

# Annual Financial Report

**City of Rogers**  
Rogers, Minnesota

For the Year Ended  
December 31, 2019

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City of Rogers, Minnesota  
Annual Financial Report  
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For the Year Ended December 31, 2019

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INTRODUCTORY SECTION

CITY OF ROGERS  
ROGERS, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2019

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City of Rogers, Minnesota  
 Elected and Appointed Officials  
 For the Year Ended December 31, 2019

**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
Dan Wills	Police Chief
John Seifert	Public Works Director
Mike Bauer	Recreation & Facilities Director

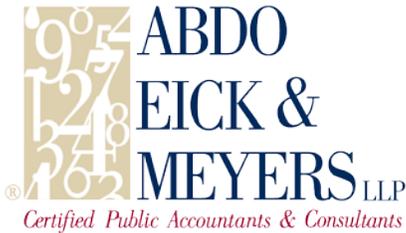
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FINANCIAL SECTION

CITY OF ROGERS  
ROGERS, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2019

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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, 2019, 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, 2019, 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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## 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 94 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

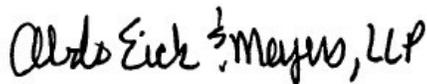
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section and combining and individual fund financial statements and schedules are presented for purposes of additional analysis and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

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

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2020, 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 2, 2020

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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, 2019.

### 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 \$134,274,307 (net position). Of this amount, \$37,336,652 (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 \$7,845,578 as a result of revenues in excess of expenses. \$1,115,257 was a result of an increase of net position within Enterprise funds, and \$6,730,321 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 \$25,272,684 an increase of \$4,081,651 in comparison with the prior year. Approximately 37.9 percent of this total amount, \$9,586,891, 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 \$5,718,422, or 66.3 percent of 2019 actual expenditures and 60.1 percent of budgeted 2020 expenditures.
- The City's total long-term debt decreased \$1,200,000 or 11.7 percent during the current fiscal year. The key factor of this decrease was due to the scheduled debt 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**

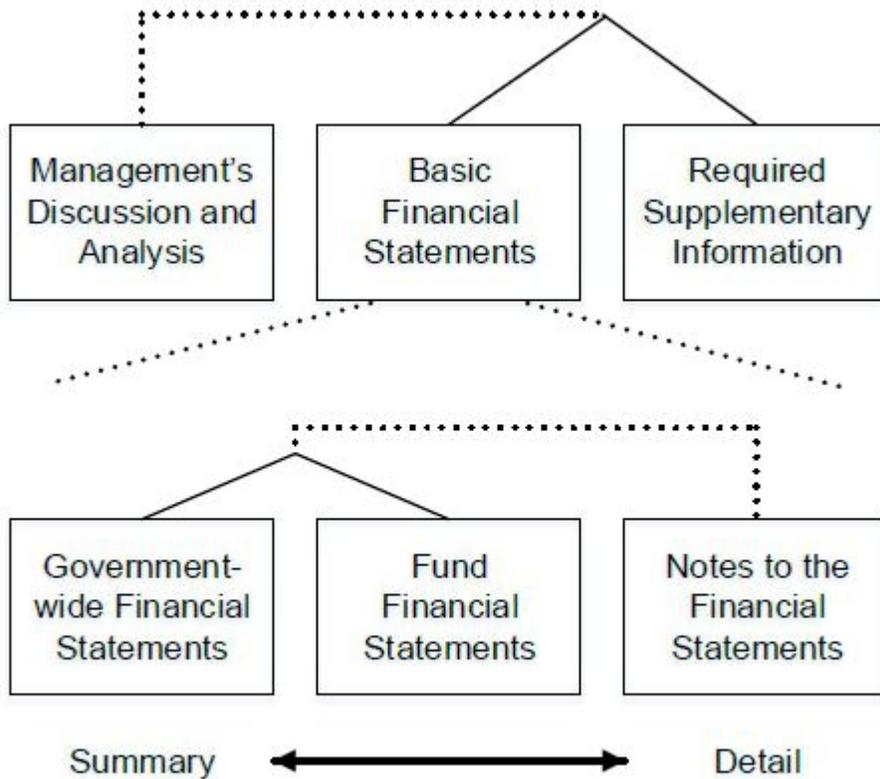


Figure 2 summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the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

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

	<b>Fund Financial Statements</b>		
	<b>Government-wide Statements</b>	<b>Governmental Funds</b>	<b>Proprietary Funds</b>
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"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures, and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statements of Net Position</li> <li>• Statements of Revenues, Expenses and Changes in Fund Net Position</li> <li>• Statements of Cash Flows</li> </ul>
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 17 individual governmental funds. The Debt Service fund consists of 8 sub-funds, the street and related improvement project fund consists of 5 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 94 of this report.

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

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$134,274,307 at the close of the most recent fiscal year.

By far, the largest portion of the City's net position (63.1 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		
	2019	2018	Increase (Decrease)	2019	2018	Increase (Decrease)
<b>Assets</b>						
Current and other assets	\$33,836,058	\$28,786,501	\$ 5,049,557	\$27,187,903	\$23,083,988	\$ 4,103,915
Capital assets	65,346,981	63,317,475	2,029,506	28,212,306	31,132,296	(2,919,990)
Total Assets	<u>99,183,039</u>	<u>92,103,976</u>	<u>7,079,063</u>	<u>55,400,209</u>	<u>54,216,284</u>	<u>1,183,925</u>
Deferred Outflows of Resources	<u>2,632,516</u>	<u>3,343,016</u>	<u>(710,500)</u>	<u>19,524</u>	<u>100,888</u>	<u>(81,364)</u>
<b>Liabilities</b>						
Noncurrent liabilities outstanding	12,986,845	14,049,003	(1,062,158)	1,859,016	1,831,553	27,463
Other liabilities	4,827,455	3,429,916	1,397,539	283,149	294,139	(10,990)
Total Liabilities	<u>17,814,300</u>	<u>17,478,919</u>	<u>335,381</u>	<u>2,142,165</u>	<u>2,125,692</u>	<u>16,473</u>
Deferred Inflows of Resources	<u>2,938,663</u>	<u>3,635,802</u>	<u>(697,139)</u>	<u>65,853</u>	<u>95,022</u>	<u>(29,169)</u>
<b>Net Position</b>						
Net investment in capital assets	57,477,321	54,392,665	3,084,656	27,247,306	30,057,296	(2,809,990)
Restricted	12,213,028	11,672,625	540,403	-	-	-
Unrestricted	<u>11,372,243</u>	<u>8,266,981</u>	<u>3,105,262</u>	<u>25,964,409</u>	<u>22,039,162</u>	<u>3,925,247</u>
Total Net Position	<u>\$81,062,592</u>	<u>\$74,332,271</u>	<u>\$ 6,730,321</u>	<u>\$53,211,715</u>	<u>\$52,096,458</u>	<u>\$ 1,115,257</u>

An additional portion of the City's net position (\$12,213,028) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$37,336,652) 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.

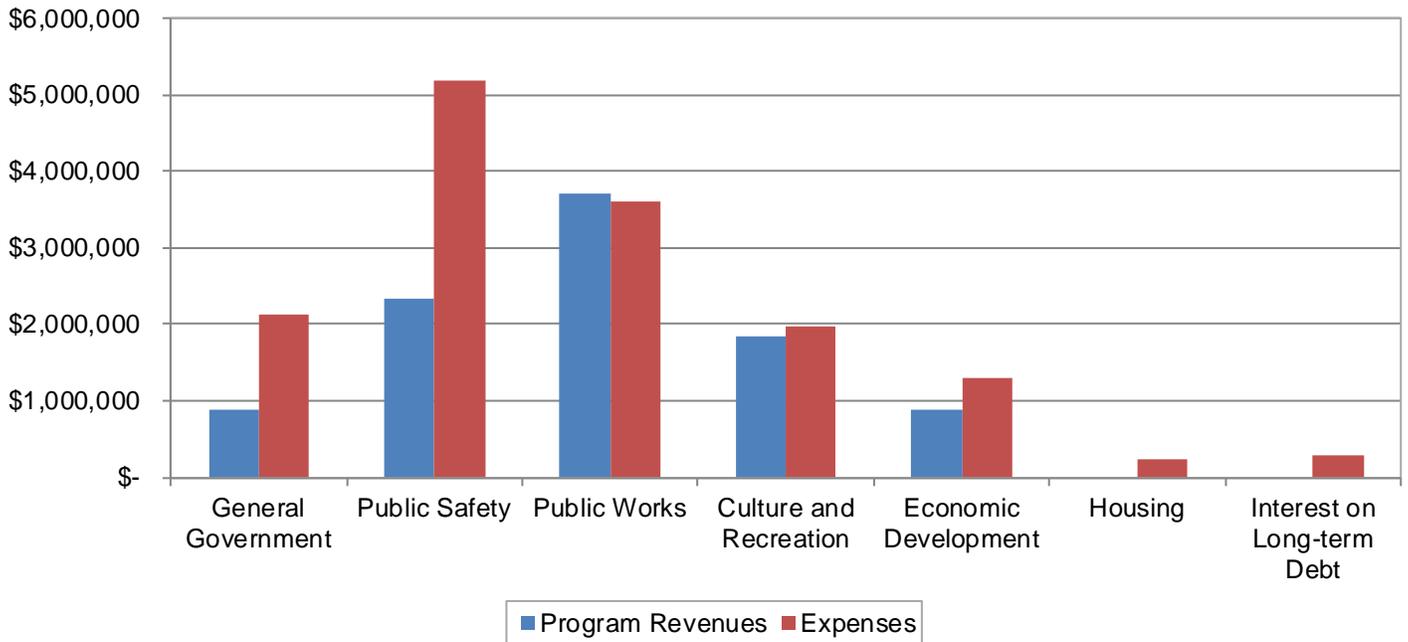
**Governmental Activities.** Governmental activities increased the City's net position by \$6,730,321, thereby accounting for approximately 86 percent of the growth in the net position of the City. Key elements of this increase are as follows:

### City of Rogers's Changes in Net Position

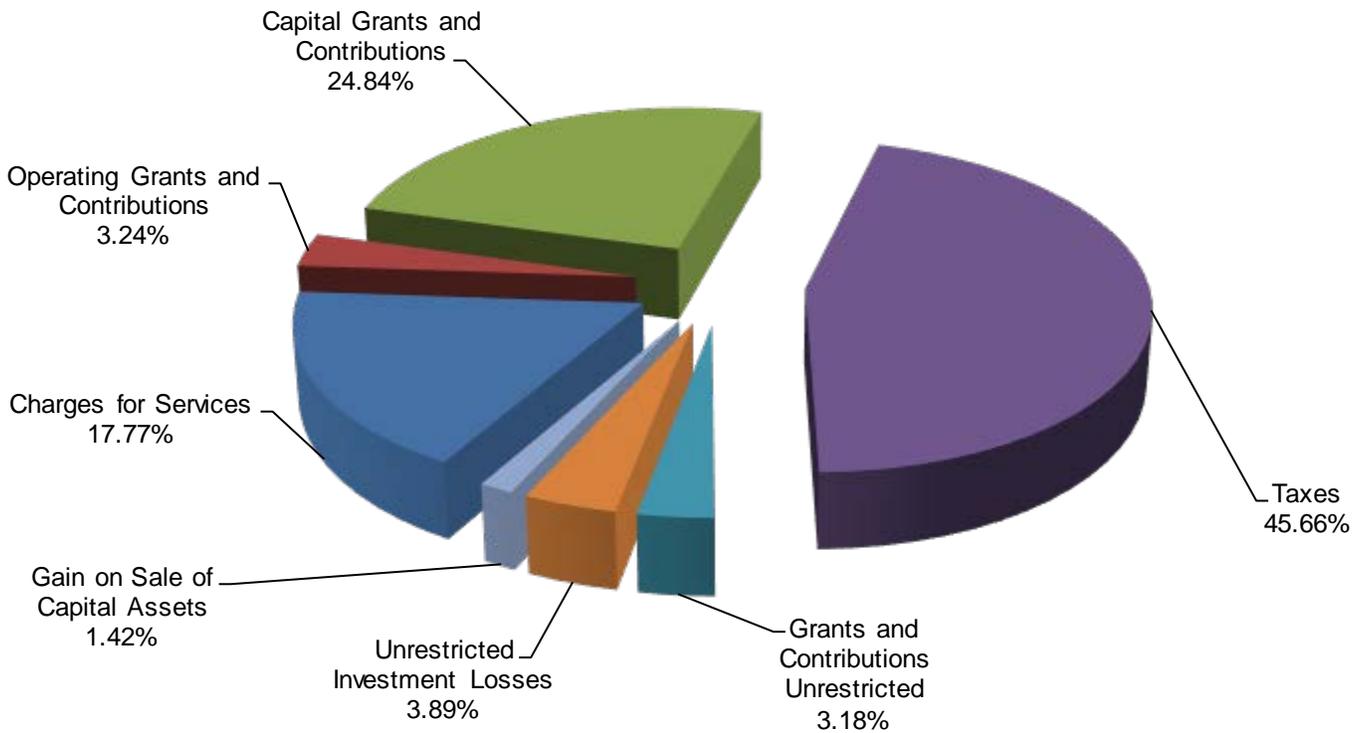
	Governmental Activities			Business-type Activities		
	2019	2018	Increase (Decrease)	2019	2018	Increase (Decrease)
Revenues						
Program Revenues						
Charges for services	\$ 3,734,954	\$ 3,623,678	\$ 111,276	\$ 6,636,524	\$ 6,355,471	\$ 281,053
Operating grants and contributions	682,361	659,095	23,266	2,115	2,926	(811)
Capital grants and contributions	5,224,506	4,157,182	1,067,324	2,360,332	2,366,184	(5,852)
General Revenues						
Taxes						
Property taxes	7,659,132	7,688,356	(29,224)	-	-	-
Tax increments	387,633	437,621	(49,988)	-	-	-
Franchise taxes	1,557,752	1,237,346	320,406	-	-	-
Grants and contributions not restricted to specific programs	669,148	587,080	82,068	-	-	-
Unrestricted investment earnings	817,994	268,966	549,028	804,420	251,730	552,690
Gain on sale of capital assets	299,172	12,875	286,297	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	21,032,652	18,672,199	2,360,453	9,803,391	8,976,311	827,080
Expenses						
General government	2,131,960	2,201,212	(69,252)	-	-	-
Public safety	5,184,995	4,406,607	778,388	-	-	-
Public works	3,600,442	5,126,884	(1,526,442)	-	-	-
Culture and recreation	1,982,183	1,410,234	571,949	-	-	-
Economic development	1,294,150	275,202	1,018,948	-	-	-
Housing	232,160	224,955	7,205	-	-	-
Interest on long-term debt	282,896	319,874	(36,978)	-	-	-
Water	-	-	-	1,851,493	1,503,262	348,231
Sewer	-	-	-	2,224,098	1,163,306	1,060,792
Storm sewer	-	-	-	610,952	562,529	48,423
Municipal liquor	-	-	-	3,595,136	3,409,086	186,050
Total Expenses	14,708,786	13,964,968	743,818	8,281,679	6,638,183	1,643,496
Increase in Net Position						
Before Transfers	6,323,866	4,707,231	1,616,635	1,521,712	2,338,128	(816,416)
Transfers - Internal Activities	406,455	266,096	140,359	(406,455)	(266,096)	(140,359)
Transfers - Contribution of Capital Assets	-	(33,632)	33,632	-	33,632	(33,632)
Change in Net Position	6,730,321	4,939,695	1,790,626	1,115,257	2,105,664	(990,407)
Net Position, January 1	74,332,271	69,392,576	4,939,695	52,096,458	49,990,794	2,105,664
Net Position, December 31	\$81,062,592	\$74,332,271	\$ 6,730,321	\$53,211,715	\$52,096,458	\$ 1,115,257

