	<u><u>\$ (57,679)</u></u>	<u><u>\$ (178,998)</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (b/a)	108.16%	105.22%	117.68%
Covered-employee Payroll	N/A	N/A	N/A
Fire Relief's Net Pension Liability (Asset) as a Percentage of Covered-employee Payroll	N/A	N/A	N/A

Notes to Schedule:

Benefit Changes. In 2015, the benefit terms were modified to base public safety employee pensions on a final three-year average salary instead of a final five-year average salary.

Changes of Assumptions:

In 2015, amounts reported as changes of assumptions resulted primarily from adjustments to expected retirement ages of general employees. In 2015, amounts reported as changes of assumptions resulted primarily from adjustments to expected retirement ages of public safety employees. In 2015, amounts reported as changes of assumptions resulted primarily from adjustments to assumed life expectancies as a result of adopting the RP-2000 Healthy Annuitant Mortality Table for purposes of developing mortality rates.

In 2016, the expected investment return and discount rate increased from 5.75% to 6.00% to reflect updated capital market assumptions.

Note: Schedule is intended to show 10-year trend. Additional years will be reported

City of Rogers, Minnesota
 Required Supplementary Information (Continued)
 For the Year Ended December 31, 2017

Schedule of Employer's Fire Relief Association's Contributions

Year Ending	Actuarial Determined Contribution (a)	Actual Contributions Paid (b)	Contribution Deficiency (Excess) (a-b)
12/31/17	\$ 107,937	\$ 107,937	\$ -
12/31/16	106,896	106,896	-
12/31/15	101,996	101,996	-
12/31/14	103,985	103,985	-

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Schedule of Funding Progress for the Postemployment Benefit Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
01/01/17	\$ -	\$ 610,159	\$ 610,159	- %	\$ 3,501,000	17 %
01/01/16	-	540,210	540,210	-	3,383,000	16
01/01/15	-	667,753	667,753	-	3,078,942	22
01/01/14	-	573,716	573,716	-	2,967,655	19

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

THIS PAGE IS LEFT
BLANK INTENTIONALLY

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

CITY OF ROGERS
ROGERS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2017

City of Rogers, Minnesota
 Nonmajor Governmental Funds
 Combining Balance Sheet
 December 31, 2017

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
Assets			
Cash and temporary investments	\$ 1,014,434	\$ 4,310,313	\$ 5,324,747
Receivables			
Accounts	-	288,685	288,685
Accrued interest	545	-	545
Loans	261,583	-	261,583
Due from other governments	-	7,000	7,000
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 1,276,562</u>	<u>\$ 4,605,998</u>	<u>\$ 5,882,560</u>
Liabilities			
Accounts payable	\$ 65,590	\$ 66,452	\$ 132,042
Escrows payable	23,715	-	23,715
Due to other governments	-	2,656	2,656
Due to other funds	-	77,398	77,398
Advances from other funds	-	239,230	239,230
Unearned revenue	6,192	3,500	9,692
Total Liabilities	<u>95,497</u>	<u>389,236</u>	<u>484,733</u>
Fund Balances			
Restricted	491,173	1,975,267	2,466,440
Committed	689,892	2,107,109	2,797,001
Assigned	-	134,386	134,386
Total Fund Balances	<u>1,181,065</u>	<u>4,216,762</u>	<u>5,397,827</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 1,276,562</u>	<u>\$ 4,605,998</u>	<u>\$ 5,882,560</u>

City of Rogers, Minnesota
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures And
 Changes in Fund Balances
 For the Year Ended December 31, 2017

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
Revenues			
Taxes			
Property taxes	\$ 90,000	\$ 521,747	\$ 611,747
Tax increments	-	399,889	399,889
Franchise taxes	-	1,066,930	1,066,930
Intergovernmental	280,000	150,952	430,952
Charges for services	744,352	349,266	1,093,618
Fines and forfeitures	5,774	-	5,774
Interest on investments	11,827	46,482	58,309
Miscellaneous	14,884	127,883	142,767
Total Revenues	<u>1,146,837</u>	<u>2,663,149</u>	<u>3,809,986</u>
Expenditures			
Current			
General government	17,694	-	17,694
Public safety	9,064	-	9,064
Economic development	122,418	-	122,418
Capital outlay			
General government	-	41,729	41,729
Public safety	-	43,608	43,608
Public works	-	676,129	676,129
Culture and recreation	-	177,066	177,066
Economic development	-	113,204	113,204
Housing	-	205,370	205,370
Debt Service			
Interest and other	-	8,775	8,775
Total Expenditures	<u>149,176</u>	<u>1,265,881</u>	<u>1,415,057</u>
Excess of Revenues Over Expenditures	<u>997,661</u>	<u>1,397,268</u>	<u>2,394,929</u>
Other Financing Sources (Uses)			
Transfers in	-	383,904	383,904
Transfers out	-	(896,123)	(896,123)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(512,219)</u>	<u>(512,219)</u>
Net Change in Fund Balances	997,661	885,049	1,882,710
Fund Balances, January 1	<u>183,404</u>	<u>3,331,713</u>	<u>3,515,117</u>
Fund Balances, December 31	<u><u>\$ 1,181,065</u></u>	<u><u>\$ 4,216,762</u></u>	<u><u>\$ 5,397,827</u></u>

City of Rogers, Minnesota
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 December 31, 2017

	201	200	202	203	
	Tower & Billboard Leases	Revolving Loan	Police Forfeitures	Economic Development	Total
Assets					
Cash and temporary investments	\$ 722,652	\$ 163,248	\$ 1,749	\$ 126,785	\$ 1,014,434
Receivables					
Accrued interest	-	545	-	-	545
Loans	-	261,583	-	-	261,583
	<u>722,652</u>	<u>425,376</u>	<u>1,749</u>	<u>126,785</u>	<u>1,276,562</u>
Total Assets					
Liabilities					
Accounts payable	\$ 2,853	\$ -	\$ -	\$ 62,737	\$ 65,590
Escrows payable	23,715	-	-	-	23,715
Unearned revenue	6,192	-	-	-	6,192
Total Liabilities	<u>32,760</u>	<u>-</u>	<u>-</u>	<u>62,737</u>	<u>95,497</u>
Fund Balances					
Restricted	-	425,376	1,749	64,048	491,173
Committed	689,892	-	-	-	689,892
Total Fund Balances	<u>689,892</u>	<u>425,376</u>	<u>1,749</u>	<u>64,048</u>	<u>1,181,065</u>
Total Liabilities and Fund Balances	<u>\$ 722,652</u>	<u>\$ 425,376</u>	<u>\$ 1,749</u>	<u>\$ 126,785</u>	<u>\$ 1,276,562</u>

City of Rogers, Minnesota
 Nonmajor Special Revenue Funds
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 For the Year Ended December 31, 2017

	201	200	202	203	
	Tower & Billboard Leases	Revolving Loan	Police Forfeitures	Economic Development	Totals
Revenues					
Taxes					
Property taxes	\$ -	\$ -	\$ -	\$ 90,000	\$ 90,000
Intergovernmental	-	280,000	-	-	280,000
Charges for services					
Tower lease	634,352	-	-	-	634,352
Billboard lease	110,000	-	-	-	110,000
Fines and forfeitures	-	-	5,774	-	5,774
Interest on investments	4,648	5,819	28	1,332	11,827
Miscellaneous					
Refunds and reimbursements	4,050	-	-	10,834	14,884
Total Revenues	<u>753,050</u>	<u>285,819</u>	<u>5,802</u>	<u>102,166</u>	<u>1,146,837</u>
Expenditures					
Current					
General government	17,694	-	-	-	17,694
Public safety	-	-	9,064	-	9,064
Economic development	-	13,163	-	109,255	122,418
Total Expenditures	<u>17,694</u>	<u>13,163</u>	<u>9,064</u>	<u>109,255</u>	<u>149,176</u>
Net Change in Fund Balances	735,356	272,656	(3,262)	(7,089)	997,661
Fund Balances, January 1	<u>(45,464)</u>	<u>152,720</u>	<u>5,011</u>	<u>71,137</u>	<u>183,404</u>
Fund Balances, December 31	<u>\$ 689,892</u>	<u>\$ 425,376</u>	<u>\$ 1,749</u>	<u>\$ 64,048</u>	<u>\$ 1,181,065</u>

