

Annual Financial Report

City of Rogers
Rogers, Minnesota

For the Year Ended
December 31, 2018

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Annual Financial Report
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INTRODUCTORY SECTION

CITY OF ROGERS
ROGERS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2018

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City of Rogers, Minnesota
Elected and Appointed Officials
For the Year Ended December 31, 2018

ELECTED

Name	Title	Term Expires
Rick Ihli	Mayor	12/31/2020
Mark Eiden	Council Member	12/31/2022
Bruce Gorecki	Council Member	12/31/2022
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
Jeff Beahen	Police Chief
John Seifert	Public Works Director
Mike Bauer	Recreation & Facilities Director

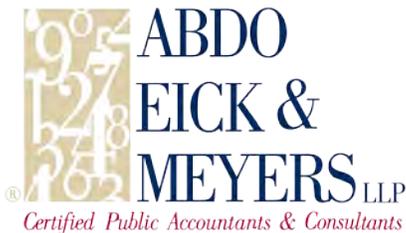
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FINANCIAL SECTION

CITY OF ROGERS
ROGERS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2018

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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, 2018, 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, 2018, 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.

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Change in Accounting Standards

As described in Note 8 to the financial statements, the City adopted the provisions of Governmental Accounting Standard Board (GASB) Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans and Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, for the year ended December 31, 2018. Adoption of the provisions of these statements results in significant change to the classifications of the components of the financial statements.

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, the related note disclosures and the Schedule of Changes in the City's OPEB Liability and Related Ratios starting on page 96 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

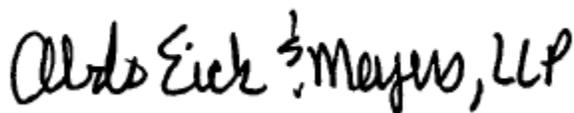
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section and combining and individual fund financial statements and schedules are presented for purposes of additional analysis and 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 June 3, 2019, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
June 3, 2019

People
+ Process[®]
Going
Beyond the
Numbers

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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, 2018.

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 \$126,428,729 (net position). Of this amount, \$30,306,143 (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 \$7,045,359 as a result of revenues in excess of expenses. \$2,105,664 was a result of an increase of net position within Enterprise funds, and \$4,939,695 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 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 \$21,191,033 an increase of \$4,457,628 in comparison with the prior year. Approximately 41.1 percent of this total amount, \$8,702,285, 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 \$5,350,571, or 63.4 percent of 2018 actual expenditures and 62.4 percent of budgeted 2019 expenditures.
- The City's total long-term debt decreased \$1,385,000 or 11.9 percent during the current fiscal year. The key factor of this decrease was due to the defeasance of the 2011A G.O. Equipment Certificates as well as regularly scheduled principal 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

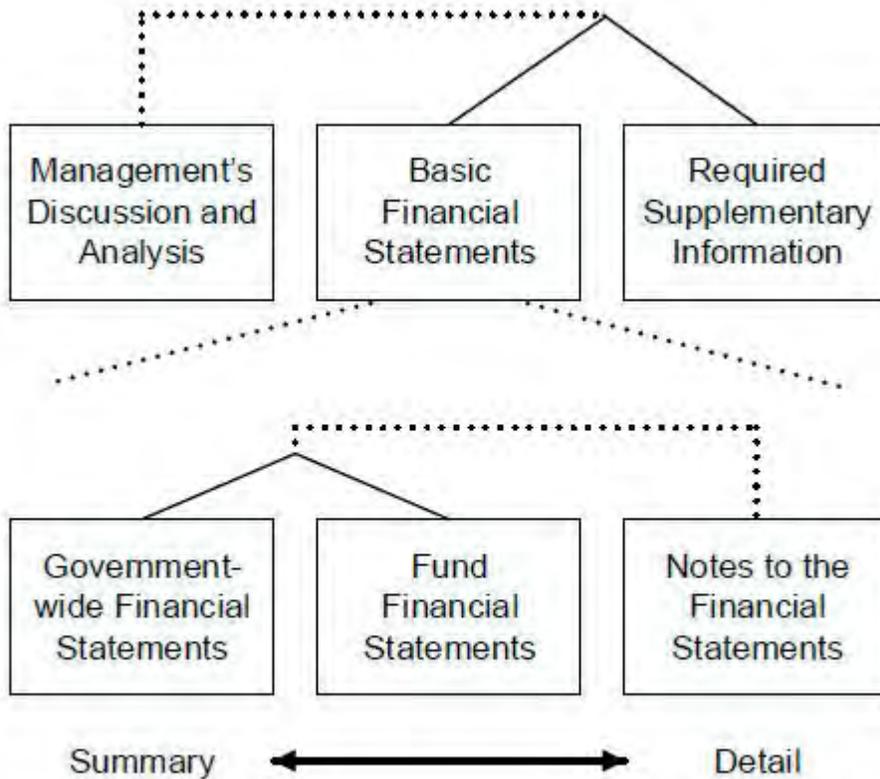


Figure 2 summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the 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 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 8 sub-funds, the street and related improvement project fund consists of 8 sub-funds, and the tax increment financing fund consists of 6 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 and other post-employment benefits to its employees. Required supplementary information can be found on page 96 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 104 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 \$126,428,729 at the close of the most recent fiscal year.

By far, the largest portion of the City's net position (66.8 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		
	2018	* 2017	Increase (Decrease)	2018	* 2017	Increase (Decrease)
Assets						
Current and other assets	\$28,786,501	\$24,270,035	\$ 4,516,466	\$23,083,988	\$20,875,040	\$ 2,208,948
Capital assets	63,317,475	63,821,538	(504,063)	31,132,296	31,839,039	(706,743)
Total Assets	92,103,976	88,091,573	4,012,403	54,216,284	52,714,079	1,502,205
Deferred Outflows of Resources	3,343,016	3,786,051	(443,035)	100,888	127,685	(26,797)
Liabilities						
Noncurrent liabilities outstanding	14,049,003	15,615,802	(1,566,799)	1,831,553	1,991,066	(159,513)
Other liabilities	3,429,916	3,204,476	225,440	294,139	789,055	(494,916)
Total Liabilities	17,478,919	18,820,278	(1,341,359)	2,125,692	2,780,121	(654,429)
Deferred Inflows of Resources	3,635,802	3,719,063	(83,261)	95,022	94,049	973
Net Position						
Net investment in capital assets	54,392,665	53,651,578	741,087	30,057,296	30,659,039	(601,743)
Restricted	11,672,625	8,970,626	2,701,999	-	-	-
Unrestricted	8,266,981	6,716,079	1,550,902	22,039,162	19,308,555	2,730,607
Total Net Position	\$74,332,271	\$69,338,283	\$ 4,993,988	\$52,096,458	\$49,967,594	\$ 2,128,864

An additional portion of the City's net position (\$11,672,625) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$30,306,143) 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 \$4,939,695, thereby accounting for approximately 70 percent of the growth in the net position of the City. Key elements of this increase are as follows:

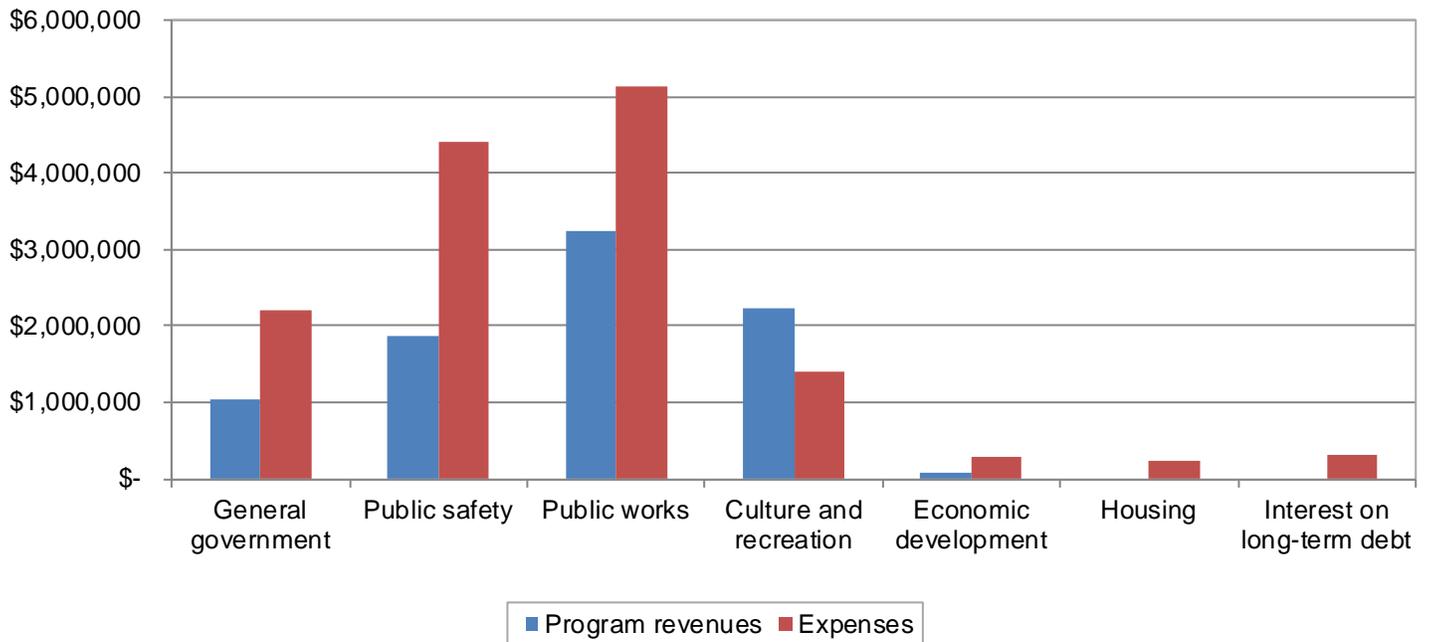
City of Rogers's Changes in Net Position

	Governmental Activities			Business-type Activities		
	2018	* 2017	Increase (Decrease)	2018	* 2017	Increase (Decrease)
Revenues						
Program Revenues						
Charges for services	\$ 3,623,678	\$ 3,084,797	\$ 538,881	\$ 6,355,471	\$ 5,953,282	\$ 402,189
Operating grants and contributions	659,095	842,114	(183,019)	2,926	159	2,767
Capital grants and contributions	4,157,182	3,174,043	983,139	2,366,184	1,517,679	848,505
General Revenues						
Taxes						
Property taxes	7,688,356	7,463,771	224,585	-	-	-
Tax increments	437,621	399,889	37,732	-	-	-
Franchise taxes	1,237,346	1,206,342	31,004	-	-	-
Grants and contributions not restricted to specific programs	587,080	12,205	574,875	-	-	-
Unrestricted investment earnings	268,966	206,814	62,152	251,730	186,392	65,338
Gain on sale of capital assets	12,875	4,407	8,468	-	-	-
Miscellaneous	-	11,386	(11,386)	-	-	-
Total Revenues	18,672,199	16,405,768	2,266,431	8,976,311	7,657,512	1,318,799
Expenses						
General government	2,201,212	2,234,762	(33,550)	-	-	-
Public safety	4,406,607	4,335,551	71,056	-	-	-
Public works	5,126,884	6,075,391	(948,507)	-	-	-
Culture and recreation	1,410,234	1,954,075	(543,841)	-	-	-
Economic development	275,202	244,230	30,972	-	-	-
Housing	224,955	205,370	19,585	-	-	-
Interest on long-term debt	319,874	352,603	(32,729)	-	-	-
Water	-	-	-	1,503,262	1,244,126	259,136
Sewer	-	-	-	1,163,306	1,010,162	153,144
Storm sewer	-	-	-	562,529	462,661	99,868
Municipal liquor	-	-	-	3,409,086	3,103,011	306,075
Total Expenses	13,964,968	15,401,982	(1,437,014)	6,638,183	5,819,960	818,223
Increase in Net Position						
Before Transfers	4,707,231	1,003,786	3,703,445	2,338,128	1,837,552	500,576
Transfers - Internal Activities	266,096	379,317	(113,221)	(266,096)	(379,317)	113,221
Transfers - Contribution of Capital Assets	(33,632)	(496)	(33,136)	33,632	496	33,136
Change in Net Position	4,939,695	1,382,607	3,557,088	2,105,664	1,458,731	646,933
Net Position, January 1 as Restated*	69,392,576	67,955,676	1,436,900	49,990,794	48,508,863	1,481,931
Net Position, December 31	\$ 74,332,271	\$ 69,338,283	\$ 4,993,988	\$ 52,096,458	\$ 49,967,594	\$ 2,128,864

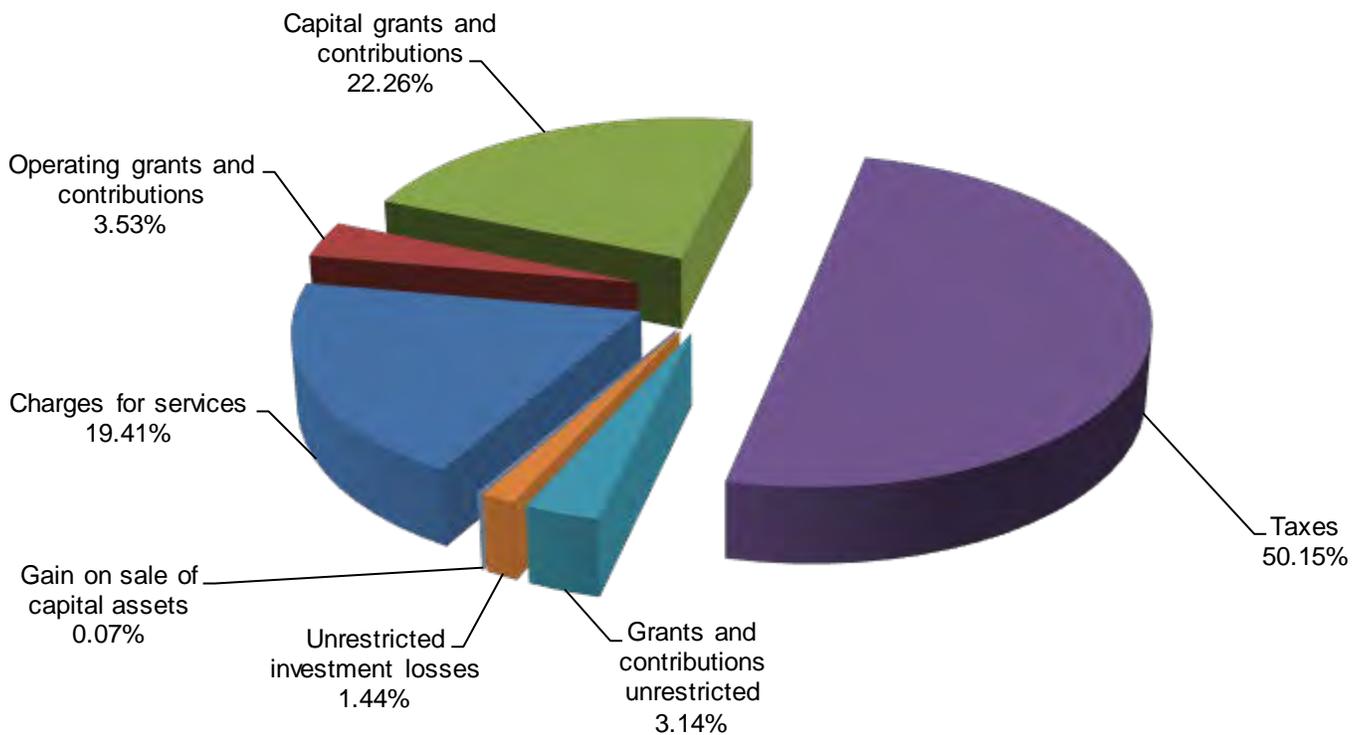
* GASB Statement No. 75 was implemented for the year ended December 31, 2018 and required a \$77,493 restatement of beginning net position. Prior year amounts were not restated causing a variance in ending net position at December 31, 2017 and beginning net position on January 1, 2018. See financial statement Note 8, starting on page 85. The following graph depicts various governmental activities and shows the program revenues and expenses directly related to those activities.

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

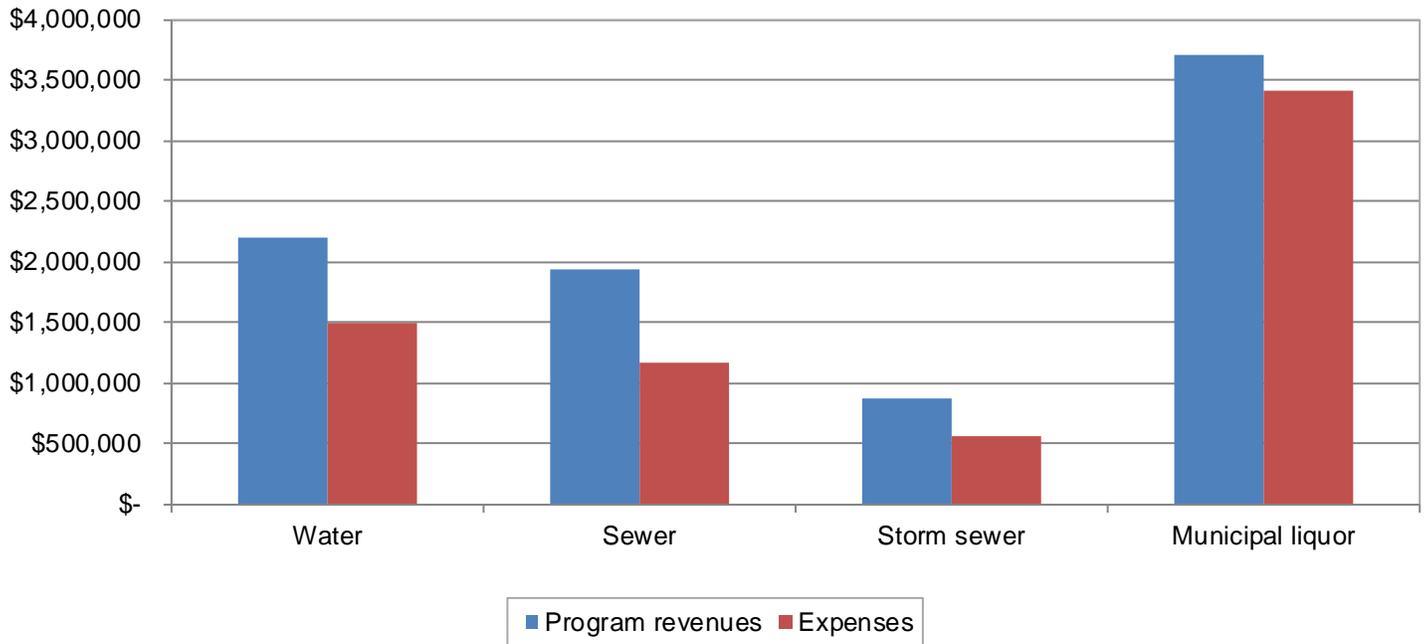


Revenues by Source - Governmental Activities

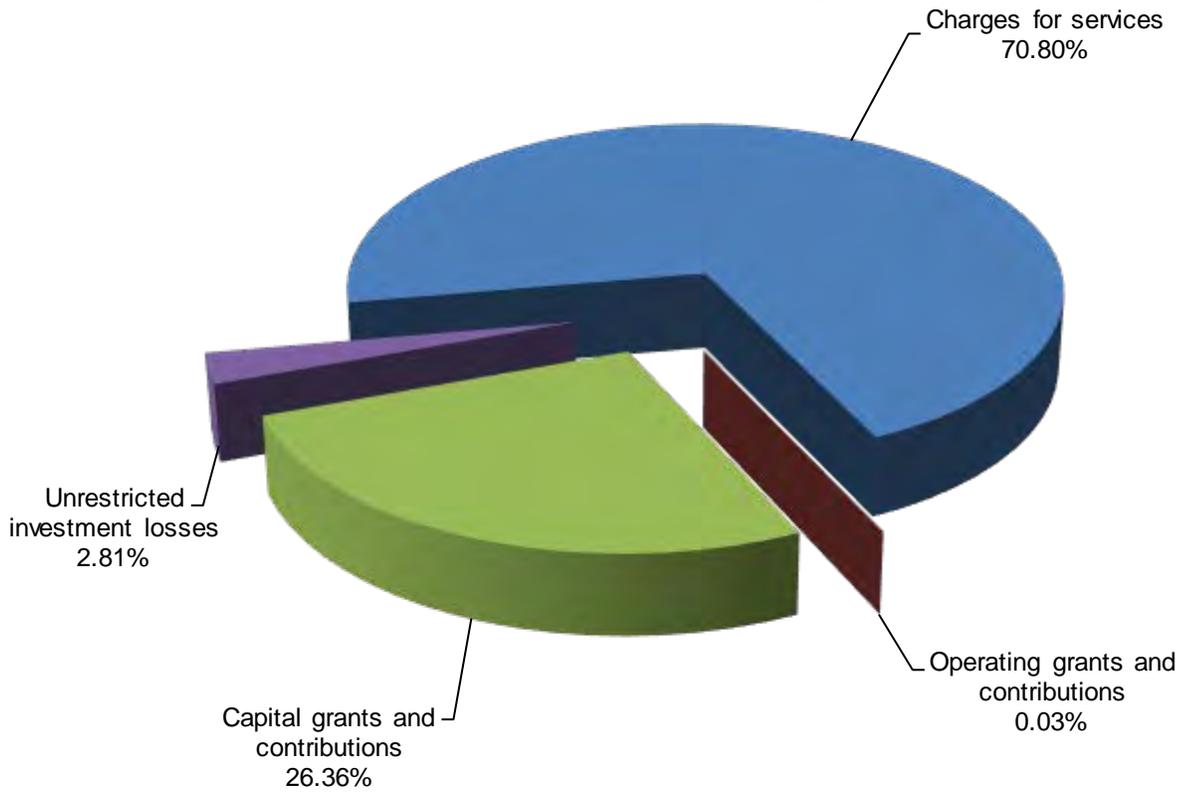


Business-type Activities. Business-type activities increased the City's net position by \$2,105,664, contributing for 30 percent of the total growth in the City's net position. Key elements of this increase are as follows:

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 \$21,191,033, an increase of \$4,457,628 in comparison with the prior year. Approximately 24.6 percent of this total amount, \$5,205,000, constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance (\$15,986,033) is not available for new spending because it is either 1) nonspendable (\$71,240), 2) restricted (\$8,631,045), 3) committed (\$6,868,115) or 4) assigned (\$415,633) for specific purposes.