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

### Expenses and Program Revenues - Governmental Activities

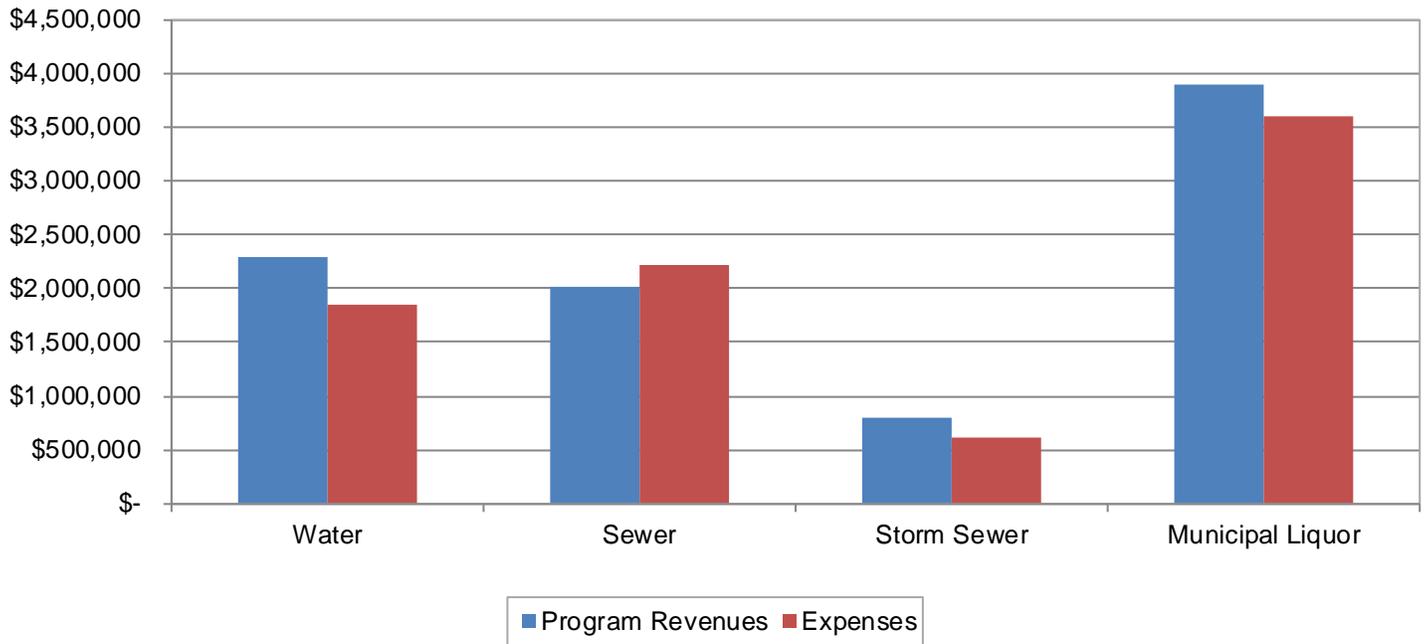


### Revenues by Source - Governmental Activities

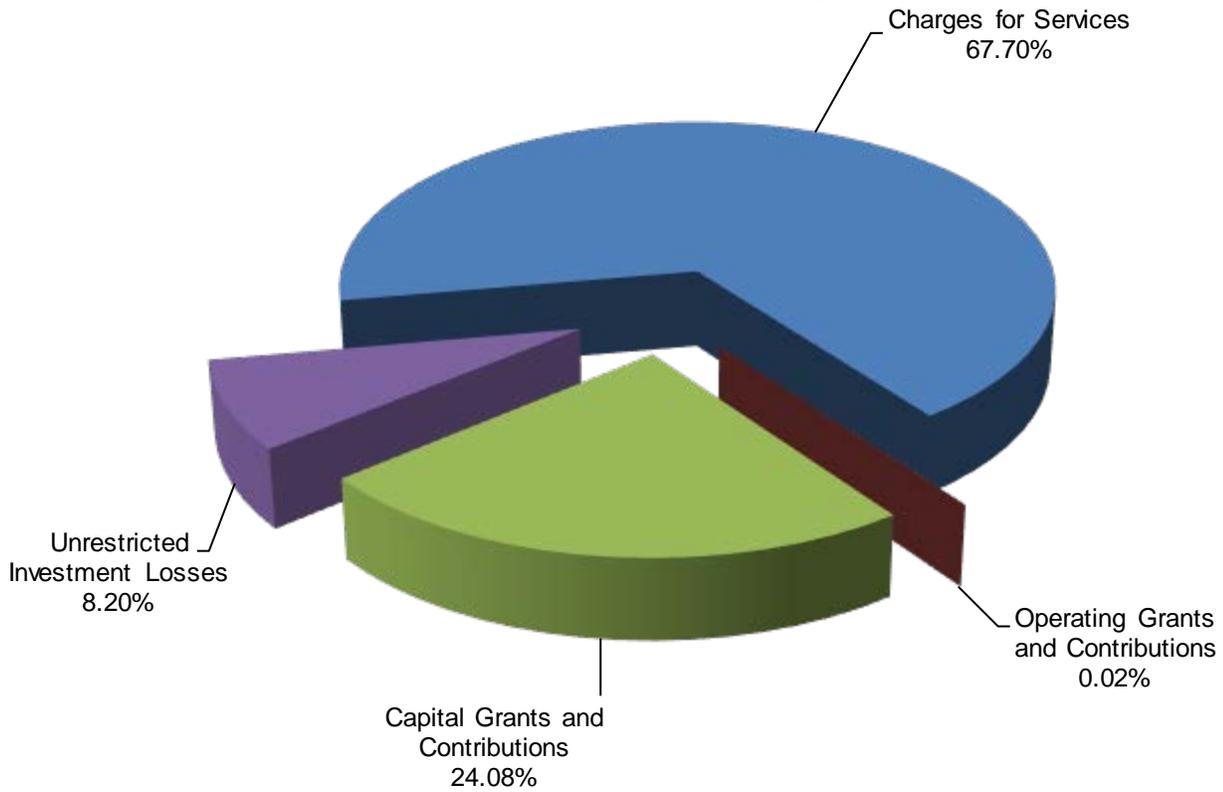


**Business-type Activities.** Business-type activities increased the City's net position by \$1,115,257, contributing for 14 percent of the total growth in the City's net position. Key elements of this increase are as follows:

### 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 \$25,272,684, an increase of \$4,081,651 in comparison with the prior year. Approximately 22.6 percent of this total amount, \$5,718,422, constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance (\$19,554,262) is not available for new spending because it is either 1) nonspendable (\$203,156), 2) restricted (\$9,383,735), 3) committed (\$9,222,428) or 4) assigned (\$744,943) for specific purposes.

The General fund experienced an increase in fund balance in 2019. See the below section, "General Fund Budgetary Highlights" for more detailed information.

The fund balance of the Debt Service fund increased \$32,371 from the prior year due to the transfers in during the year for future debt reduction.

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 \$1,790,000 which matures in 2029.

The Revolving Capital fund experienced an increase in fund balance of \$310,644. The increase is mainly due to development related revenues.

The Street and Related Improvement Projects fund experienced an increase in fund balance of \$296,507. The increase is due to capital project agreements in 2019.

## **General Fund Budgetary Highlights**

Actual revenues were \$1,053,815 over budget and expenditures were \$45,286 over budget; along with transfers and other financing sources, the end result was an increase in fund balance of \$879,275.

Revenue highlights include:

- Non-business licenses and permits were \$721,325 in excess of budget and general government charges for services exceeded the budget by \$142,760; this is due to increased development within the City.
- Intergovernmental revenue had a positive budget variance of \$37,366. This positive variance can be attributed to higher than anticipated reimbursement grants for firefighter training and education reimbursement, increased Fire and Police State Aid, and miscellaneous Federal, State, and County grants.
- Investment earnings improved in 2019 and interest on investments was over budget by \$210,282. Of this positive budget variance, \$118,359 can be attributed to the fair market value adjustment.

Expenditure highlights include:

- General government buildings had a positive budget variance of \$36,936 which is the result of a vacant custodian position.
- Police protection and administration expenditures has a positive budget variance of \$62,521. This was largely due to staffing vacancies including the Police Chief position remaining unfilled for approximately five months.
- Firefighting and administration expenditures exceeded budgeted amounts by \$46,673, the majority of which can be attributed to equipment repairs and maintenance.
- Building inspection had a negative budget variance of \$254,787. This is due to increased development and offset by non-business license and permit revenue.
- The general public works department had a negative budget variance of \$21,752. This can be attributed to solar subscription expenses which are offset by solar revenue, vehicle equipment repairs and maintenance, and rentals in excess of budgeted amounts.
- The paved streets and unpaved streets departments had positive budget variances of \$40,815 and \$56,148, respectively. Year-end transfers for unspent budgets within these departments were made to capital funds.
- The sidewalks department had a positive budget variance of \$41,500 which was approved as budget carry over to be used towards 2020 sidewalk expenses.

## **Rogers Activity Center Fund Budgetary Highlights**

Revenues were over budgeted amounts by \$176,229 mainly due to charges for services having a positive budget variance of \$138,192. The majority of this positive variance comes from ice rental, concessions, and solar revenues (which are offset by solar expenses). Expenditures were over budgeted amounts by \$91,406 due to solar subscription expenses and the LED lighting project approved by City Council.

## 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, 2019, amounts to \$93,559,287 (net of accumulated depreciation). This investment in capital assets includes land, structures, improvements, machinery and equipment, park facilities and roads.

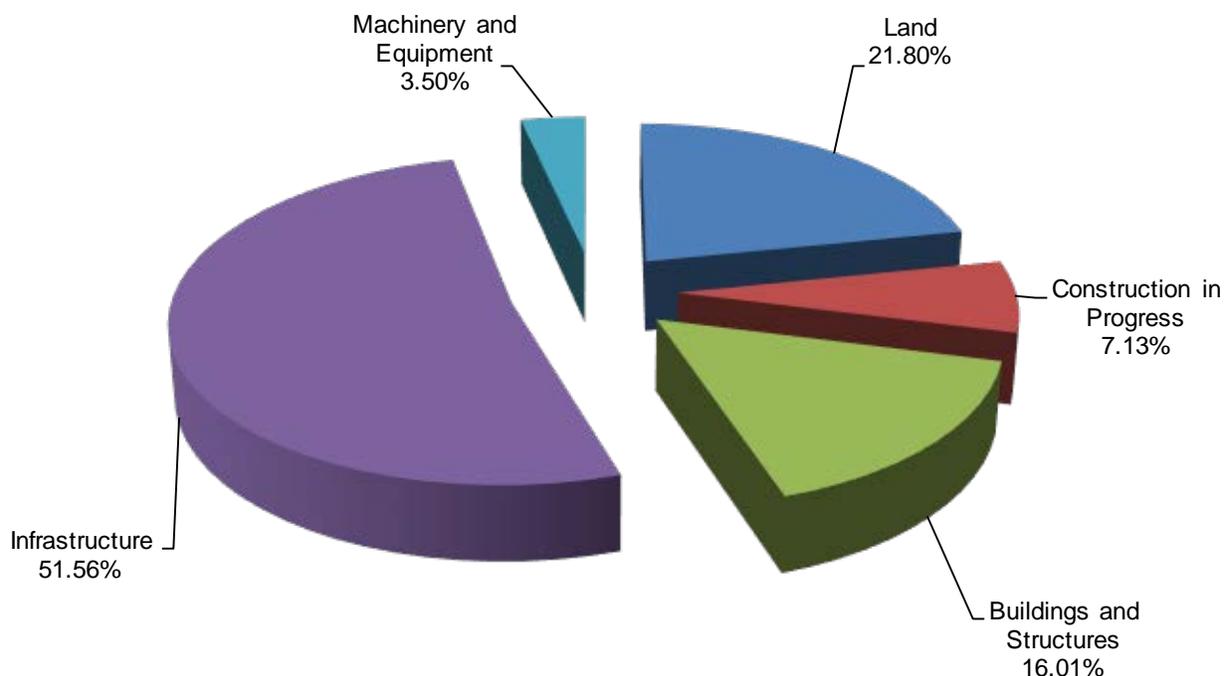
Major public project capital asset events during the current fiscal year were as follows:

- Completion of the Rogers Drive Reconstruction Phase II Project
- Contributed Solar Panels (RAC #2 and City Hall/Public Works #2)
- Fletcher Bypass Road Right-of-Way
- Industrial Boulevard Extension Right-of-Way
- Purchase of:
  - John Deere 50G Compact Excavator
  - Three Police Squads
  - Liquor Video Surveillance Equipment
  - John Deere Pro Gator
  - Cubic Yard Dumper Unit

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)

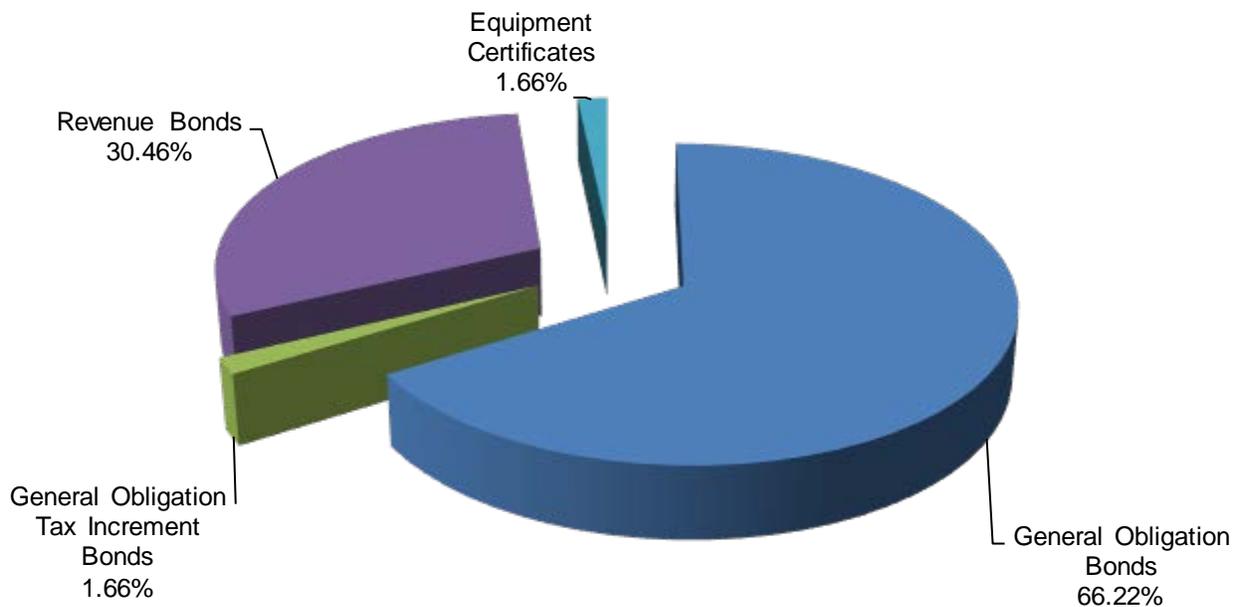
	Governmental Activities			Business-type Activities		
	2019	2018	Increase (Decrease)	2019	2018	Increase (Decrease)
Land	\$ 18,437,367	\$ 18,078,877	\$ 358,490	\$ 1,959,145	\$ 1,969,145	\$ (10,000)
Construction in Progress	5,609,930	2,519,690	3,090,240	1,058,775	1,019,911	38,864
Buildings and Structures	13,352,559	13,749,436	(396,877)	1,627,559	3,733,540	(2,105,981)
Infrastructure	24,875,979	26,130,613	(1,254,634)	23,361,442	24,200,259	(838,817)
Machinery and Equipment	3,071,146	2,838,859	232,287	205,385	209,441	(4,056)
<b>Total</b>	<b>\$65,346,981</b>	<b>\$63,317,475</b>	<b>\$ 2,029,506</b>	<b>\$28,212,306</b>	<b>\$31,132,296</b>	<b>\$ (2,919,990)</b>



**Long-term Debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$9,045,000. \$8,080,000 is governmental-related debt, and \$965,000 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		
	2019	2018	Increase (Decrease)	2019	2018	Increase (Decrease)
General Obligation Bonds	\$ 5,990,000	\$ 6,695,000	\$ (705,000)	\$ -	\$ -	\$ -
General Obligation Tax Increment Bonds	150,000	220,000	(70,000)	-	-	-
Revenue Bonds	1,790,000	1,945,000	(155,000)	965,000	1,075,000	(110,000)
Equipment Certificates	150,000	310,000	(160,000)	-	-	-
<b>Total</b>	<b>\$ 8,080,000</b>	<b>\$ 9,170,000</b>	<b>\$ (1,090,000)</b>	<b>\$ 965,000</b>	<b>\$ 1,075,000</b>	<b>\$ (110,000)</b>



The City's total debt decreased \$1,200,000 (11.71 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 \$57,477,097 . The City is under the statutory debt limit as of December 31, 2019.