City of Rogers, Minnesota
 Nonmajor Capital Projects Funds
 Combining Balance Sheet
 December 31, 2017

	400	401	403	404
	Capital Improvement Projects	Pavement Management	Fire Department Capital Outlay	Park Dedication
Assets				
Cash and temporary investments	\$ 1,190,040	\$ 362,417	\$ 244,445	\$ 777,825
Receivables				
Accounts	-	267,196	-	7,360
Due from other governments	-	-	-	7,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u><u>\$ 1,190,040</u></u>	<u><u>\$ 629,613</u></u>	<u><u>\$ 244,445</u></u>	<u><u>\$ 792,185</u></u>
Liabilities				
Accounts payable	\$ 2,145	\$ 37,224	\$ -	\$ 21,153
Due to other governments	-	-	-	-
Due to other funds	77,398	-	-	-
Advances from other funds	239,230	-	-	-
Unearned revenue	-	-	-	3,500
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u><u>318,773</u></u>	<u><u>37,224</u></u>	<u><u>-</u></u>	<u><u>24,653</u></u>
Fund Balances				
Restricted	10,000	-	-	258,146
Committed	861,267	592,389	244,445	375,000
Assigned	-	-	-	134,386
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u><u>871,267</u></u>	<u><u>592,389</u></u>	<u><u>244,445</u></u>	<u><u>767,532</u></u>
Total Liabilities and Fund Balances	<u><u>\$ 1,190,040</u></u>	<u><u>\$ 629,613</u></u>	<u><u>\$ 244,445</u></u>	<u><u>\$ 792,185</u></u>

427

428

450 - 461

Trail Dedication	Lions Park	TIF	Total
\$ 277,260	\$ 376,691	\$ 1,081,635	\$ 4,310,313
-	-	14,129	288,685
-	-	-	7,000
<u>\$ 277,260</u>	<u>\$ 376,691</u>	<u>\$ 1,095,764</u>	<u>\$ 4,605,998</u>
\$ 4,964	\$ -	\$ 966	\$ 66,452
-	-	2,656	2,656
-	-	-	77,398
-	-	-	239,230
-	-	-	3,500
<u>4,964</u>	<u>-</u>	<u>3,622</u>	<u>389,236</u>
272,296	342,683	1,092,142	1,975,267
-	34,008	-	2,107,109
-	-	-	134,386
<u>272,296</u>	<u>376,691</u>	<u>1,092,142</u>	<u>4,216,762</u>
<u>\$ 277,260</u>	<u>\$ 376,691</u>	<u>\$ 1,095,764</u>	<u>\$ 4,605,998</u>

City of Rogers, Minnesota
 Nonmajor Capital Projects Funds
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 For the Year Ended December 31, 2017

	400	401	403	404
	Capital Improvement Projects	Pavement Management	Fire Department Capital Outlay	Park Dedication
Revenues				
Taxes				
Property taxes	\$ 321,747	\$ -	\$ -	\$ 75,000
Tax increments	-	-	-	-
Franchise taxes	-	1,066,930	-	-
Intergovernmental	-	-	-	7,000
Charges for services	-	-	-	323,610
Interest on investments	9,832	8,738	2,341	6,544
Miscellaneous				
Contributions and donations	-	-	69,000	5,000
Refunds and reimbursements	-	578	-	10,649
Total Revenues	331,579	1,076,246	71,341	427,803
Expenditures				
Capital outlay				
General government	41,729	-	-	-
Public safety	37,021	-	6,587	-
Public works	41,452	634,677	-	-
Culture and recreation	11,082	-	-	88,113
Economic development	-	-	-	-
Housing	-	-	-	-
Debt Service				
Interest and other	8,775	-	-	-
Total Expenditures	140,059	634,677	6,587	88,113
Excess of Revenues Over Expenditures	191,520	441,569	64,754	339,690
Other Financing Sources (Uses)				
Transfers in	31,315	281,300	11,952	-
Transfers out	-	(657,361)	-	-
Total Other Financing Sources (Uses)	31,315	(376,061)	11,952	-
Net Change in Fund Balances	222,835	65,508	76,706	339,690
Fund Balances, January 1	648,432	526,881	167,739	427,842
Fund Balances, December 31	<u>\$ 871,267</u>	<u>\$ 592,389</u>	<u>\$ 244,445</u>	<u>\$ 767,532</u>

427	428	450 - 461	
Trail Dedication	Lions Park	TIF	Total
\$ 125,000	\$ -	\$ -	\$ 521,747
-	-	399,889	399,889
-	-	-	1,066,930
143,952	-	-	150,952
25,656	-	-	349,266
1,135	3,985	13,907	46,482
-	26,000	-	100,000
-	-	16,656	27,883
<u>295,743</u>	<u>29,985</u>	<u>430,452</u>	<u>2,663,149</u>
-	-	-	41,729
-	-	-	43,608
-	-	-	676,129
77,871	-	-	177,066
-	-	113,204	113,204
-	-	205,370	205,370
-	-	-	8,775
<u>77,871</u>	<u>-</u>	<u>318,574</u>	<u>1,265,881</u>
<u>217,872</u>	<u>29,985</u>	<u>111,878</u>	<u>1,397,268</u>
-	-	59,337	383,904
-	-	(238,762)	(896,123)
-	-	(179,425)	(512,219)
217,872	29,985	(67,547)	885,049
<u>54,424</u>	<u>346,706</u>	<u>1,159,689</u>	<u>3,331,713</u>
<u>\$ 272,296</u>	<u>\$ 376,691</u>	<u>\$ 1,092,142</u>	<u>\$ 4,216,762</u>

THIS PAGE IS LEFT
BLANK INTENTIONALLY

City of Rogers, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Continued on the Following Pages)
For the Year Ended December 31, 2017
(With Comparative Actual Amounts for the Year Ended December 31, 2016)

	2017			Variance With Final Budget	2016
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Revenues					
Taxes					
Property taxes	\$ 5,357,938	\$ 5,357,938	\$ 5,422,092	\$ 64,154	\$ 4,753,923
Cable franchise fee	125,000	125,000	139,412	14,412	134,180
Total taxes	<u>5,482,938</u>	<u>5,482,938</u>	<u>5,561,504</u>	<u>78,566</u>	<u>4,888,103</u>
Licenses and permits					
Business	53,950	53,950	52,356	(1,594)	44,639
Nonbusiness	566,537	566,537	693,704	127,167	625,086
Total licenses and permits	<u>620,487</u>	<u>620,487</u>	<u>746,060</u>	<u>125,573</u>	<u>669,725</u>
Intergovernmental					
Federal					
Other	-	-	-	-	15,514
State					
Property tax credits	-	-	8,227	8,227	7,892
PERA aid	2,223	2,223	2,223	-	2,223
Street maintenance aid	173,000	173,000	178,953	5,953	172,523
Fire aid	94,896	94,896	107,937	13,041	96,896
Police aid	129,545	129,545	151,151	21,606	129,545
Other	9,200	9,200	18,789	9,589	16,647
County					
Recycling grant	64,316	64,316	68,120	3,804	76,383
Total intergovernmental	<u>473,180</u>	<u>473,180</u>	<u>535,400</u>	<u>62,220</u>	<u>517,623</u>
Charges for services					
General government	110,850	110,850	201,195	90,345	151,236
Public safety	219,067	219,067	224,473	5,406	205,469
Public works	130,500	130,500	138,979	8,479	136,862
Culture and recreation	139,317	139,317	138,800	(517)	139,027
Total charges for services	<u>599,734</u>	<u>599,734</u>	<u>703,447</u>	<u>103,713</u>	<u>632,594</u>
Fines and forfeitures	125,700	125,700	113,139	(12,561)	108,973
Interest (loss) on investments	40,000	40,000	61,062	21,062	(28,029)