Major Funds	Fund Balances		Increase (Decrease)
	December 31, 2017	2018	
General	\$ 5,220,273	\$ 5,420,051	\$ 199,778
The General fund experienced an increase in fund balance in 2018. See the below section, "General Fund Budgetary Highlights" for more detailed information.			
Debt Service	\$ 45,185	\$ 568,455	\$ 523,270
The fund balance of the Debt Service fund increased \$523,270 from the prior year due to the transfers in during the year for future debt reduction.			
Rogers Activity Center	\$ 327,042	\$ 731,252	\$ 404,210
During the year, the Rogers Activity Center (RAC) had revenues in excess of expenditures and transfers out allowing for a positive fund balance. 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 \$1,945,000 which matures in 2029.			
Revolving Capital	\$ 4,932,120	\$ 6,241,687	\$ 1,309,567
The Revolving Capital fund experienced an increase in fund balance of \$1,309,567. The increase is mainly due to development related revenues.			
Street and Related Improvement Projects	\$ 810,958	\$ 696,292	\$ (114,666)
The Street and Related Improvement Projects fund experienced a decrease in fund balance of \$114,666. The decrease is due to capital projects in 2018.			

General Fund Budgetary Highlights

Actual revenues were \$1,004,654 over budget and expenditures were \$355,771 over budget; along with transfers and other financing sources, the end result was an increase in fund balance of \$199,778.

Revenue highlights include:

- Non-business licenses and permits were \$470,982 in excess of budget and general government charges for services exceeded the budget by \$230,230; this is due to increased development within the City.
- Intergovernmental revenue had a positive budget variance of \$51,866. This positive variance can be attributed to reimbursement and miscellaneous County grants.
- Investment earnings improved in 2018 and interest on investments (net of the fair market value adjustment) was over budget by \$37,717.
- Refunds and reimbursements had a positive budget variance of \$189,950 mainly due to escrow reimbursements offset by expenditures incurred by the City for private development projects.

Expenditure highlights include:

- Planning and zoning had a negative budget variance of \$50,158 due to additional staffing and the comprehensive plan.
- General government buildings had a positive budget variance of \$42,177 which is the result of a vacant custodian position.
- The general engineering department showed a negative budget variance of \$94,270 which was the result of the expenditures made by the City for private development projects. These private development expenses are offset by refunds and reimbursements through escrows.
- Police protection and administration expenditures exceeded the budget by \$63,815 in total; some major items include damages to squads which were reimbursement by insurance and the purchase of excess liability insurance.
- Building inspection had a negative budget variance of \$151,675. This is due to increased development and offset by non-business license and permit revenue.

Rogers Activity Center Fund Budgetary Highlights

Revenues were over budgeted amounts by \$95,272 mainly due to charges for services (with ice rental accounting for the majority of the variance) and interest on investments, which were \$72,697 and \$11,555 over budget, respectively. Expenditures were under budgeted amounts by \$2,048 mainly due to less spending in personal services than budget.

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, 2018, amounts to \$94,449,771 (net of accumulated depreciation). This investment in capital assets includes land, structures, improvements, machinery and equipment, park facilities and roads.

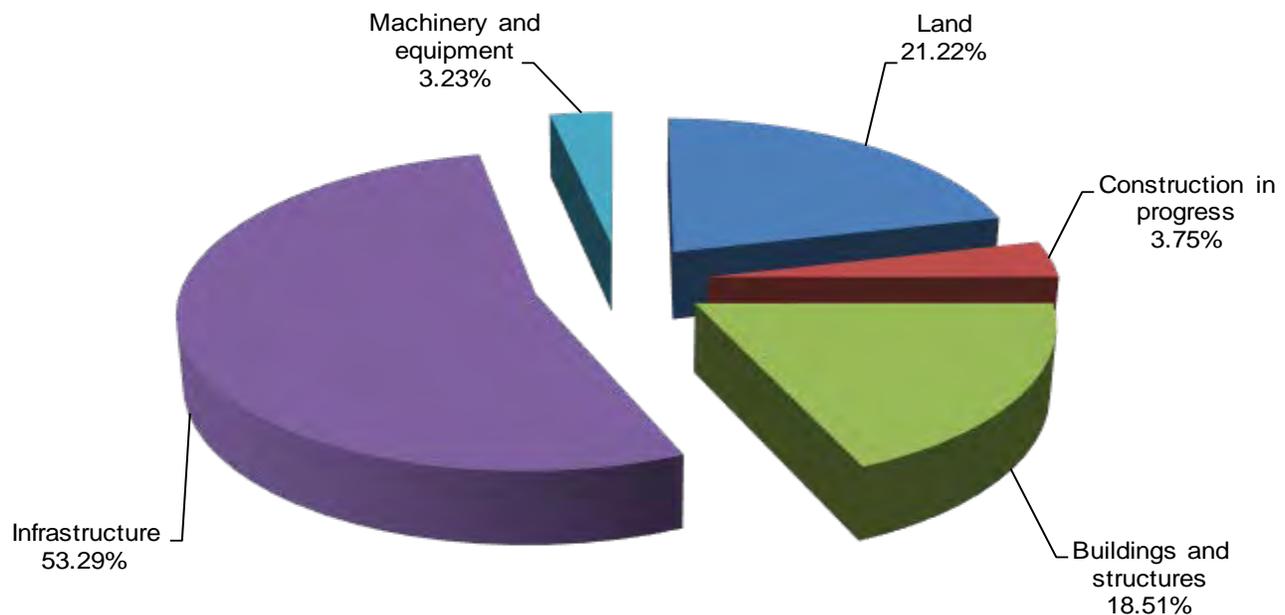
Major public project capital asset events during the current fiscal year were as follows:

- Completion of the following projects:
 - South Diamond Lake Road and Brockton Lane Intersection Project
 - NE Hassan Street Improvements
 - Mallard Estates Street Improvement
 - Crow River Heights Street Improvement
 - Production Well #9 and Pumphouse #5 Improvements
 - Brockton Lane Utility Extension
- Purchase of a Dry Side Tanker

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)

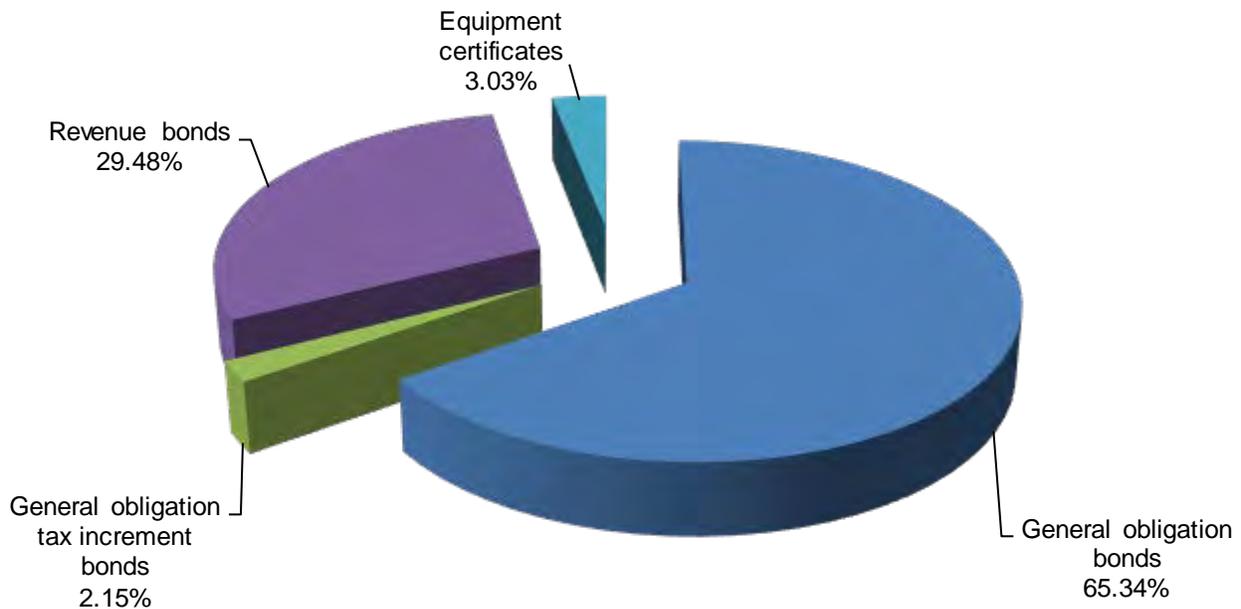
	Governmental Activities			Business-type Activities		
	2018	2017	Increase (Decrease)	2018	2017	Increase (Decrease)
Land	\$18,078,877	\$18,038,229	\$ 40,648	\$ 1,969,145	\$ 1,969,145	\$ -
Construction in Progress	2,519,690	2,447,376	72,314	1,019,911	2,151,522	(1,131,611)
Buildings and Structures	13,749,436	14,147,036	(397,600)	3,733,540	4,015,559	(282,019)
Infrastructure	26,130,613	26,737,824	(607,211)	24,200,259	23,436,492	763,767
Machinery and Equipment	2,838,859	2,451,073	387,786	209,441	266,321	(56,880)
Total	\$63,317,475	\$63,821,538	\$ (504,063)	\$31,132,296	\$31,839,039	\$ (706,743)



Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$10,245,000. \$9,170,000 is governmental-related debt, and \$1,075,000 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		
	2018	2017	Increase (Decrease)	2018	2017	Increase (Decrease)
General Obligation Bonds	\$ 6,695,000	\$ 7,375,000	\$ (680,000)	\$ -	\$ -	\$ -
General Obligation Tax Increment Bonds	220,000	320,000	(100,000)	-	-	-
Revenue Bonds	1,945,000	2,100,000	(155,000)	1,075,000	1,180,000	(105,000)
Equipment Certificates	310,000	655,000	(345,000)	-	-	-
Total	\$ 9,170,000	\$10,450,000	\$ (1,280,000)	\$ 1,075,000	\$ 1,180,000	\$ (105,000)



The City’s total debt decreased \$1,385,000 (11.91 percent) during the current fiscal year due to annually scheduled 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 \$54,513,748 . The City is under the statutory debt limit as of December 31, 2018.

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 published May 2019, the City of Rogers has an estimated 2018 population of 12,991 (up from 12,753 in 2017). The 2018 household estimate was 4,241 (up from 4,184 in 2017). 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. Per the American Community Survey (via MetroCouncil.org), the median household income for Rogers in 2017 was \$120,600, compared to a countywide median of \$71,200.

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 2019 is \$1,915,903,235. Commercial/Industrial properties comprise approximately 49 percent of the total City net tax capacity, 45.87 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. The City has not bonded since 2015, therefore the bond rating has not been re-established other than annual updates with bond rating companies.

Inflationary trends in the region are comparable to national indices.

The net property tax levy for 2019 provided for a 1.23 percent increase, while reflecting a reduced tax rate from 2018 of 36.810 percent to 35.883 percent in 2019. The City's total net tax capacity for 2018 (Pay 2019) increased 4.49 percent over 2017 (Pay 2018) 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 2018, 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, 156 during 2018, and an additional 15 during the first 4 months of 2019.

2040 Comprehensive Plan and Residential Development

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.

Rogers is uniquely positioned because of its location in the Twin Cities metropolitan area, as well as do to the amount of available land, most of which is idea for residential development. Since late 2018, interest in high-density residential development remains high, especially attainable housing. This echoes a consistent theme across the Twin Cities metropolitan area. As the cost of home construction increases, so has the need for more affordable options. In Rogers, the employment base is predominantly dominated by jobs in the manufacturing, distribution and construction industries. Incomes for those jobs are typically low compared to the median income and median home prices, resulting in lower-wage workers unable to afford to live in Rogers. This factor, in addition to the projected population and job growth over the next 20 years is prompting the discussion to create more diversity in the City's housing supply, especially housing units that qualify as affordable. In response to this, Trident Development received approval in 2018 for Vincent Woods of Rogers, a 168-unit market rate apartment project on County Road 81. MWF Properties has proposed a two-phase apartment development that would construct 130 affordable units on 7 acres next to the industrial park off Commerce Boulevard. If the projects move forward, MWF would construct 63 of those units in 2020 or 2021. Duffy Development Company is partnering with the City on a major redevelopment project in Downtown Rogers that would construct 104 housing units – 40 units for active living seniors (55+), 50 units of workforce housing and 14 units of market rate apartments. This project would redevelop a 3.5-acre block of downtown on the corner of Main Street and John Deere Lane. Affordable apartment projects are not the only high-density projects under consideration. MODE Development out of Fargo, North Dakota, is proposing a 160-unit Class A development on Commerce Boulevard, next to the current HOM Furniture property. Apartment developers continue to research other potential project sites near or adjacent to Interstate 94 and Highway 101.

From 2014 to 2017, 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 and into 2019, Laurel Creek/Lennar Homes (former Stones Throw) received approvals of Phases 1 through 3, as part of the five-phase residential development. Lennar amended its Master PUD to add an additional five home sites into the development after purchasing and adjacent property. The Laurel Creek development now has a total new housing unit count of 480. Other 2017 to 2019 residential development planning and approvals include Augusta Prairie Phase 3, Fletcher Hills 2nd, and Mallard South. Housing developers continue to pursue development opportunities from more traditional single-family divisions to higher density townhome developments.

Commercial/Industrial Economic Development

Between 2011 and 2018, 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, approximately \$2.5 million square feet of new industrial distribution space has been constructed in the City of Rogers 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.

The largest development project in Rogers history is currently under construction with the Graco Manufacturing expansion. This project includes the construction of an additional 480,000 sq ft (in addition to the existing 316,000 sq ft) of manufacturing, warehouse and office/training space, and represents an \$80 million investment by the company. The project will bring an additional 95 well-paying jobs to Rogers.

An additional 580,000 square feet of commercial/industrial development 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.

Recent commercial/retail/service developments include Short or Tall restaurant and Lil Explorers daycare. Primrose Daycare has also received planning approval and has already begun site work.

Public Projects

Utility expansion through the Brockton Area Industrial Park south under I94 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. Water services were extended to the new 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.

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

Planned 2019/2020 projects include:

- 2019 Projects:
 - Street Construction/Reconstruction - John Milless, Kelley Lane, Northdale Blvd, Future Co Rd 117
 - Utility Projects – Brockton Territorial Lift Station, Arthur Street Sewer Extension, Southwest Rogers Lift station
 - Parks and Trails – Lions Park Building, Tennis Center Site Improvements, South Community Park Ice Rink, Hassan Elementary Trail Phase 1, South Diamond Lake Road Trail, Fletcher Hills Connection Trail, Pedestrian Railing TH 101
- 2020 Projects:
 - Streets Construction/Reconstruction - Main Street Reconstruction and Overhead to Underground, Industrial Blvd Extension
 - Utility Projects – Edgewater utility extension, Main Street Water and Sewer Upgrades

The City is currently working toward the 2019 construction of the Rogers Event Center at Lions Central Park. This 9,500 sq. foot facility will serve as vibrant community space for public and private events in the heart of Rogers.

The Metropolitan Council (MCES) is currently working with the City to enter into an Intergovernmental Agreement for the Acquisition of the Wastewater Treatment Plant. MCES will officially take over the ownership of the City facility on July 1, 2019 and will jointly operate the facility during a transition period until January 1, 2020. MCES will operate the Rogers Wastewater Treatment Facility (WWTF) until the planned Crow River Facility is constructed in 2030. At that time, MCES will decommission the Rogers WWTF.

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). 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.

A local option sales tax (LOST) referendum was approved by Rogers voters in November 2018. If subsequently approved by the legislature, it would allow for a ¼% local sales tax which would fund up to \$16.5 million (principal) in park, recreation and trail facilities in Rogers. This is an important step toward building out such facilities at this point in the City's growth cycle. At the time of this writing, the Rogers sales tax bill has been agreed upon by the MN State Senate and House Tax Conference Committee and is awaiting final vote and signature by the Governor.