The City improved its bond rating of AA2 by Moody's Investors Service to an AA+ rating from Standard & Poor's 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, 18, 2020, the City of Rogers has an estimated 2019 population of 13,232 (up from 12,991 in 2018). The 2019 household estimate was 4,340 (up from 4,241 in 2018). The City of Rogers is anticipated to have a 2030 employment estimate of 13,100. 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 2018 was \$125,300, compared to a countywide median of \$74,100.

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 2020 is \$2,071,183,087. Commercial/Industrial properties comprise approximately 49 percent of the total City net tax capacity, 45 percent Residential, and the balance falls 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 2020 provided for a 9.58 percent increase, while reflecting a reduced tax rate from 2019 of 35.917 percent to 35.816 percent in 2020. The City's total net tax capacity for 2019 (Pay 2020) increased 8.56 percent over 2018 (Pay 2019) 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 2020, 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, 83 during 2019, and an additional 22 during the first 4 months of 2020.

### Residential Development

The City completed its 2040 Comprehensive Plan in 2019 with adoption planned for early 2020. Minnesota Statute requires local governments in the Twin Cities metropolitan area required to revise their Comprehensive Plans every 10 years as a means of responding to local issues and trends and accommodate community evolution and expected growth. Over the next 20 years Rogers anticipates a near doubling in the number of households, people and jobs. This growth largely attributed to the amount of available, raw land for development and its location in Hennepin County, at the intersection of Interstate 94 and Minnesota Highway 101. This location provides Rogers a competitive economic advantage for sustained growth during the next 20 years. As a result, Rogers will experience continued, and significant, growth in detached single-family home construction. With that in mind, a major focus of the Rogers 2040 Plan is the diversification and increased supply of residential housing options, specifically more attainable housing. Since late 2018, interest in high-density residential development remains high, notably attainable workforce and senior housing.

The demand for more housing diversity echoes a consistent theme across the Twin Cities metropolitan area. As the cost of home construction increases, so has the need for more affordable housing options. In Rogers, the employment base is presently dominated by jobs in the manufacturing, warehousing and distribution, and construction industries. Incomes for those jobs are typically lower compared to the median income and median home prices in Rogers, 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.

By December 2019, Trident Development was nearing completion of Vincent Woods of Rogers, a 168-unit market rate apartment project on County Road 81. Since late 2018, Enclave Development out of Fargo, North Dakota, continued to

evaluate opportunities to construct a 160-unit Class A- development on Commerce Boulevard, next to the current HOM Furniture property. Throughout 2019, Duffy Development Company worked with the City on a major redevelopment project in Downtown Rogers, featuring two (2) new apartment buildings totaling 104 housing units - a 40-unit building for active living seniors (55+), and second building with 50 units of workforce housing and 14 units of market rate apartments. The redevelopment site is a 3.5-acre block of downtown on the corner of Main Street and John Deere Lane. The City secured grant funding through Minnesota Department of Employment and Economic Development and the Metropolitan Council totaling \$1,292,500 in support of the downtown redevelopment project. MWF Properties proposed a second two-phase affordable housing (apartment), featuring 130 affordable units on seven (7) acres next to the industrial park off Commerce Boulevard. Both projects proposed by Duffy and MWF required tax credits through Minnesota Housing as part of the financing package; neither were successful. As of December 2019, the City and Duffy continued their partnership on the downtown project. Other developers explored apartment development opportunities in 2019.

Affordable and market rate multi-family residential projects were not the only residential projects in the works. In November 2019, Cavaliera Homes, LLC received Final Plat approval for Brenly Meadows, a 38-unit rental townhome development. The development is on a remnant, infill parcel about one-third mile from Downtown Rogers on 129<sup>th</sup> Avenue. DR Horton proposed to construct a 61-unit subdivision – Birchwood – comprised of all detached single-family homes, on 21.15 acres of land on Brockton Lane North/County Road 13. A concept plan for the development was presented to the City Council, which included a ghost plat on the adjacent 33.19 acres to the south and a new intersection on Brockton Lane at the development entrance. Application for Planned Unit Development zoning and Preliminary Plat were anticipated in early 2020. On Territorial Road/County Road 116, about a half-mile west from Main Street, U.S. Home Corporation, dba Lennar, proposed a 363 mixed residential development – Skye Meadows – featuring 191 detached single-family homes, 48 twin homes and 124 townhomes, on six (6) properties, totaling 128.97 acres. Like the DR Horton development, the proposed Lennar development includes a new intersection at Territorial Road. Skye Meadows would be the second large Lennar residential development in Rogers. Laurel Creek, a 480-unit mixed residential development, featuring single-family homes, villas, townhomes and quad homes, was approved in 2017. As of December 2019, Lennar had received Final Plat approval for Phases 1 through 5, with two (2) phases remaining. Several other residential developers pursued development opportunities in 2019, including additional traditional single-family subdivisions to higher density townhome developments.

From 2014 to 2017, new residential development projects included Edgewater Shores 2nd, Augusta Prairie, Park View Acres 3<sup>rd</sup> Addition, Villas at Lyndhaven Meadows, Parkway Preserve, Augusta Prairie 2<sup>nd</sup> Addition, and Ryan Meadows with a total 189 single-family units. Resident developments receiving approvals from 2017 to 2019 included Augusta Prairie 3<sup>rd</sup> Addition, Fletcher Hills 2<sup>nd</sup> Addition and Mallard South.

### Commercial/Industrial Economic Development

By December 2019, Graco Manufacturing had nearly completed its facility expansion, resulting in a more than doubling of their existing facility from 316,00 sq. ft to more than 795,000 sq. ft. In addition to manufacturing and warehousing space, the expanded facility now features new offices, laboratories and a new corporate training center. The project represented an \$80 million investment by the company and an additional 95 new, well-paying jobs to Rogers. In May 2019, Capital Real Estate received approval for the redevelopment of the former Minnie's Diner property on the corner of I-94 and Main Street. The property, with building, had sat vacant since 2017 years. The new development includes a new stand-alone Freddy's Frozen Custard and Steakhburgers and Dunkin' and Jersey Mike's in a new multi-tenant building, with a third vacant space for another commercial user. On County Road 81, Interstate Companies received Site Plan approval for a 43,348 square foot truck sales and maintenance facility. The company received Preliminary and Final Plat approval for the development in 2018. Construction on Primrose Schools of Rogers, an early childhood care facility, started and completed in 2019. Other recently completed commercial/retail/service developments include Short or Tall restaurant and Lil' Explorers daycare.

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.

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 2<sup>nd</sup> Addition Outlot A, Kinghorn Industrial Park 3<sup>rd</sup> Addition, Liberty French Lake Industrial Center Two Outlots A & B, and Launch Park North.

## Public Projects

A 2020 utility expansion is proposed for the Lennar Skye Meadows development on Territorial Road. This expansion would serve a 300+ unit development with possible extension for future development areas.

The City Council has also taken into consideration to further expand 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
  - Utility Projects - Brockton Territorial Lift Station, Arthur Street Sewer Extension, Southwest Rogers Lift station
  - Parks and Trails - Lions Park Building, Joint Public/Private Partnership Tennis Center, 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, and Pavement Management Projects for South Pointe, 147<sup>th</sup> Avenue, and Hassan Hills
  - Rogers Parkway (future County Road 117)
  - Hassan Elementary Trail Phase 2,
  - South Diamond Lake Road Trail Phase 2
  - Utility Projects – Edgewater utility extension, Main Street Water and Sewer Upgrades
  - South Community Park Ice Rink
  - Reservoir Fields Site Improvements

The City is currently working toward the 2019-20 construction of the Rogers Event Center at Lions Central Park with substantial completion by June, 2020. 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) entered into an Intergovernmental Agreement for the Acquisition of the Wastewater Treatment Plant. MCES officially took over the ownership of the City facility on July 1, 2019 and jointly operated 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. It was subsequently approved by the legislature in 2019, and allows for a ¼% local sales tax which began to be charged in 4<sup>th</sup> quarter 2019. The LOST will 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. In 2020 the City plans to develop a long-range financial management plan, identify the prioritization of projects, and secure preliminary design of the projects to more closely estimate individual project costs.

The City's Pavement Management Program (PMP) was first implemented in 2016, funded through utility franchise fees, thereby eliminating the need to assess or tax levy for reconstruction and maintenance of streets. This has proven to be a very successful long-range solution to preserve one of the City's major assets – streets. A long-range plan has been incorporated into the program with 2020 plans including the rehabilitation of South Pointe, 147<sup>th</sup> Avenue, Hassan Hills and the turnback and reconstruction of Main Street (including overhead to underground utility project) pavement projects.

The City incorporated over \$3,800,000 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 2020 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 2020 year.

### **COVID-19 Impacts**

Like all cities and businesses, Rogers is keenly aware of the impacts of the COVID-19 situation and has taken steps to address those impacts to the extent possible. The City began tracking COVID-related expenditures immediately upon declaring a local emergency on March 17, 2020, and staff continues to account for such impacts both for internal financial/informational purpose as well as for potential reimbursement via state or federal funds. In the beginning stages of the pandemic and the associated state Stay at Home orders, the City experienced increased costs related to work-from-home technology, unemployment, PPE supplies, etc. Reduced revenues were also incurred and are expected to continue with regard to facility rentals and recreation programs. To date, financial impacts, while not insignificant, have been relatively modest (approximately \$53,000 through May 26, 2020) and able to be absorbed, but the future is unknown in terms of severity or length of impact.

As a local government unit, the City is considered critical industry and must ensure continuity of operations throughout the pandemic, with steps taken to minimize employee exposure and to help ensure that entire departments are not affected at once, threatening our ability to provide a given essential service. The City's COVID-19 Task Force has identified vulnerabilities by functional area and taken steps to separate employees via split shifts or physical distancing to the extent possible, and work-from-home is being utilized where feasible.

While the City cannot predict the ultimate financial implications of COVID-19, or the amount of state and federal dollars that will be available to assist, staff continues to track all such revenues and expenditures while addressing the operational challenges of the pandemic.

### **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, 2019

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City of Rogers, Minnesota  
Statement of Net Position  
December 31, 2019

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and temporary investments	\$ 28,726,488	\$ 25,677,981	\$ 54,404,469
Receivables			
Accounts	684,657	369,405	1,054,062
Accrued interest	182,717	-	182,717
Taxes	104,515	-	104,515
Special assessments	3,476,915	216,513	3,693,428
Loans	226,551	-	226,551
Due from other governments	466,655	34,775	501,430
Internal balances	(399,019)	399,019	-
Inventories	16,663	391,330	407,993
Prepaid items	186,493	98,880	285,373
Net pension asset	163,423	-	163,423
Capital assets			
Land and construction in progress	24,047,297	3,017,920	27,065,217
Depreciable assets (net of accumulated depreciation)	41,299,684	25,194,386	66,494,070
Total Assets	<u>99,183,039</u>	<u>55,400,209</u>	<u>154,583,248</u>
<b>Deferred Outflows of Resources</b>			
Deferred charge on refunding	210,340	-	210,340
Deferred other postemployment benefits	14,384	3,989	18,373
Deferred pension resources	2,407,792	15,535	2,423,327
Total Deferred Outflows of Resources	<u>2,632,516</u>	<u>19,524</u>	<u>2,652,040</u>
<b>Liabilities</b>			
Accounts payable	1,678,413	183,463	1,861,876
Accrued salaries payable	259,156	50,752	309,908
Accrued interest payable	8,934	1,885	10,819
Due to other governments	25,676	47,049	72,725
Escrows payable	2,361,810	-	2,361,810
Unearned revenue	493,466	-	493,466
Noncurrent liabilities			
Due within one year	1,340,244	207,662	1,547,906
Due in more than one year	7,545,804	1,006,807	8,552,611
Other postemployment benefits payable	594,187	164,760	758,947
Net pension liability	3,506,610	479,787	3,986,397
Total Liabilities	<u>17,814,300</u>	<u>2,142,165</u>	<u>19,956,465</u>
<b>Deferred Inflows of Resources</b>			
Deferred other postemployment benefits	33,320	9,239	42,559
Deferred pension resources	2,905,343	56,614	2,961,957
Total Deferred Inflows of Resources	<u>2,938,663</u>	<u>65,853</u>	<u>3,004,516</u>
<b>Net Position</b>			
Net investment in capital assets	57,477,321	27,247,306	84,724,627
Restricted for			
Debt service	3,428,950	-	3,428,950
Tax increment financing	1,498,387	-	1,498,387
Loans	416,807	-	416,807
Police forfeitures	1,480	-	1,480
Park improvements	956,972	-	956,972
Economic development	92,198	-	92,198
Capital improvements	5,818,234	-	5,818,234
Unrestricted	11,372,243	25,964,409	37,336,652
Total Net Position	<u>\$ 81,062,592</u>	<u>\$ 53,211,715</u>	<u>\$ 134,274,307</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, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General government	\$ 2,131,960	\$ 894,057	\$ -	\$ -
Public safety	5,184,995	1,855,903	388,692	80,000
Public works	3,600,442	203,872	235,082	3,262,634
Culture and recreation	1,982,183	769,529	25,075	1,045,509
Economic development	1,294,150	11,593	33,512	836,363
Housing	232,160	-	-	-
Interest on long-term debt	282,896	-	-	-
Total Governmental Activities	<u>14,708,786</u>	<u>3,734,954</u>	<u>682,361</u>	<u>5,224,506</u>
<b>Business-type Activities</b>				
Water	1,851,493	1,089,883	499	1,204,560
Sewer	2,224,098	1,049,812	498	966,651
Storm sewer	610,952	610,372	317	189,121
Municipal liquor	3,595,136	3,886,457	801	-
Total Business-type Activities	<u>8,281,679</u>	<u>6,636,524</u>	<u>2,115</u>	<u>2,360,332</u>
Total	<u>\$ 22,990,465</u>	<u>\$ 10,371,478</u>	<u>\$ 684,476</u>	<u>\$ 7,584,838</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

Total General Revenues and Transfers

Change in Net Position

Net Position, January 1

Net Position, December 31

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

Net (Expenses) Revenues and  
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (1,237,903)	\$ -	\$ (1,237,903)
(2,860,400)	-	(2,860,400)
101,146	-	101,146
(142,070)	-	(142,070)
(412,682)	-	(412,682)
(232,160)	-	(232,160)
(282,896)	-	(282,896)
<u>(5,066,965)</u>	<u>-</u>	<u>(5,066,965)</u>
-	443,449	443,449
-	(207,137)	(207,137)
-	188,858	188,858
-	292,122	292,122
<u>-</u>	<u>717,292</u>	<u>717,292</u>
<u>(5,066,965)</u>	<u>717,292</u>	<u>(4,349,673)</u>
6,851,065	-	6,851,065
808,067	-	808,067
387,633	-	387,633
1,557,752	-	1,557,752
669,148	-	669,148
817,994	804,420	1,622,414
299,172	-	299,172
406,455	(406,455)	-
<u>11,797,286</u>	<u>397,965</u>	<u>12,195,251</u>
6,730,321	1,115,257	7,845,578
<u>74,332,271</u>	<u>52,096,458</u>	<u>126,428,729</u>
<u>\$ 81,062,592</u>	<u>\$ 53,211,715</u>	<u>\$ 134,274,307</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, 2019

City of Rogers, Minnesota  
Balance Sheet  
Governmental Funds  
December 31, 2019