City of Rogers, Minnesota
 General Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual (Continued)
 For the Year Ended December 31, 2017
 (With Comparative Actual Amounts for the Year Ended December 31, 2016)

	2017			Variance With Final Budget	2016
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Revenues (Continued)					
Miscellaneous					
Contributions and donations	\$ 1,450	\$ 1,450	\$ 21,162	\$ 19,712	\$ 5,250
Refunds and reimbursements	78,500	78,500	232,873	154,373	255,781
Other	10,250	10,250	12,504	2,254	11,926
Total miscellaneous	<u>90,200</u>	<u>90,200</u>	<u>266,539</u>	<u>176,339</u>	<u>272,957</u>
 Total Revenues	 <u>7,432,239</u>	 <u>7,432,239</u>	 <u>7,987,151</u>	 <u>554,912</u>	 <u>7,061,946</u>
Expenditures					
Current					
General government					
Mayor and City Council					
Personal services	20,099	20,099	20,064	35	19,583
Supplies	500	500	136	364	140
Other services and charges	9,520	9,520	11,067	(1,547)	9,560
Total Mayor and City Council	<u>30,119</u>	<u>30,119</u>	<u>31,267</u>	<u>(1,148)</u>	<u>29,283</u>
 Other administration					
Personal services	361,031	361,031	368,924	(7,893)	343,004
Supplies	6,800	6,800	8,436	(1,636)	7,250
Other services and charges	192,450	192,450	197,806	(5,356)	205,962
Total other administration	<u>560,281</u>	<u>560,281</u>	<u>575,166</u>	<u>(14,885)</u>	<u>556,216</u>
 Information systems					
Personal services	161,167	161,167	159,759	1,408	149,918
Supplies	6,600	6,600	5,554	1,046	7,770
Other services and charges	56,525	56,525	52,304	4,221	48,961
Total information systems	<u>224,292</u>	<u>224,292</u>	<u>217,617</u>	<u>6,675</u>	<u>206,649</u>

City of Rogers, Minnesota
 General Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual (Continued)
 For the Year Ended December 31, 2017
 (With Comparative Actual Amounts for the Year Ended December 31, 2016)

	2017				2016
	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
General government (continued)					
Elections					
Personal services	\$ -	\$ -	\$ -	\$ -	\$ 9,897
Supplies	500	500	2,338	(1,838)	2,628
Other services and charges	1,750	1,750	1,576	174	3,343
Total elections	<u>2,250</u>	<u>2,250</u>	<u>3,914</u>	<u>(1,664)</u>	<u>15,868</u>
Finance					
Personal services	217,072	217,072	209,566	7,506	199,919
Supplies	1,850	1,850	3,246	(1,396)	1,764
Other services and charges	28,595	28,595	43,476	(14,881)	29,007
Total finance	<u>247,517</u>	<u>247,517</u>	<u>256,288</u>	<u>(8,771)</u>	<u>230,690</u>
Assessing					
Other services and charges	132,000	132,000	135,000	(3,000)	127,119
Planning and zoning					
Personal services	150,472	150,472	124,786	25,686	143,157
Supplies	100	100	648	(548)	52
Other services and charges	22,550	22,550	37,626	(15,076)	2,467
Total planning and zoning	<u>173,122</u>	<u>173,122</u>	<u>163,060</u>	<u>10,062</u>	<u>145,676</u>
General government buildings					
Personal services	22,224	22,224	23,204	(980)	14,133
Supplies	500	500	721	(221)	9,879
Other services and charges	35,673	35,673	42,717	(7,044)	38,722
Total general government buildings	<u>58,397</u>	<u>58,397</u>	<u>66,642</u>	<u>(8,245)</u>	<u>62,734</u>

City of Rogers, Minnesota
 General Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual (Continued)
 For the Year Ended December 31, 2017
 (With Comparative Actual Amounts for the Year Ended December 31, 2016)

	2017				2016
	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
General government (continued)					
Community room					
Personal services	\$ 44,492	\$ 44,492	\$ 44,471	\$ 21	\$ 37,446
Supplies	5,850	5,850	5,044	806	5,391
Other services and charges	30,800	30,800	29,307	1,493	29,620
Total community room	<u>81,142</u>	<u>81,142</u>	<u>78,822</u>	<u>2,320</u>	<u>72,457</u>
General engineering					
Personal services	136,823	136,823	115,580	21,243	57,890
Supplies	4,000	4,000	3,886	114	2,295
Other services and charges	28,175	28,175	178,336	(150,161)	218,110
Total general engineering	<u>168,998</u>	<u>168,998</u>	<u>297,802</u>	<u>(128,804)</u>	<u>278,295</u>
Total General Government	<u>1,678,118</u>	<u>1,678,118</u>	<u>1,825,578</u>	<u>(147,460)</u>	<u>1,724,987</u>
Public safety					
Police protection and administration					
Personal services	2,331,909	2,331,909	2,209,557	122,352	2,103,833
Supplies	173,000	173,000	155,910	17,090	140,789
Other services and charges	333,823	333,823	377,322	(43,499)	349,718
Total police protection and administration	<u>2,838,732</u>	<u>2,838,732</u>	<u>2,742,789</u>	<u>95,943</u>	<u>2,594,340</u>
Police reserves					
Personal services	-	-	(47)	47	(31)
Supplies	5,400	5,400	1,477	3,923	1,595
Other services and charges	3,000	3,000	2,832	168	2,177
Total police reserves	<u>8,400</u>	<u>8,400</u>	<u>4,262</u>	<u>4,138</u>	<u>3,741</u>
Fire fighting and administration					
Personal services	359,451	359,451	325,670	33,781	322,185
Supplies	115,350	118,793	117,629	1,164	109,776
Other services and charges	158,881	158,881	120,442	38,439	133,298
Total fire fighting and administration	<u>633,682</u>	<u>637,125</u>	<u>563,741</u>	<u>73,384</u>	<u>565,259</u>
Fire prevention					
Supplies	2,250	2,250	159	2,091	110
Other services and charges	1,200	1,200	985	215	1,686
Total fire prevention	<u>3,450</u>	<u>3,450</u>	<u>1,144</u>	<u>2,306</u>	<u>1,796</u>

City of Rogers, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Continued)
For the Year Ended December 31, 2017
(With Comparative Actual Amounts for the Year Ended December 31, 2016)

	2017			Variance With Final Budget	2016
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
Public safety (continued)					
Fire relief association					
Other services and charges	\$ 114,396	\$ 114,396	\$ 127,437	\$ (13,041)	\$ 105,896
Building inspection					
Other services and charges	149,756	149,756	197,950	(48,194)	197,670
Civil defense					
Supplies	8,650	8,650	6,104	2,546	5,769
Other services and charges	12,650	12,650	8,285	4,365	4,438
Total civil defense	21,300	21,300	14,389	6,911	10,207
Traffic signals					
Supplies	1,000	1,000	-	1,000	-
Other services and charges	19,100	19,100	20,070	(970)	10,358
Total traffic signals	20,100	20,100	20,070	30	10,358
Animal control					
Other services and charges	3,400	3,400	3,282	118	4,546
Total Public Safety	3,793,216	3,796,659	3,675,064	121,595	3,493,813
Public works					
General public works					
Personal services	467,088	467,088	431,709	35,379	418,672
Supplies	98,400	98,400	72,479	25,921	81,313
Other services and charges	86,605	86,605	86,697	(92)	87,818
Total general public works	652,093	652,093	590,885	61,208	587,803
Paved streets					
Supplies	37,500	37,500	39,903	(2,403)	45,933
Other services and charges	159,250	159,250	59,503	99,747	104,537
Total paved streets	196,750	196,750	99,406	97,344	150,470
Unpaved streets					
Supplies	66,000	66,000	52,632	13,368	36,202
Other services and charges	55,000	55,000	70,795	(15,795)	43,173
Total	121,000	121,000	123,427	(2,427)	79,375
Sidewalks					
Supplies	-	-	509	(509)	-
Other services and charges	32,500	32,500	22,774	9,726	30,686
Total	32,500	32,500	23,283	9,217	30,686