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 2019 plans including the rehabilitation of Northdale Boulevard, Kelly Lane and John Milless Drive 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 \$3,200,000 in annual capital sinking fund levies since 2012 as part of the 10 year FMP to offset future capital borrowing needs which was continued within the 2019 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 2019 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, 2018

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City of Rogers, Minnesota
Statement of Net Position
December 31, 2018

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and temporary investments	\$ 23,901,717	\$ 21,484,493	\$ 45,386,210
Receivables			
Accounts	631,569	370,451	1,002,020
Accrued interest	133,021	-	133,021
Taxes	74,824	-	74,824
Special assessments	3,831,852	228,574	4,060,426
Loans	242,834	-	242,834
Due from other governments	217,606	35,138	252,744
Internal balances	(586,996)	586,996	-
Inventories	21,746	371,923	393,669
Prepaid items	49,494	6,413	55,907
Net pension asset	268,834	-	268,834
Capital assets			
Land and construction in progress	20,598,567	2,989,056	23,587,623
Depreciable assets (net of accumulated depreciation)	42,718,908	28,143,240	70,862,148
Total Assets	<u>92,103,976</u>	<u>54,216,284</u>	<u>146,320,260</u>
Deferred Outflows of Resources			
Deferred charge on refunding	245,190	-	245,190
Deferred other postemployment benefits	24,860	6,220	31,080
Deferred pension resources	3,072,966	94,668	3,167,634
Total Deferred Outflows of Resources	<u>3,343,016</u>	<u>100,888</u>	<u>3,443,904</u>
Liabilities			
Accounts payable	840,189	201,642	1,041,831
Accrued salaries payable	270,395	45,571	315,966
Accrued interest payable	9,958	2,068	12,026
Due to other governments	42,855	44,858	87,713
Escrows payable	2,245,469	-	2,245,469
Unearned revenue	21,050	-	21,050
Noncurrent liabilities			
Due within one year	1,359,392	184,405	1,543,797
Due in more than one year	12,689,611	1,647,148	14,336,759
Total Liabilities	<u>17,478,919</u>	<u>2,125,692</u>	<u>19,604,611</u>
Deferred Inflows of Resources			
Deferred pension resources	3,635,802	95,022	3,730,824
Net Position			
Net investment in capital assets	54,392,665	30,057,296	84,449,961
Restricted for			
Debt service	3,608,905	-	3,608,905
Tax increment financing	1,107,649	-	1,107,649
Loans	420,840	-	420,840
Police forfeitures	4,321	-	4,321
Park improvements	1,433,099	-	1,433,099
Economic development	80,674	-	80,674
Capital improvements	5,017,137	-	5,017,137
Unrestricted	8,266,981	22,039,162	30,306,143
Total Net Position	<u>\$ 74,332,271</u>	<u>\$ 52,096,458</u>	<u>\$ 126,428,729</u>

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, 2018

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 2,201,212	\$ 1,029,827	\$ -	\$ -
Public safety	4,406,607	1,413,323	379,295	66,000
Public works	5,126,884	489,726	237,551	2,522,717
Culture and recreation	1,410,234	678,731	12,038	1,538,541
Economic development	275,202	12,071	30,211	29,924
Housing	224,955	-	-	-
Interest on long-term debt	319,874	-	-	-
Total Governmental Activities	<u>13,964,968</u>	<u>3,623,678</u>	<u>659,095</u>	<u>4,157,182</u>
Business-type Activities				
Water	1,503,262	1,097,107	657	1,096,415
Sewer	1,163,306	987,618	654	953,994
Storm sewer	562,529	558,026	422	315,775
Municipal liquor	3,409,086	3,712,720	1,193	-
Total Business-type Activities	<u>6,638,183</u>	<u>6,355,471</u>	<u>2,926</u>	<u>2,366,184</u>
Total	<u>\$ 20,603,151</u>	<u>\$ 9,979,149</u>	<u>\$ 662,021</u>	<u>\$ 6,523,366</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

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 as Restated (Note 8)

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
\$ (1,171,385)	\$ -	\$ (1,171,385)
(2,547,989)	-	(2,547,989)
(1,876,890)	-	(1,876,890)
819,076	-	819,076
(202,996)	-	(202,996)
(224,955)	-	(224,955)
(319,874)	-	(319,874)
<u>(5,525,013)</u>	<u>-</u>	<u>(5,525,013)</u>
-	690,917	690,917
-	778,960	778,960
-	311,694	311,694
-	304,827	304,827
<u>-</u>	<u>2,086,398</u>	<u>2,086,398</u>
<u>(5,525,013)</u>	<u>2,086,398</u>	<u>(3,438,615)</u>
6,713,116	-	6,713,116
975,240	-	975,240
437,621	-	437,621
1,237,346	-	1,237,346
587,080	-	587,080
268,966	251,730	520,696
12,875	-	12,875
266,096	(266,096)	-
(33,632)	33,632	-
<u>10,464,708</u>	<u>19,266</u>	<u>10,483,974</u>
4,939,695	2,105,664	7,045,359
<u>69,392,576</u>	<u>49,990,794</u>	<u>119,383,370</u>
<u>\$ 74,332,271</u>	<u>\$ 52,096,458</u>	<u>\$ 126,428,729</u>

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

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FUND FINANCIAL STATEMENTS

CITY OF ROGERS
ROGERS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2018

City of Rogers, Minnesota
Balance Sheet
Governmental Funds
December 31, 2018

	General	Debt Service	Rogers Activity Center
Assets			
Cash and temporary investments	\$ 7,179,136	\$ 567,825	\$ 880,970
Receivables			
Accounts	175,128	-	157,722
Accrued interest	133,003	-	-
Taxes	74,824	-	-
Special assessments	-	3,050,408	-
Notes receivable	-	-	-
Due from other funds	270,417	-	-
Due from other governments	72,093	-	22,121
Inventory	21,746	-	-
Prepaid items	47,734	1,130	630
	<u>7,974,081</u>	<u>3,619,363</u>	<u>1,061,443</u>
Total Assets	\$ 7,974,081	\$ 3,619,363	\$ 1,061,443
Liabilities			
Accounts payable	\$ 434,681	\$ 500	\$ 19,410
Accrued salaries payable	261,208	-	9,187
Escrows payable	1,737,569	-	-
Due to other governments	38,219	-	1,785
Due to other funds	-	-	195,176
Advance from other funds	-	-	101,537
Unearned revenue	7,529	-	3,096
Total Liabilities	<u>2,479,206</u>	<u>500</u>	<u>330,191</u>
Deferred Inflows of Resources			
Unavailable revenue - property taxes	74,824	-	-
Unavailable revenue - special assessments	-	3,050,408	-
Total Deferred Inflows of Resources	<u>74,824</u>	<u>3,050,408</u>	<u>-</u>
Fund Balances			
Nonspendable	69,480	1,130	630
Restricted	-	567,325	-
Committed	-	-	730,622
Assigned	-	-	-
Unassigned	5,350,571	-	-
Total Fund Balances	<u>5,420,051</u>	<u>568,455</u>	<u>731,252</u>
	<u>7,974,081</u>	<u>3,619,363</u>	<u>1,061,443</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 7,974,081	\$ 3,619,363	\$ 1,061,443

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
\$ 6,339,695	\$ 1,071,050	\$ 7,863,041	\$ 23,901,717
-	-	298,719	631,569
-	-	18	133,021
-	-	-	74,824
754,833	26,611	-	3,831,852
-	-	242,834	242,834
-	-	-	270,417
-	103,392	20,000	217,606
-	-	-	21,746
-	-	-	49,494
<u>\$ 7,094,528</u>	<u>\$ 1,201,053</u>	<u>\$ 8,424,612</u>	<u>\$ 29,375,080</u>
\$ 97,962	\$ 52,620	\$ 235,016	\$ 840,189
-	-	-	270,395
-	425,453	82,447	2,245,469
46	77	2,728	42,855
-	-	-	195,176
-	-	560,700	662,237
-	-	10,425	21,050
<u>98,008</u>	<u>478,150</u>	<u>891,316</u>	<u>4,277,371</u>
-	-	-	74,824
754,833	26,611	-	3,831,852
<u>754,833</u>	<u>26,611</u>	<u>-</u>	<u>3,906,676</u>
-	-	-	71,240
4,156,559	-	3,907,161	8,631,045
2,085,128	841,863	3,210,502	6,868,115
-	-	415,633	415,633
-	(145,571)	-	5,205,000
<u>6,241,687</u>	<u>696,292</u>	<u>7,533,296</u>	<u>21,191,033</u>
<u>\$ 7,094,528</u>	<u>\$ 1,201,053</u>	<u>\$ 8,424,612</u>	<u>\$ 29,375,080</u>

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

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City of Rogers, Minnesota
Reconciliation of the Balance Sheet
to the Statement of Net Position
Governmental Funds
December 31, 2018

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

Total Fund Balances - Governmental	\$ 21,191,033
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of capital assets	117,864,104
Less accumulated depreciation	(54,546,629)
Long-term assets from pensions reported in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.	
	268,834
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	(691,538)
Severance obligations payable	(82,826)
Other postemployment benefits payable	(565,160)
Bonds payable	(9,170,000)
Deferred charge on refunding, net of accumulated amortization	245,190
Pension liability	(3,539,479)
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	3,831,852
Delinquent taxes receivable	74,824
Governmental funds do not report a liability for accrued interest until due and payable.	(9,958)
Governmental funds do not report long-term amounts related to pensions.	
Deferred outflows of resources	3,072,966
Deferred inflows of resources	(3,635,802)
Governmental funds do not report long-term amounts related to other postemployment benefits	
Deferred outflows of resources	24,860
Total Net Position - Governmental Activities	\$ 74,332,271

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, 2018

	General	Debt Service	Rogers Activity Center
Revenues			
Taxes	\$ 5,750,025	\$ 975,240	\$ 261,364
Tax increments	-	-	-
Franchise taxes	-	-	-
Licenses and permits	1,104,694	-	-
Intergovernmental	595,577	-	-
Charges for services	868,876	-	530,297
Fines and forfeitures	110,875	-	-
Special assessments	-	335,324	-
Interest on investments	77,717	10,837	11,555
Miscellaneous	344,114	-	96,020
Total Revenues	<u>8,851,878</u>	<u>1,321,401</u>	<u>899,236</u>
Expenditures			
Current			
General government	2,085,060	-	-
Public safety	4,144,492	-	-
Public works	1,331,056	-	-
Culture and recreation	799,263	-	492,546
Economic development	-	-	-
Capital outlay			
General government	181	-	-
Public safety	59,269	-	-
Public works	20,574	-	-
Culture and recreation	-	-	-
Economic development	-	-	-
Housing	-	-	-
Debt service			
Principal	-	1,280,000	-
Interest and other	-	281,548	-
Total Expenditures	<u>8,439,895</u>	<u>1,561,548</u>	<u>492,546</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>411,983</u>	<u>(240,147)</u>	<u>406,690</u>
Other Financing Sources (Uses)			
Transfers in	229,845	809,676	-
Sale of capital assets	-	-	-
Transfers out	(442,050)	(46,259)	(2,480)
Total Other Financing Sources (Uses)	<u>(212,205)</u>	<u>763,417</u>	<u>(2,480)</u>
Net Change in Fund Balances	199,778	523,270	404,210
Fund Balances, January 1	<u>5,220,273</u>	<u>45,185</u>	<u>327,042</u>
Fund Balances, December 31	<u>\$ 5,420,051</u>	<u>\$ 568,455</u>	<u>\$ 731,252</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	\$ -	\$ 707,747	\$ 7,819,376
-	-	437,621	437,621
-	-	1,107,478	1,107,478
-	-	-	1,104,694
-	-	619,193	1,214,770
1,442,063	-	1,790,170	4,631,406
-	-	15,681	126,556
102,566	27,967	-	465,857
64,701	17,341	86,815	268,966
8,490	1,195,922	150,379	1,794,925
<u>1,742,820</u>	<u>1,241,230</u>	<u>4,915,084</u>	<u>18,971,649</u>
-	-	2,427	2,087,487
-	-	13,152	4,157,644
-	-	-	1,331,056
-	-	-	1,291,809
-	-	136,092	136,092
-	-	65,263	65,444
-	-	690,015	749,284
447,603	1,217,086	1,177,809	2,863,072
-	-	189,350	189,350
-	-	130,502	130,502
-	-	224,955	224,955
-	-	-	1,280,000
-	-	4,749	286,297
<u>447,603</u>	<u>1,217,086</u>	<u>2,634,314</u>	<u>14,792,992</u>
<u>1,295,217</u>	<u>24,144</u>	<u>2,280,770</u>	<u>4,178,657</u>
14,350	-	102,682	1,156,553
-	-	12,875	12,875
-	(138,810)	(260,858)	(890,457)
<u>14,350</u>	<u>(138,810)</u>	<u>(145,301)</u>	<u>278,971</u>
1,309,567	(114,666)	2,135,469	4,457,628
<u>4,932,120</u>	<u>810,958</u>	<u>5,397,827</u>	<u>16,733,405</u>
<u>\$ 6,241,687</u>	<u>\$ 696,292</u>	<u>\$ 7,533,296</u>	<u>\$ 21,191,033</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, 2018

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

Net Change in Fund Balances - Governmental Funds	\$ 4,457,628
<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	2,527,262
Depreciation expense	(2,978,070)
<p>Governmental funds report a gain (loss) on sale of capital assets to the extent of cash exchanged, whereas the disposition of the assets book value is included in the total gain (loss) in the statement of activities.</p>	
Disposals	(113,022)
Depreciation on disposals	93,399
<p>Assets constructed in the governmental funds for the enterprise funds are eliminated in the government-wide statements.</p>	
	(33,632)
<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>	
	(33,577)
<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	(339,481)
Taxes	(1,152)
<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	(90,688)
Severance obligations	(5,652)
<p>Long-term other post-employment benefit activity is not reported in governmental funds.</p>	
Pension expense	208,490
Other postemployment benefits	(60,118)
Pension revenue	28,308
	28,308
Change in Net Position - Governmental Activities	\$ 4,939,695

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 5,765,947	\$ 5,765,947	\$ 5,750,025	\$ (15,922)
Licenses and permits	636,137	636,137	1,104,694	468,557
Intergovernmental	543,711	543,711	595,577	51,866
Charges for services	611,267	611,267	868,876	257,609
Fines and forfeitures	108,400	108,400	110,875	2,475
Interest on investments	40,000	40,000	77,717	37,717
Miscellaneous	141,762	141,762	344,114	202,352
Total Revenues	<u>7,847,224</u>	<u>7,847,224</u>	<u>8,851,878</u>	<u>1,004,654</u>
Expenditures				
Current				
General government	1,887,801	1,887,801	2,085,060	(197,259)
Public safety	3,970,057	3,981,957	4,144,492	(162,535)
Public works	1,376,603	1,376,603	1,331,056	45,547
Culture and recreation	817,763	817,763	799,263	18,500
Capital outlay				
General government	-	-	181	(181)
Public safety	-	-	59,269	(59,269)
Public works	20,000	20,000	20,574	(574)
Total Expenditures	<u>8,072,224</u>	<u>8,084,124</u>	<u>8,439,895</u>	<u>(355,771)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(225,000)</u>	<u>(236,900)</u>	<u>411,983</u>	<u>648,883</u>
Other Financing Sources (Uses)				
Transfers in	225,000	225,000	229,845	4,845
Transfers out	-	-	(442,050)	(442,050)
Total Other Financing Sources (Uses)	<u>225,000</u>	<u>225,000</u>	<u>(212,205)</u>	<u>(437,205)</u>
Net Change in Fund Balances	-	(11,900)	199,778	211,678
Fund Balances, January 1	<u>5,220,273</u>	<u>5,220,273</u>	<u>5,220,273</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 5,220,273</u>	<u>\$ 5,208,373</u>	<u>\$ 5,420,051</u>	<u>\$ 211,678</u>

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

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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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 261,364	\$ 261,364	\$ 261,364	\$ -
Charges for services	457,600	457,600	530,297	72,697
Interest on investments	-	-	11,555	11,555
Miscellaneous				
Contributions and donations	85,000	85,000	89,254	4,254
Other	-	-	6,766	6,766
Total Revenues	<u>803,964</u>	<u>803,964</u>	<u>899,236</u>	<u>95,272</u>
Expenditures				
Current				
Culture and recreation				
Personal services	267,063	267,063	262,300	4,763
Supplies	61,550	61,550	64,378	(2,828)
Other services and charges	165,981	165,981	165,868	113
Total Expenditures	<u>494,594</u>	<u>494,594</u>	<u>492,546</u>	<u>2,048</u>
Excess of Revenues Over Expenditures	309,370	309,370	406,690	97,320
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	111,714	111,714	404,210	292,496
Fund Balances, January 1	<u>327,042</u>	<u>327,042</u>	<u>327,042</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 438,756</u>	<u>\$ 438,756</u>	<u>\$ 731,252</u>	<u>\$ 292,496</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, 2018

	Business-type Activities - Enterprise Funds				Totals
	Water	Sewer	Storm Sewer	Municipal Liquor	
Assets					
Current Assets					
Cash and temporary investments	\$ 7,989,238	\$ 10,247,448	\$ 2,275,254	\$ 972,553	\$ 21,484,493
Accounts receivable	85,441	147,190	85,072	52,748	370,451
Due from other governments	15,023	20,115	-	-	35,138
Inventories	-	-	-	371,923	371,923
Prepaid items	557	122	47	5,687	6,413
Total Current Assets	<u>8,090,259</u>	<u>10,414,875</u>	<u>2,360,373</u>	<u>1,402,911</u>	<u>22,268,418</u>
Noncurrent Assets					
Special assessments receivable	64,241	125,234	39,099	-	228,574
Advance to other funds	-	857,413	-	-	857,413
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	15,162,500	11,913,807	9,459,079	-	36,535,386
Machinery and equipment	216,730	512,274	228,057	183,081	1,140,142
Construction in progress	579,694	235,186	205,031	-	1,019,911
Less accumulated depreciation	(8,499,973)	(6,273,827)	(4,051,167)	(737,720)	(19,562,687)
Total Capital Assets (Net of Accumulated Depreciation)	<u>12,203,007</u>	<u>11,290,715</u>	<u>6,007,421</u>	<u>1,631,153</u>	<u>31,132,296</u>
Total Noncurrent Assets	<u>12,267,248</u>	<u>12,273,362</u>	<u>6,046,520</u>	<u>1,631,153</u>	<u>32,218,283</u>
Total Assets	<u>20,357,507</u>	<u>22,688,237</u>	<u>8,406,893</u>	<u>3,034,064</u>	<u>54,486,701</u>
Deferred Outflows of Resources					
Deferred other postemployment benefits resources	1,850	1,841	1,240	1,289	6,220
Deferred pension resources	21,266	21,165	13,648	38,589	94,668
Total Deferred Outflows of Resources	<u>23,116</u>	<u>23,006</u>	<u>14,888</u>	<u>39,878</u>	<u>100,888</u>
Liabilities					
Current Liabilities					
Accounts payable	66,029	59,029	10,184	66,400	201,642
Accrued salaries payable	10,013	9,964	7,153	18,441	45,571
Accrued interest payable	2,068	-	-	-	2,068
Due to other governments	214	2,764	-	41,880	44,858
Due to other funds	-	-	-	270,417	270,417
Compensated absences payable - current	16,339	19,194	5,827	33,045	74,405
Bonds payable - current	110,000	-	-	-	110,000
Total Current Liabilities	<u>204,663</u>	<u>90,951</u>	<u>23,164</u>	<u>430,183</u>	<u>748,961</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, 2018

	Business-type Activities - Enterprise Funds				Totals
	Water	Sewer	Storm Sewer	Municipal Liquor	
Noncurrent Liabilities					
Severance obligations payable	\$ 11,417	\$ 12,906	\$ 3,687	\$ 13,792	\$ 41,802
Compensated absences payable	25,604	30,078	9,131	51,783	116,596
Other postemployment benefits payable	42,053	41,848	28,191	29,304	141,396
Bonds payable	965,000	-	-	-	965,000
Pension liability	85,891	85,483	55,124	155,856	382,354
Total Noncurrent Liabilities	<u>1,129,965</u>	<u>170,315</u>	<u>96,133</u>	<u>250,735</u>	<u>1,647,148</u>
Total Liabilities	<u>1,334,628</u>	<u>261,266</u>	<u>119,297</u>	<u>680,918</u>	<u>2,396,109</u>
Deferred Inflows of Resources					
Deferred pension resources	<u>21,345</u>	<u>21,244</u>	<u>13,699</u>	<u>38,734</u>	<u>95,022</u>
Net Position					
Net investment in capital assets	11,128,007	11,290,715	6,007,421	1,631,153	30,057,296
Unrestricted	<u>7,896,643</u>	<u>11,138,018</u>	<u>2,281,364</u>	<u>723,137</u>	<u>22,039,162</u>
Total Net Position	<u>\$ 19,024,650</u>	<u>\$ 22,428,733</u>	<u>\$ 8,288,785</u>	<u>\$ 2,354,290</u>	<u>\$ 52,096,458</u>