	General	Debt Service	Rogers Activity Center
<b>Assets</b>			
Cash and temporary investments	\$ 8,071,816	\$ 599,657	\$ 1,086,321
Receivables			
Accounts	180,342	-	167,175
Accrued interest	182,680	-	-
Taxes	104,515	-	-
Special assessments	-	2,837,058	-
Notes receivable	-	-	-
Due from other governments	99,301	-	21,836
Advance to other funds	323,343	-	-
Inventory	16,663	-	-
Prepaid items	182,621	1,169	2,703
	<u>\$ 9,161,281</u>	<u>\$ 3,437,884</u>	<u>\$ 1,278,035</u>
<b>Total Assets</b>			
<b>Liabilities</b>			
Accounts payable	\$ 579,933	\$ -	\$ 41,081
Accrued salaries payable	248,937	-	10,219
Escrows payable	1,881,015	-	-
Due to other governments	21,055	-	2,524
Due to other funds	-	-	95,139
Advance from other funds	-	-	-
Unearned revenue	26,500	-	3,259
<b>Total Liabilities</b>	<u>2,757,440</u>	<u>-</u>	<u>152,222</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - property taxes	104,515	-	-
Unavailable revenue - special assessments	-	2,837,058	-
<b>Total Deferred Inflows of Resources</b>	<u>104,515</u>	<u>2,837,058</u>	<u>-</u>
<b>Fund Balances</b>			
Nonspendable	199,284	1,169	2,703
Restricted	-	599,657	-
Committed	-	-	1,123,110
Assigned	381,620	-	-
Unassigned	5,718,422	-	-
<b>Total Fund Balances</b>	<u>6,299,326</u>	<u>600,826</u>	<u>1,125,813</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
	<u>\$ 9,161,281</u>	<u>\$ 3,437,884</u>	<u>\$ 1,278,035</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
\$ 6,827,505	\$ 1,905,907	\$ 10,235,282	\$ 28,726,488
-	-	337,140	684,657
-	-	37	182,717
-	-	-	104,515
639,857	-	-	3,476,915
-	-	226,551	226,551
-	-	345,518	466,655
-	-	-	323,343
-	-	-	16,663
-	-	-	186,493
<u>\$ 7,467,362</u>	<u>\$ 1,905,907</u>	<u>\$ 11,144,528</u>	<u>\$ 34,394,997</u>
\$ 275,174	\$ 39,326	\$ 742,899	\$ 1,678,413
-	-	-	259,156
-	417,446	63,349	2,361,810
-	-	2,097	25,676
-	-	163,373	258,512
-	-	463,850	463,850
-	456,336	7,371	493,466
<u>275,174</u>	<u>913,108</u>	<u>1,442,939</u>	<u>5,540,883</u>
-	-	-	104,515
639,857	-	-	3,476,915
<u>639,857</u>	<u>-</u>	<u>-</u>	<u>3,581,430</u>
-	-	-	203,156
4,881,407	-	3,902,671	9,383,735
1,670,924	992,799	5,435,595	9,222,428
-	-	363,323	744,943
-	-	-	5,718,422
<u>6,552,331</u>	<u>992,799</u>	<u>9,701,589</u>	<u>25,272,684</u>
<u>\$ 7,467,362</u>	<u>\$ 1,905,907</u>	<u>\$ 11,144,528</u>	<u>\$ 34,394,997</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, 2019

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

Total Fund Balances - Governmental	\$ 25,272,684
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of capital assets	122,886,068
Less accumulated depreciation	(57,539,087)
Long-term assets from pensions reported in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.	
	163,423
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	(710,976)
Severance obligations payable	(95,072)
Other postemployment benefits payable	(594,187)
Bonds payable	(8,080,000)
Deferred charge on refunding, net of accumulated amortization	210,340
Net pension liability	(3,506,610)
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	3,476,915
Taxes receivable	104,515
Governmental funds do not report a liability for accrued interest until due and payable.	
	(8,934)
Governmental funds do not report long-term amounts related to pensions.	
Deferred outflows of resources	2,407,792
Deferred inflows of resources	(2,905,343)
Governmental funds do not report long-term amounts related to other postemployment benefits	
Deferred outflows of resources	14,384
Deferred inflows of resources	(33,320)
	14,384
	(33,320)
Total Net Position - Governmental Activities	\$ 81,062,592

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, 2019

	General	Debt Service	Rogers Activity Center
Revenues			
Taxes	\$ 5,838,879	\$ 808,067	\$ 264,619
Tax increments	-	-	-
Franchise taxes	-	-	-
Licenses and permits	1,522,616	-	-
Intergovernmental	603,781	-	-
Charges for services	892,064	-	628,292
Fines and forfeitures	97,544	-	-
Special assessments	-	292,490	-
Interest on investments	270,282	14,742	20,010
Miscellaneous	177,760	-	103,027
Total Revenues	<u>9,402,926</u>	<u>1,115,299</u>	<u>1,015,948</u>
Expenditures			
Current			
General government	2,041,563	-	-
Public safety	4,416,773	-	-
Public works	1,262,383	-	-
Culture and recreation	857,892	-	595,623
Economic development	-	-	-
Capital outlay			
General government	-	-	-
Public safety	29,383	-	-
Public works	19,394	-	-
Culture and recreation	997	-	27,395
Economic development	-	-	-
Housing	-	-	-
Debt service			
Principal	-	1,090,000	-
Interest and other	-	237,185	-
Total Expenditures	<u>8,628,385</u>	<u>1,327,185</u>	<u>623,018</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>774,541</u>	<u>(211,886)</u>	<u>392,930</u>
Other Financing Sources (Uses)			
Transfers in	229,845	244,257	4,111
Sale of capital assets	-	-	-
Transfers out	(125,111)	-	(2,480)
Total Other Financing Sources (Uses)	<u>104,734</u>	<u>244,257</u>	<u>1,631</u>
Net Change in Fund Balances	879,275	32,371	394,561
Fund Balances, January 1	<u>5,420,051</u>	<u>568,455</u>	<u>731,252</u>
Fund Balances, December 31	<u>\$ 6,299,326</u>	<u>\$ 600,826</u>	<u>\$ 1,125,813</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	\$ -	\$ 728,857	\$ 7,765,422
-	-	387,633	387,633
-	-	1,421,771	1,421,771
-	-	-	1,522,616
1,021,248	-	1,768,123	3,393,152
870,738	-	1,048,496	3,439,590
-	-	2,840	100,384
131,172	27,967	-	451,629
247,894	31,075	233,991	817,994
-	1,273,956	180,076	1,734,819
<u>2,396,052</u>	<u>1,332,998</u>	<u>5,771,787</u>	<u>21,035,010</u>
-	-	1,312	2,042,875
-	-	5,704	4,422,477
-	-	-	1,262,383
-	-	-	1,453,515
-	-	139,820	139,820
-	-	52,703	52,703
-	-	333,057	362,440
1,783,194	1,024,474	497,642	3,324,704
-	-	1,861,831	1,890,223
-	-	1,145,722	1,145,722
-	-	232,160	232,160
-	-	-	1,090,000
-	-	11,885	249,070
<u>1,783,194</u>	<u>1,024,474</u>	<u>4,281,836</u>	<u>17,668,092</u>
<u>612,858</u>	<u>308,524</u>	<u>1,489,951</u>	<u>3,366,918</u>
56,000	-	956,429	1,490,642
93,648	-	214,630	308,278
(451,862)	(12,017)	(492,717)	(1,084,187)
<u>(302,214)</u>	<u>(12,017)</u>	<u>678,342</u>	<u>714,733</u>
310,644	296,507	2,168,293	4,081,651
<u>6,241,687</u>	<u>696,292</u>	<u>7,533,296</u>	<u>21,191,033</u>
<u>\$ 6,552,331</u>	<u>\$ 992,799</u>	<u>\$ 9,701,589</u>	<u>\$ 25,272,684</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, 2019

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

Net Change in Fund Balances - Governmental Funds	\$ 4,081,651
<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	5,071,630
Depreciation expense	(3,033,018)
<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	(49,666)
Depreciation on disposals	40,560
<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	1,090,000
<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>	
	(33,826)
<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	(354,937)
Taxes	29,691
<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	(19,438)
Severance obligations	(12,246)
Other postemployment benefits	(72,823)
<p>Long-term pension activity is not reported in governmental funds.</p>	
Pension expense	(30,973)
Pension revenue	23,716
Change in Net Position - Governmental Activities	\$ 6,730,321

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, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 6,009,201	\$ 6,009,201	\$ 5,838,879	\$ (170,322)
Licenses and permits	751,851	751,851	1,522,616	770,765
Intergovernmental	566,415	566,415	603,781	37,366
Charges for services	698,044	698,044	892,064	194,020
Fines and forfeitures	110,400	110,400	97,544	(12,856)
Interest on investments	60,000	60,000	270,282	210,282
Miscellaneous	153,200	153,200	177,760	24,560
Total Revenues	<u>8,349,111</u>	<u>8,349,111</u>	<u>9,402,926</u>	<u>1,053,815</u>
Expenditures				
Current				
General government	2,077,047	2,077,047	2,041,563	35,484
Public safety	4,200,841	4,200,841	4,416,773	(215,932)
Public works	1,386,375	1,386,375	1,262,383	123,992
Culture and recreation	879,848	879,848	857,892	21,956
Capital outlay				
Public safety	-	-	29,383	(29,383)
Public works	30,000	38,988	19,394	19,594
Culture and recreation	-	-	997	(997)
Total Expenditures	<u>8,574,111</u>	<u>8,583,099</u>	<u>8,628,385</u>	<u>(45,286)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(225,000)</u>	<u>(233,988)</u>	<u>774,541</u>	<u>1,008,529</u>
Other Financing Sources (Uses)				
Transfers in	225,000	225,000	229,845	4,845
Transfers out	-	-	(125,111)	(125,111)
Total Other Financing Sources (Uses)	<u>225,000</u>	<u>225,000</u>	<u>104,734</u>	<u>(120,266)</u>
Net Change in Fund Balances	-	(8,988)	879,275	888,263
Fund Balances, January 1	<u>5,420,051</u>	<u>5,420,051</u>	<u>5,420,051</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 5,420,051</u>	<u>\$ 5,411,063</u>	<u>\$ 6,299,326</u>	<u>\$ 888,263</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, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 264,619	\$ 264,619	\$ 264,619	\$ -
Charges for services	490,100	490,100	628,292	138,192
Interest on investments	-	-	20,010	20,010
Miscellaneous				
Contributions and donations	85,000	85,000	91,398	6,398
Other	-	-	11,629	11,629
Total Revenues	<u>839,719</u>	<u>839,719</u>	<u>1,015,948</u>	<u>176,229</u>
Expenditures				
Current				
Culture and recreation				
Personal services	279,386	279,386	267,245	12,141
Supplies	76,310	76,310	68,552	7,758
Other services and charges	175,916	175,916	259,826	(83,910)
Capital outlay				
Culture and recreation	-	-	27,395	(27,395)
Total Expenditures	<u>531,612</u>	<u>531,612</u>	<u>623,018</u>	<u>(91,406)</u>
Excess of Revenues Over Expenditures	<u>308,107</u>	<u>308,107</u>	<u>392,930</u>	<u>84,823</u>
Other Financing Sources (Uses)				
Transfers in	-	-	4,111	4,111
Transfers out	(197,656)	(197,656)	(2,480)	195,176
Total Other Financing Sources (Uses)	<u>(197,656)</u>	<u>(197,656)</u>	<u>1,631</u>	<u>199,287</u>
Net Change in Fund Balances	110,451	110,451	394,561	284,110
Fund Balances, January 1	<u>731,252</u>	<u>731,252</u>	<u>731,252</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 841,703</u>	<u>\$ 841,703</u>	<u>\$ 1,125,813</u>	<u>\$ 284,110</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, 2019

	Business-type Activities - Enterprise Funds				Totals
	Water	Sewer	Storm Sewer	Municipal Liquor	
<b>Assets</b>					
<b>Current Assets</b>					
Cash and temporary investments	\$ 9,272,543	\$ 12,539,852	\$ 2,744,480	\$ 1,121,106	\$ 25,677,981
Receivables					
Accounts	84,402	149,024	80,314	55,665	369,405
Special assessments	609	1,593	-	-	2,202
Due from other governments	16,033	18,742	-	-	34,775
Due from other funds	-	258,512	-	-	258,512
Inventories	-	-	-	391,330	391,330
Prepaid items	4,619	80,203	2,337	11,721	98,880
<b>Total Current Assets</b>	<b>9,378,206</b>	<b>13,047,926</b>	<b>2,827,131</b>	<b>1,579,822</b>	<b>26,833,085</b>
<b>Noncurrent Assets</b>					
Special assessments receivable	57,965	117,247	39,099	-	214,311
Advance to other funds	-	463,850	-	-	463,850
<b>Capital assets</b>					
Land	752,708	65,437	166,421	974,579	1,959,145
Buildings and improvements	3,991,348	1,021,216	-	1,211,213	6,223,777
Infrastructure	15,162,500	11,913,807	9,459,079	-	36,535,386
Machinery and equipment	234,813	530,357	228,057	205,906	1,199,133
Construction in progress	599,409	251,944	207,422	-	1,058,775
Less accumulated depreciation	(9,046,153)	(4,693,941)	(4,253,038)	(770,778)	(18,763,910)
<b>Total Capital Assets (Net of Accumulated Depreciation)</b>	<b>11,694,625</b>	<b>9,088,820</b>	<b>5,807,941</b>	<b>1,620,920</b>	<b>28,212,306</b>
<b>Total Noncurrent Assets</b>	<b>11,752,590</b>	<b>9,669,917</b>	<b>5,847,040</b>	<b>1,620,920</b>	<b>28,890,467</b>
<b>Total Assets</b>	<b>21,130,796</b>	<b>22,717,843</b>	<b>8,674,171</b>	<b>3,200,742</b>	<b>55,723,552</b>
<b>Deferred Outflows of Resources</b>					
Deferred other postemployment benefits resources	1,241	1,236	801	711	3,989
Deferred pension resources	4,886	4,908	2,897	2,844	15,535
<b>Total Deferred Outflows of Resources</b>	<b>6,127</b>	<b>6,144</b>	<b>3,698</b>	<b>3,555</b>	<b>19,524</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Accounts payable	92,235	23,513	10,915	56,800	183,463
Accrued salaries payable	11,889	11,842	7,421	19,600	50,752
Accrued interest payable	1,885	-	-	-	1,885
Due to other governments	651	2,386	-	44,012	47,049
Due to other funds	-	-	-	323,343	323,343
Compensated absences payable - current	22,368	22,312	10,335	42,647	97,662
Bonds payable - current	110,000	-	-	-	110,000
<b>Total Current Liabilities</b>	<b>239,028</b>	<b>60,053</b>	<b>28,671</b>	<b>486,402</b>	<b>814,154</b>

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, 2019

	Business-type Activities - Enterprise Funds				Totals
	Water	Sewer	Storm Sewer	Municipal Liquor	
<b>Noncurrent Liabilities</b>					
Severance obligations payable	\$ 12,281	\$ 12,281	\$ 5,631	\$ 15,202	\$ 45,395
Compensated absences payable	24,372	24,311	11,261	46,468	106,412
Other postemployment benefits payable	51,260	51,051	33,098	29,351	164,760
Bonds payable	855,000	-	-	-	855,000
Net pension liability	118,210	117,986	74,088	169,503	479,787
Total Noncurrent Liabilities	<u>1,061,123</u>	<u>205,629</u>	<u>124,078</u>	<u>260,524</u>	<u>1,651,354</u>
Total Liabilities	<u>1,300,151</u>	<u>265,682</u>	<u>152,749</u>	<u>746,926</u>	<u>2,465,508</u>
<b>Deferred Inflows of Resources</b>					
Deferred other postemployment benefits resources	2,874	2,863	1,865	1,637	9,239
Deferred pension resources	14,590	14,581	9,044	18,399	56,614
Total Deferred Outflows of Resources	<u>17,464</u>	<u>17,444</u>	<u>10,909</u>	<u>20,036</u>	<u>65,853</u>
<b>Net Position</b>					
Net investment in capital assets	10,729,625	9,088,820	5,807,941	1,620,920	27,247,306
Unrestricted	9,089,683	13,352,041	2,706,270	816,415	25,964,409
Total Net Position	<u>\$ 19,819,308</u>	<u>\$ 22,440,861</u>	<u>\$ 8,514,211</u>	<u>\$ 2,437,335</u>	<u>\$ 53,211,715</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, 2019