City of Rogers, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Continued)
For the Year Ended December 31, 2017
(With Comparative Actual Amounts for the Year Ended December 31, 2016)

	2017				2016
	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
Public works (continued)					
Ice and snow removal					
Personal services	\$ 2,412	\$ 2,412	\$ 107	\$ 2,305	\$ -
Supplies	89,250	89,250	34,737	54,513	54,842
Other services and charges	4,300	4,300	1,163	3,137	1,067
Total ice and snow removal	<u>95,962</u>	<u>95,962</u>	<u>36,007</u>	<u>59,955</u>	<u>55,909</u>
Street lighting					
Other services and charges	<u>86,500</u>	<u>86,500</u>	<u>92,763</u>	<u>(6,263)</u>	<u>86,871</u>
Recycling					
Personal services	21,798	21,798	21,999	(201)	20,808
Supplies	1,000	1,000	449	551	818
Other services and charges	121,000	121,000	131,334	(10,334)	121,691
Total recycling	<u>143,798</u>	<u>143,798</u>	<u>153,782</u>	<u>(9,984)</u>	<u>143,317</u>
Weed/tree/grass control					
Supplies	750	750	171	579	-
Other services and charges	<u>30,000</u>	<u>30,000</u>	<u>29,981</u>	<u>19</u>	<u>33,137</u>
Total weed/tree/grass control	<u>30,750</u>	<u>30,750</u>	<u>30,152</u>	<u>598</u>	<u>33,137</u>
Total Public Works	<u>1,359,353</u>	<u>1,359,353</u>	<u>1,149,705</u>	<u>209,648</u>	<u>1,167,568</u>
Culture and recreation					
Community recreation					
Personal services	93,563	93,563	93,058	505	86,379
Supplies	11,900	11,900	12,887	(987)	10,221
Other services and charges	97,664	97,664	97,557	107	94,668
Total community recreation	<u>203,127</u>	<u>203,127</u>	<u>203,502</u>	<u>(375)</u>	<u>191,268</u>
Culture and recreation - continued					
Rockin' Rogers Days					
Supplies	500	500	210	290	70
Other services and charges	<u>8,000</u>	<u>8,000</u>	<u>9,444</u>	<u>(1,444)</u>	<u>8,069</u>
Total Rockin' Rogers Days	<u>8,500</u>	<u>8,500</u>	<u>9,654</u>	<u>(1,154)</u>	<u>8,139</u>

City of Rogers, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Continued)
For the Year Ended December 31, 2017
(With Comparative Actual Amounts for the Year Ended December 31, 2016)

	2017				2016
	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
Senior recreation/transportation					
Personal services	\$ 32,006	\$ 32,006	\$ 30,683	\$ 1,323	\$ 27,117
Supplies	7,100	7,100	1,755	5,345	2,955
Other services and charges	40,425	40,425	32,914	7,511	37,089
Total senior recreation/transportation	<u>79,531</u>	<u>79,531</u>	<u>65,352</u>	<u>14,179</u>	<u>67,161</u>
Parks					
Personal services	339,364	339,364	319,865	19,499	300,815
Supplies	89,400	89,400	94,317	(4,917)	86,649
Other services and charges	81,630	81,630	89,704	(8,074)	97,588
Total parks	<u>510,394</u>	<u>510,394</u>	<u>503,886</u>	<u>6,508</u>	<u>485,052</u>
Total Culture and Recreation	<u>801,552</u>	<u>801,552</u>	<u>782,394</u>	<u>19,158</u>	<u>751,620</u>
Total Current	<u>7,632,239</u>	<u>7,635,682</u>	<u>7,432,741</u>	<u>202,941</u>	<u>7,137,988</u>
Capital outlay					
Public safety	-	-	21,768	(21,768)	2,284
Culture and recreation	-	-	800	(800)	-
Total capital outlay	<u>-</u>	<u>-</u>	<u>22,568</u>	<u>(22,568)</u>	<u>2,284</u>
Total Expenditures	<u>7,632,239</u>	<u>7,635,682</u>	<u>7,455,309</u>	<u>180,373</u>	<u>7,140,272</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(200,000)</u>	<u>(203,443)</u>	<u>531,842</u>	<u>735,285</u>	<u>(78,326)</u>
Other Financing Sources (Uses)					
Transfers in	200,000	200,000	204,845	4,845	204,845
Sale of capital assets	-	-	4,407	4,407	-
Transfers out	-	-	(113,662)	(113,662)	(106,000)
Total Other Financing Sources (Uses)	<u>200,000</u>	<u>200,000</u>	<u>95,590</u>	<u>(104,410)</u>	<u>98,845</u>
Net Change in Fund Balances	-	(3,443)	627,432	630,875	20,519
Fund Balances, January 1	<u>4,592,841</u>	<u>4,592,841</u>	<u>4,592,841</u>	-	<u>4,572,322</u>
Fund Balances, December 31	<u>\$ 4,592,841</u>	<u>\$ 4,589,398</u>	<u>\$ 5,220,273</u>	<u>\$ 630,875</u>	<u>\$ 4,592,841</u>

City of Rogers, Minnesota
Debt Service Funds
Combining Balance Sheet
December 31, 2017

	362	328	330	334	335
	General Obligation Tax Increment Bonds of 2003	General Obligation Improvement Refunding Bonds of 2008	Rogers Activity Center Tax Abatement Bonds of 2015	2011A Equipment Certificates	General Obligation Capital Improvement Plan Bonds of 2011
Assets					
Cash and temporary investments	\$ -	\$ 204,201	\$ 19,784	\$ 43,690	\$ 142,093
Special assessments receivable	-	865,123	-	-	-
Prepaid items	-	-	111	225	225
Total Assets	\$ -	\$ 1,069,324	\$ 19,895	\$ 43,915	\$ 142,318
Liabilities					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ 94,976
Advances from other funds	-	-	-	-	402,553
Total Liabilities	-	-	-	-	497,529
Deferred Inflows of Resources					
Unavailable revenue - special assessments	-	865,123	-	-	-
Fund Balances					
Nonspendable	-	-	111	225	225
Restricted	-	204,201	19,784	43,690	-
Unassigned	-	-	-	-	(355,436)
Total Fund Balances	-	204,201	19,895	43,915	(355,211)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ 1,069,324	\$ 19,895	\$ 43,915	\$ 142,318

336	339	340	341	
General Obligation Tax Increment Refunding Bonds of 2011	2012A Equipment Certificates	2014A G.O. Bonds	2015A G.O. Improvement Bonds	Total
\$ -	\$ -	\$ 49,413	\$ 82,220	\$ 541,401
-	-	-	2,434,100	3,299,223
<u>225</u>	<u>-</u>	<u>413</u>	<u>115</u>	<u>1,314</u>
<u>\$ 225</u>	<u>\$ -</u>	<u>\$ 49,826</u>	<u>\$ 2,516,435</u>	<u>\$ 3,841,938</u>
\$ -	\$ -	\$ -	\$ -	\$ 94,976
-	-	-	-	402,553
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>497,529</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,434,100</u>	<u>3,299,223</u>
225	-	413	115	1,314
-	-	49,413	82,220	399,308
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(355,436)</u>
<u>225</u>	<u>-</u>	<u>49,826</u>	<u>82,335</u>	<u>45,186</u>
<u>\$ 225</u>	<u>\$ -</u>	<u>\$ 49,826</u>	<u>\$ 2,516,435</u>	<u>\$ 3,841,938</u>

City of Rogers, Minnesota
Debt Service Funds
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended December 31, 2017