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

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City of Rogers, Minnesota
Statement of Revenues, Expenses and
Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2018

	Business-type Activities - Enterprise Funds				Totals
	Water	Sewer	Storm Sewer	Municipal Liquor	
Operating Revenues					
Sales	\$ -	\$ -	\$ -	\$ 3,712,720	\$ 3,712,720
Cost of sales	-	-	-	(2,557,023)	(2,557,023)
Gross Profit	-	-	-	1,155,697	1,155,697
Charges for services	1,092,617	966,853	548,232	-	2,607,702
Miscellaneous	4,490	20,765	8,969	-	34,224
Total Operating Revenues	<u>1,097,107</u>	<u>987,618</u>	<u>557,201</u>	<u>1,155,697</u>	<u>3,797,623</u>
Operating Expenses					
Personal services	327,566	328,923	206,733	534,460	1,397,682
Supplies	149,882	86,295	10,549	28,743	275,469
Other services and charges	468,697	365,076	144,049	257,147	1,234,969
Depreciation	530,372	383,012	201,198	31,713	1,146,295
Total Operating Expenses	<u>1,476,517</u>	<u>1,163,306</u>	<u>562,529</u>	<u>852,063</u>	<u>4,054,415</u>
Operating Income (Loss)	<u>(379,410)</u>	<u>(175,688)</u>	<u>(5,328)</u>	<u>303,634</u>	<u>(256,792)</u>
Nonoperating Revenues (Expenses)					
Income on investments	91,266	131,648	24,217	4,599	251,730
Interest expense	(26,745)	-	-	-	(26,745)
Other income	657	654	1,247	1,193	3,751
Total Nonoperating Revenues (Expenses)	<u>65,178</u>	<u>132,302</u>	<u>25,464</u>	<u>5,792</u>	<u>228,736</u>
Income (Loss) Before Contributions and Transfers	(314,232)	(43,386)	20,136	309,426	(28,056)
Capital Contributions					
Connection fees and special assessments	1,096,415	953,994	315,775	-	2,366,184
Contributions from Other Funds	-	-	33,632	-	33,632
Transfers In	-	-	138,810	-	138,810
Transfers Out	(75,000)	(77,365)	(15,000)	(237,541)	(404,906)
Change in Net Position	707,183	833,243	493,353	71,885	2,105,664
Net Position, January 1 as Restated (Note 8)	<u>18,317,467</u>	<u>21,595,490</u>	<u>7,795,432</u>	<u>2,282,405</u>	<u>49,990,794</u>
Net Position, December 31	<u>\$ 19,024,650</u>	<u>\$ 22,428,733</u>	<u>\$ 8,288,785</u>	<u>\$ 2,354,290</u>	<u>\$ 52,096,458</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, 2018

	Business-type Activities - Enterprise Funds				Totals
	Water	Sewer	Storm Sewer	Municipal Liquor	
Cash Flows from Operating Activities					
Receipts from customers and users	\$ 1,105,860	\$ 979,426	\$ 559,075	\$ 3,722,016	\$ 6,366,377
Payments to suppliers	(625,229)	(478,246)	(149,614)	(2,832,657)	(4,085,746)
Payments to employees	(330,939)	(327,713)	(205,946)	(529,112)	(1,393,710)
Net Cash Provided by Operating Activities	<u>149,692</u>	<u>173,467</u>	<u>203,515</u>	<u>360,247</u>	<u>886,921</u>
Cash Flows from Noncapital Financing Activities					
Receipt on due from other funds	-	452,609	-	-	452,609
Receipt on due to other funds	-	-	-	59,806	59,806
Transfer from other funds	-	-	138,810	-	138,810
Transfers to other funds	(75,000)	(77,365)	(15,000)	(237,541)	(404,906)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(75,000)</u>	<u>375,244</u>	<u>123,810</u>	<u>(177,735)</u>	<u>246,319</u>
Cash Flows from Capital Financing Activities					
Acquisition of property and equipment	(720,316)	(101,249)	(74,857)	-	(896,422)
Intergovernmental receipts	210,469	113,621	-	-	324,090
Connection fees/special assessments received	1,072,043	962,347	276,676	-	2,311,066
Interest paid on bonds	(26,920)	-	-	-	(26,920)
Principal paid on bonds	(105,000)	-	-	-	(105,000)
Net Cash Provided by Capital Financing Activities	<u>430,276</u>	<u>974,719</u>	<u>201,819</u>	<u>-</u>	<u>1,606,814</u>
Cash Flows from Investing Activities					
Interest received on investments	91,266	131,648	24,217	4,599	251,730
Net Increase in Cash and Cash Equivalents	596,234	1,655,078	553,361	187,111	2,991,784
Cash and Cash Equivalents, January 1	<u>7,393,004</u>	<u>8,592,370</u>	<u>1,721,893</u>	<u>785,442</u>	<u>18,492,709</u>
Cash and Cash Equivalents, December 31	<u>\$ 7,989,238</u>	<u>\$ 10,247,448</u>	<u>\$ 2,275,254</u>	<u>\$ 972,553</u>	<u>\$ 21,484,493</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, 2018

	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)	\$ (379,410)	\$ (175,688)	\$ (5,328)	\$ 303,634	\$ (256,792)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Other income related to operations	657	654	1,247	1,193	3,751
Depreciation	530,372	383,012	201,198	31,713	1,146,295
(Increase) decrease in assets					
Accounts receivable	8,051	(3,802)	1,874	9,296	15,419
Due from other governments	702	(4,390)	-	-	(3,688)
Inventory	-	-	-	(11,684)	(11,684)
Prepaid items	(96)	(75)	-	1,573	1,402
Decrease in deferred outflows					
Deferred pension resources	7,843	7,813	4,565	12,796	33,017
Deferred postemployment benefit resources	(1,850)	(1,841)	(1,240)	(1,289)	(6,220)
Increase (decrease) in liabilities					
Accounts payable	(7,721)	(28,422)	3,730	16,634	(15,779)
Due to other governments	(47)	2,155	-	2,636	4,744
Accrued salaries payable	1,750	1,743	1,775	1,528	6,796
Compensated absences payable	(2,322)	392	(180)	5,308	3,198
Severance obligations payable	(125)	24	(188)	1,530	1,241
Other postemployment benefits payable	5,938	5,906	3,126	4,893	19,863
Pension liability	(13,954)	(13,914)	(7,348)	(20,399)	(55,615)
Decrease in deferred inflows					
Deferred pension resources	(96)	(100)	284	885	973
Net Cash Provided by Operating Activities	<u>\$ 149,692</u>	<u>\$ 173,467</u>	<u>\$ 203,515</u>	<u>\$ 360,247</u>	<u>\$ 886,921</u>
Noncash Capital Financing and Investing Activities					
Capital assets contributed by other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,632</u>	<u>\$ -</u>	<u>\$ 33,632</u>
Capital assets purchased on account	<u>\$ 24,918</u>	<u>\$ 31,077</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,995</u>

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

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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 Balances

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, 2018:

- US agency securities of \$14,789,888 are valued using quoted market prices (Level 1 inputs)
- Brokered money markets of \$805,459 are valued using quoted market prices (Level 1 inputs)
- Municipal securities of \$65,644 are valued using a matrix pricing model (Level 2 inputs)
- Brokered certificates of deposits of \$6,161,223 are valued using a matrix pricing model (Level 2 inputs)
- Mortgage backed securities of \$10,058,077 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 2018. 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, 2018

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.

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

Note 1: Summary of Significant Accounting Policies (Continued)

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 three 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 items, deferred pension resources and other postemployment benefit resources, are reported only in the statements of net position. These items results from actuarial calculations and current year pension contributions and OPEB 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.

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.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2018

Note 1: Summary of Significant Accounting Policies (Continued)

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. The General fund is typically used to liquidate the governmental net pension liability.

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. The General fund is typically used to liquidate the governmental net pension liability.

The total pension expense for the GERF, PEPEFF and Rogers Fire Relief Association is as follows

GERF	\$ 212,440
PEPEFF	81,314
Fire Relief	67,267
 Total Pension Expense	 \$ 361,021

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 75, at January 1, 2018.

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, 2018

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 \$11,900 for a total decrease in fund balance of \$11,900.

B. Excess of Expenditures Over Appropriations

For the year ended December 31, 2018 expenditures exceeded appropriations in the following fund:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Excess of Expenditures Over Appropriations</u>
General	<u>\$ 8,084,124</u>	<u>\$ 8,439,895</u>	<u>\$ 355,771</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 or bonds, with the exception of irrevocable standby letters of credit issued by Federal Home Loan Banks as this type of collateral only requires collateral pledged equal to 100 percent of the deposits not covered by insurance or bonds.

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 \$13,492,730 and the bank balance was \$13,692,937. 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, 2018

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, 2018, 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	\$ 2,140	\$ -	\$ -
Non-pooled Investments at Fair Value					
Brokered money market	N/A	less than 6 months	805,459	805,459	-
U.S. agency securities	AAA	more than 3 years	10,631,009	10,631,009	-
U.S. agency securities	AAA	1 to 3 years	4,158,879	4,158,879	-
Municipal securities	A1	less than 6 months	65,644	-	65,644
Brokered certificates of deposits	N/A	less than 6 months	958,378	-	958,378
Brokered certificates of deposits	N/A	6 to 12 months	963,144	-	963,144
Brokered certificates of deposits	N/A	1 to 3 years	1,870,836	-	1,870,836
Brokered certificates of deposits	N/A	more than 3 years	2,368,865	-	2,368,865
Mortgage backed securities	AAA	less than 6 months	324,405	-	324,405
Mortgage backed securities	AAA	6 to 12 months	1,187,310	-	1,187,310
Mortgage backed securities	AAA	1 to 3 years	6,791,235	-	6,791,235
Mortgage backed securities	AAA	more than 3 years	1,755,127	-	1,755,127
Total Investments			<u>\$ 31,882,431</u>	<u>\$ 15,595,347</u>	<u>\$ 16,284,944</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, 2018

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, 2018, the City had invested 5 percent or more of its total investment portfolio in the following issuers:
 - Federal Home Loan Banks \$9,739,243
 - FHLMC MTN \$6,869,618
 - Federal Farm Credit Banks \$5,050,643
 - FNMA \$3,188,459
- *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	\$ 13,492,730
Investments	31,882,431
Cash on Hand	<u>11,049</u>
 Total	 <u><u>\$ 45,386,210</u></u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2018

Note 3: Detailed Notes on All Funds (Continued)

B. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets not Being Depreciated				
Land	\$ 18,038,229	\$ 40,648	\$ -	\$ 18,078,877
Construction in progress	2,447,376	1,529,227	(1,456,913)	2,519,690
Total Capital Assets not Being Depreciated	<u>20,485,605</u>	<u>1,569,875</u>	<u>(1,456,913)</u>	<u>20,598,567</u>
Capital Assets Being Depreciated				
Buildings and structures	20,012,561	-	-	20,012,561
Infrastructure	67,335,282	1,456,913	-	68,792,195
Machinery and equipment	7,650,048	923,755	(113,022)	8,460,781
Total Capital Assets Being Depreciated	<u>94,997,891</u>	<u>2,380,668</u>	<u>(113,022)</u>	<u>97,265,537</u>
Less Accumulated Depreciation for				
Buildings and structures	(5,865,525)	(397,600)	-	(6,263,125)
Infrastructure	(40,597,458)	(2,064,124)	-	(42,661,582)
Machinery and equipment	(5,198,975)	(516,346)	93,399	(5,621,922)
Total Accumulated Depreciation	<u>(51,661,958)</u>	<u>(2,978,070)</u>	<u>93,399</u>	<u>(54,546,629)</u>
Total Capital Assets Being Depreciated, Net	<u>43,335,933</u>	<u>(597,402)</u>	<u>(19,623)</u>	<u>42,718,908</u>
Governmental Activities Capital Assets, Net	<u>\$ 63,821,538</u>	<u>\$ 972,473</u>	<u>\$ (1,476,536)</u>	<u>\$ 63,317,475</u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2018

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	2,151,522	519,719	(1,651,330)	1,019,911
Total Capital Assets not Being Depreciated	<u>4,120,667</u>	<u>519,719</u>	<u>(1,651,330)</u>	<u>2,989,056</u>
Capital Assets Being Depreciated				
Buildings and structures	10,030,399	-	-	10,030,399
Infrastructure	34,964,223	1,571,163	-	36,535,386
Machinery and equipment	1,140,142	-	-	1,140,142
Total Capital Assets Being Depreciated	<u>46,134,764</u>	<u>1,571,163</u>	<u>-</u>	<u>47,705,927</u>
Less Accumulated Depreciation for				
Buildings and structures	(6,014,840)	(282,019)	-	(6,296,859)
Infrastructure	(11,527,731)	(807,396)	-	(12,335,127)
Machinery and equipment	(873,821)	(56,880)	-	(930,701)
Total Accumulated Depreciation	<u>(18,416,392)</u>	<u>(1,146,295)</u>	<u>-</u>	<u>(19,562,687)</u>
Total Capital Assets Being Depreciated, Net	<u>27,718,372</u>	<u>424,868</u>	<u>-</u>	<u>28,143,240</u>
Business-type Activities Capital Assets, Net	<u>\$ 31,839,039</u>	<u>\$ 944,587</u>	<u>\$ (1,651,330)</u>	<u>\$ 31,132,296</u>

The decrease in construction in progress is greater than the increase in capital assets due to assets in feasibility reclassified to expenses.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2018

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	\$ 33,437
Public safety	454,243
Public works	2,165,523
Culture and recreation	316,259
Economic development	8,608
Total Depreciation Expense - Governmental Activities	\$ 2,978,070
Business-type Activities	
Water	\$ 530,372
Sewer	383,012
Storm sewer	201,198
Municipal liquor	31,713
Total Depreciation Expense - Business-type Activities	\$ 1,146,295

C. Construction Commitments

As of December 31, 2018, 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	\$ 2,278,582	\$ 88,974
2016 Justen Circle Street and Utility Improvements	1,578,148	210,414
2017 Rogers Drive Reconstructon (Phase 2)	598,683	48,582

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2018

Note 3: Detailed Notes on All Funds (Continued)

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2018 is as follows:

Receivable Fund	Payable Fund	Amount
Due from/to other Funds		
Governmental General	Business-type Municipal Liquor	\$ 270,417
Business-type Sewer	Governmental Rogers Activity Center	<u>195,176</u>
Total Due from/to other Funds		<u><u>\$ 465,593</u></u>
 Advance from/to other Funds		
Business-type Sewer	Governmental Rogers Activity Center	\$ 101,537
Business-type Sewer	Governmental Capital Improvement Projects	<u>560,700</u>
Total Advances from/to other Funds		<u><u>\$ 662,237</u></u>

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 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 Projects fund was issued to assist in financing 2018 - 2019 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, 2018

Note 3: Detailed Notes on All Funds (Continued)

The composition of interfund transfers at December 31, 2018 is as follows:

Fund	Transfers in					Total
	General	Debt Service	Revolving Capital	Other Governmental Funds	Storm Sewer	
Transfers Out						
General	\$ -	\$ 400,000	\$ 14,350	\$ 27,700	\$ -	\$ 442,050
Rogers Activity Center	2,480	-	-	-	-	2,480
Debt Service	-	-	-	46,259	-	46,259
Street and Related Improvement Projects	-	-	-	-	138,810	138,810
Other Governmental Funds	-	244,676	-	16,182	-	260,858
Water	-	75,000	-	-	-	75,000
Sewer	2,365	75,000	-	-	-	77,365
Storm Sewer	-	15,000	-	-	-	15,000
Municipal Liquor	225,000	-	-	12,541	-	237,541
Total	\$ 229,845	\$ 809,676	\$ 14,350	\$ 102,682	\$ 138,810	\$ 1,295,363

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, 2018, 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.
- Budgeted transfers of Liquor funds to the General fund and 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 of snow and ice to the equipment fund for the replacement of the City wide fuel station.
- Transfers between funds as part of capital improvement plans.
- Transfers of non-increment revenue to pay for tax court petition settlements.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2018

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	\$ 2,520,000
Series 2014	2,500,000	2.00 - 3.65	03/06/14	12/15/34	2,115,000
Series 2015	2,845,000	2.00 - 2.25	10/01/15	12/15/25	<u>2,060,000</u>
Total General Obligation Improvement Bonds					<u><u>\$ 6,695,000</u></u>

Annual debt service requirements to maturity for general obligation improvement bonds outstanding at December 31, 2018 are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
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	780,000	106,473	886,473
2024 - 2028	2,065,000	273,985	2,338,985
2029 - 2033	750,000	112,955	862,955
2034	<u>170,000</u>	<u>6,205</u>	<u>176,205</u>
Total	<u><u>\$ 6,695,000</u></u>	<u><u>\$ 1,093,744</u></u>	<u><u>\$ 7,788,744</u></u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2018

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	\$ 50,000
G.O. Tax Increment Refunding Bonds, Series 2011	725,000	0.75 - 3.00	12/06/11	12/01/21	<u>170,000</u>
Total General Obligation Tax Increment Bonds					<u><u>\$ 220,000</u></u>

Annual debt service requirements to maturity for general obligation tax increment bonds outstanding at December 31, 2018, are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
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>\$ 220,000</u></u>	<u><u>\$ 15,205</u></u>	<u><u>\$ 235,205</u></u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2018

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>\$ 1,945,000</u>
Business-type Activities					
Water Revenue Bonds					
Series 2012A	\$ 1,685,000	2.00 - 2.65	04/25/12	12/01/27	<u>\$ 1,075,000</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
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	180,000	32,252	212,252	120,000	15,533	135,533
2024 - 2028	940,000	100,375	1,040,375	505,000	33,180	538,180
2029	170,000	5,100	175,100	-	-	-
Total	<u>\$ 1,945,000</u>	<u>\$ 300,179</u>	<u>\$ 2,245,179</u>	<u>\$ 1,075,000</u>	<u>\$ 134,636</u>	<u>\$ 1,209,636</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)	\$ 1,092,617
Principal and Interest	131,920
Percentage of Revenues	12 %

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2018

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 2014	\$ 920,000	2.00 - 4.00 %	03/06/14	12/15/22	<u>\$ 310,000</u>

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

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2019	\$ 160,000	\$ 8,200	\$ 168,200
2020	50,000	5,000	55,000
2021	50,000	3,500	53,500
2022	50,000	2,000	52,000
Total	<u>\$ 310,000</u>	<u>\$ 18,700</u>	<u>\$ 328,700</u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2018

Note 3: Detailed Notes on All Funds (Continued)