	Business-type Activities - Enterprise Funds				Totals
	Water	Sewer	Storm Sewer	Municipal Liquor	
Operating Revenues					
Sales	\$ -	\$ -	\$ -	\$ 3,886,457	\$ 3,886,457
Cost of sales	-	-	-	(2,691,774)	(2,691,774)
Gross Profit	-	-	-	1,194,683	1,194,683
Charges for services	1,028,404	1,014,834	558,845	-	2,602,083
Miscellaneous	38,225	12,469	25,750	-	76,444
Total Operating Revenues	<u>1,066,629</u>	<u>1,027,303</u>	<u>584,595</u>	<u>1,194,683</u>	<u>3,873,210</u>
Operating Expenses					
Personal services	430,648	420,630	273,843	582,296	1,707,417
Supplies	394,159	62,973	9,640	22,379	489,151
Other services and charges	455,868	346,509	125,598	265,629	1,193,604
Depreciation	546,181	349,901	201,871	33,058	1,131,011
Total Operating Expenses	<u>1,826,856</u>	<u>1,180,013</u>	<u>610,952</u>	<u>903,362</u>	<u>4,521,183</u>
Operating Income (Loss)	<u>(760,227)</u>	<u>(152,710)</u>	<u>(26,357)</u>	<u>291,321</u>	<u>(647,973)</u>
Nonoperating Revenues (Expenses)					
Income on investments	301,209	421,630	77,270	4,311	804,420
Gain (loss) on sale of capital assets	-	(1,044,085)	-	-	(1,044,085)
Interest expense	(24,637)	-	-	-	(24,637)
Other income	23,753	23,007	392	26,503	73,655
Total Nonoperating Revenues (Expenses)	<u>300,325</u>	<u>(599,448)</u>	<u>77,662</u>	<u>30,814</u>	<u>(190,647)</u>
Income (Loss) Before Contributions and Transfers	<u>(459,902)</u>	<u>(752,158)</u>	<u>51,305</u>	<u>322,135</u>	<u>(838,620)</u>
Capital Contributions					
Connection fees and special assessments	1,204,560	966,651	189,121	-	2,360,332
Transfers In	125,000	-	-	-	125,000
Transfers Out	<u>(75,000)</u>	<u>(202,365)</u>	<u>(15,000)</u>	<u>(239,090)</u>	<u>(531,455)</u>
Change in Net Position	794,658	12,128	225,426	83,045	1,115,257
Net Position, January 1	<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>
Net Position, December 31	<u>\$ 19,819,308</u>	<u>\$ 22,440,861</u>	<u>\$ 8,514,211</u>	<u>\$ 2,437,335</u>	<u>\$ 53,211,715</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, 2019

	Business-type Activities - Enterprise Funds				Totals
	Water	Sewer	Storm Sewer	Municipal Liquor	
<b>Cash Flows from Operating Activities</b>					
Receipts from customers and users	\$ 1,066,658	\$ 1,026,842	\$ 589,353	\$ 3,883,540	\$ 6,566,393
Payments to suppliers	(783,294)	(463,578)	(133,709)	(2,957,470)	(4,338,051)
Payments to employees	(397,589)	(393,733)	(235,418)	(572,839)	(1,599,579)
Net Cash Provided (Used) by Operating Activities	<u>(114,225)</u>	<u>169,531</u>	<u>220,226</u>	<u>353,231</u>	<u>628,763</u>
<b>Cash Flows from Noncapital Financing Activities</b>					
Receipt on due from other funds	-	135,051	-	-	135,051
Receipt on due to other funds	-	-	-	52,926	52,926
Transfer from other funds	125,000	-	-	-	125,000
Transfers to other funds	(75,000)	(202,365)	(15,000)	(239,090)	(531,455)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>50,000</u>	<u>(67,314)</u>	<u>(15,000)</u>	<u>(186,164)</u>	<u>(218,478)</u>
<b>Cash Flows from Capital Financing Activities</b>					
Acquisition of property and equipment	(29,086)	(47,237)	(2,391)	(22,825)	(101,539)
Proceeds from sale of capital assets	-	842,749	-	-	842,749
Connection fees/special assessments received	1,210,227	973,045	189,121	-	2,372,393
Interest paid on bonds	(24,820)	-	-	-	(24,820)
Principal paid on bonds	(110,000)	-	-	-	(110,000)
Net Cash Provided by Capital Financing Activities	<u>1,046,321</u>	<u>1,768,557</u>	<u>186,730</u>	<u>(22,825)</u>	<u>2,978,783</u>
<b>Cash Flows from Investing Activities</b>					
Interest received on investments	<u>301,209</u>	<u>421,630</u>	<u>77,270</u>	<u>4,311</u>	<u>804,420</u>
<b>Net Increase in Cash and Cash Equivalents</b>					
Cash and Cash Equivalents	1,283,305	2,292,404	469,226	148,553	4,193,488
Cash and Cash Equivalents, January 1	<u>7,989,238</u>	<u>10,247,448</u>	<u>2,275,254</u>	<u>972,553</u>	<u>21,484,493</u>
Cash and Cash Equivalents, December 31	<u><u>\$ 9,272,543</u></u>	<u><u>\$ 12,539,852</u></u>	<u><u>\$ 2,744,480</u></u>	<u><u>\$ 1,121,106</u></u>	<u><u>\$ 25,677,981</u></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, 2019

	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)	\$ (760,227)	\$ (152,710)	\$ (26,357)	\$ 291,321	\$ (647,973)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Other income related to operations	23,753	23,007	392	26,503	73,655
Depreciation	546,181	349,901	201,871	33,058	1,131,011
(Increase) decrease in assets					
Accounts receivable	1,039	(1,834)	4,758	(2,917)	1,046
Due from other governments	(1,010)	1,373	-	-	363
Inventory	-	-	-	(19,407)	(19,407)
Prepaid items	(4,062)	(80,081)	(2,290)	(6,034)	(92,467)
Decrease in deferred outflows					
Deferred pension resources	16,380	16,257	10,751	35,745	79,133
Deferred postemployment benefit resources	609	605	439	578	2,231
Increase (decrease) in liabilities					
Accounts payable	17,493	(23,119)	731	(9,600)	(14,495)
Due to other governments	437	(378)	-	2,132	2,191
Accrued salaries payable	1,876	1,878	268	1,159	5,181
Compensated absences payable	4,797	(2,649)	6,638	4,287	13,073
Severance obligations payable	864	(625)	1,944	1,410	3,593
Other postemployment benefits payable	9,207	9,203	4,907	47	23,364
Net pension liability	32,319	32,503	18,964	13,647	97,433
Decrease in deferred inflows					
Deferred postemployment benefit resources	2,874	2,863	1,865	1,637	9,239
Deferred pension resources	(6,755)	(6,663)	(4,655)	(20,335)	(38,408)
Net Cash Provided (Used) by Operating Activities	<u>\$ (114,225)</u>	<u>\$ 169,531</u>	<u>\$ 220,226</u>	<u>\$ 353,231</u>	<u>\$ 628,763</u>
Noncash Capital Financing and Investing Activities					
Book value of disposed capital assets	<u>\$ -</u>	<u>\$ (1,886,834)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,886,834)</u>
Capital assets purchased on account	<u>\$ 33,631</u>	<u>\$ 18,680</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,311</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, 2019:

- US agency securities of \$17,079,765 are valued using quoted market prices (Level 1 inputs)
- Brokered money markets of \$7,697,985 are valued using quoted market prices (Level 1 inputs)
- Municipal securities of \$1,460,708 are valued using a matrix pricing model (Level 2 inputs)
- Brokered certificates of deposits of \$10,167,738 are valued using a matrix pricing model (Level 2 inputs)
- Mortgage backed securities of \$11,649,151 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 2019. 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, 2019

**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, 2019

**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 GERP, PEPFP and Rogers Fire Relief Association is as follows

GERP	\$ 366,704
PEPFP	343,530
Fire Relief	10,971
 Total Pension Expense	 \$ 721,205

***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.

Furthermore, the City has additional items which qualify for reporting in this category on the statement of net position. The items, deferred pension resources and deferred other postemployment benefit resources, are reported only in the statement of net position and results from actuarial calculations involving net differences between projected and actual earnings on plan investments and changes in proportions.

## 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, 2019

**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 30<sup>th</sup>, 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 \$8,988 for a total decrease in fund balance of \$8,988.

**B. Excess of Expenditures Over Appropriations**

For the year ended December 31, 2019 expenditures exceeded appropriations in the following funds:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Excess of Expenditures Over Appropriations</u>
General	\$ 8,583,099	\$ 8,628,385	\$ 45,286
Rogers Activity Center	531,612	623,018	91,406

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 fair 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 \$6,335,465 and the bank balance was \$7,344,192. The bank balance was covered by federal depository insurance totaling \$500,000. 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, 2019

**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, 2019, 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
<b>Pooled Investments at Amortized Costs</b>					
4M fund	N/A	Less than one year	\$ 2,192	\$ -	\$ -
Money market	N/A	Less than one year	416	-	-
<b>Non-pooled Investments at Fair Value</b>					
Brokered money market	N/A	Less than one year	7,697,985	7,697,985	-
Brokered certificates of deposits	N/A	Less than one year	245,265	-	245,265
Brokered certificates of deposits	N/A	One to Five Years	9,472,109	-	9,472,109
Brokered certificates of deposits	N/A	Five to Ten Years	450,364	-	450,364
U.S. agency securities	AAA	Less than one year	900,584	900,584	-
U.S. agency securities	AAA	One to Five Years	10,677,893	10,677,893	-
U.S. agency securities	AAA	Five to Ten Years	5,501,288	5,501,288	-
Municipal Securities	AA2	One to Five Years	1,063,005	-	1,063,005
Municipal Securities	A1	Five to Ten Years	157,298	-	157,298
Municipal Securities	AA2	Five to Ten Years	240,405	-	240,405
Mortgage backed securities	AAA	Less than one year	4,198,205	-	4,198,205
Mortgage backed securities	AAA	One to Five Years	6,454,606	-	6,454,606
Mortgage backed securities	AAA	Five to Ten Years	996,340	-	996,340
<b>Total Investments</b>			<b>\$ 48,057,955</b>	<b>\$ 24,777,750</b>	<b>\$ 23,277,597</b>

(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  
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**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, 2019, the City had invested 5 percent or more of its total investment portfolio in the following issuers:
  - Federal Home Loan Banks \$6,145,597
  - FHLMC MTN \$7,202,699
  - Federal Farm Credit Banks \$10,236,360
  - FNMA \$4,446,453
- *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	\$ 6,335,465
Investments	48,057,955
Cash on Hand	<u>11,049</u>
 Total	 <u><u>\$ 54,404,469</u></u>

City of Rogers, Minnesota  
Notes to the Financial Statements  
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**Note 3: Detailed Notes on All Funds (Continued)**

**B. Capital Assets**

Capital asset activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital Assets not Being Depreciated				
Land	\$ 18,078,877	\$ 358,490	\$ -	\$ 18,437,367
Construction in progress	2,519,690	3,090,240	-	5,609,930
Total Capital Assets not Being Depreciated	<u>20,598,567</u>	<u>3,448,730</u>	<u>-</u>	<u>24,047,297</u>
Capital Assets Being Depreciated				
Buildings and structures	20,012,561	-	-	20,012,561
Infrastructure	68,792,195	814,797	-	69,606,992
Machinery and equipment	8,460,781	808,103	(49,666)	9,219,218
Total Capital Assets Being Depreciated	<u>97,265,537</u>	<u>1,622,900</u>	<u>(49,666)</u>	<u>98,838,771</u>
Less Accumulated Depreciation for				
Buildings and structures	(6,263,125)	(396,877)	-	(6,660,002)
Infrastructure	(42,661,582)	(2,069,431)	-	(44,731,013)
Machinery and equipment	(5,621,922)	(566,710)	40,560	(6,148,072)
Total Accumulated Depreciation	<u>(54,546,629)</u>	<u>(3,033,018)</u>	<u>40,560</u>	<u>(57,539,087)</u>
Total Capital Assets Being Depreciated, Net	<u>42,718,908</u>	<u>(1,410,118)</u>	<u>(9,106)</u>	<u>41,299,684</u>
Governmental Activities Capital Assets, Net	<u>\$ 63,317,475</u>	<u>\$ 2,038,612</u>	<u>\$ (9,106)</u>	<u>\$ 65,346,981</u>

City of Rogers, Minnesota  
Notes to the Financial Statements  
December 31, 2019

**Note 3: Detailed Notes on All Funds (Continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type Activities</b>				
Capital Assets not Being Depreciated				
Land	\$ 1,969,145	\$ -	\$ (10,000)	\$ 1,959,145
Construction in progress	1,019,911	38,864	-	1,058,775
Total Capital Assets not Being Depreciated	<u>2,989,056</u>	<u>38,864</u>	<u>(10,000)</u>	<u>3,017,920</u>
Capital Assets Being Depreciated				
Buildings and structures	10,030,399	-	(3,806,622)	6,223,777
Infrastructure	36,535,386	-	-	36,535,386
Machinery and equipment	1,140,142	58,991	-	1,199,133
Total Capital Assets Being Depreciated	<u>47,705,927</u>	<u>58,991</u>	<u>(3,806,622)</u>	<u>43,958,296</u>
Less Accumulated Depreciation for				
Buildings and structures	(6,296,859)	(229,147)	1,929,788	(4,596,218)
Infrastructure	(12,335,127)	(838,817)	-	(13,173,944)
Machinery and equipment	(930,701)	(63,047)	-	(993,748)
Total Accumulated Depreciation	<u>(19,562,687)</u>	<u>(1,131,011)</u>	<u>1,929,788</u>	<u>(18,763,910)</u>
Total Capital Assets Being Depreciated, Net	<u>28,143,240</u>	<u>(1,072,020)</u>	<u>(1,876,834)</u>	<u>25,194,386</u>
Business-type Activities Capital Assets, Net	<u>\$ 31,132,296</u>	<u>\$ (1,033,156)</u>	<u>\$ (1,886,834)</u>	<u>\$ 28,212,306</u>

City of Rogers, Minnesota  
Notes to the Financial Statements  
December 31, 2019

**Note 3: Detailed Notes on All Funds (Continued)**

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

Function/Program	Amount
<b>Governmental Activities</b>	
General government	\$ 35,357
Public safety	473,637
Public works	2,177,506
Culture and recreation	337,910
Economic development	8,608
	8,608
Total Depreciation Expense - Governmental Activities	\$ 3,033,018
<b>Business-type Activities</b>	
Water	\$ 546,181
Sewer	349,901
Storm sewer	201,871
Municipal liquor	33,058
	33,058
Total Depreciation Expense - Business-type Activities	\$ 1,131,011

**C. Construction Commitments**

As of December 31, 2019, the City has signed contracts in place for construction projects. The following summarizes those commitments:

Project	Spent to Date	Remaining Commitment
Northdale Blvd Street Improvements	\$ 1,180,873	\$ 260,157
2016 Justen Circle Street and Utility Improvements	1,578,148	210,414
Lennar/City Future CR 117 (Rogers Parkway)	566,832	737,558
Rogers Event Center (Labor)	512,770	918,414
Rogers Event Center (Materials)	435,792	512,490
2019 Street Improvement Projects	332,222	172,027

City of Rogers, Minnesota  
Notes to the Financial Statements  
December 31, 2019

**Note 3: Detailed Notes on All Funds (Continued)**

**D. Interfund Receivables, Payables and Transfers**

The composition of interfund balances as of December 31, 2019 is as follows:

Receivable Fund	Payable Fund	Amount
<b>Due from/to other Funds</b>		
Governmental General	Business-type Municipal Liquor	\$ 323,343
Business-type Sewer	Governmental Rogers Activity Center	95,139
Business-type Sewer	Governmental Capital Improvement Projects	163,373
Total Due from/to other Funds		\$ 581,855
<b>Advance from/to other Funds</b>		
Business-type Sewer	Governmental Capital Improvement Projects	\$ 463,850

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, 2019

**Note 3: Detailed Notes on All Funds (Continued)**

The composition of interfund transfers at December 31, 2019 is as follows:

Fund	Transfers in						Total
	General	Debt Service	Rogers Activity Center	Revolving Capital	Other Governmental Funds	Water	
<b>Transfers Out</b>							
General	\$ -	\$ -	\$ 4,111	\$ 56,000	\$ 65,000	\$ -	\$ 125,111
Rogers Activity Center	2,480	-	-	-	-	-	2,480
Revolving Capital	-	-	-	-	451,862	-	451,862
Street and Related Improvement Projects	-	-	-	-	12,017	-	12,017
Other Governmental Funds	-	79,257	-	-	413,460	-	492,717
Water	-	75,000	-	-	-	-	75,000
Sewer	2,365	75,000	-	-	-	125,000	202,365
Storm Sewer	-	15,000	-	-	-	-	15,000
Municipal Liquor	225,000	-	-	-	14,090	-	239,090
<b>Total</b>	<b>\$ 229,845</b>	<b>\$ 244,257</b>	<b>\$ 4,111</b>	<b>\$ 56,000</b>	<b>\$ 956,429</b>	<b>\$ 125,000</b>	<b>\$ 1,615,642</b>

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, 2019, 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.
- Transfers between funds as part of capital improvement plans.
- Transfers of Rogers Lions Club donations to Rogers Event Center Building project.
- Transfers Energy Conversation Funds to Rogers Activity Center for LED Lighting Project.
- To transfer Sewer funds to cover expenses related to AMR to AMI Project.
- To transfer the unspent budgets of the Paved and Unpaved Streets departments to the Pavement Management Program Fund and the Revolving Capital Improvement Projects Fund, respectively .