	362	328	330	334	335
	General Obligation Tax Increment Bonds of 2003	General Obligation Improvement Refunding Bonds of 2008	Rogers Activity Center Tax Abatement Bonds of 2015	2011A Equipment Certificates	General Obligation Capital Improvement Plan Bonds of 2011
Revenues					
Property taxes	\$ -	\$ -	\$ 211,536	\$ 69,783	\$ 404,207
Special assessments	-	186,659	-	-	-
Interest on investments	-	1,134	474	612	2,130
Total Revenues	<u>-</u>	<u>187,793</u>	<u>212,010</u>	<u>70,395</u>	<u>406,337</u>
Expenditures					
Debt service					
Principal	15,000	-	150,000	60,000	365,000
Interest and other	4,907	7	51,968	7,592	91,143
Total Expenditures	<u>19,907</u>	<u>7</u>	<u>201,968</u>	<u>67,592</u>	<u>456,143</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(19,907)</u>	<u>187,786</u>	<u>10,042</u>	<u>2,803</u>	<u>(49,806)</u>
Other Financing Sources (Uses)					
Transfers in	19,907	-	-	-	165,000
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>19,907</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>165,000</u>
Net Change in Fund Balances	-	187,786	10,042	2,803	115,194
Fund Balances, January 1	<u>-</u>	<u>16,415</u>	<u>9,853</u>	<u>41,112</u>	<u>(470,405)</u>
Fund Balances, December 31	<u>\$ -</u>	<u>\$ 204,201</u>	<u>\$ 19,895</u>	<u>\$ 43,915</u>	<u>\$ (355,211)</u>

336 General Obligation Tax Increment Refunding Bonds of 2011	339 2012A Equipment Certificates	340 2014A G.O. Bonds	341 2015A G.O. Improvement Bonds	Total
\$ -	\$ 21,745	\$ 354,509	\$ -	\$ 1,061,780
-	-	-	312,184	498,843
-	991	978	1,048	7,367
-	22,736	355,487	313,232	1,567,990
80,000	95,000	250,000	265,000	1,280,000
9,582	2,398	88,660	53,990	310,247
89,582	97,398	338,660	318,990	1,590,247
(89,582)	(74,662)	16,827	(5,758)	(22,257)
89,582	-	-	47,000	321,489
-	(22,653)	-	(158)	(22,811)
89,582	(22,653)	-	46,842	298,678
-	(97,315)	16,827	41,084	276,421
225	97,315	32,999	41,251	(231,235)
\$ 225	\$ -	\$ 49,826	\$ 82,335	\$ 45,186

City of Rogers, Minnesota
TIF Funds
Combining Balance Sheet
December 31, 2017

	450	456	457	458
	Tax Increment Financing District #1	Tax Increment Financing District #10	Tax Increment Financing District #11	Tax Increment Financing District #12
Assets				
Cash and temporary investments	\$ 684,732	\$ (13,270)	\$ (859)	\$ 56,505
Receivables				
Accounts	-	13,270	859	-
Total Assets	<u>\$ 684,732</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,505</u>
Liabilities				
Accounts payable	\$ 966	\$ -	\$ -	\$ -
Due to other governments	-	-	-	568
Total Liabilities	<u>966</u>	<u>-</u>	<u>-</u>	<u>568</u>
Fund Balances				
Restricted	<u>683,766</u>	<u>-</u>	<u>-</u>	<u>55,937</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 684,732</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,505</u>

459 Tax Increment Financing District #13	460 Tax Increment Financing District #14	461 Tax Increment Financing District #15	Total
\$ 45,413	\$ 232,264	\$ 76,850	\$ 1,081,635
-	-	-	14,129
<u>\$ 45,413</u>	<u>\$ 232,264</u>	<u>\$ 76,850</u>	<u>\$ 1,095,764</u>
\$ -	\$ -	\$ -	\$ 966
607	679	802	2,656
<u>607</u>	<u>679</u>	<u>802</u>	<u>3,622</u>
44,806	231,585	76,048	1,092,142
<u>\$ 45,413</u>	<u>\$ 232,264</u>	<u>\$ 76,850</u>	<u>\$ 1,095,764</u>

City of Rogers, Minnesota
TIF Funds
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended December 31, 2017

	450	456	457	458
	Tax Increment Financing District #1	Tax Increment Financing District #10	Tax Increment Financing District #11	Tax Increment Financing District #12
Revenues				
Tax increments	\$ -	\$ -	\$ -	\$ 27,092
Interest on investments	9,479	-	-	602
Miscellaneous				
Refunds and reimbursements	2,527	13,270	859	-
Total Revenues	<u>12,006</u>	<u>13,270</u>	<u>859</u>	<u>27,694</u>
Expenditures				
Capital outlay				
Economic development	37,850	55,860	17,606	-
Housing	-	-	-	2,069
Total Expenditures	<u>37,850</u>	<u>55,860</u>	<u>17,606</u>	<u>2,069</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(25,844)</u>	<u>(42,590)</u>	<u>(16,747)</u>	<u>25,625</u>
Other Financing Sources (Uses)				
Transfers in	-	42,590	16,747	-
Transfers out	<u>(129,273)</u>	<u>-</u>	<u>-</u>	<u>(19,907)</u>
Total Other Financing Sources (Uses)	<u>(129,273)</u>	<u>42,590</u>	<u>16,747</u>	<u>(19,907)</u>
Net Change in Fund Balances	(155,117)	-	-	5,718
Fund Balances, January 1	<u>838,883</u>	<u>-</u>	<u>-</u>	<u>50,219</u>
Fund Balances, December 31	<u>\$ 683,766</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,937</u>

459 Tax Increment Financing District #13	460 Tax Increment Financing District #14	461 Tax Increment Financing District #15	Total
\$ 54,459	\$ 112,080	\$ 206,258	\$ 399,889
378	2,260	1,188	13,907
-	-	-	16,656
<u>54,837</u>	<u>114,340</u>	<u>207,446</u>	<u>430,452</u>
1,888	-	-	113,204
-	2,444	200,857	205,370
<u>1,888</u>	<u>2,444</u>	<u>200,857</u>	<u>318,574</u>
52,949	111,896	6,589	111,878
-	-	-	59,337
<u>(31,515)</u>	<u>(58,067)</u>	<u>-</u>	<u>(238,762)</u>
<u>(31,515)</u>	<u>(58,067)</u>	<u>-</u>	<u>(179,425)</u>
21,434	53,829	6,589	(67,547)
<u>23,372</u>	<u>177,756</u>	<u>69,459</u>	<u>1,159,689</u>
<u>\$ 44,806</u>	<u>\$ 231,585</u>	<u>\$ 76,048</u>	<u>\$ 1,092,142</u>

City of Rogers, Minnesota
Street and Related Improvement Projects Funds
Combining Balance Sheet
December 31, 2017

	417 Reimer Addition (Town Center Development)	418 Territorial View	432 Rogers Drive Realignment	435 Boulder Pass/ Pulte Homes	436 Shaniahs Field (Shamrock)
Assets					
Cash and temporary investments	\$ 136,927	\$ -	\$ 830,445	\$ 13,963	\$ 11,663
Special assessments receivable	-	-	-	-	-
Due from other governments	-	-	-	-	-
Total Assets	\$ 136,927	\$ -	\$ 830,445	\$ 13,963	\$ 11,663
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Escrows payable	250,134	-	-	13,963	11,663
Total Liabilities	250,134	-	-	13,963	11,663
Deferred Inflows of Resources					
Unavailable revenue - special assessments	-	-	-	-	-
Fund Balances					
Restricted	-	-	-	-	-
Committed	-	-	830,445	-	-
Unassigned	(113,207)	-	-	-	-
Total Fund Balances	(113,207)	-	830,445	-	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 136,927	\$ -	\$ 830,445	\$ 13,963	\$ 11,663

439	440	446	447	
Rogers Drive Lighting	Villas at Fletcher	CSAH 81/13	Lennar Laurel Creek	Total
\$ (43,238)	\$ 18,959	\$ 173,186	\$ 387,640	\$ 1,529,545
51,956	-	-	-	51,956
-	-	102,313	-	102,313
<u>\$ 8,718</u>	<u>\$ 18,959</u>	<u>\$ 275,499</u>	<u>\$ 387,640</u>	<u>\$ 1,683,814</u>
\$ -	\$ -	\$ 140,721	\$ 28,562	\$ 169,283
-	18,959	-	356,898	651,617
-	18,959	140,721	385,460	820,900
51,956	-	-	-	51,956
-	-	134,778	2,180	136,958
-	-	-	-	830,445
(43,238)	-	-	-	(156,445)
<u>(43,238)</u>	<u>-</u>	<u>134,778</u>	<u>2,180</u>	<u>810,958</u>
<u>\$ 8,718</u>	<u>\$ 18,959</u>	<u>\$ 275,499</u>	<u>\$ 387,640</u>	<u>\$ 1,683,814</u>