Changes in Long-term Liabilities

During the year ended December 31, 2018, 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	\$ 7,375,000	\$ -	\$ (680,000)	\$ 6,695,000	\$ 705,000
General obligation tax increment bonds	320,000	-	(100,000)	220,000	70,000
Revenue bonds	2,100,000	-	(155,000)	1,945,000	155,000
Equipment Certificates	655,000	-	(345,000)	310,000	160,000
Total Bonds Payable	<u>10,450,000</u>	<u>-</u>	<u>(1,280,000)</u>	<u>9,170,000</u>	<u>1,090,000</u>
Compensated Absences Payable	600,850	300,117	(209,429)	691,538	269,392
Severance Obligations Payable	77,174	14,502	(8,850)	82,826	-
Other Postemployment Benefits Payable	471,151	102,380	(8,371)	565,160	-
Pension Liability					
GERF	2,604,645	472,960	(1,091,136)	1,986,469	-
PEPFF	1,795,658	19,295	(261,943)	1,553,010	-
Governmental Activities Long-term Liabilities	<u>\$ 15,999,478</u>	<u>\$ 889,959</u>	<u>\$ (2,597,786)</u>	<u>\$ 14,049,003</u>	<u>\$ 1,359,392</u>
Business-type Activities					
Bonds Payable					
Revenue bonds	\$ 1,180,000	\$ -	\$ (105,000)	\$ 1,075,000	\$ 110,000
Compensated Absences Payable	187,803	137,568	(134,370)	191,001	74,405
Severance Obligations Payable	40,561	4,004	(2,763)	41,802	-
Other Postemployment Benefits Payable	121,533	22,022	(2,159)	141,396	-
Pension Liability					
GERF	437,969	-	(55,615)	382,354	-
Business-type Activities Long-term Liabilities	<u>\$ 1,967,866</u>	<u>\$ 163,594</u>	<u>\$ (299,907)</u>	<u>\$ 1,831,553</u>	<u>\$ 184,405</u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2018

Note 3: Detailed Notes on All Funds (Continued)

F. Components of Fund Balance

At December 31, 2018, 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	\$ 47,734	\$ 1,130	\$ 630	\$ -
Inventory	21,746	-	-	-
Total Nonspendable	<u>\$ 69,480</u>	<u>\$ 1,130</u>	<u>\$ 630</u>	<u>\$ -</u>
Restricted for				
Debt service	\$ -	\$ 567,325	\$ -	\$ -
Transportation infrastructure	-	-	-	4,156,559
Total Restricted	<u>\$ -</u>	<u>\$ 567,325</u>	<u>\$ -</u>	<u>\$ 4,156,559</u>
Committed to				
Rogers activity center	\$ -	\$ -	\$ 730,622	\$ -
Capital improvement projects	-	-	-	2,085,128
Total Committed	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 730,622</u>	<u>\$ 2,085,128</u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2018

Note 3: Detailed Notes on All Funds (Continued)

	Street and Related Improvement Projects	Other Governmental Funds	Total Governmental Funds
Nonspendable			
Prepaid items	\$ -	\$ -	\$ 49,494
Inventory	-	-	21,746
Total Nonspendable	\$ -	\$ -	\$ 71,240
Restricted for			
Debt service	\$ -	\$ -	\$ 567,325
Tax increment financing	-	1,107,649	1,107,649
Revolving loans	-	420,840	420,840
Police expenditures	-	4,321	4,321
Capital improvement projects	-	10,000	10,000
Economic Development	-	80,674	80,674
Park dedication fees	-	1,433,099	1,433,099
Transportation infrastructure	-	-	4,156,559
Trail dedication	-	493,895	493,895
Lions park	-	356,683	356,683
Total Restricted	\$ -	\$ 3,907,161	\$ 8,631,045
Committed to			
Lions park	\$ -	\$ 39,203	\$ 39,203
Pavement management	-	628,523	628,523
Fire department capital projects	-	268,384	268,384
Park Dedication	-	450,000	450,000
Capital improvement projects	841,863	753,841	3,680,832
Rogers activity center	-	-	730,622
Tower and billboard leases	-	1,070,551	1,070,551
Total Committed	\$ 841,863	\$ 3,210,502	\$ 6,868,115
Assigned to			
Street lighting	\$ -	\$ -	\$ -
Park dedication	-	154,250	154,250
Capital improvement projects	-	261,383	261,383
Total Assigned	\$ -	\$ 415,633	\$ 415,633

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2018

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.

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

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	2
Active Plan Members	60
	60
Total Plan Members	62

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 \$10,530 to the plan for the year ended December 31, 2018. As of January 1, 2018, there was one retiree that was receiving health benefits from the plan.

C. Actuarial Methods and Assumptions

The City's total OPEB liability of \$706,556 was measured as of December 31, 2018, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of January 1, 2018.

The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.44%
Expected Long-Term Investment Return	N/A
Salary Increases	3.50%
Medical Trend Rate	10% in 2018 grading to 5% over 10 years

The discount rate used to measure the total OPEB liability was 3.44 percent. Projected benefit payments discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment.

Mortality rates were set by the RP-2014 Employee Mortality Table, adjusted for white collar and mortality improvements using projection scale MP-2015, from a base year of 2014. Rates are set forward one year for males and set back one year for females

The actuarial assumptions used in the December 31, 2018 valuation were based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information as well as for consistency with the other economic assumptions.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2018

Note 4: Postemployment Benefits Other Than Pensions (Continued)

D. Changes in the Total OPEB Liability

	Total OPEB Liability (a)
Balances at December 31, 2017	\$ 592,683
Changes for the Year:	
Service cost	76,579
Interest	25,099
Changes in assumptions or other inputs	12,195
Net Changes	113,873
Balances at December 31, 2018	\$ 706,556

GASB Statements No. 74 and No. 75 include many significant changes from Statements No. 43 and No. 45, including: new discount rate methodology, requirement to use Entry Age Normal cost method, more rapid recognition of actuarial gains and losses and changes in actuarial assumptions in OPEB Expense, immediate recognition of plan changes in OPEB expense, two year valuation requirement for plans with 100 or more participants and additional sensitivity measurements regarding discount rate and trend rate sensitivity.

E. Sensitivity of the Total OPEB Liability

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.44 percent) or 1-percentage-point higher (4.44 percent) than the current discount rate:

1 Percent Decrease (2.44%)	Current (3.44%)	1 Percent Increase (4.44%)
\$ 641,886	\$ 706,556	\$ 777,996

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a Healthcare Cost Trend Rates that is 1-percentage point lower (9.00 percent decreasing to 4.00 percent) or 1-percentage-point higher (11.00 percent increasing to 6.00 percent) than the current discount rate:

1 Percent Decrease (9% Decreasing to 4%)	Healthcare Cost Trend Rates (10% Decreasing to 5%)	1 Percent Increase (11% Increasing to 6%)
\$ 615,015	\$ 706,556	\$ 815,510

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2018

Note 4: Postemployment Benefits Other Than Pensions (Continued)

F. OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended December 31, 2018, the City recognized OPEB expense of \$93,324. At December 31, 2018, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Actuarial Assumptions	\$ 20,550	\$ -

Deferred outflows of resources totaling \$20,550 related to pensions resulting from the City's contributions to OPEB subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:		
2019	\$	(2,176)
2020		(2,176)
2021		(2,176)
2022		(2,176)
2023		(2,176)
Thereafter		(9,670)

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 the Coordinated Plan. Coordinated Plan members are covered by Social Security.

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. 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 Plan members. Members hired prior to July 1, 1989 receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2 percent of average salary for each of the first 10 years of service and 1.7 percent of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent for average salary for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989 normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. If the General Employees Plan is at least 90 percent funded for two consecutive years, benefit recipients are given a 2.5 percent increase. If the plan has not exceeded 90 percent funded, or have fallen below 80 percent, benefit recipients are given a one percent increase. A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30 will receive a full increase. Members receiving benefits for at least one month but less than 12 full months as of June 30 will receive a pro rata increase.

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 3.0 percent of average salary for each year of service. A full, unreduced pension is earned when members are age 55 and vested, or for members who were first hired prior to July 1, 1989, when age plus years of service equal at least 90.

Benefit increases are provided to benefit recipients each January. Police and Fire Plan benefit recipients receive a future annual 1.0 percent increase. An annual adjustment will equal 2.5 percent any time the plan exceeds a 90 percent funded ratio for two consecutive years. If the adjustment is increased to 2.5 percent and the funded ratio falls below 80 percent for one year or 85 percent for two consecutive years, the post-retirement benefit increase will be lowered to one percent. A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30 will receive a full increase. Members receiving benefits for at least one month but less than 12 full months as of June 30 will receive a pro rata increase. For retirements after May 31, 2014, the first increase will be delayed two years.

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

Plan members were required to contribute 6.50 percent of their annual covered salary and the City was required to contribute 7.50 percent of pay for Coordinated Plan members in fiscal year 2018. The City's contributions to the GERF for the years ending December 31, 2018, 2017 and 2016 were \$224,446, \$203,322 and \$186,766, respectively. The City's contributions were equal to the required contributions for each year as set by Minnesota statute.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2018

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 2018. The City was required to contribute 16.20 percent of pay for PEPFF members in calendar year 2018. The City's contributions to the PEPFF for the years ending December 31, 2018, 2017 and 2016 were \$254,917, \$232,658 and \$216,085, respectively. The City's contributions were equal to the required contributions for each year as set by Minnesota statute.

D. Pension Costs

GERF Pension Costs

At December 31, 2018, the City reported a liability of \$2,368,821 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 \$16 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 \$77,700. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2017 through June 30, 2018 relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2018, the City's proportionate share was 0.0427 percent, which was an increase of 0.0019 percent from its proportion measured as of June 30, 2017.

City's Proportionate Share of the Net Pension Liability	\$ 2,368,821
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City	<u>77,700</u>
Total	<u><u>\$ 2,446,521</u></u>

For the year ended December 31, 2018, the City recognized pension expense of \$194,320 for its proportionate share of GERF's pension expense. In addition, the City recognized an additional \$18,120 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the GERF.

At December 31, 2018, 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	\$ 62,913	\$ 85,105
Changes in Actuarial Assumptions	231,092	266,163
Net Difference Between Projected and Actual Earnings on Plan Investments	-	237,419
Changes in Proportion	179,623	-
Contributions to GERF Subsequent to the Measurement Date	<u>112,875</u>	<u>-</u>
Total	<u><u>\$ 586,503</u></u>	<u><u>\$ 588,687</u></u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2018

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

Deferred outflows of resources totaling \$112,875 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, 2019. Other amounts reported as deferred outflows and inflows of resources related to GERF pensions will be recognized in pension expense as follows:

2019	\$ 145,000
2020	(57,529)
2021	(153,090)
2022	(49,440)

PEPFF Pension Costs

At December 31, 2018, the City reported a liability of \$1,553,012 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2017 through June 30, 2018 relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2018, the City's proportionate share was 0.1457 percent which was an increase of 0.0127 percent from its proportion measured as of June 30, 2017.

For the year ended December 31, 2018, the City recognized pension expense of \$68,201 for its proportionate share of PEPFF's pension expense. The City also recognized \$13,113 for the year ended December 31, 2018, 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, 2018, 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Economic Experience	\$ 63,055	\$ 409,774
Changes in Actuarial Assumptions	2,023,374	2,286,235
Net Difference Between Projected And Actual Earnings on Plan Investments	-	304,272
Changes in Proportion	200,836	51,299
Contributions to PEPFF Subsequent to the Measurement Date	<u>126,801</u>	
Total	<u>\$ 2,414,066</u>	<u>\$ 3,051,580</u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2018

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

Deferred outflows of resources totaling \$126,801 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, 2019. Other amounts reported as deferred outflows and inflows of resources related to PEPFF pensions will be recognized in pension expense as follows:

2019	\$	49,959
2020		(91,223)
2021		(195,889)
2022		(560,915)
Thereafter		33,753

E. Actuarial Assumptions

The total pension liability in the June 30, 2018 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 after retirement for retirees are assumed to be 1.25 percent per year for GERF and 1.0 percent per year for PEPFF.

Actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies. The most recent six-year experience study in the GERF plan was completed in 2015. The most recent four-year experience study for PEPFF was completed in 2016. Economic assumptions were updated in 2017 based on a review of inflation and investment return assumptions.

The following changes in actuarial assumptions occurred in 2018:

GERF

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.0 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

PEPFF

- The mortality projection scale was changed from MP-2016 to MP-2017.
- As set by statute, the assumed post-retirement benefit increase was changed from 1.0 percent per year through 2064 and 2.5 percent per year, thereafter, to 1.0 percent for all years, with no trigger.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2018

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Stocks	36.00 %	5.10 %
International Stocks	17.00	5.30
Bonds (Fixed Income)	20.00	0.75
Alternative Assets (Private Markets)	25.00	5.90
Cash	<u>2.00</u>	-
Total	<u>100.00 %</u>	

F. Discount Rate

The discount rate used to measure the total pension liability in 2018 was 7.50 percent. 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 were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. Pension Liability Sensitivity

The following presents the City's proportionate share of the net pension liability 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:

	<u>1 Percent Decrease (6.50%)</u>	<u>Current (7.50%)</u>	<u>1 Percent Increase (8.50%)</u>
GERF	\$ 3,849,637	\$ 2,368,823	\$ 1,146,449
PEPFF	3,329,755	1,553,010	83,719

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, 2017, the plan covered 40 active firefighters and 44 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.

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 \$110,405 in fire state aid to the plan on behalf of the City Fire Department for the year ended December 31, 2017, 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.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2018

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

D. Pension Costs

At December 31, 2018, the City reported a net pension asset of \$268,834 for the Volunteer Firefighter Fund. The net pension asset was measured as of December 31, 2017. 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. 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, 2017	\$ 1,177,709	\$ 1,273,783	\$ (96,074)
Changes for the Year			
Service cost	59,119	-	59,119
Interest on pension liability (asset)	67,330	-	67,330
Changes of assumptions	14,712	-	14,712
Change of benefit terms	26,419	-	26,419
Actuarial experience (gains)/losses	(44,469)	-	(44,469)
Contributions (state and local)	-	126,937	(126,937)
Net investment income	-	171,584	(171,584)
Benefit payments	(229,326)	(229,326)	-
Administrative expenses	-	(2,650)	2,650
Total Net Changes	(106,215)	66,545	(172,760)
Ending Balance December 31, 2017	<u>\$ 1,071,494</u>	<u>\$ 1,340,328</u>	<u>\$ (268,834)</u>

For the year ended December 31, 2018, the City recognized pension expense of \$47,138.

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources, and contributions subsequent to the measurement date, to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ -	\$ 39,795
Changes in Actuarial Assumptions	52,659	6,697
Net Difference between Projected and Actual Earnings on Plan Investments	-	44,065
Contributions to Plan Subsequent to the Measurement Date	114,406	-
Total	<u>\$ 167,065</u>	<u>\$ 90,557</u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2018

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

Deferred outflows of resources totaling \$110,405 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, 2019.

2019	\$	1,468
2020		1,467
2021		(23,290)
2022		(18,994)
2023		1,179
Thereafter		272

E. Actuarial Assumptions

The total pension liability at December 31, 2017 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 2018.

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.

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

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.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2018

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

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:

	1 Percent Decrease (4.50%)	Current (5.50%)	1 Percent Increase (6.50%)
Defined Benefit Plan	\$ (232,075)	\$ (268,834)	\$ (304,753)

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.

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 \$54,513,748 . The City is under the debt limit as of December 31, 2018.

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.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2018

Note 8: Change in Accounting Principle

During fiscal year 2018, the City implemented a new accounting pronouncement issued by the Government Accounting Standards Board (GASB), Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. These standards required a retroactive implementation which resulted in the restatement of beginning balances in the December 31, 2018 financial statements. Changes related to these standards are reflected in the financial statements and schedules and related disclosures are included in Note 1.

As a result of the restatement of beginning balances, the following schedule reconciles the previously reported December 31, 2017 balances to the December 31, 2018 financial statements:

Fund	Net Position January 1, 2018 as Previously Reported	Prior Period Restatement (1)	Net Position January 1, 2018 as Restated
Governmental Activities	\$ 69,338,283	\$ (54,293)	\$ 69,392,576
Business-type Activities	\$ 49,967,594	\$ (23,200)	\$ 49,990,794
Business-type Activities			
Water	\$ 18,319,636	\$ 2,169	\$ 18,317,467
Sewer	21,597,449	1,959	21,595,490
Storm Sewer	7,799,548	4,116	7,795,432
Municipal Liquor	2,250,961	(31,444)	2,282,405
Total Business-type Activities	\$ 49,967,594	\$ (23,200)	\$ 49,990,794

(1) To record beginning other postemployment benefits, deferred inflows of resources and deferred outflow of resources a December 31, 2017.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ROGERS
ROGERS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2018

City of Rogers, Minnesota
 Required Supplementary Information
 For the Year Ended December 31, 2018

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+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/18	0.0427 %	\$ 2,368,821	\$ 77,700	\$ 2,637,402	\$ 2,857,192	92.3 %	79.5 %
06/30/17	0.0408	2,604,645	32,757	2,637,402	2,595,565	101.6	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	78.2

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)
12/31/18	\$ 224,446	\$ 224,446	\$ -	\$ 2,992,617	7.5 %
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, 2018

Notes to the Required Supplementary Information - General Employees Retirement Fund

Changes in Actuarial Assumptions

2018 - The mortality projection scale was changed from MP-2015 to MP-2017. The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

2017 - 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

2017 - The State's special funding contribution increased from \$6 million to \$16 million.

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, 2018

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+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/18	0.1457 %	\$ 1,553,012	\$ -	\$ 1,553,012	\$ 1,535,650	101.1 %	88.8 %
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)
12/31/18	\$ 254,917	\$ 254,917	\$ -	\$ 1,573,560	16.2 %
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, 2018

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

Changes in Actuarial Assumptions

2018 - The mortality projection scale was changed from MP-2016 to MP-2017. As set by statute, the assumed post-retirement benefit increase was changed from 1.0 percent per year through 2064 and 2.5 percent per year, thereafter, to 1.0 percent for all years, with no trigger.

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, 2018

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

	2018 (Fire Relief Report Date 2017)	2017 (Fire Relief Report Date 2016)	2016 (Fire Relief Report Date 2015)	2015 (Fire Relief Report Date 2014)
Total Pension Liability				
Service cost	\$ 59,119	\$ 59,501	\$ 52,737	\$ 51,326
Interest on pension liability (asset)	67,330	64,536	64,094	61,294
Differences between expected and actual experience	(44,469)	-	-	-
Changes of assumptions	14,712	(8,841)	55,634	-
Change of benefit terms	26,419	42,381	-	-
Benefit payments	<u>(229,326)</u>	<u>(85,477)</u>	<u>(79,255)</u>	<u>(59,219)</u>
Net Change in Total Pension Liability	<u>(106,215)</u>	<u>72,100</u>	<u>93,210</u>	<u>53,401</u>
Total Pension Liability - January 1	<u>1,177,709</u>	<u>1,105,609</u>	<u>1,012,399</u>	<u>958,998</u>
Total Pension Liability - December 31	<u><u>\$ 1,071,494</u></u>	<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	\$ 126,937	\$ 106,896	\$ 101,996	\$ 103,985
Projected investment return	171,584	91,540	(48,600)	36,762
Benefit payments	(229,326)	(85,477)	(79,255)	(59,219)
Administrative expense	<u>(2,650)</u>	<u>(2,464)</u>	<u>(2,250)</u>	<u>(2,200)</u>
Net Change in Plan Fiduciary Net Position	<u>66,545</u>	<u>110,495</u>	<u>(28,109)</u>	<u>79,328</u>
Plan Fiduciary Net Position - January 1	<u>1,273,783</u>	<u>1,163,288</u>	<u>1,191,397</u>	<u>1,112,069</u>
Plan Fiduciary Net Position - December 31	<u><u>\$ 1,340,328</u></u>	<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>\$ (268,834)</u></u>	<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)	125.09%	108.16%	105.22%	117.68%
Covered-employee Payroll	N/A	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	N/A

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

Schedule of Employer's Fire Relief Association's Contributions

Year Ending	Actuarial Determined Contribution (a)	Actual Contributions Paid (b)	Contribution Deficiency (Excess) (a-b)
12/31/18	\$ 110,405	\$ 110,405	\$ -
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.