City of Rogers, Minnesota  
Notes to the Financial Statements  
December 31, 2019

**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
<b>Governmental Activities</b>					
G.O. Improvement Bonds					
Series 2011	\$ 4,845,000	2.00 - 2.70 %	12/06/11	12/15/25	\$ 2,195,000
Series 2014	2,500,000	2.00 - 3.65	03/06/14	12/15/34	2,010,000
Series 2015	2,845,000	2.00 - 2.25	10/01/15	12/15/25	<u>1,785,000</u>
Total General Obligation Improvement Bonds					<u><u>\$ 5,990,000</u></u>

Annual debt service requirements to maturity for general obligation improvement bonds outstanding at December 31, 2019 are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2020	\$ 720,000	\$ 156,818	\$ 876,818
2021	745,000	141,368	886,368
2022	760,000	125,023	885,023
2023	780,000	106,472	886,472
2024	805,000	86,748	891,748
2025 - 2029	1,400,000	219,465	1,619,465
2030 - 2034	<u>780,000</u>	<u>86,931</u>	<u>866,931</u>
Total	<u><u>\$ 5,990,000</u></u>	<u><u>\$ 922,825</u></u>	<u><u>\$ 6,912,825</u></u>

City of Rogers, Minnesota  
Notes to the Financial Statements  
December 31, 2019

**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
<b>Governmental Activities</b>					
G.O. Tax Increment Bonds, Series 2003	\$ 235,000	2.50 - 4.90 %	11/01/03	12/01/21	\$ 35,000
G.O. Tax Increment Refunding Bonds, Series 2011	725,000	0.75 - 3.00	12/06/11	12/01/21	<u>115,000</u>
Total General Obligation Tax Increment Bonds					<u><u>\$ 150,000</u></u>

Annual debt service requirements to maturity for general obligation tax increment bonds outstanding at December 31, 2019, are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2020	\$ 70,000	\$ 5,165	\$ 75,165
2021	<u>80,000</u>	<u>2,780</u>	<u>82,780</u>
Total	<u><u>\$ 150,000</u></u>	<u><u>\$ 7,945</u></u>	<u><u>\$ 157,945</u></u>

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
<b>Governmental Activities</b>					
G.O. Tax Abatement Bonds Series 2015A	\$ 2,390,000	2.00 - 3.00 %	10/01/15	12/15/29	<u><u>\$ 1,790,000</u></u>
<b>Business-type Activities</b>					
Water Revenue Bonds Series 2012A	1,685,000	2.00 - 2.65	04/25/12	12/01/27	<u><u>\$ 965,000</u></u>

City of Rogers, Minnesota  
Notes to the Financial Statements  
December 31, 2019

**Note 3: Detailed Notes on All Funds (Continued)**

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
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	180,000	28,662	208,662	120,000	12,892	132,892
2025 - 2029	930,000	76,812	1,006,812	385,000	20,287	405,287
Total	<u>\$ 1,790,000</u>	<u>\$ 254,815</u>	<u>\$ 2,044,815</u>	<u>\$ 965,000</u>	<u>\$ 109,815</u>	<u>\$ 1,074,815</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:

	Water
Net Operating Revenues (Charges for Services)	\$ 1,028,404
Principal and Interest	134,820
Percentage of Revenues	13 %

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
<b>Governmental Activities</b>					
Equipment Certificates					
Series 2014	\$ 920,000	2.00 - 4.00 %	03/06/14	12/15/22	<u>\$ 150,000</u>

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

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2020	\$ 50,000	\$ 5,000	\$ 55,000
2021	50,000	3,500	53,500
2022	50,000	2,000	52,000
Total	<u>\$ 150,000</u>	<u>\$ 10,500</u>	<u>\$ 160,500</u>

City of Rogers, Minnesota  
Notes to the Financial Statements  
December 31, 2019

**Note 3: Detailed Notes on All Funds (Continued)**

Changes in Long-term Liabilities

During the year ended December 31, 2019, 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>
<b>Governmental Activities</b>					
Bonds Payable					
General obligation bonds	\$ 6,695,000	\$ -	\$ (705,000)	\$ 5,990,000	\$ 720,000
General obligation tax increment bonds	220,000	-	(70,000)	150,000	70,000
Revenue bonds	1,945,000	-	(155,000)	1,790,000	160,000
Equipment Certificates	310,000	-	(160,000)	150,000	50,000
Total Bonds Payable	<u>9,170,000</u>	<u>-</u>	<u>(1,090,000)</u>	<u>8,080,000</u>	<u>1,000,000</u>
Compensated Absences Payable	691,538	312,935	(293,497)	710,976	340,244
Severance Obligations Payable	<u>82,826</u>	<u>12,246</u>	<u>-</u>	<u>95,072</u>	<u>-</u>
Governmental Activities Long-term Liabilities	<u>\$ 9,944,364</u>	<u>\$ 325,181</u>	<u>\$ (1,383,497)</u>	<u>\$ 8,886,048</u>	<u>\$ 1,340,244</u>
<b>Business-type Activities</b>					
Bonds Payable					
Revenue bonds	\$ 1,075,000	\$ -	\$ (110,000)	\$ 965,000	\$ 110,000
Compensated Absences Payable	191,001	157,483	(144,410)	204,074	97,662
Severance Obligations Payable	<u>41,802</u>	<u>3,593</u>	<u>-</u>	<u>45,395</u>	<u>-</u>
Business-type Activities Long-term Liabilities	<u>\$ 1,307,803</u>	<u>\$ 161,076</u>	<u>\$ (254,410)</u>	<u>\$ 1,214,469</u>	<u>\$ 207,662</u>

City of Rogers, Minnesota  
Notes to the Financial Statements  
December 31, 2019

**Note 3: Detailed Notes on All Funds (Continued)**

**F. Components of Fund Balance**

At December 31, 2019, 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
<b>Nonspendable</b>				
Prepaid items	\$ 182,621	\$ 1,169	\$ 2,703	\$ -
Inventory	16,663	-	-	-
<b>Total Nonspendable</b>	<b>\$ 199,284</b>	<b>\$ 1,169</b>	<b>\$ 2,703</b>	<b>\$ -</b>
<b>Restricted for</b>				
Debt service	\$ -	\$ 599,657	\$ -	\$ -
Transportation infrastructure	-	-	-	4,881,407
<b>Total Restricted</b>	<b>\$ -</b>	<b>\$ 599,657</b>	<b>\$ -</b>	<b>\$ 4,881,407</b>
<b>Committed to</b>				
Rogers activity center	\$ -	\$ -	\$ 1,123,110	\$ -
Capital improvement projects	-	-	-	1,670,924
<b>Total Committed</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,123,110</b>	<b>\$ 1,670,924</b>
<b>Assigned to</b>				
COVID-19 Contingency	\$ 300,000	\$ -	\$ -	\$ -
Energy Conservation	19,520	-	-	-
Emergency Management Warning Sirens	62,100	-	-	-
<b>Total Assigned</b>	<b>\$ 381,620</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

City of Rogers, Minnesota  
Notes to the Financial Statements  
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**Note 3: Detailed Notes on All Funds (Continued)**

	Street and Related Improvement Projects	Other Governmental Funds	Total Governmental Funds
<b>Nonspendable</b>			
Prepaid items	\$ -	\$ -	\$ 186,493
Inventory	-	-	16,663
<b>Total Nonspendable</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 203,156</b>
<b>Restricted for</b>			
Debt service	\$ -	\$ -	\$ 599,657
Tax increment financing	-	1,498,387	1,498,387
Revolving loans	-	416,807	416,807
Police expenditures	-	1,480	1,480
Capital improvement projects	-	10,000	10,000
Economic Development	-	92,198	92,198
Park dedication fees	-	956,972	956,972
Transportation infrastructure	-	-	4,881,407
Local option sales tax	-	247,897	247,897
Trail dedication	-	678,930	678,930
<b>Total Restricted</b>	<b>\$ -</b>	<b>\$ 3,902,671</b>	<b>\$ 9,383,735</b>
<b>Committed to</b>			
Pavement management	\$ -	\$ 1,402,546	\$ 1,402,546
Fire department capital projects	-	362,636	362,636
Park Dedication	-	596,777	596,777
Capital improvement projects	992,799	1,606,414	4,270,137
Rogers activity center	-	-	1,123,110
Tower and billboard leases	-	1,467,222	1,467,222
<b>Total Committed</b>	<b>\$ 992,799</b>	<b>\$ 5,435,595</b>	<b>\$ 9,222,428</b>
<b>Assigned to</b>			
Park dedication	\$ -	\$ 304,131	\$ 304,131
COVID-19 Contingency	-	-	\$ 300,000
Energy Conservation	-	-	\$ 19,520
Emergency Management Warning Sirens	-	-	\$ 62,100
Capital improvement projects	-	59,192	59,192
<b>Total Assigned</b>	<b>\$ -</b>	<b>\$ 363,323</b>	<b>\$ 744,943</b>

**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, 2019, 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, 2019. 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 \$758,947 was measured as of December 31, 2019, 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	4.09%
Expected Long-Term Investment Return	N/A
Salary Increases	3.50%
Medical Trend Rate	8% in 2019 grading to 5% over 10 years

The discount rate used to measure the total OPEB liability was 4.09 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, 2019 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  
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**Note 4: Postemployment Benefits Other Than Pensions (Continued)**

**D. Changes in the Total OPEB Liability**

	Total OPEB Liability (a)
Balances at December 31, 2018	<u>\$ 706,556</u>
Changes for the Year:	
Service cost	83,399
Interest	26,986
Changes in assumptions	(47,066)
Benefit payments	<u>(10,928)</u>
Net Changes	<u>52,391</u>
Balances at December 31, 2019	<u><u>\$ 758,947</u></u>

**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 (3.09 percent) or 1-percentage-point higher (5.09 percent) than the current discount rate:

<u>1 Percent Decrease (3.09%)</u>	<u>Current (4.09%)</u>	<u>1 Percent Increase (5.09%)</u>
\$ 692,171	\$ 758,947	\$ 832,604

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 or 1-percentage-point higher than the current rate:

<u>1 Percent Decrease (8% Decreasing to 7%)</u>	<u>Healthcare Cost Trend Rates</u>	<u>1 Percent Increase (8% Increasing to 9%)</u>
\$ 877,930	\$ 758,947	\$ 659,281

City of Rogers, Minnesota  
Notes to the Financial Statements  
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**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, 2019, the City recognized OPEB expense of \$12,008. At December 31, 2019, 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	\$ 18,373	\$ 42,559

Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:		
2020		\$ (2,331)
2021		(2,331)
2022		(2,331)
2023		(2,331)
2024		(2,331)
Thereafter		(12,531)

**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 Plan (GERP)

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

Public Employees Police and Fire Plan (PEPFP)

The PEPFP, 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 PEPFP 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 state statute and can only be modified by the state legislature. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

#### GERP Benefits

GERP 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.

Annuities, disability benefits and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

#### PEPFP Benefits

Benefits for the PEPFP 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 PEPFP 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.

Annuities, disability benefits and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be fixed at 1 percent. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

### C. Contributions

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

#### General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2019 and the City was required to contribute 7.50 percent for Coordinated Plan members. The City's contributions to the General Employees Fund for the years ending December 31, 2019, 2018 and 2017 were \$235,782, \$224,446 and \$203,322, respectively. The City's contributions were equal to the required contributions for each year as set by state statute.

City of Rogers, Minnesota  
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**Note 5: Defined Benefit Pension Plans - Statewide (Continued)**

Police and Fire Fund Contributions

Police and Fire member's contribution rates increased from 10.80 percent of pay to 11.30 percent and employer rates increased from 16.20 percent to 16.95 percent on January 1, 2019. The City's contributions to the Police and Fire Fund for the years ending December 31, 2019, 2018 and 2017 were \$297,920, \$254,917 and \$232,658, respectively. The City's contributions were equal to the required contributions for each year as set by state statute.

**D. Pension Costs**

General Employees Fund Pension Costs

At December 31, 2019, the City reported a liability of \$2,388,431 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million to the fund in 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 \$74,330. The net pension liability was measured as of June 30, 2019, 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, 2018 through June 30, 2019 relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2019, the City's proportionate share was 0.0432 percent, which was an increase of 0.0005 percent from its proportion measured as of June 30, 2018.

City's Proportionate Share of the Net Pension Liability	\$ 2,388,431
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City	<u>74,330</u>
Total	<u><u>\$ 2,462,761</u></u>

For the year ended December 31, 2019, the City recognized pension expense of \$361,137 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional \$5,567 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

At December 31, 2019, the City reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Economic Experience	\$ 66,308	\$ 13,129
Changes in Actuarial Assumptions	8,479	188,088
Net Difference Between Projected and Actual Earnings on Plan Investments	-	227,518
Changes in Proportion	125,679	-
Contributions to PERA Subsequent to the Measurement Date	<u>119,115</u>	<u>-</u>
Total	<u><u>\$ 319,581</u></u>	<u><u>\$ 428,735</u></u>

City of Rogers, Minnesota  
Notes to the Financial Statements  
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**Note 5: Defined Benefit Pension Plans - Statewide (Continued)**

The \$119,115 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2020	\$ (48,901)
2021	(144,445)
2022	(38,773)
2023	3,850

Police and Fire Fund Pension Costs

At December 31, 2019, the City reported a liability of \$1,597,966 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2018 through June 30, 2019 relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2019, the City's proportionate share was 0.1501 percent which was an increase of 0.0044 percent from its proportionate share measured as of June 30, 2018.

For the year ended December 31, 2019, the City recognized pension expense of \$323,266 for its proportionate share of the Police and Fire Plan's pension expense. The City also recognized \$20,264 for the year ended December 31, 2019, as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund. Legislation passed in 2013 required the State of Minnesota to begin contributing \$9 million to the Police and Fire Fund each year until the plan is 90 percent funded or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later. In addition, the state will pay \$4.5 million on October 1, 2018 and October 1, 2019 in direct state aid. Thereafter, by October 1 of each year, the state will pay \$9 million until full funding is reached or July 1, 2048, whichever is earlier.

At December 31, 2019, the City reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 72,226	\$ 283,009
Changes in Actuarial Assumptions	1,402,171	1,835,871
Net Difference Between Projected And Actual Earnings on Plan Investments	-	300,729
Changes in Proportion	222,034	39,593
Contributions to PERA Subsequent to the Measurement Date	162,346	-
Total	\$ 1,858,777	\$ 2,459,202

City of Rogers, Minnesota  
Notes to the Financial Statements  
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**Note 5: Defined Benefit Pension Plans - Statewide (Continued)**

The \$162,346 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2020	\$ (83,147)
2021	(185,034)
2022	(550,060)
2023	44,376
Thereafter	11,094

**E. Actuarial Assumptions**

The total pension liability in the June 30, 2019 actuarial valuation was determined using individual entry-age normal actuarial cost method 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 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 General Employees Plan and 1.0 percent per year for Police and Fire Plan.