City of Rogers, Minnesota
Street and Related Improvement Projects Funds
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2017

	417	418	432	435	436
	Reimer Addition (Town Center Development)	Territorial View	Rogers Drive Realignment	Boulder Pass/ Pulte Homes	Shaniahs Field (Shamrock)
Revenues					
Special assessments	\$ -	\$ 7,887	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Interest (loss) on investments	1,547	(56)	9,380	158	132
Miscellaneous					
Refunds and reimbursements	-	-	-	-	-
Total Revenues	<u>1,547</u>	<u>7,831</u>	<u>9,380</u>	<u>158</u>	<u>132</u>
Expenditures					
Capital outlay					
Public works	-	5	-	158	132
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,547</u>	<u>7,826</u>	<u>9,380</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	(4)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(4)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	1,547	7,822	9,380	-	-
Fund Balances, January 1	<u>(114,754)</u>	<u>(7,822)</u>	<u>821,065</u>	<u>-</u>	<u>-</u>
Fund Balances, December 31	<u>\$ (113,207)</u>	<u>\$ -</u>	<u>\$ 830,445</u>	<u>\$ -</u>	<u>\$ -</u>

439	440	445	446	447	
Rogers Drive Lighting	Villas at Fletcher	Rogers Drive Extension and Intersection	CSAH 81/13	Lennar Laurel Creek	Total
\$ 31,879	\$ -	\$ -	\$ -	\$ -	\$ 39,766
-	-	-	102,313	-	102,313
(728)	216	-	23,178	2,180	36,007
-	-	-	798,200	103,227	901,427
<u>31,151</u>	<u>216</u>	<u>-</u>	<u>923,691</u>	<u>105,407</u>	<u>1,079,513</u>
<u>28</u>	<u>216</u>	<u>-</u>	<u>2,139,584</u>	<u>103,227</u>	<u>2,243,350</u>
<u>31,123</u>	<u>-</u>	<u>-</u>	<u>(1,215,893)</u>	<u>2,180</u>	<u>(1,163,837)</u>
-	-	158	-	-	158
-	-	-	(716,995)	-	(716,999)
-	-	158	(716,995)	-	(716,841)
31,123	-	158	(1,932,888)	2,180	(1,880,678)
(74,361)	-	(158)	2,067,666	-	2,691,636
<u>\$ (43,238)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 134,778</u>	<u>\$ 2,180</u>	<u>\$ 810,958</u>

City of Rogers, Minnesota
Enterprise Funds
Water Fund
Combining Schedule of Net Position
December 31, 2017

	<u>601</u>	<u>405</u>	<u>407</u>	
	Water	Water Trunk	WAC	Total
Assets				
Current Assets				
Cash and temporary investments	\$ 4,439,321	\$ 426,015	\$ 2,527,668	\$ 7,393,004
Receivables				
Accounts	93,492	-	37,075	130,567
Due from other governments	15,725	210,469	-	226,194
Prepaid items	461	-	-	461
Total Current Assets	<u>4,548,999</u>	<u>636,484</u>	<u>2,564,743</u>	<u>7,750,226</u>
Noncurrent Assets				
Special assessments receivable	-	-	2,794	2,794
Capital assets				
Land	752,708	-	-	752,708
Buildings and improvements	3,991,348	-	-	3,991,348
Infrastructure	13,775,638	-	-	13,775,638
Machinery and equipment	216,730	-	-	216,730
Construction in progress	1,730,625	-	-	1,730,625
Less accumulated depreciation	<u>(7,969,601)</u>	<u>-</u>	<u>-</u>	<u>(7,969,601)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>12,497,448</u>	<u>-</u>	<u>-</u>	<u>12,497,448</u>
Total Noncurrent Assets	<u>12,497,448</u>	<u>-</u>	<u>2,794</u>	<u>12,500,242</u>
Total Assets	<u>17,046,447</u>	<u>636,484</u>	<u>2,567,537</u>	<u>20,250,468</u>
Deferred Outflows of Resources				
Deferred pension resources	<u>29,109</u>	<u>-</u>	<u>-</u>	<u>29,109</u>
Liabilities				
Current Liabilities				
Accounts payable	26,088	218,426	313,621	558,135
Accrued salaries payable	8,263	-	-	8,263
Due to other governments	261	-	-	261
Accrued interest payable	2,243	-	-	2,243
Compensated absences payable - current	16,317	-	-	16,317
Bonds payable - current portion	105,000	-	-	105,000
Total Current Liabilities	<u>158,172</u>	<u>218,426</u>	<u>313,621</u>	<u>690,219</u>

City of Rogers, Minnesota
Enterprise Funds
Water Fund
Combining Schedule Net Position (Continued)
December 31, 2017

	<u>601</u>	<u>405</u>	<u>407</u>	
	Water	Water Trunk	WAC	Total
Noncurrent Liabilities				
Severance obligations payable	\$ 11,542	\$ -	\$ -	\$ 11,542
Compensated absences payable	27,948	-	-	27,948
Other postemployment benefits payable	33,946	-	-	33,946
Bonds payable	1,075,000	-	-	1,075,000
Pension liability	99,845	-	-	99,845
Total Noncurrent Liabilities	<u>1,248,281</u>	<u>-</u>	<u>-</u>	<u>1,248,281</u>
Total Liabilities	<u>1,406,453</u>	<u>218,426</u>	<u>313,621</u>	<u>1,938,500</u>
Deferred Inflows of Resources				
Deferred pension resources	<u>21,441</u>	<u>-</u>	<u>-</u>	<u>21,441</u>
Net Position				
Net investment in capital assets	11,317,448	-	-	11,317,448
Unrestricted	<u>4,330,214</u>	<u>418,058</u>	<u>2,253,916</u>	<u>7,002,188</u>
Total Net Position	<u>\$ 15,647,662</u>	<u>\$ 418,058</u>	<u>\$ 2,253,916</u>	<u>\$ 18,319,636</u>

THIS PAGE IS LEFT
BLANK INTENTIONALLY

City of Rogers, Minnesota
Enterprise Funds
Water Fund
Combining Schedule of Revenues, Expenses and
Changes in Net Position
For the Year Ended December 31, 2017

	<u>601</u>	<u>405</u>	<u>407</u>	
	Water	Water Trunk	WAC	Total
Operating Revenues				
Charges for services	\$ 1,002,623	\$ -	\$ -	\$ 1,002,623
Miscellaneous	9,275	-	1,999	11,274
Total Operating Revenues	<u>1,011,898</u>	<u>-</u>	<u>1,999</u>	<u>1,013,897</u>
Operating Expenses				
Personal services	228,319	-	-	228,319
Supplies	124,470	-	-	124,470
Other services and charges	304,958	7,513	7,274	319,745
Depreciation	542,747	-	-	542,747
Total Operating Expenses	<u>1,200,494</u>	<u>7,513</u>	<u>7,274</u>	<u>1,215,281</u>
Operating Loss	<u>(188,596)</u>	<u>(7,513)</u>	<u>(5,275)</u>	<u>(201,384)</u>
Nonoperating Revenues (Expenses)				
Interest on investments	41,334	3,729	23,459	68,522
Interest expense	(28,845)	-	-	(28,845)
Other income	36	-	-	36
Total Nonoperating Revenues (Expenses)	<u>12,525</u>	<u>3,729</u>	<u>23,459</u>	<u>39,713</u>
Income (Loss) Before Contributions and Transfers	(176,071)	(3,784)	18,184	(161,671)
Capital Contributions				
Connection fees and special assessments	-	106,295	379,392	485,687
Intergovernmental	-	210,469	-	210,469
Contributions from Other Funds	816,597	-	-	816,597
Contributions to Other Funds	-	(358,698)	(457,643)	(816,341)
Contributions from Developers	-	192,000	-	192,000
Transfers In	134,020	-	-	134,020
Transfers Out	(75,000)	-	(134,020)	(209,020)
Change in Net Position	699,546	146,282	(194,087)	651,741
Net Position, January 1	<u>14,948,116</u>	<u>271,776</u>	<u>2,448,003</u>	<u>17,667,895</u>
Net Position, December 31	<u>\$ 15,647,662</u>	<u>\$ 418,058</u>	<u>\$ 2,253,916</u>	<u>\$ 18,319,636</u>