City of Rogers, Minnesota
 Required Supplementary Information (Continued)
 For the Year Ended December 31, 2018

Schedule of Changes in the City's Total OPEB Liability and Related Ratios

	2018
Total OPEB Liability	
Service cost	\$ 76,579
Interest	25,099
Changes in assumptions	12,195
Net Change in Total OPEB Liability	113,873
Total OPEB Liability - Beginning	592,683
Total OPEB Liability - Ending	\$ 706,556
Covered - employee payroll	\$ 4,200,000
City's total OPEB liability as a percentage of covered employee payroll	16.82 %

Benefit Changes:

In 2017, the following benefit changes occurred:

Principals with 20 or more years of service at retirement no longer have post-retirement benefit increases. The district contribution is frozen at the time of retirement.

The annual district contribution for the Payroll/HR/Finance Officer increased from \$2,400 to the full single premium plus VEBA contribution.

A subsidy was added for the Administrative Assistant/Student Management System Coordinator that is the same as the Payroll/HR/Finance Officer.

Changes in Assumptions:

In 2017, the following assumptions changes:

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

The mortality table was updated from RP 2000 projected to 2014 with Scale BB to the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale.

The withdrawal table for all employees and retirement table for only employees eligible to retire with Rule of 90 also were updated.

The discount rate was changed from 5.50% to 3.40%.

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

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COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

CITY OF ROGERS
ROGERS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2018

City of Rogers, Minnesota
 Nonmajor Governmental Funds
 Combining Balance Sheet
 December 31, 2018

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
Assets			
Cash and temporary investments	\$ 1,407,682	\$ 6,455,359	\$ 7,863,041
Receivables			
Accounts	-	298,719	298,719
Accrued interest	18	-	18
Loans	242,834	-	242,834
Due from other governments	-	20,000	20,000
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 1,650,534</u>	<u>\$ 6,774,078</u>	<u>\$ 8,424,612</u>
Liabilities			
Accounts payable	\$ 43,508	\$ 191,508	\$ 235,016
Escrows payable	23,715	58,732	82,447
Due to other governments	-	2,728	2,728
Advances from other funds	-	560,700	560,700
Unearned revenue	6,925	3,500	10,425
Total Liabilities	<u>74,148</u>	<u>817,168</u>	<u>891,316</u>
Fund Balances			
Restricted	505,835	3,401,326	3,907,161
Committed	1,070,551	2,139,951	3,210,502
Assigned	-	415,633	415,633
Total Fund Balances	<u>1,576,386</u>	<u>5,956,910</u>	<u>7,533,296</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 1,650,534</u>	<u>\$ 6,774,078</u>	<u>\$ 8,424,612</u>

City of Rogers, Minnesota
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures And
 Changes in Fund Balances
 For the Year Ended December 31, 2018

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
Revenues			
Taxes			
Property taxes	\$ 91,000	\$ 616,747	\$ 707,747
Tax increments	-	437,621	437,621
Franchise taxes	-	1,107,478	1,107,478
Intergovernmental	30,211	588,982	619,193
Charges for services	374,883	1,415,287	1,790,170
Fines and forfeitures	15,681	-	15,681
Interest on investments	23,171	63,644	86,815
Miscellaneous	12,046	138,333	150,379
Total Revenues	<u>546,992</u>	<u>4,368,092</u>	<u>4,915,084</u>
Expenditures			
Current			
General government	2,427	-	2,427
Public safety	13,152	-	13,152
Economic development	136,092	-	136,092
Capital outlay			
General government	-	65,263	65,263
Public safety	-	690,015	690,015
Public works	-	1,177,809	1,177,809
Culture and recreation	-	189,350	189,350
Economic development	-	130,502	130,502
Housing	-	224,955	224,955
Debt service			
Interest and other	-	4,749	4,749
Total Expenditures	<u>151,671</u>	<u>2,482,643</u>	<u>2,634,314</u>
Excess of Revenues Over Expenditures	<u>395,321</u>	<u>1,885,449</u>	<u>2,280,770</u>
Other Financing Sources (Uses)			
Transfers in	-	102,682	102,682
Sale of capital assets	-	12,875	12,875
Transfers out	-	(260,858)	(260,858)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(145,301)</u>	<u>(145,301)</u>
Net Change in Fund Balances	395,321	1,740,148	2,135,469
Fund Balances, January 1	<u>1,181,065</u>	<u>4,216,762</u>	<u>5,397,827</u>
Fund Balances, December 31	<u>\$ 1,576,386</u>	<u>\$ 5,956,910</u>	<u>\$ 7,533,296</u>

City of Rogers, Minnesota
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 December 31, 2018

	201	200	202	203	
	Tower & Billboard Leases	Revolving Loan	Police Forfeitures	Economic Development	Total
Assets					
Cash and temporary investments	\$ 1,101,191	\$ 177,988	\$ 4,321	\$ 124,182	\$ 1,407,682
Receivables					
Accrued interest	-	18	-	-	18
Loans	-	242,834	-	-	242,834
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 1,101,191</u>	<u>\$ 420,840</u>	<u>\$ 4,321</u>	<u>\$ 124,182</u>	<u>\$ 1,650,534</u>
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ 43,508	\$ 43,508
Escrows payable	23,715	-	-	-	23,715
Unearned revenue	6,925	-	-	-	6,925
Total Liabilities	<u>30,640</u>	<u>-</u>	<u>-</u>	<u>43,508</u>	<u>74,148</u>
Fund Balances					
Restricted	-	420,840	4,321	80,674	505,835
Committed	1,070,551	-	-	-	1,070,551
Total Fund Balances	<u>1,070,551</u>	<u>420,840</u>	<u>4,321</u>	<u>80,674</u>	<u>1,576,386</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 1,101,191</u>	<u>\$ 420,840</u>	<u>\$ 4,321</u>	<u>\$ 124,182</u>	<u>\$ 1,650,534</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, 2018

	201	200	202	203	
	Tower & Billboard Leases	Revolving Loan	Police Forfeitures	Economic Development	Totals
Revenues					
Taxes					
Property taxes	\$ -	\$ -	\$ -	\$ 91,000	\$ 91,000
Intergovernmental	-	30,211	-	-	30,211
Charges for services					
Tower lease	256,883	-	-	-	256,883
Billboard lease	113,000	-	-	-	113,000
Other	-	-	-	5,000	5,000
Fines and forfeitures	-	-	15,681	-	15,681
Interest on investments	13,203	8,523	43	1,402	23,171
Miscellaneous	-	-	-	12,046	12,046
Total Revenues	<u>383,086</u>	<u>38,734</u>	<u>15,724</u>	<u>109,448</u>	<u>546,992</u>
Expenditures					
Current					
General government	2,427	-	-	-	2,427
Public safety	-	-	13,152	-	13,152
Economic development	-	43,270	-	92,822	136,092
Total Expenditures	<u>2,427</u>	<u>43,270</u>	<u>13,152</u>	<u>92,822</u>	<u>151,671</u>
Net Change in Fund Balances	380,659	(4,536)	2,572	16,626	395,321
Fund Balances, January 1	<u>689,892</u>	<u>425,376</u>	<u>1,749</u>	<u>64,048</u>	<u>1,181,065</u>
Fund Balances, December 31	<u>\$ 1,070,551</u>	<u>\$ 420,840</u>	<u>\$ 4,321</u>	<u>\$ 80,674</u>	<u>\$ 1,576,386</u>

City of Rogers, Minnesota
 Nonmajor Capital Projects Funds
 Combining Balance Sheet
 December 31, 2018

	400	401	403	404
	Capital Improvement Projects	Pavement Management	Fire Department Capital Outlay	Park Dedication
Assets				
Cash and temporary investments	\$ 1,616,373	\$ 381,982	\$ 259,384	\$ 2,041,808
Receivables				
Accounts	2,550	282,169	9,000	5,000
Due from other governments	-	-	-	-
Total Assets	<u>\$ 1,618,923</u>	<u>\$ 664,151</u>	<u>\$ 268,384</u>	<u>\$ 2,046,808</u>
Liabilities				
Accounts payable	\$ 32,999	\$ 35,628	\$ -	\$ 5,959
Escrows payable	-	-	-	-
Due to other governments	-	-	-	-
Advances from other funds	560,700	-	-	-
Unearned revenue	-	-	-	3,500
Total Liabilities	<u>593,699</u>	<u>35,628</u>	<u>-</u>	<u>9,459</u>
Fund Balances				
Restricted	10,000	-	-	1,433,099
Committed	753,841	628,523	268,384	450,000
Assigned	261,383	-	-	154,250
Total Fund Balances	<u>1,025,224</u>	<u>628,523</u>	<u>268,384</u>	<u>2,037,349</u>
Total Liabilities and Fund Balances	<u>\$ 1,618,923</u>	<u>\$ 664,151</u>	<u>\$ 268,384</u>	<u>\$ 2,046,808</u>

427

428

450 - 462

Trail Dedication	Lions Park	TIF	Total
\$ 474,944	\$ 395,886	\$ 1,284,982	\$ 6,455,359
-	-	-	298,719
20,000	-	-	20,000
<u>\$ 494,944</u>	<u>\$ 395,886</u>	<u>\$ 1,284,982</u>	<u>\$ 6,774,078</u>
\$ 1,049	\$ -	\$ 115,873	\$ 191,508
-	-	58,732	58,732
-	-	2,728	2,728
-	-	-	560,700
-	-	-	3,500
<u>1,049</u>	<u>-</u>	<u>177,333</u>	<u>817,168</u>
493,895	356,683	1,107,649	3,401,326
-	39,203	-	2,139,951
-	-	-	415,633
<u>493,895</u>	<u>395,886</u>	<u>1,107,649</u>	<u>5,956,910</u>
<u>\$ 494,944</u>	<u>\$ 395,886</u>	<u>\$ 1,284,982</u>	<u>\$ 6,774,078</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, 2018

	400	401	403	404
	Capital Improvement Projects	Pavement Management	Fire Department Capital Outlay	Park Dedication
Revenues				
Taxes				
Property taxes	\$ 416,747	\$ -	\$ -	\$ 75,000
Tax increments	-	-	-	-
Franchise taxes	-	1,107,478	-	-
Intergovernmental	568,982	-	-	-
Charges for services	-	-	-	1,275,000
Interest on investments	12,751	7,676	3,206	14,864
Miscellaneous				
Contributions and donations	-	-	66,000	5,000
Refunds and reimbursements	2,550	20,834	-	-
Total Revenues	1,001,030	1,135,988	69,206	1,369,864
Expenditures				
Capital outlay				
General government	65,263	-	-	-
Public safety	632,207	-	57,808	-
Public works	50,255	1,127,554	-	-
Culture and recreation	21,180	-	-	100,047
Economic development	-	-	-	-
Housing	-	-	-	-
Debt service				
Interest and other	4,749	-	-	-
Total Expenditures	773,654	1,127,554	57,808	100,047
Excess of Revenues Over Expenditures	227,376	8,434	11,398	1,269,817
Other Financing Sources (Uses)				
Transfers in	46,259	27,700	12,541	-
Sale of capital assets	12,875	-	-	-
Transfers out	(132,553)	-	-	-
Total Other Financing Sources (Uses)	(73,419)	27,700	12,541	-
Net Change in Fund Balances	153,957	36,134	23,939	1,269,817
Fund Balances, January 1	871,267	592,389	244,445	767,532
Fund Balances, December 31	\$ 1,025,224	\$ 628,523	\$ 268,384	\$ 2,037,349

427	428	450 - 462	
Trail Dedication	Lions Park	TIF	Total
\$ 125,000	\$ -	\$ -	\$ 616,747
-	-	437,621	437,621
-	-	-	1,107,478
20,000	-	-	588,982
140,287	-	-	1,415,287
4,435	5,195	15,517	63,644
-	14,000	-	85,000
-	-	29,949	53,333
<u>289,722</u>	<u>19,195</u>	<u>483,087</u>	<u>4,368,092</u>
-	-	-	65,263
-	-	-	690,015
-	-	-	1,177,809
68,123	-	-	189,350
-	-	130,502	130,502
-	-	224,955	224,955
-	-	-	4,749
<u>68,123</u>	<u>-</u>	<u>355,457</u>	<u>2,482,643</u>
<u>221,599</u>	<u>19,195</u>	<u>127,630</u>	<u>1,885,449</u>
-	-	16,182	102,682
-	-	-	12,875
-	-	(128,305)	(260,858)
-	-	(112,123)	(145,301)
221,599	19,195	15,507	1,740,148
<u>272,296</u>	<u>376,691</u>	<u>1,092,142</u>	<u>4,216,762</u>
<u>\$ 493,895</u>	<u>\$ 395,886</u>	<u>\$ 1,107,649</u>	<u>\$ 5,956,910</u>

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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, 2018
(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	2018			Variance With Final Budget	2017
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Revenues					
Taxes					
Property taxes	\$ 5,631,947	\$ 5,631,947	\$ 5,620,157	\$ (11,790)	\$ 5,422,092
Cable franchise fee	134,000	134,000	129,868	(4,132)	139,412
Total taxes	<u>5,765,947</u>	<u>5,765,947</u>	<u>5,750,025</u>	<u>(15,922)</u>	<u>5,561,504</u>
Licenses and permits					
Business	73,100	73,100	70,675	(2,425)	60,423
Nonbusiness	563,037	563,037	1,034,019	470,982	694,412
Total licenses and permits	<u>636,137</u>	<u>636,137</u>	<u>1,104,694</u>	<u>468,557</u>	<u>754,835</u>
Intergovernmental					
Federal					
Other	-	-	7,727	7,727	-
State					
Property tax credits	-	-	7,626	7,626	8,227
PERA aid	2,223	2,223	2,223	-	2,223
Street maintenance aid	197,416	197,416	201,038	3,622	178,953
Fire aid	106,937	106,937	114,405	7,468	107,937
Police aid	151,151	151,151	156,602	5,451	151,151
Other	25,000	25,000	24,094	(906)	18,789
County					
Recycling grant	29,984	29,984	29,069	(915)	31,254
Other	31,000	31,000	52,793	21,793	36,866
Total intergovernmental	<u>543,711</u>	<u>543,711</u>	<u>595,577</u>	<u>51,866</u>	<u>535,400</u>
Charges for services					
General government	112,680	112,680	342,910	230,230	201,195
Public safety	222,070	222,070	242,492	20,422	215,698
Public works	136,000	136,000	144,104	8,104	138,979
Culture and recreation	140,517	140,517	139,370	(1,147)	138,800
Total charges for services	<u>611,267</u>	<u>611,267</u>	<u>868,876</u>	<u>257,609</u>	<u>694,672</u>
Fines and forfeitures	<u>108,400</u>	<u>108,400</u>	<u>110,875</u>	<u>2,475</u>	<u>113,139</u>
Interest on investments	<u>40,000</u>	<u>40,000</u>	<u>77,717</u>	<u>37,717</u>	<u>61,062</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, 2018
(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	2018				2017
	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Actual Amounts
	Original	Final			
Revenues (Continued)					
Miscellaneous					
Contributions and donations	\$ 2,250	\$ 2,250	\$ 11,633	\$ 9,383	\$ 21,162
Refunds and reimbursements	128,662	128,662	318,612	189,950	232,873
Other	10,850	10,850	13,869	3,019	12,504
Total miscellaneous	<u>141,762</u>	<u>141,762</u>	<u>344,114</u>	<u>202,352</u>	<u>266,539</u>
 Total Revenues	 <u>7,847,224</u>	 <u>7,847,224</u>	 <u>8,851,878</u>	 <u>1,004,654</u>	 <u>7,987,151</u>
Expenditures					
Current					
General government					
Mayor and city council					
Personal services	20,099	20,099	20,070	29	20,064
Supplies	350	350	358	(8)	136
Other services and charges	9,630	9,630	12,576	(2,946)	11,067
Total mayor and city council	<u>30,079</u>	<u>30,079</u>	<u>33,004</u>	<u>(2,925)</u>	<u>31,267</u>
Other administration					
Personal services	385,989	385,989	444,820	(58,831)	368,924
Supplies	5,400	5,400	11,412	(6,012)	8,436
Other services and charges	204,751	204,751	206,181	(1,430)	197,806
Total other administration	<u>596,140</u>	<u>596,140</u>	<u>662,413</u>	<u>(66,273)</u>	<u>575,166</u>
Information systems					
Personal services	171,058	171,058	169,731	1,327	159,759
Supplies	2,900	2,900	2,356	544	5,554
Other services and charges	66,898	66,898	68,245	(1,347)	52,304
Total information systems	<u>240,856</u>	<u>240,856</u>	<u>240,332</u>	<u>524</u>	<u>217,617</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, 2018
(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	2018				2017
	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
General government (continued)					
Elections					
Personal services	\$ 9,554	\$ 9,554	\$ 14,103	\$ (4,549)	\$ -
Supplies	2,400	2,400	5,423	(3,023)	2,338
Other services and charges	3,375	3,375	3,122	253	1,576
Total elections	<u>15,329</u>	<u>15,329</u>	<u>22,648</u>	<u>(7,319)</u>	<u>3,914</u>
Finance					
Personal services	228,492	228,492	235,630	(7,138)	209,566
Supplies	1,850	1,850	3,642	(1,792)	3,246
Other services and charges	29,460	29,460	31,356	(1,896)	43,476
Total finance	<u>259,802</u>	<u>259,802</u>	<u>270,628</u>	<u>(10,826)</u>	<u>256,288</u>
Assessing					
Other services and charges	145,000	145,000	145,000	-	135,000
Planning and zoning					
Personal services	157,630	157,630	194,015	(36,385)	124,710
Supplies	125	125	1,894	(1,769)	648
Other services and charges	32,725	32,725	44,729	(12,004)	37,702
Total planning and zoning	<u>190,480</u>	<u>190,480</u>	<u>240,638</u>	<u>(50,158)</u>	<u>163,060</u>
General government buildings					
Personal services	67,055	67,055	25,790	41,265	23,204
Supplies	4,750	4,750	1,316	3,434	721
Other services and charges	34,372	34,372	36,894	(2,522)	42,717
Total general government buildings	<u>106,177</u>	<u>106,177</u>	<u>64,000</u>	<u>42,177</u>	<u>66,642</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, 2018
(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	2018				2017
	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
General government (continued)					
Community room					
Personal services	\$ 37,199	\$ 37,199	\$ 47,328	\$ (10,129)	\$ 44,471
Supplies	5,100	5,100	3,409	1,691	5,044
Other services and charges	27,700	27,700	27,451	249	29,307
Total community room	<u>69,999</u>	<u>69,999</u>	<u>78,188</u>	<u>(8,189)</u>	<u>78,822</u>
General engineering					
Personal services	196,814	196,814	184,472	12,342	115,580
Supplies	4,250	4,250	2,733	1,517	3,886
Other services and charges	32,875	32,875	141,004	(108,129)	178,336
Total general engineering	<u>233,939</u>	<u>233,939</u>	<u>328,209</u>	<u>(94,270)</u>	<u>297,802</u>
Total general government	<u>1,887,801</u>	<u>1,887,801</u>	<u>2,085,060</u>	<u>(197,259)</u>	<u>1,825,578</u>
Public safety					
Police protection and administration					
Personal services	2,468,136	2,468,136	2,423,494	44,642	2,209,557
Supplies	151,000	151,000	173,708	(22,708)	155,910
Other services and charges	354,719	354,719	440,468	(85,749)	377,322
Total police protection and administration	<u>2,973,855</u>	<u>2,973,855</u>	<u>3,037,670</u>	<u>(63,815)</u>	<u>2,742,789</u>
Police reserves					
Personal services	-	-	(43)	43	(47)
Supplies	5,400	5,400	2,368	3,032	1,477
Other services and charges	3,000	3,000	2,437	563	2,832
Total police reserves	<u>8,400</u>	<u>8,400</u>	<u>4,762</u>	<u>3,638</u>	<u>4,262</u>
Fire fighting and administration					
Personal services	370,868	370,868	351,289	19,579	325,670
Supplies	113,600	113,600	112,439	1,161	117,629
Other services and charges	162,041	173,941	154,371	19,570	120,442
Total fire fighting and administration	<u>646,509</u>	<u>658,409</u>	<u>618,099</u>	<u>40,310</u>	<u>563,741</u>
Fire prevention					
Supplies	1,950	1,950	534	1,416	159
Other services and charges	1,500	1,500	946	554	985
Total fire prevention	<u>3,450</u>	<u>3,450</u>	<u>1,480</u>	<u>1,970</u>	<u>1,144</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, 2018
(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	2018			Variance With Final Budget	2017
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
Public safety (continued)					
Fire relief association					
Other services and charges	\$ 125,437	\$ 125,437	\$ 132,905	\$ (7,468)	\$ 127,437
Building inspection					
Other services and charges	166,256	166,256	317,931	(151,675)	197,950
Emergency management					
Supplies	8,700	8,700	7,820	880	6,104
Other services and charges	14,050	14,050	7,519	6,531	8,285
Total emergency management	22,750	22,750	15,339	7,411	14,389
Traffic signals					
Supplies	1,000	1,000	320	680	-
Other services and charges	19,000	19,000	11,904	7,096	20,070
Total traffic signals	20,000	20,000	12,224	7,776	20,070
Animal control					
Other services and charges	3,400	3,400	4,082	(682)	3,282
Total public safety	3,970,057	3,981,957	4,144,492	(162,535)	3,675,064
Public works					
General public works					
Personal services	478,748	478,748	478,727	21	431,709
Supplies	91,850	91,850	72,746	19,104	72,479
Other services and charges	81,572	81,572	98,040	(16,468)	86,697
Total general public works	652,170	652,170	649,513	2,657	590,885
Paved streets					
Personal services	7,007	7,007	302	6,705	-
Supplies	36,700	36,700	40,197	(3,497)	39,903
Other services and charges	154,659	154,659	129,477	25,182	59,503
Total paved streets	198,366	198,366	169,976	28,390	99,406
Unpaved streets					
Supplies	59,000	59,000	45,469	13,531	52,632
Other services and charges	55,000	55,000	53,350	1,650	70,795
Total unpaved streets	114,000	114,000	98,819	15,181	123,427
Sidewalks					
Supplies	-	-	53	(53)	509
Other services and charges	40,000	40,000	39,126	874	22,774
Total sidewalks	40,000	40,000	39,179	821	23,283