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2019. The most recent four-year experience study for the Police and Fire Plan was completed in 2016. Economic assumptions were updated in 2018 based on a review of inflation and investment return assumptions.

The following changes in actuarial assumptions and plan provisions occurred in 2019:

General Employees Fund

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

Police and Fire Fund

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

City of Rogers, Minnesota  
Notes to the Financial Statements  
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**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 Equity	35.50 %	5.10 %
Private Markets	25.00	5.90
Fixed Income	20.00	0.75
International Equity	17.50	5.90
Cash Equivalents	<u>2.00</u>	-
Total	<u><u>100.00 %</u></u>	

**F. Discount Rate**

The discount rate used to measure the total pension liability in 2019 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 General Employees Fund and Police and Fire Fund 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>
General Employees Fund	\$ 3,926,452	\$ 2,388,431	\$ 1,118,489
Police and Fire Fund	3,492,857	1,597,966	31

**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](http://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, 2018, the plan covered 41 active firefighters and 2 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 \$113,550 in fire state aid to the plan on behalf of the City Fire Department for the year ended December 31, 2018, 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  
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**Note 6: Defined Benefit Pension Plans - Fire Relief Association (Continued)**

**D. Pension Costs**

At December 31, 2019, the City reported a net pension asset of \$163,423 for the Volunteer Firefighter Fund. The net pension asset was measured as of December 31, 2018. The total pension liability used to calculate the net pension asset in accordance with GASB 68 was determined by PERA, 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, 2018	\$ 1,071,494	\$ 1,340,328	\$ (268,834)
Changes for the Year			
Service cost	65,457	-	65,457
Interest on pension liability (asset)	59,187	-	59,187
Changes of assumptions	16,407	-	16,407
Change of benefit terms	57,373	-	57,373
Actuarial experience (gains)/losses	(36,441)	-	(36,441)
Contributions (state and local)	-	130,906	(130,906)
Net investment income	-	(75,762)	75,762
Other additions	-	4,477	(4,477)
Benefit payments	(121,638)	(121,638)	-
Administrative expenses	-	(3,049)	3,049
Total Net Changes	<u>40,345</u>	<u>(65,066)</u>	<u>105,411</u>
Ending Balance December 31, 2018	<u>\$ 1,111,839</u>	<u>\$ 1,275,262</u>	<u>\$ (163,423)</u>

For the year ended December 31, 2019, the City recognized pension expense of \$10,971.

At December 31, 2019, 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 Economic Experience	\$ -	\$ 68,395
Changes in Actuarial Assumptions	60,715	5,625
Net Difference between Projected and Actual Earnings on Plan Investments	70,704	-
Contributions to Plan Subsequent to the Measurement Date	<u>113,550</u>	<u>-</u>
Total	<u>\$ 244,969</u>	<u>\$ 74,020</u>

City of Rogers, Minnesota  
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**Note 6: Defined Benefit Pension Plans - Fire Relief Association (Continued)**

Deferred outflows of resources totaling \$113,550 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, 2020.

2019	\$	28,492
2020		3,735
2021		8,031
2022		28,206
2023		(560)
Thereafter		(10,505)

**E. Actuarial Assumptions**

The total pension liability at December 31, 2018 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	2.50%
Investment rate of return	5.25%
20 year municipal bond yield	3.71%

There were no changes in actuarial assumptions in 2019.

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
Domestic Equity	32.00 %	4.95 %
International Equity	23.00	5.24
Fixed income	25.00	1.99
Real Estate and Alternatives	5.00	4.19
Cash and Equivalent	15.00	0.58
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, 2019

**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 (4.25%)	Current (5.25%)	1 Percent Increase (6.25%)
Defined Benefit Plan	\$ (123,523)	(\$163,423)	\$ (202,413)

**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 \$57,477,097 . The City is under the debt limit as of December 31, 2019.

**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.

**Note 8: Subsequent Event**

In December 2019, a novel strain of coronavirus (COVID-19) surfaced. The spread of COVID-19 around the world in the first quarter of 2020 has caused significant volatility in U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies and, as such, the City is unable to determine if it will have a material impact to its operations.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ROGERS  
ROGERS, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2019

City of Rogers, Minnesota  
 Required Supplementary Information  
 For the Year Ended December 31, 2019

**Schedule of Employer's Share of PERA Net Pension Liability - General Employees 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
06/30/19	0.0432 %	\$ 2,388,431	\$ 74,330	\$ 2,637,402	\$ 3,060,555	86.2 %	80.2 %
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	78.7

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

**Schedule of Employer's PERA Contributions - General Employees 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)
12/31/19	\$ 235,782	\$ 235,782	\$ -	\$ 3,143,760	7.5 %
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, 2019

**Notes to the Required Supplementary Information - General Employees Fund**

Changes in Actuarial Assumptions

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

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

2019 - The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The state's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018 - The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Contribution stabilizer provisions were repealed. Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019. For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 - The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter. The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

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, 2019

**Schedule of Employer's Share of PERA Net Pension Liability - 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
06/30/19	0.1501 %	\$ 1,597,966	\$ -	\$ 1,553,012	\$ 1,582,571	98.1 %	89.3 %
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 - 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)
12/31/19	\$ 297,920	\$ 297,920	\$ -	\$ 1,757,642	16.95 %
12/31/18	254,917	254,917	-	1,573,560	16.20
12/31/17	232,658	232,658	-	1,436,163	16.20
12/31/16	216,085	216,085	-	1,333,861	16.20
12/31/15	208,196	208,196	-	1,285,160	16.20

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

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

Changes in Actuarial Assumptions

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

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.

City of Rogers, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended December 31, 2019

**Notes to the Required Supplementary Information - Public Employees Police and Fire Fund (Continued)**

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

2018 - 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. An end date of July 1, 2048 was added to the existing \$9.0 million state contribution. New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100 percent funding, or July 1, 2048, if earlier. Member contributions were changed from 10.80 percent to 11.30 percent of pay, effective January 1, 2019 and 11.80 percent of pay, effective January 1, 2020. Employer contributions were changed from 16.20 percent to 16.95 percent of pay, effective January 1, 2019 and 17.70 percent of pay, effective January 1, 2020. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The combined service annuity (CSA) load was 30.00 percent for vested and non-vested, deferred members. The CSA has been changed to 33.00 percent for vested members and 2.00 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 3.00 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 65.00 percent to 60.00 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 postretirement 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 5.60 percent per annum to 7.50 percent per annum.

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, 2019

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

	2019 (Fire Relief Report Date 2018)	2018 (Fire Relief Report Date 2017)	2017 (Fire Relief Report Date 2016)	2016 (Fire Relief Report Date 2015)	2015 (Fire Relief Report Date 2014)
<b>Total Pension Liability</b>					
Service cost	\$ 65,457	\$ 59,119	\$ 59,501	\$ 52,737	\$ 51,326
Interest on pension liability (asset)	59,187	67,330	64,536	64,094	61,294
Differences between expected and actual experience	(36,441)	(44,469)	-	-	-
Changes of assumptions	16,407	14,712	(8,841)	55,634	-
Change of benefit terms	57,373	26,419	42,381	-	-
Benefit payments	(121,638)	(229,326)	(85,477)	(79,255)	(59,219)
<b>Net Change in Total Pension Liability</b>	<u>40,345</u>	<u>(106,215)</u>	<u>72,100</u>	<u>93,210</u>	<u>53,401</u>
<b>Total Pension Liability - January 1</b>	<u>1,071,494</u>	<u>1,177,709</u>	<u>1,105,609</u>	<u>1,012,399</u>	<u>958,998</u>
<b>Total Pension Liability - December 31</b>	<u>\$ 1,111,839</u>	<u>\$ 1,071,494</u>	<u>\$ 1,177,709</u>	<u>\$ 1,105,609</u>	<u>\$ 1,012,399</u>
<b>Plan Fiduciary Net Position</b>					
Nonemployer contributions	130,906	126,937	106,896	101,996	103,985
Projected investment return	(75,762)	171,584	91,540	(48,600)	36,762
Other additions	4,477	-	-	-	-
Benefit payments	(121,638)	(229,326)	(85,477)	(79,255)	(59,219)
Administrative expense	(3,049)	(2,650)	(2,464)	(2,250)	(2,200)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>(65,066)</u>	<u>66,545</u>	<u>110,495</u>	<u>(28,109)</u>	<u>79,328</u>
<b>Plan Fiduciary Net Position - January 1</b>	<u>1,340,328</u>	<u>1,273,783</u>	<u>1,163,288</u>	<u>1,191,397</u>	<u>1,112,069</u>
<b>Plan Fiduciary Net Position - December 31</b>	<u>\$ 1,275,262</u>	<u>\$ 1,340,328</u>	<u>\$ 1,273,783</u>	<u>\$ 1,163,288</u>	<u>\$ 1,191,397</u>
<b>Fire Relief's Net Pension Liability (Asset) - December 31</b>	<u>\$ (163,423)</u>	<u>\$ (268,834)</u>	<u>\$ (96,074)</u>	<u>\$ (57,679)</u>	<u>\$ (178,998)</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (b/a)</b>	114.70%	125.09%	108.16%	105.22%	117.68%
<b>Covered-employee Payroll</b>	N/A	N/A	N/A	N/A	N/A
<b>Fire Relief's Net Pension Liability (Asset) as a Percentage of Covered-employee Payroll</b>	N/A	N/A	N/A	N/A	N/A

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

**Schedule of Employer's Fire Relief Association's Contributions**

Year Ending	Actuarial Determined Contribution (a)	Actual Contributions Paid (b)	Contribution Deficiency (Excess) (a-b)
12/31/19	\$ 113,500	\$ 113,500	\$ -
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, 2019

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

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service cost	\$ 83,399	\$ 76,579
Interest	26,986	25,099
Changes in assumptions	(47,066)	12,195
Benefit payments	<u>(10,928)</u>	<u>-</u>
Net Change in Total OPEB Liability	52,391	113,873
Total OPEB Liability - Beginning	<u>706,556</u>	<u>592,683</u>
Total OPEB Liability - Ending	<u>\$ 758,947</u>	<u>\$ 706,556</u>
Covered - employee payroll	\$ 4,300,000	\$ 4,200,000
City's total OPEB liability as a percentage of covered employee payroll	17.65 &	16.82 %

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, 2019

City of Rogers, Minnesota  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 December 31, 2019

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Assets</b>			
Cash and temporary investments	\$ 1,870,891	\$ 8,364,391	\$ 10,235,282
Receivables			
Accounts	-	337,140	337,140
Accrued interest	37	-	37
Loans	226,551	-	226,551
Due from other governments	-	345,518	345,518
	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 2,097,479</u>	<u>\$ 9,047,049</u>	<u>\$ 11,144,528</u>
<b>Liabilities</b>			
Accounts payable	\$ 91,092	\$ 651,807	\$ 742,899
Escrows payable	24,809	38,540	63,349
Due to other governments	-	2,097	2,097
Due to other funds	-	163,373	163,373
Advances from other funds	-	463,850	463,850
Unearned revenue	3,871	3,500	7,371
Total Liabilities	<u>119,772</u>	<u>1,323,167</u>	<u>1,442,939</u>
<b>Fund Balances</b>			
Restricted	510,485	3,392,186	3,902,671
Committed	1,467,222	3,968,373	5,435,595
Assigned	-	363,323	363,323
Total Fund Balances	<u>1,977,707</u>	<u>7,723,882</u>	<u>9,701,589</u>
	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities and Fund Balances	<u>\$ 2,097,479</u>	<u>\$ 9,047,049</u>	<u>\$ 11,144,528</u>

City of Rogers, Minnesota  
 Nonmajor Governmental Funds  
 Combining Statement of Revenues, Expenditures And  
 Changes in Fund Balances  
 For the Year Ended December 31, 2019

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Taxes			
Property taxes	\$ 93,730	\$ 635,127	\$ 728,857
Tax increments	-	387,633	387,633
Franchise taxes	-	1,421,771	1,421,771
Intergovernmental	33,512	1,734,611	1,768,123
Charges for services	377,188	671,308	1,048,496
Fines and forfeitures	2,840	-	2,840
Interest on investments	36,637	197,354	233,991
Miscellaneous	4,250	175,826	180,076
Total Revenues	<u>548,157</u>	<u>5,223,630</u>	<u>5,771,787</u>
<b>Expenditures</b>			
Current			
General government	1,312	-	1,312
Public safety	5,704	-	5,704
Economic development	139,820	-	139,820
Capital outlay			
General government	-	52,703	52,703
Public safety	-	333,057	333,057
Public works	-	497,642	497,642
Culture and recreation	-	1,861,831	1,861,831
Economic development	-	1,145,722	1,145,722
Housing	-	232,160	232,160
Debt service			
Interest and other	-	11,885	11,885
Total Expenditures	<u>146,836</u>	<u>4,135,000</u>	<u>4,281,836</u>
Excess of Revenues Over Expenditures	<u>401,321</u>	<u>1,088,630</u>	<u>1,489,951</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	956,429	956,429
Sale of capital assets	-	214,630	214,630
Transfers out	-	(492,717)	(492,717)
Total Other Financing Sources (Uses)	<u>-</u>	<u>678,342</u>	<u>678,342</u>
Net Change in Fund Balances	401,321	1,766,972	2,168,293
Fund Balances, January 1	<u>1,576,386</u>	<u>5,956,910</u>	<u>7,533,296</u>
Fund Balances, December 31	<u>\$ 1,977,707</u>	<u>\$ 7,723,882</u>	<u>\$ 9,701,589</u>

City of Rogers, Minnesota  
 Nonmajor Special Revenue Funds  
 Combining Balance Sheet  
 December 31, 2019

	<b>201</b>	<b>200</b>	<b>202</b>	<b>203</b>	
	Tower & Billboard Leases	Revolving Loan	Police Forfeitures	Economic Development	Total
<b>Assets</b>					
Cash and temporary investments	\$ 1,496,022	\$ 190,219	\$ 1,480	\$ 183,170	\$ 1,870,891
Receivables					
Accrued interest	-	37	-	-	37
Notes	-	226,551	-	-	226,551
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 1,496,022</u>	<u>\$ 416,807</u>	<u>\$ 1,480</u>	<u>\$ 183,170</u>	<u>\$ 2,097,479</u>
<b>Liabilities</b>					
Accounts payable	\$ 120	\$ -	\$ -	\$ 90,972	\$ 91,092
Escrows payable	24,809	-	-	-	24,809
Unearned revenue	3,871	-	-	-	3,871
Total Liabilities	<u>28,800</u>	<u>-</u>	<u>-</u>	<u>90,972</u>	<u>119,772</u>
<b>Fund Balances</b>					
Restricted	-	416,807	1,480	92,198	510,485
Committed	1,467,222	-	-	-	1,467,222
Total Fund Balances	<u>1,467,222</u>	<u>416,807</u>	<u>1,480</u>	<u>92,198</u>	<u>1,977,707</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities and Fund Balances	<u>\$ 1,496,022</u>	<u>\$ 416,807</u>	<u>\$ 1,480</u>	<u>\$ 183,170</u>	<u>\$ 2,097,479</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, 2019