City of Rogers, Minnesota
Enterprise Funds
Sewer Fund
Combining Schedule of Net Position
December 31, 2017

	<u>602</u>	<u>406</u>	<u>408</u>	
	Sewer	Sewer Trunk	RSAC	Total
Assets				
Current Assets				
Cash and temporary investments	\$ 1,958,026	\$ 1,081,082	\$ 5,553,262	\$ 8,592,370
Receivables				
Accounts	143,388	5,200	47,200	195,788
Due from other governments	15,725	42,104	71,517	129,346
Due from other funds	-	-	367,550	367,550
Prepaid items	47	-	-	47
Total Current Assets	<u>2,117,186</u>	<u>1,128,386</u>	<u>6,039,529</u>	<u>9,285,101</u>
Noncurrent Assets				
Special assessments receivable	-	78,882	2,305	81,187
Advances to other funds	-	-	942,472	942,472
Capital assets				
Land	75,437	-	-	75,437
Buildings and improvements	4,827,838	-	-	4,827,838
Infrastructure	11,763,137	-	-	11,763,137
Machinery and equipment	512,274	-	-	512,274
Construction in progress	290,724	-	-	290,724
Less accumulated depreciation	<u>(5,890,815)</u>	<u>-</u>	<u>-</u>	<u>(5,890,815)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>11,578,595</u>	<u>-</u>	<u>-</u>	<u>11,578,595</u>
Total Noncurrent Assets	<u>11,578,595</u>	<u>78,882</u>	<u>944,777</u>	<u>12,602,254</u>
Total Assets	<u>13,695,781</u>	<u>1,207,268</u>	<u>6,984,306</u>	<u>21,887,355</u>
Deferred Outflows of Resources				
Deferred pension resources	<u>28,978</u>	<u>-</u>	<u>-</u>	<u>28,978</u>
Liabilities				
Current Liabilities				
Accounts payable	56,374	37,194	-	93,568
Accrued salaries payable	8,221	-	-	8,221
Due to other governments	609	-	-	609
Compensated absences payable - current	18,018	-	-	18,018
Total Current Liabilities	<u>83,222</u>	<u>37,194</u>	<u>-</u>	<u>120,416</u>

City of Rogers, Minnesota
Enterprise Funds
Sewer Fund
Combining Schedule of Net Position (Continued)
December 31, 2017

	<u>602</u>	<u>406</u>	<u>408</u>	
	Sewer	Sewer Trunk	RSAC	Total
Noncurrent Liabilities				
Severance obligations payable	\$ 12,882	\$ -	\$ -	\$ 12,882
Compensated absences payable	30,862	-	-	30,862
Other postemployment benefits payable	33,983	-	-	33,983
Pension liability	99,397	-	-	99,397
Total Noncurrent Liabilities	<u>177,124</u>	<u>-</u>	<u>-</u>	<u>177,124</u>
 Total Liabilities	 <u>260,346</u>	 <u>37,194</u>	 <u>-</u>	 <u>297,540</u>
Deferred Inflows of Resources				
Deferred pension resources	<u>21,344</u>	<u>-</u>	<u>-</u>	<u>21,344</u>
Net Position				
Investment in capital assets	11,578,595	-	-	11,578,595
Unrestricted	<u>1,864,474</u>	<u>1,170,074</u>	<u>6,984,306</u>	<u>10,018,854</u>
 Total Net Position	 <u><u>\$ 13,443,069</u></u>	 <u><u>\$ 1,170,074</u></u>	 <u><u>\$ 6,984,306</u></u>	 <u><u>\$ 21,597,449</u></u>

City of Rogers, Minnesota
Enterprise Funds
Sewer Fund
Combining Schedule of Revenues, Expenses and
Changes in Net Position
For the Year Ended December 31, 2017

	<u>602</u>	<u>406</u>	<u>408</u>	
	Sewer	Sewer Trunk	RSAC	Total
Operating Revenues				
Charges for services	\$ 881,333	\$ -	\$ -	\$ 881,333
Miscellaneous	2,904	-	-	2,904
Total Operating Revenues	<u>884,237</u>	<u>-</u>	<u>-</u>	<u>884,237</u>
Operating Expenses				
Personal services	227,684	-	-	227,684
Supplies	59,071	-	-	59,071
Other services and charges	274,808	5,389	62,040	342,237
Depreciation	381,170	-	-	381,170
Total Operating Expenses	<u>942,733</u>	<u>5,389</u>	<u>62,040</u>	<u>1,010,162</u>
Operating Loss	<u>(58,496)</u>	<u>(5,389)</u>	<u>(62,040)</u>	<u>(125,925)</u>
Nonoperating Revenues				
Interest on investments	18,865	11,048	73,063	102,976
Other income	36	-	-	36
Total Nonoperating Revenues	<u>18,901</u>	<u>11,048</u>	<u>73,063</u>	<u>103,012</u>
Income (Loss) Before Contributions and Transfers	(39,595)	5,659	11,023	(22,913)
Capital Contributions				
Connection fees and special assessments	-	(10,584)	436,644	426,060
Intergovernmental	-	42,104	71,517	113,621
Contributions from Other Funds	144,037	-	-	144,037
Contributions to Other Funds	-	(143,797)	-	(143,797)
Transfers Out	<u>(77,365)</u>	<u>-</u>	<u>-</u>	<u>(77,365)</u>
Change in Net Position	27,077	(106,618)	519,184	439,643
Net Position, January 1	<u>13,415,992</u>	<u>1,276,692</u>	<u>6,465,122</u>	<u>21,157,806</u>
Net Position, December 31	<u>\$ 13,443,069</u>	<u>\$ 1,170,074</u>	<u>\$ 6,984,306</u>	<u>\$ 21,597,449</u>

City of Rogers, Minnesota
Enterprise Funds
Storm Sewer Fund
Combining Schedule of Net Position
December 31, 2017

	<u>603</u>	<u>438</u>	
	Storm Sewer	Storm Sewer Trunk	Total
Assets			
Current Assets			
Cash and temporary investments	\$ 1,505,045	\$ 216,848	\$ 1,721,893
Receivables			
Accounts	86,946	-	86,946
Prepaid items	47	-	47
Total Current Assets	<u>1,592,038</u>	<u>216,848</u>	<u>1,808,886</u>
Noncurrent Assets			
Capital assets			
Land	166,421	-	166,421
Infrastructure	9,425,448	-	9,425,448
Machinery and equipment	228,057	-	228,057
Construction in progress	130,173	-	130,173
Less accumulated depreciation	<u>(3,849,969)</u>	<u>-</u>	<u>(3,849,969)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>6,100,130</u>	<u>-</u>	<u>6,100,130</u>
Total Noncurrent Assets	<u>6,100,130</u>	<u>-</u>	<u>6,100,130</u>
Total Assets	<u>7,692,168</u>	<u>216,848</u>	<u>7,909,016</u>
Deferred Outflows of Resources			
Deferred pension resources	<u>18,213</u>	<u>-</u>	<u>18,213</u>
Liabilities			
Current Liabilities			
Accounts payable	1,365	5,089	6,454
Accrued salaries payable	5,378	-	5,378
Compensated absences payable - current	5,580	-	5,580
Total Current Liabilities	<u>12,323</u>	<u>5,089</u>	<u>17,412</u>
Noncurrent Liabilities			
Severance obligations payable	3,875	-	3,875
Compensated absences payable	9,558	-	9,558
Other postemployment benefits payable	20,949	-	20,949
Pension liability	62,472	-	62,472
Total Noncurrent Liabilities	<u>96,854</u>	<u>-</u>	<u>96,854</u>
Total Liabilities	<u>109,177</u>	<u>5,089</u>	<u>114,266</u>
Deferred Inflows of Resources			
Deferred pension resources	<u>13,415</u>	<u>-</u>	<u>13,415</u>
Net Position			
Investment in capital assets	6,100,130	-	6,100,130
Unrestricted	<u>1,487,659</u>	<u>211,759</u>	<u>1,699,418</u>
Total Net Position	<u>\$ 7,587,789</u>	<u>\$ 211,759</u>	<u>\$ 7,799,548</u>