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, 2018
(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	2018				2017
	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	\$ 2,538	\$ 2,538	\$ 111	\$ 2,427	\$ 107
Supplies	92,750	92,750	84,573	8,177	34,737
Other services and charges	2,250	2,250	10,187	(7,937)	1,163
Total ice and snow removal	<u>97,538</u>	<u>97,538</u>	<u>94,871</u>	<u>2,667</u>	<u>36,007</u>
Street lighting					
Supplies	-	-	6,607	(6,607)	-
Other services and charges	83,000	83,000	82,934	66	92,763
Total street lighting	<u>83,000</u>	<u>83,000</u>	<u>89,541</u>	<u>(6,541)</u>	<u>92,763</u>
Recycling					
Personal services	23,229	23,229	23,437	(208)	21,999
Supplies	5,000	5,000	6,913	(1,913)	449
Other services and charges	131,300	131,300	135,293	(3,993)	131,334
Total recycling	<u>159,529</u>	<u>159,529</u>	<u>165,643</u>	<u>(6,114)</u>	<u>153,782</u>
Weed/tree/grass control					
Supplies	500	500	421	79	171
Other services and charges	31,500	31,500	23,093	8,407	29,981
Total weed/tree/grass control	<u>32,000</u>	<u>32,000</u>	<u>23,514</u>	<u>8,486</u>	<u>30,152</u>
Total public works	<u>1,376,603</u>	<u>1,376,603</u>	<u>1,331,056</u>	<u>45,547</u>	<u>1,149,705</u>
Culture and recreation					
Community recreation					
Personal services	98,142	98,142	96,242	1,900	93,058
Supplies	11,600	11,600	8,968	2,632	12,887
Other services and charges	101,052	101,052	97,624	3,428	97,557
Total community recreation	<u>210,794</u>	<u>210,794</u>	<u>202,834</u>	<u>7,960</u>	<u>203,502</u>
Culture and recreation - continued					
Rockin' Rogers Days					
Supplies	500	500	-	500	210
Other services and charges	8,000	8,000	7,872	128	9,444
Total Rockin' Rogers Days	<u>8,500</u>	<u>8,500</u>	<u>7,872</u>	<u>628</u>	<u>9,654</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, 2018
(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	2018				2017
	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
Senior recreation/transportation					
Personal services	\$ 32,927	\$ 32,927	\$ 32,983	\$ (56)	\$ 30,683
Supplies	6,250	6,250	3,184	3,066	1,755
Other services and charges	40,325	40,325	28,849	11,476	32,914
Total senior recreation/transportation	<u>79,502</u>	<u>79,502</u>	<u>65,016</u>	<u>14,486</u>	<u>65,352</u>
Parks					
Personal services	347,737	347,737	350,499	(2,762)	319,865
Supplies	87,900	87,900	86,522	1,378	94,317
Other services and charges	83,330	83,330	86,520	(3,190)	89,704
Total parks	<u>518,967</u>	<u>518,967</u>	<u>523,541</u>	<u>(4,574)</u>	<u>503,886</u>
Total culture and recreation	<u>817,763</u>	<u>817,763</u>	<u>799,263</u>	<u>18,500</u>	<u>782,394</u>
Total current	<u>8,052,224</u>	<u>8,064,124</u>	<u>8,359,871</u>	<u>(295,747)</u>	<u>7,432,741</u>
Capital outlay					
General government	-	-	181	(181)	-
Public safety	-	-	59,269	(59,269)	21,768
Public works	20,000	20,000	20,574	(574)	-
Culture and recreation	-	-	-	-	800
Total capital outlay	<u>20,000</u>	<u>20,000</u>	<u>80,024</u>	<u>(60,024)</u>	<u>22,568</u>
Total Expenditures	<u>8,072,224</u>	<u>8,084,124</u>	<u>8,439,895</u>	<u>(355,771)</u>	<u>7,455,309</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>(225,000)</u>	<u>(236,900)</u>	<u>411,983</u>	<u>648,883</u>	<u>531,842</u>
Other Financing Sources (Uses)					
Transfers in	225,000	225,000	229,845	4,845	204,845
Sale of capital assets	-	-	-	-	4,407
Transfers out	-	-	(442,050)	(442,050)	(113,662)
Total Other Financing Sources (Uses)	<u>225,000</u>	<u>225,000</u>	<u>(212,205)</u>	<u>(437,205)</u>	<u>95,590</u>
Net Change in Fund Balances	-	(11,900)	199,778	211,678	627,432
Fund Balances, January 1	<u>5,220,273</u>	<u>5,220,273</u>	<u>5,220,273</u>	<u>-</u>	<u>4,592,841</u>
Fund Balances, December 31	<u>\$ 5,220,273</u>	<u>\$ 5,208,373</u>	<u>\$ 5,420,051</u>	<u>\$ 211,678</u>	<u>\$ 5,220,273</u>

City of Rogers, Minnesota
Debt Service Funds
Combining Balance Sheet
December 31, 2018

	328	330	334	335
	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	\$ 230,172	\$ 29,944	\$ 500	\$ 162,597
Special assessments receivable	862,742	-	-	-
Prepaid items	-	113	-	225
Total Assets	<u>\$ 1,092,914</u>	<u>\$ 30,057</u>	<u>\$ 500</u>	<u>\$ 162,822</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ 500	\$ -
Deferred Inflows of Resources				
Unavailable revenue - special assessments	862,742	-	-	-
Fund Balances				
Nonspendable	-	113	-	225
Restricted	230,172	29,944	-	162,597
Total Fund Balances	<u>230,172</u>	<u>30,057</u>	<u>-</u>	<u>162,822</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,092,914</u>	<u>\$ 30,057</u>	<u>\$ 500</u>	<u>\$ 162,822</u>

336 General Obligation Tax Increment Refunding Bonds of 2011	340 2014A G.O. Bonds	341 2015A G.O. Improvement Bonds	362 General Obligation Tax Increment Bonds of 2003	Total
\$ -	\$ 66,733	\$ 77,879	\$ -	\$ 567,825
-	-	2,187,666	-	3,050,408
<u>225</u>	<u>455</u>	<u>112</u>	<u>-</u>	<u>1,130</u>
<u>\$ 225</u>	<u>\$ 67,188</u>	<u>\$ 2,265,657</u>	<u>\$ -</u>	<u>\$ 3,619,363</u>
\$ -	\$ -	\$ -	\$ -	\$ 500
-	-	2,187,666	-	3,050,408
225	455	112	-	1,130
-	66,733	77,879	-	567,325
<u>225</u>	<u>67,188</u>	<u>77,991</u>	<u>-</u>	<u>568,455</u>
<u>\$ 225</u>	<u>\$ 67,188</u>	<u>\$ 2,265,657</u>	<u>\$ -</u>	<u>\$ 3,619,363</u>

City of Rogers, Minnesota
Debt Service Funds
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended December 31, 2018

	328 General Obligation Improvement Refunding Bonds of 2008	330 Rogers Activity Center Tax Abatement Bonds of 2015	334 2011A Equipment Certificates	335 General Obligation Capital Improvement Plan Bonds of 2011
Revenues				
Property taxes	\$ -	\$ 213,636	\$ 68,303	\$ 338,792
Special assessments	23,140	-	-	-
Interest on investments	2,834	722	775	2,711
Total Revenues	<u>25,974</u>	<u>214,358</u>	<u>69,078</u>	<u>341,503</u>
Expenditures				
Debt service				
Principal	-	155,000	190,000	310,000
Interest and other	3	49,196	6,734	81,023
Total Expenditures	<u>3</u>	<u>204,196</u>	<u>196,734</u>	<u>391,023</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>25,971</u>	<u>10,162</u>	<u>(127,656)</u>	<u>(49,520)</u>
Other Financing Sources				
Transfers in	-	-	130,000	567,553
Transfers out	-	-	(46,259)	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>83,741</u>	<u>567,553</u>
Net Change in Fund Balances	25,971	10,162	(43,915)	518,033
Fund Balances, January 1	<u>204,201</u>	<u>19,895</u>	<u>43,915</u>	<u>(355,211)</u>
Fund Balances, December 31	<u>\$ 230,172</u>	<u>\$ 30,057</u>	<u>\$ -</u>	<u>\$ 162,822</u>

336 General Obligation Tax Increment Refunding Bonds of 2011	340 2014A G.O. Bonds	341 2015A G.O. Improvement Bonds	362 General Obligation Tax Increment Bonds of 2003	Total
\$ -	\$ 354,509	\$ -	\$ -	\$ 975,240
-	-	312,184	-	335,324
-	1,424	2,371	-	10,837
-	355,933	314,555	-	1,321,401
85,000	255,000	270,000	15,000	1,280,000
8,009	83,570	48,899	4,114	281,548
93,009	338,570	318,899	19,114	1,561,548
(93,009)	17,363	(4,344)	(19,114)	(240,147)
93,009	-	-	19,114	809,676
-	-	-	-	(46,259)
93,009	-	-	19,114	763,417
-	17,363	(4,344)	-	523,270
225	49,825	82,335	-	45,185
\$ 225	\$ 67,188	\$ 77,991	\$ -	\$ 568,455

City of Rogers, Minnesota
TIF Funds
Combining Balance Sheet
December 31, 2018

	450	458	459
	Tax Increment Financing District #1	Tax Increment Financing District #12	Tax Increment Financing District #13
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and temporary investments	<u>\$ 645,716</u>	<u>\$ 83,796</u>	<u>\$ 27,013</u>
Liabilities			
Accounts payable	\$ 2,333	\$ -	\$ -
Escrows payable	-	-	-
Due to other governments	-	1,364	1,364
Total Liabilities	<u>2,333</u>	<u>1,364</u>	<u>1,364</u>
Fund Balances			
Restricted	<u>643,383</u>	<u>82,432</u>	<u>25,649</u>
Total Liabilities and Fund Balance	<u>\$ 645,716</u>	<u>\$ 83,796</u>	<u>\$ 27,013</u>

460 Tax Increment Financing District #14	461 Tax Increment Financing District #15	462 Tax Increment Financing District #16	Total
<u>\$ 291,598</u>	<u>\$ 173,511</u>	<u>\$ 63,348</u>	<u>\$ 1,284,982</u>
\$ -	\$ 109,067	\$ 4,473	\$ 115,873
-	-	58,732	58,732
-	-	-	2,728
-	109,067	63,205	177,333
<u>291,598</u>	<u>64,444</u>	<u>143</u>	<u>1,107,649</u>
<u>\$ 291,598</u>	<u>\$ 173,511</u>	<u>\$ 63,348</u>	<u>\$ 1,284,982</u>

City of Rogers, Minnesota
TIF Funds
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended December 31, 2018

	450	458	459
	Tax Increment Financing District #1	Tax Increment Financing District #12	Tax Increment Financing District #13
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Tax increments	\$ -	\$ 28,994	\$ 62,113
Interest on investments	9,073	838	673
Miscellaneous	25	-	-
Total Revenues	<u>9,098</u>	<u>29,832</u>	<u>62,786</u>
Expenditures			
Capital outlay			
Economic development	49,481	-	51,097
Housing	-	1,364	-
Total Expenditures	<u>49,481</u>	<u>1,364</u>	<u>51,097</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(40,383)</u>	<u>28,468</u>	<u>11,689</u>
Other Financing Sources (Uses)			
Transfers in	-	16,182	-
Transfers out	-	(18,155)	(30,846)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,973)</u>	<u>(30,846)</u>
Net Change in Fund Balances	(40,383)	26,495	(19,157)
Fund Balances, January 1	<u>683,766</u>	<u>55,937</u>	<u>44,806</u>
Fund Balances, December 31	<u>\$ 643,383</u>	<u>\$ 82,432</u>	<u>\$ 25,649</u>

460 Tax Increment Financing District #14	461 Tax Increment Financing District #15	462 Tax Increment Financing District #16	Total
\$ 120,055	\$ 226,459	\$ -	\$ 437,621
3,488	1,302	143	15,517
-	-	29,924	29,949
<u>123,543</u>	<u>227,761</u>	<u>30,067</u>	<u>483,087</u>
-	-	29,924	130,502
1,367	222,224	-	224,955
<u>1,367</u>	<u>222,224</u>	<u>29,924</u>	<u>355,457</u>
<u>122,176</u>	<u>5,537</u>	<u>143</u>	<u>127,630</u>
-	-	-	16,182
<u>(62,163)</u>	<u>(17,141)</u>	<u>-</u>	<u>(128,305)</u>
<u>(62,163)</u>	<u>(17,141)</u>	<u>-</u>	<u>(112,123)</u>
60,013	(11,604)	143	15,507
<u>231,585</u>	<u>76,048</u>	<u>-</u>	<u>1,092,142</u>
<u>\$ 291,598</u>	<u>\$ 64,444</u>	<u>\$ 143</u>	<u>\$ 1,107,649</u>

City of Rogers, Minnesota
Street and Related Improvement Projects Funds
Combining Balance Sheet
December 31, 2018

	417 Reimer Addition (Town Center Development)	432 Rogers Drive Realignment	435 Boulder Pass/ Pulte Homes	436 Shaniahs Field (Shamrock)
Assets				
Cash and temporary investments	\$ -	\$ 841,863	\$ -	\$ -
Special assessments receivable	-	-	-	-
Due from other governments	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 841,863</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Escrows payable	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources				
Unavailable revenue - special assessments	-	-	-	-
Fund Balances				
Committed	-	841,863	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>-</u>	<u>841,863</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ -</u>	<u>\$ 841,863</u>	<u>\$ -</u>	<u>\$ -</u>

439	440	446	447	
Rogers Drive Lighting	Villas at Fletcher	CSAH 81/13	Lennar Laurel Creek	Total
\$ (15,778)	\$ 19,054	\$ (61,618)	\$ 287,529	\$ 1,071,050
26,611	-	-	-	26,611
-	-	103,392	-	103,392
<u>\$ 10,833</u>	<u>\$ 19,054</u>	<u>\$ 41,774</u>	<u>\$ 287,529</u>	<u>\$ 1,201,053</u>
\$ -	\$ -	\$ 48,658	\$ 3,962	\$ 52,620
-	19,054	-	406,399	425,453
-	-	77	-	77
-	19,054	48,735	410,361	478,150
26,611	-	-	-	26,611
-	-	-	-	841,863
(15,778)	-	(6,961)	(122,832)	(145,571)
(15,778)	-	(6,961)	(122,832)	696,292
<u>\$ 10,833</u>	<u>\$ 19,054</u>	<u>\$ 41,774</u>	<u>\$ 287,529</u>	<u>\$ 1,201,053</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, 2018

	417 Reimer Addition (Town Center Development)	432 Rogers Drive Realignment	435 Boulder Pass/ Pulte Homes	436 Shaniahs Field (Shamrock)
Revenues				
Special assessments	\$ -	\$ -	\$ -	\$ -
Interest (loss) on investments	1,883	11,418	192	160
Miscellaneous	250,134	-	-	-
Total Revenues	<u>252,017</u>	<u>11,418</u>	<u>192</u>	<u>160</u>
Expenditures				
Capital outlay				
Public works	-	-	192	160
	<u>-</u>	<u>-</u>	<u>192</u>	<u>160</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	252,017	11,418	-	-
Other Financing Sources (Uses)				
Transfers out	(138,810)	-	-	-
	<u>(138,810)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	113,207	11,418	-	-
Fund Balances, January 1	(113,207)	830,445	-	-
	<u>(113,207)</u>	<u>830,445</u>	<u>-</u>	<u>-</u>
Fund Balances, December 31	<u>\$ -</u>	<u>\$ 841,863</u>	<u>\$ -</u>	<u>\$ -</u>

439	440	446	447	
Rogers Drive Lighting	Villas at Fletcher	CSAH 81/13	Lennar Laurel Creek	Total
\$ 27,967	\$ -	\$ -	\$ -	\$ 27,967
(482)	260	(798)	4,708	17,341
<u>-</u>	<u>-</u>	<u>870,191</u>	<u>75,597</u>	<u>1,195,922</u>
27,485	260	869,393	80,305	1,241,230
<u>25</u>	<u>260</u>	<u>1,011,132</u>	<u>205,317</u>	<u>1,217,086</u>
27,460	-	(141,739)	(125,012)	24,144
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(138,810)</u>
27,460	-	(141,739)	(125,012)	(114,666)
<u>(43,238)</u>	<u>-</u>	<u>134,778</u>	<u>2,180</u>	<u>810,958</u>
<u>\$ (15,778)</u>	<u>\$ -</u>	<u>\$ (6,961)</u>	<u>\$ (122,832)</u>	<u>\$ 696,292</u>

City of Rogers, Minnesota
Enterprise Funds
Water Fund
Combining Schedule of Net Position
December 31, 2018