City of Rogers, Minnesota
Enterprise Funds
Storm Sewer Fund
Combining Schedule of Revenues, Expenses and
Changes in Net Position
For the Year Ended December 31, 2017

	<u>603</u>	<u>438</u>	
	Storm Sewer	Storm Sewer Trunk	Total
Operating Revenues			
Charges for services	\$ 526,207	\$ -	\$ 526,207
Miscellaneous	11,264	-	11,264
Total Operating Revenues	<u>537,471</u>	<u>-</u>	<u>537,471</u>
Operating Expenses			
Personal services	128,211	-	128,211
Supplies	12,515	-	12,515
Other services and charges	120,737	-	120,737
Depreciation	201,198	-	201,198
Total Operating Expenses	<u>462,661</u>	<u>-</u>	<u>462,661</u>
Operating Income	<u>74,810</u>	<u>-</u>	<u>74,810</u>
Nonoperating Revenues			
Interest on investments	12,829	3,209	16,038
Other income	23	-	23
Total Nonoperating Revenues	<u>12,852</u>	<u>3,209</u>	<u>16,061</u>
Income Before			
Contributions and Transfers	87,662	3,209	90,871
Capital Contributions			
Connection fees and special assessments	-	89,842	89,842
Contributions from Other Funds	122,335	-	122,335
Contributions to Other Funds	-	(122,335)	(122,335)
Transfers Out	<u>(15,000)</u>	<u>-</u>	<u>(15,000)</u>
Change in Net Position	194,997	(29,284)	165,713
Net Position, January 1	<u>7,392,792</u>	<u>241,043</u>	<u>7,633,835</u>
Net Position, December 31	<u>\$ 7,587,789</u>	<u>\$ 211,759</u>	<u>\$ 7,799,548</u>

City of Rogers, Minnesota
Enterprise Funds
Municipal Liquor Store Fund
Combining Schedule of Operating Revenues and Expenses
For the Year Ended December 31, 2017

	Municipal Liquor On-Sale	Municipal Liquor Off-Sale	Total
Sales and Cost of Sales			
Sales	\$ 378,977	\$ 3,138,700	\$ 3,517,677
Cost of sales	(109,828)	(2,339,011)	(2,448,839)
Gross Profit	<u>269,149</u>	<u>799,689</u>	<u>1,068,838</u>
Operating Expenses			
Personal services	108,266	237,951	346,217
Supplies	18,453	9,181	27,634
Other services and charges	104,008	143,437	247,445
Depreciation	6,569	26,307	32,876
Total Operating Expenses	<u>237,296</u>	<u>416,876</u>	<u>654,172</u>
Operating Income (Loss)	<u>\$ 31,853</u>	<u>\$ 382,813</u>	<u>\$ 414,666</u>

City of Rogers, Minnesota
 Summary Financial Report
 Revenues and Expenditures For General Operations
 Governmental Funds
 For the Years Ended December 31, 2017 and 2016

	Total		Percent Increase (Decrease)
	2017	2016	
Revenues			
Taxes			
Property taxes	\$ 7,623,495	\$ 6,949,343	9.70 %
Tax increments	399,889	375,507	6.49
Franchise taxes	1,066,930	1,005,490	6.11
Licenses and permits	746,060	669,725	11.40
Intergovernmental	1,814,702	1,551,848	16.94
Charges for services	2,729,490	1,821,377	49.86
Fines and forfeitures	118,913	112,273	5.91
Special assessments	649,710	532,927	21.91
Interest on investments	206,814	(1,174)	17,716.18
Miscellaneous	1,582,179	557,178	183.96
	<u>\$ 16,938,182</u>	<u>\$ 13,574,494</u>	24.78 %
Total Revenues	<u>\$ 16,938,182</u>	<u>\$ 13,574,494</u>	24.78 %
Per Capita	\$ 1,351	\$ 1,096	23.21 %
Expenditures			
Current			
General government	\$ 1,843,272	\$ 1,759,202	4.78 %
Public safety	3,684,128	3,493,813	5.45
Public works	1,149,705	1,167,568	(1.53)
Culture and recreation	1,270,191	1,191,381	6.62
Economic development	122,418	92,642	32.14
Capital outlay			
General government	41,729	65,032	(35.83)
Public safety	65,376	162,451	(59.76)
Public works	4,841,099	2,818,738	71.75
Culture and recreation	177,866	841,695	(78.87)
Economic development	113,204	547,589	(79.33)
Housing	205,370	191,297	7.36
Debt service			
Principal	1,280,000	3,385,000	(62.19)
Interest and service charges	319,022	407,858	(21.78)
	<u>\$ 15,113,380</u>	<u>\$ 16,124,266</u>	(6.27) %
Total Expenditures	<u>\$ 15,113,380</u>	<u>\$ 16,124,266</u>	(6.27) %
Per Capita	\$ 1,205	\$ 1,302	(7.45) %
Total Long-term Indebtedness	\$ 10,450,000	\$ 11,730,000	(10.91) %
Per Capita	833	947	(12.03)
General Fund Balance - December 31	\$ 5,220,273	\$ 4,592,841	13.66 %
Per Capita	416	371	12.23

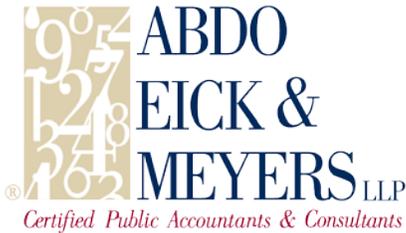
The purpose of this report is to provide a summary of financial information concerning the City to interested citizens. The complete financial statements may be examined at City Finance Department, 22350 South Diamond Lake Road, Rogers, Minnesota 55374. Questions about this report should be directed to Lisa Herbert, Finance Director at (763) 428-2253.

OTHER REQUIRED REPORTS

CITY OF ROGERS
ROGERS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2017

THIS PAGE IS LEFT
BLANK INTENTIONALLY



INDEPENDENT AUDITOR'S REPORT
ON MINNESOTA LEGAL COMPLIANCE

Honorable Mayor and City Council
City of Rogers, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Rogers, Minnesota (the City), as of and for the year ended December 31, 2017, and the related notes to the financial statements, and have issued our report thereon dated May 22, 2018.

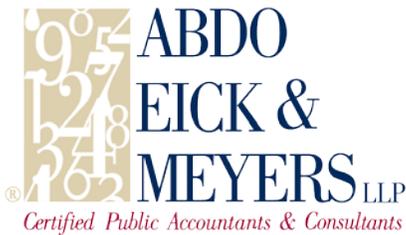
The *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minnesota Statute §6.65, contains seven categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing. Our audit considered all of the listed categories.

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for Cities*. 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's noncompliance with the above referenced provisions.

This report is intended solely for the information and use of those charged with governance and management of the City and the State Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Abdo Eick & Meyers, LLP

ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
May 22, 2018



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*

Honorable Mayor and City Council
City of Rogers, 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 Rogers, Minnesota (the City), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 22, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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.

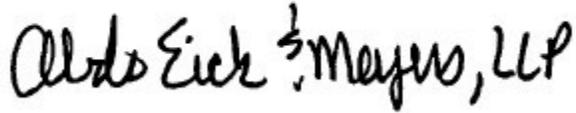
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 determination of financial statement amounts. 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*.

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'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's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Handwritten signature in black ink that reads "Aldo Eick & Meyers, LLP". The signature is written in a cursive, flowing style.

ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
May 22, 2018