	<u>601</u>	<u>405</u>	<u>407</u>	
	Water	Water Trunk	WAC	Total
Assets				
Current Assets				
Cash and temporary investments	\$ 4,682,725	\$ 487,246	\$ 2,819,267	\$ 7,989,238
Accounts receivable	85,441	-	-	85,441
Due from other governments	15,023	-	-	15,023
Prepaid items	557	-	-	557
Total Current Assets	<u>4,783,746</u>	<u>487,246</u>	<u>2,819,267</u>	<u>8,090,259</u>
Noncurrent Assets				
Special assessments receivable	-	48,497	15,744	64,241
Capital assets				
Land	752,708	-	-	752,708
Buildings and improvements	3,991,348	-	-	3,991,348
Infrastructure	15,162,500	-	-	15,162,500
Machinery and equipment	216,730	-	-	216,730
Construction in progress	579,694	-	-	579,694
Less accumulated depreciation	<u>(8,499,973)</u>	<u>-</u>	<u>-</u>	<u>(8,499,973)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>12,203,007</u>	<u>-</u>	<u>-</u>	<u>12,203,007</u>
Total Noncurrent Assets	<u>12,203,007</u>	<u>48,497</u>	<u>15,744</u>	<u>12,267,248</u>
Total Assets	<u>16,986,753</u>	<u>535,743</u>	<u>2,835,011</u>	<u>20,357,507</u>
Deferred Outflows of Resources				
Deferred other postemployment benefits resources	1,850	-	-	1,850
Deferred pension resources	21,266	-	-	21,266
Total Deferred Outflows of Resources	<u>23,116</u>	<u>-</u>	<u>-</u>	<u>23,116</u>
Liabilities				
Current Liabilities				
Accounts payable	37,811	24,918	3,300	66,029
Accrued salaries payable	10,013	-	-	10,013
Due to other governments	214	-	-	214
Accrued interest payable	2,068	-	-	2,068
Compensated absences payable - current	16,339	-	-	16,339
Bonds payable - current portion	110,000	-	-	110,000
Total Current Liabilities	<u>176,445</u>	<u>24,918</u>	<u>3,300</u>	<u>204,663</u>

City of Rogers, Minnesota
Enterprise Funds
Water Fund
Combining Schedule Net Position (Continued)
December 31, 2018

	<u>601</u>	<u>405</u>	<u>407</u>	
	Water	Water Trunk	WAC	Total
Noncurrent Liabilities				
Severance obligations payable	\$ 11,417	\$ -	\$ -	\$ 11,417
Compensated absences payable	25,604	-	-	25,604
Other postemployment benefits payable	42,053	-	-	42,053
Bonds payable	965,000	-	-	965,000
Pension liability	85,891	-	-	85,891
Total Noncurrent Liabilities	<u>1,129,965</u>	<u>-</u>	<u>-</u>	<u>1,129,965</u>
 Total Liabilities	<u>1,306,410</u>	<u>24,918</u>	<u>3,300</u>	<u>1,334,628</u>
 Deferred Inflows of Resources				
Deferred pension resources	<u>21,345</u>	<u>-</u>	<u>-</u>	<u>21,345</u>
 Net Position				
Net investment in capital assets	11,128,007	-	-	11,128,007
Unrestricted	<u>4,554,107</u>	<u>510,825</u>	<u>2,831,711</u>	<u>7,896,643</u>
 Total Net Position	<u>\$ 15,682,114</u>	<u>\$ 510,825</u>	<u>\$ 2,831,711</u>	<u>\$ 19,024,650</u>

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City of Rogers, Minnesota
Enterprise Funds
Water Fund
Combining Schedule of Revenues, Expenses and
Changes in Net Position
For the Year Ended December 31, 2018

	<u>601</u>	<u>405</u>	<u>407</u>	
	Water	Water Trunk	WAC	Total
Operating Revenues				
Charges for services	\$ 1,092,617	\$ -	\$ -	\$ 1,092,617
Miscellaneous	4,490	-	-	4,490
Total Operating Revenues	<u>1,097,107</u>	<u>-</u>	<u>-</u>	<u>1,097,107</u>
Operating Expenses				
Personal services	327,566	-	-	327,566
Supplies	149,882	-	-	149,882
Other services and charges	446,715	21,887	95	468,697
Depreciation	530,372	-	-	530,372
Total Operating Expenses	<u>1,454,535</u>	<u>21,887</u>	<u>95</u>	<u>1,476,517</u>
Operating Loss	<u>(357,428)</u>	<u>(21,887)</u>	<u>(95)</u>	<u>(379,410)</u>
Nonoperating Revenues (Expenses)				
Interest on investments	54,957	6,844	29,465	91,266
Interest expense	(26,745)	-	-	(26,745)
Other income	657	-	-	657
Total Nonoperating Revenues (Expenses)	<u>28,869</u>	<u>6,844</u>	<u>29,465</u>	<u>65,178</u>
Income (Loss) Before Contributions and Transfers	(328,559)	(15,043)	29,370	(314,232)
Capital Contributions				
Connection fees and special assessments	-	367,569	728,846	1,096,415
Contributions from Other Funds	308,260	-	-	308,260
Contributions to Other Funds	-	(259,759)	(48,501)	(308,260)
Transfers In	131,920	-	-	131,920
Transfers Out	<u>(75,000)</u>	<u>-</u>	<u>(131,920)</u>	<u>(206,920)</u>
Change in Net Position	36,621	92,767	577,795	707,183
Net Position, January 1	<u>15,645,493</u>	<u>418,058</u>	<u>2,253,916</u>	<u>18,317,467</u>
Net Position, December 31	<u>\$ 15,682,114</u>	<u>\$ 510,825</u>	<u>\$ 2,831,711</u>	<u>\$ 19,024,650</u>

City of Rogers, Minnesota
Enterprise Funds
Sewer Fund
Combining Schedule of Net Position
December 31, 2018

	<u>602</u>	<u>406</u>	<u>408</u>	
	Sewer	Sewer Trunk	RSAC	Total
Assets				
Current Assets				
Cash and temporary investments	\$ 2,144,416	\$ 1,323,127	\$ 6,779,905	\$ 10,247,448
Accounts receivable	147,190	-	-	147,190
Due from other governments	20,115	-	-	20,115
Prepaid items	122	-	-	122
Total Current Assets	<u>2,311,843</u>	<u>1,323,127</u>	<u>6,779,905</u>	<u>10,414,875</u>
Noncurrent Assets				
Special assessments receivable	-	107,042	18,192	125,234
Advances to other funds	-	-	857,413	857,413
Capital assets				
Land	75,437	-	-	75,437
Buildings and improvements	4,827,838	-	-	4,827,838
Infrastructure	11,913,807	-	-	11,913,807
Machinery and equipment	512,274	-	-	512,274
Construction in progress	235,186	-	-	235,186
Less accumulated depreciation	<u>(6,273,827)</u>	<u>-</u>	<u>-</u>	<u>(6,273,827)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>11,290,715</u>	<u>-</u>	<u>-</u>	<u>11,290,715</u>
Total Noncurrent Assets	<u>11,290,715</u>	<u>107,042</u>	<u>875,605</u>	<u>12,273,362</u>
Total Assets	<u>13,602,558</u>	<u>1,430,169</u>	<u>7,655,510</u>	<u>22,688,237</u>
Deferred Outflows of Resources				
Deferred other postemployment benefits resources	1,841	-	-	1,841
Deferred pension resources	21,165	-	-	21,165
Total Deferred Outflows of Resources	<u>23,006</u>	<u>-</u>	<u>-</u>	<u>23,006</u>
Liabilities				
Current Liabilities				
Accounts payable	23,479	31,077	4,473	59,029
Accrued salaries payable	9,964	-	-	9,964
Due to other governments	304	-	2,460	2,764
Compensated absences payable - current	19,194	-	-	19,194
Total Current Liabilities	<u>52,941</u>	<u>31,077</u>	<u>6,933</u>	<u>90,951</u>

City of Rogers, Minnesota
Enterprise Funds
Sewer Fund
Combining Schedule of Net Position (Continued)
December 31, 2018

	<u>602</u>	<u>406</u>	<u>408</u>	
	Sewer	Sewer Trunk	RSAC	Total
Noncurrent Liabilities				
Severance obligations payable	\$ 12,906	\$ -	\$ -	\$ 12,906
Compensated absences payable	30,078	-	-	30,078
Other postemployment benefits payable	41,848	-	-	41,848
Pension liability	85,483	-	-	85,483
Total Noncurrent Liabilities	<u>170,315</u>	<u>-</u>	<u>-</u>	<u>170,315</u>
 Total Liabilities	<u>223,256</u>	<u>31,077</u>	<u>6,933</u>	<u>261,266</u>
 Deferred Inflows of Resources				
Deferred pension resources	<u>21,244</u>	<u>-</u>	<u>-</u>	<u>21,244</u>
 Net Position				
Investment in capital assets	11,290,715	-	-	11,290,715
Unrestricted	<u>2,090,349</u>	<u>1,399,092</u>	<u>7,648,577</u>	<u>11,138,018</u>
 Total Net Position	<u>\$ 13,381,064</u>	<u>\$ 1,399,092</u>	<u>\$ 7,648,577</u>	<u>\$ 22,428,733</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, 2018

	<u>602</u>	<u>406</u>	<u>408</u>	
	Sewer	Sewer Trunk	RSAC	Total
Operating Revenues				
Charges for services	\$ 966,853	\$ -	\$ -	\$ 966,853
Miscellaneous	20,765	-	-	20,765
Total Operating Revenues	<u>987,618</u>	<u>-</u>	<u>-</u>	<u>987,618</u>
Operating Expenses				
Personal services	328,923	-	-	328,923
Supplies	86,295	-	-	86,295
Other services and charges	293,932	38,534	32,610	365,076
Depreciation	383,012	-	-	383,012
Total Operating Expenses	<u>1,092,162</u>	<u>38,534</u>	<u>32,610</u>	<u>1,163,306</u>
Operating Income (Loss)	<u>(104,544)</u>	<u>(38,534)</u>	<u>(32,610)</u>	<u>(175,688)</u>
Nonoperating Revenues				
Interest on investments	26,077	15,095	90,476	131,648
Other income	654	-	-	654
Total Nonoperating Revenues	<u>26,731</u>	<u>15,095</u>	<u>90,476</u>	<u>132,302</u>
Income (Loss) Before Contributions and Transfers	(77,813)	(23,439)	57,866	(43,386)
Capital Contributions				
Connection fees and special assessments	-	347,589	606,405	953,994
Contributions from Other Funds	95,132	-	-	95,132
Contributions to Other Funds	-	(95,132)	-	(95,132)
Transfers Out	<u>(77,365)</u>	<u>-</u>	<u>-</u>	<u>(77,365)</u>
Change in Net Position	(60,046)	229,018	664,271	833,243
Net Position, January 1	<u>13,441,110</u>	<u>1,170,074</u>	<u>6,984,306</u>	<u>21,595,490</u>
Net Position, December 31	<u>\$ 13,381,064</u>	<u>\$ 1,399,092</u>	<u>\$ 7,648,577</u>	<u>\$ 22,428,733</u>

City of Rogers, Minnesota
Enterprise Funds
Storm Sewer Fund
Combining Schedule of Net Position
December 31, 2018

	<u>603</u>	<u>438</u>	
	Storm Sewer	Storm Sewer Trunk	Total
Assets			
Current Assets			
Cash and temporary investments	\$ 1,705,424	\$ 569,830	\$ 2,275,254
Accounts receivable	85,072	-	85,072
Prepaid items	47	-	47
Total Current Assets	<u>1,790,543</u>	<u>569,830</u>	<u>2,360,373</u>
Noncurrent Assets			
Special assessments receivable	-	39,099	39,099
Capital assets			
Land	166,421	-	166,421
Infrastructure	9,459,079	-	9,459,079
Machinery and equipment	228,057	-	228,057
Construction in progress	205,031	-	205,031
Less accumulated depreciation	<u>(4,051,167)</u>	<u>-</u>	<u>(4,051,167)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>6,007,421</u>	<u>-</u>	<u>6,007,421</u>
Total Noncurrent Assets	<u>6,007,421</u>	<u>39,099</u>	<u>6,046,520</u>
Total Assets	<u>7,797,964</u>	<u>608,929</u>	<u>8,406,893</u>
Deferred Outflows of Resources			
Deferred other postemployment benefits resources	1,240	-	1,240
Deferred pension resources	13,648	-	13,648
Total Deferred Outflows of Resources	<u>14,888</u>	<u>-</u>	<u>14,888</u>
Liabilities			
Current Liabilities			
Accounts payable	1,878	8,306	10,184
Accrued salaries payable	7,153	-	7,153
Compensated absences payable - current	5,827	-	5,827
Total Current Liabilities	<u>14,858</u>	<u>8,306</u>	<u>23,164</u>
Noncurrent Liabilities			
Severance obligations payable	3,687	-	3,687
Compensated absences payable	9,131	-	9,131
Other postemployment benefits payable	28,191	-	28,191
Pension liability	55,124	-	55,124
Total Noncurrent Liabilities	<u>96,133</u>	<u>-</u>	<u>96,133</u>
Total Liabilities	<u>110,991</u>	<u>8,306</u>	<u>119,297</u>
Deferred Inflows of Resources			
Deferred pension resources	13,699	-	13,699
Net Position			
Investment in capital assets	6,007,421	-	6,007,421
Unrestricted	<u>1,680,741</u>	<u>600,623</u>	<u>2,281,364</u>
Total Net Position	<u>\$ 7,688,162</u>	<u>\$ 600,623</u>	<u>\$ 8,288,785</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, 2018

	<u>603</u>	<u>438</u>	
	Storm Sewer	Storm Sewer Trunk	Total
Operating Revenues			
Charges for services	\$ 548,232	\$ -	\$ 548,232
Miscellaneous	8,969	-	8,969
Total Operating Revenues	<u>557,201</u>	<u>-</u>	<u>557,201</u>
Operating Expenses			
Personal services	206,733	-	206,733
Supplies	10,549	-	10,549
Other services and charges	144,049	-	144,049
Depreciation	201,198	-	201,198
Total Operating Expenses	<u>562,529</u>	<u>-</u>	<u>562,529</u>
Operating Loss	<u>(5,328)</u>	<u>-</u>	<u>(5,328)</u>
Nonoperating Revenues			
Interest on investments	19,042	5,175	24,217
Other income	1,247	-	1,247
Total Nonoperating Revenues	<u>20,289</u>	<u>5,175</u>	<u>25,464</u>
Income Before			
Contributions and Transfers	14,961	5,175	20,136
Capital Contributions			
Connection fees and special assessments	-	315,775	315,775
Contributions from Other Funds	104,528	-	104,528
Contributions to Other Funds	-	(70,896)	(70,896)
Transfers In	-	138,810	138,810
Transfers Out	<u>(15,000)</u>	<u>-</u>	<u>(15,000)</u>
Change in Net Position	104,489	388,864	493,353
Net Position, January 1	<u>7,583,673</u>	<u>211,759</u>	<u>7,795,432</u>
Net Position, December 31	<u>\$ 7,688,162</u>	<u>\$ 600,623</u>	<u>\$ 8,288,785</u>

City of Rogers, Minnesota
Enterprise Funds
Municipal Liquor Store Fund
Combining Schedule of Operating Revenues and Expenses
For the Year Ended December 31, 2018

	Municipal Liquor On-Sale	Municipal Liquor Off-Sale	Total
Sales and Cost of Sales			
Sales	\$ 422,219	\$ 3,290,501	\$ 3,712,720
Cost of sales	(121,873)	(2,435,150)	(2,557,023)
Gross Profit	<u>300,346</u>	<u>855,351</u>	<u>1,155,697</u>
Operating Expenses			
Personal services	169,223	365,237	534,460
Supplies	15,206	13,537	28,743
Other services and charges	105,243	151,904	257,147
Depreciation	5,406	26,307	31,713
Total Operating Expenses	<u>295,078</u>	<u>556,985</u>	<u>852,063</u>
Operating Income (Loss)	<u>\$ 5,268</u>	<u>\$ 298,366</u>	<u>\$ 303,634</u>

City of Rogers, Minnesota
 Summary Financial Report
 Revenues and Expenditures For General Operations
 Governmental Funds
 For the Years Ended December 31, 2018 and 2017

	Total		Percent Increase (Decrease)
	2018	2017	
Revenues			
Taxes			
Property taxes	\$ 7,819,376	\$ 7,623,495	2.57 %
Tax increments	437,621	399,889	9.44
Franchise taxes	1,107,478	1,066,930	3.80
Licenses and permits	1,104,694	746,060	48.07
Intergovernmental	1,214,770	1,814,702	(33.06)
Charges for services	4,631,406	2,729,490	69.68
Fines and forfeitures	126,556	118,913	6.43
Special assessments	465,857	649,710	(28.30)
Interest on investments	268,966	206,814	30.05
Miscellaneous	1,794,925	1,582,179	13.45
	<u>\$ 18,971,649</u>	<u>\$ 16,938,182</u>	12.01 %
Total Revenues	<u>\$ 18,971,649</u>	<u>\$ 16,938,182</u>	12.01 %
Per Capita	\$ 1,488	\$ 1,351	10.13 %
Expenditures			
Current			
General government	\$ 2,087,487	\$ 1,843,272	13.25 %
Public safety	4,157,644	3,684,128	12.85
Public works	1,331,056	1,149,705	15.77
Culture and recreation	1,291,809	1,270,191	1.70
Economic development	136,092	122,418	11.17
Capital outlay			
General government	65,444	41,729	56.83
Public safety	749,284	65,376	1,046.11
Public works	2,863,072	4,841,099	(40.86)
Culture and recreation	189,350	177,866	6.46
Economic development	130,502	113,204	15.28
Housing	224,955	205,370	9.54
Debt service			
Principal	1,280,000	1,280,000	-
Interest and service charges	286,297	319,022	(10.26)
	<u>\$ 14,792,992</u>	<u>\$ 15,113,380</u>	(2.12) %
Total Expenditures	<u>\$ 14,792,992</u>	<u>\$ 15,113,380</u>	(2.12) %
Per Capita	\$ 1,160	\$ 1,205	(3.76) %
Total Long-term Indebtedness	\$ 9,170,000	\$ 10,450,000	(12.25) %
Per Capita	719	833	(13.72)
General Fund Balance - December 31	\$ 5,420,051	\$ 5,220,273	3.83 %
Per Capita	425	416	2.08

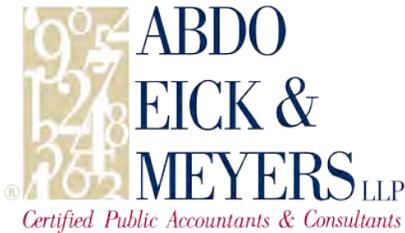
The purpose of this report is to provide a summary of financial information concerning the City to interested citizens. The complete financial statements may be examined at City Finance Department, 22350 South Diamond Lake Road, Rogers, Minnesota 55374. Questions about this report should be directed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

OTHER REQUIRED REPORTS

CITY OF ROGERS
ROGERS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2018

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INDEPENDENT AUDITOR'S REPORT
ON MINNESOTA LEGAL COMPLIANCE

Honorable Mayor and City Council
City of Rogers, Minnesota

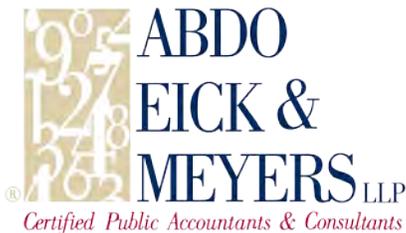
We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Rogers, Minnesota (the City), as of and for the year ended December 31, 2018, and the related notes to the financial statements, and have issued our report thereon dated June 3, 2019.

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
Minneapolis, Minnesota
June 3, 2019



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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 3, 2019.

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.

Abdo Eick & Meyers, LLP

ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
June 3, 2019