	<b>201</b>	<b>200</b>	<b>202</b>	<b>203</b>	
	Tower & Billboard Leases	Revolving Loan	Police Forfeitures	Economic Development	Totals
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ -	\$ 93,730	\$ 93,730
Intergovernmental	-	33,512	-	-	33,512
<b>Charges for services</b>					
Tower lease	257,188	-	-	-	257,188
Billboard lease	114,000	-	-	-	114,000
Other	1,000	-	-	5,000	6,000
Fines and forfeitures	-	-	2,840	-	2,840
Interest on investments	25,595	8,832	23	2,187	36,637
Miscellaneous	200	-	-	4,050	4,250
<b>Total Revenues</b>	<b>397,983</b>	<b>42,344</b>	<b>2,863</b>	<b>104,967</b>	<b>548,157</b>
<b>Expenditures</b>					
<b>Current</b>					
General government	1,312	-	-	-	1,312
Public safety	-	-	5,704	-	5,704
Economic development	-	46,377	-	93,443	139,820
<b>Total Expenditures</b>	<b>1,312</b>	<b>46,377</b>	<b>5,704</b>	<b>93,443</b>	<b>146,836</b>
<b>Net Change in Fund Balances</b>	<b>396,671</b>	<b>(4,033)</b>	<b>(2,841)</b>	<b>11,524</b>	<b>401,321</b>
<b>Fund Balances, January 1</b>	<b>1,070,551</b>	<b>420,840</b>	<b>4,321</b>	<b>80,674</b>	<b>1,576,386</b>
<b>Fund Balances, December 31</b>	<b>\$ 1,467,222</b>	<b>\$ 416,807</b>	<b>\$ 1,480</b>	<b>\$ 92,198</b>	<b>\$ 1,977,707</b>

City of Rogers, Minnesota  
 Nonmajor Capital Projects Funds  
 Combining Balance Sheet  
 December 31, 2019

	<b>400</b>	<b>401</b>	<b>403</b>	<b>404</b>
	Capital Improvement Projects	Pavement Management	Fire Department Capital Outlay	Park Dedication
<b>Assets</b>				
Cash and temporary investments	\$ 2,337,393	\$ 1,098,666	\$ 352,490	\$ 2,294,233
Accounts receivable	-	321,994	10,146	5,000
Due from other governments	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 2,337,393</u></b>	<b><u>\$ 1,420,660</u></b>	<b><u>\$ 362,636</u></b>	<b><u>\$ 2,299,233</u></b>
<b>Liabilities</b>				
Accounts payable	\$ 34,564	\$ 18,114	\$ -	\$ 437,853
Escrows payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	163,373	-	-	-
Advances from other funds	463,850	-	-	-
Unearned revenue	-	-	-	3,500
<b>Total Liabilities</b>	<b><u>661,787</u></b>	<b><u>18,114</u></b>	<b><u>-</u></b>	<b><u>441,353</u></b>
<b>Fund Balances</b>				
Restricted	10,000	-	-	956,972
Committed	1,606,414	1,402,546	362,636	596,777
Assigned	59,192	-	-	304,131
<b>Total Fund Balances</b>	<b><u>1,675,606</u></b>	<b><u>1,402,546</u></b>	<b><u>362,636</u></b>	<b><u>1,857,880</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 2,337,393</u></b>	<b><u>\$ 1,420,660</u></b>	<b><u>\$ 362,636</u></b>	<b><u>\$ 2,299,233</u></b>

410	427	428	450 - 462	
Local Option Sales Tax	Trail Dedication	Lions Park	TIF	Total
\$ 50,079	\$ 578,525	\$ -	\$ 1,653,005	\$ 8,364,391
-	-	-	-	337,140
197,818	147,700	-	-	345,518
<u>\$ 247,897</u>	<u>\$ 726,225</u>	<u>\$ -</u>	<u>\$ 1,653,005</u>	<u>\$ 9,047,049</u>
\$ -	\$ 47,295	\$ -	\$ 113,981	\$ 651,807
-	-	-	38,540	38,540
-	-	-	2,097	2,097
-	-	-	-	163,373
-	-	-	-	463,850
-	-	-	-	3,500
-	47,295	-	154,618	1,323,167
247,897	678,930	-	1,498,387	3,392,186
-	-	-	-	3,968,373
-	-	-	-	363,323
<u>247,897</u>	<u>678,930</u>	<u>-</u>	<u>1,498,387</u>	<u>7,723,882</u>
<u>\$ 247,897</u>	<u>\$ 726,225</u>	<u>\$ -</u>	<u>\$ 1,653,005</u>	<u>\$ 9,047,049</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, 2019

	<b>400</b>	<b>401</b>	<b>403</b>	<b>404</b>
	Capital Improvement Projects	Pavement Management	Fire Department Capital Outlay	Park Dedication
<b>Revenues</b>				
Taxes				
Property taxes	\$ 410,127	\$ -	\$ -	\$ 100,000
Tax increments	-	-	-	-
Franchise taxes	-	1,145,783	-	-
Intergovernmental	650,911	-	-	-
Charges for services	-	-	-	590,646
Interest on investments	56,350	17,190	5,727	79,881
Miscellaneous				
Contributions and donations	-	-	80,000	25,000
Refunds and reimbursements	27,817	-	-	25,103
<b>Total Revenues</b>	<b>1,145,205</b>	<b>1,162,973</b>	<b>85,727</b>	<b>820,630</b>
<b>Expenditures</b>				
Capital outlay				
General government	52,703	-	-	-
Public safety	327,492	-	5,565	-
Public works	43,692	453,950	-	-
Culture and recreation	61,071	-	-	1,483,559
Economic development	-	-	-	-
Housing	-	-	-	-
Debt service				
Interest and other	11,885	-	-	-
<b>Total Expenditures</b>	<b>496,843</b>	<b>453,950</b>	<b>5,565</b>	<b>1,483,559</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>648,362</b>	<b>709,023</b>	<b>80,162</b>	<b>(662,929)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	65,000	14,090	413,460
Sale of capital assets	2,020	-	-	70,000
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>2,020</b>	<b>65,000</b>	<b>14,090</b>	<b>483,460</b>
<b>Net Change in Fund Balances</b>	<b>650,382</b>	<b>774,023</b>	<b>94,252</b>	<b>(179,469)</b>
<b>Fund Balances, January 1</b>	<b>1,025,224</b>	<b>628,523</b>	<b>268,384</b>	<b>2,037,349</b>
<b>Fund Balances, December 31</b>	<b>\$ 1,675,606</b>	<b>\$ 1,402,546</b>	<b>\$ 362,636</b>	<b>\$ 1,857,880</b>

410	427	428	450 - 462	
Local Option Sales Tax	Trail Dedication	Lions Park	TIF	Total
\$ -	\$ 125,000	\$ -	\$ -	\$ 635,127
-	-	-	387,633	387,633
275,988	-	-	-	1,421,771
-	247,700	-	836,000	1,734,611
-	80,662	-	-	671,308
79	8,687	7,574	21,866	197,354
-	-	10,000	-	115,000
-	-	-	7,906	60,826
<u>276,067</u>	<u>462,049</u>	<u>17,574</u>	<u>1,253,405</u>	<u>5,223,630</u>
-	-	-	-	52,703
-	-	-	-	333,057
-	-	-	-	497,642
28,170	289,031	-	-	1,861,831
-	-	-	1,145,722	1,145,722
-	-	-	232,160	232,160
-	-	-	-	11,885
<u>28,170</u>	<u>289,031</u>	<u>-</u>	<u>1,377,882</u>	<u>4,135,000</u>
<u>247,897</u>	<u>173,018</u>	<u>17,574</u>	<u>(124,477)</u>	<u>1,088,630</u>
-	12,017	-	451,862	956,429
-	-	-	142,610	214,630
-	-	(413,460)	(79,257)	(492,717)
-	<u>12,017</u>	<u>(413,460)</u>	<u>515,215</u>	<u>678,342</u>
247,897	185,035	(395,886)	390,738	1,766,972
-	493,895	395,886	1,107,649	5,956,910
<u>\$ 247,897</u>	<u>\$ 678,930</u>	<u>\$ -</u>	<u>\$ 1,498,387</u>	<u>\$ 7,723,882</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, 2019  
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019			Variance With Final Budget	2018
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Revenues					
Taxes					
Property taxes	\$ 5,869,701	\$ 5,869,701	\$ 5,702,898	\$ (166,803)	\$ 5,620,157
Cable franchise fee	139,500	139,500	135,981	(3,519)	129,868
Total taxes	<u>6,009,201</u>	<u>6,009,201</u>	<u>5,838,879</u>	<u>(170,322)</u>	<u>5,750,025</u>
Licenses and permits					
Business	65,300	65,300	114,740	49,440	70,675
Nonbusiness	686,551	686,551	1,407,876	721,325	1,034,019
Total licenses and permits	<u>751,851</u>	<u>751,851</u>	<u>1,522,616</u>	<u>770,765</u>	<u>1,104,694</u>
Intergovernmental					
Federal					
Other	-	-	4,340	4,340	7,727
State					
Property tax credits	-	-	7,681	7,681	7,626
PERA aid	2,223	2,223	2,223	-	2,223
Street maintenance aid	205,000	205,000	203,350	(1,650)	201,038
Fire aid	110,405	110,405	115,550	5,145	114,405
Police aid	156,602	156,602	172,505	15,903	156,602
Other	27,785	27,785	39,321	11,536	24,094
County					
Recycling grant	25,000	25,000	24,120	(880)	29,069
Other	39,400	39,400	34,691	(4,709)	52,793
Total intergovernmental	<u>566,415</u>	<u>566,415</u>	<u>603,781</u>	<u>37,366</u>	<u>595,577</u>
Charges for services					
General government	178,930	178,930	321,690	142,760	342,910
Public safety	229,864	229,864	290,911	61,047	242,492
Public works	140,000	140,000	153,320	13,320	144,104
Culture and recreation	149,250	149,250	126,143	(23,107)	139,370
Total charges for services	<u>698,044</u>	<u>698,044</u>	<u>892,064</u>	<u>194,020</u>	<u>868,876</u>
Fines and forfeitures	<u>110,400</u>	<u>110,400</u>	<u>97,544</u>	<u>(12,856)</u>	<u>110,875</u>
Interest on investments	<u>60,000</u>	<u>60,000</u>	<u>270,282</u>	<u>210,282</u>	<u>77,717</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, 2019  
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Actual Amounts
	Original	Final			
<b>Revenues (Continued)</b>					
<b>Miscellaneous</b>					
Contributions and donations	\$ 2,000	\$ 2,000	\$ 11,267	\$ 9,267	\$ 11,633
Refunds and reimbursements	138,400	138,400	149,361	10,961	318,612
Other	12,800	12,800	17,132	4,332	13,869
Total miscellaneous	<u>153,200</u>	<u>153,200</u>	<u>177,760</u>	<u>24,560</u>	<u>344,114</u>
Total Revenues	<u>8,349,111</u>	<u>8,349,111</u>	<u>9,402,926</u>	<u>1,053,815</u>	<u>8,851,878</u>
<b>Expenditures</b>					
<b>Current</b>					
<b>General government</b>					
<b>Mayor and city council</b>					
Personal services	20,099	20,099	20,074	25	20,070
Supplies	350	350	713	(363)	358
Other services and charges	9,630	9,630	10,150	(520)	12,576
Total mayor and city council	<u>30,079</u>	<u>30,079</u>	<u>30,937</u>	<u>(858)</u>	<u>33,004</u>
<b>Other administration</b>					
Personal services	447,278	447,278	443,556	3,722	444,820
Supplies	6,800	6,800	4,864	1,936	11,412
Other services and charges	241,450	241,450	254,901	(13,451)	206,181
Total other administration	<u>695,528</u>	<u>695,528</u>	<u>703,321</u>	<u>(7,793)</u>	<u>662,413</u>
<b>Information systems</b>					
Personal services	181,031	181,031	179,749	1,282	169,731
Supplies	2,900	2,900	4,879	(1,979)	2,356
Other services and charges	70,207	70,207	58,884	11,323	68,245
Total information systems	<u>254,138</u>	<u>254,138</u>	<u>243,512</u>	<u>10,626</u>	<u>240,332</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, 2019  
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
General government (continued)					
Elections					
Personal services	\$ -	\$ -	\$ 8	\$ (8)	\$ 14,103
Supplies	2,400	2,400	2,204	196	5,423
Other services and charges	2,800	2,800	-	2,800	3,122
Total elections	<u>5,200</u>	<u>5,200</u>	<u>2,212</u>	<u>2,988</u>	<u>22,648</u>
Finance					
Personal services	244,147	244,147	252,789	(8,642)	235,630
Supplies	3,050	3,050	3,259	(209)	3,642
Other services and charges	29,669	29,669	29,838	(169)	31,356
Total finance	<u>276,866</u>	<u>276,866</u>	<u>285,886</u>	<u>(9,020)</u>	<u>270,628</u>
Assessing					
Other services and charges	<u>155,000</u>	<u>155,000</u>	<u>150,000</u>	<u>5,000</u>	<u>145,000</u>
Planning and zoning					
Personal services	185,783	185,783	184,727	1,056	194,015
Supplies	1,325	1,325	2,331	(1,006)	1,894
Other services and charges	39,234	39,234	32,079	7,155	44,729
Total planning and zoning	<u>226,342</u>	<u>226,342</u>	<u>219,137</u>	<u>7,205</u>	<u>240,638</u>
General government buildings					
Personal services	69,178	69,178	20,713	48,465	25,790
Supplies	4,750	4,750	2,631	2,119	1,316
Other services and charges	32,183	32,183	45,831	(13,648)	36,894
Total general government buildings	<u>106,111</u>	<u>106,111</u>	<u>69,175</u>	<u>36,936</u>	<u>64,000</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, 2019  
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
General government (continued)					
Community room					
Personal services	\$ 44,044	\$ 44,044	\$ 49,903	\$ (5,859)	\$ 47,328
Supplies	4,275	4,275	8,366	(4,091)	3,409
Other services and charges	27,650	27,650	36,205	(8,555)	27,451
Total community room	<u>75,969</u>	<u>75,969</u>	<u>94,474</u>	<u>(18,505)</u>	<u>78,188</u>
General engineering					
Personal services	202,864	202,864	79,540	123,324	184,472
Supplies	4,250	4,250	3,463	787	2,733
Other services and charges	44,700	44,700	159,906	(115,206)	141,004
Total general engineering	<u>251,814</u>	<u>251,814</u>	<u>242,909</u>	<u>8,905</u>	<u>328,209</u>
Total general government	<u>2,077,047</u>	<u>2,077,047</u>	<u>2,041,563</u>	<u>35,484</u>	<u>2,085,060</u>
Public safety					
Police protection and administration					
Personal services	2,623,016	2,623,016	2,483,662	139,354	2,423,494
Supplies	153,700	153,700	150,997	2,703	173,708
Other services and charges	390,884	390,884	470,420	(79,536)	440,468
Total police protection and administration	<u>3,167,600</u>	<u>3,167,600</u>	<u>3,105,079</u>	<u>62,521</u>	<u>3,037,670</u>
Police reserves					
Personal services	-	-	106	(106)	(43)
Supplies	6,400	6,400	824	5,576	2,368
Other services and charges	3,700	3,700	650	3,050	2,437
Total police reserves	<u>10,100</u>	<u>10,100</u>	<u>1,580</u>	<u>8,520</u>	<u>4,762</u>
Fire fighting and administration					
Personal services	396,669	396,669	404,553	(7,884)	351,289
Supplies	83,200	83,200	79,756	3,444	112,439
Other services and charges	174,141	174,141	216,374	(42,233)	154,371
Total fire fighting and administration	<u>654,010</u>	<u>654,010</u>	<u>700,683</u>	<u>(46,673)</u>	<u>618,099</u>
Fire prevention					
Supplies	1,950	1,950	911	1,039	534
Other services and charges	1,500	1,500	1,985	(485)	946
Total fire prevention	<u>3,450</u>	<u>3,450</u>	<u>2,896</u>	<u>554</u>	<u>1,480</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, 2019  
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019			Variance With Final Budget	2018
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
Public safety (continued)					
Fire relief association					
Other services and charges	\$ 129,405	\$ 129,405	\$ 134,550	\$ (5,145)	\$ 132,905
Building inspection					
Other services and charges	192,276	192,276	447,063	(254,787)	317,931
Emergency management					
Supplies	9,000	9,000	3,809	5,191	7,820
Other services and charges	11,600	11,600	6,416	5,184	7,519
Total emergency management	20,600	20,600	10,225	10,375	15,339
Traffic signals					
Supplies	1,000	1,000	276	724	320
Other services and charges	19,000	19,000	12,733	6,267	11,904
Total traffic signals	20,000	20,000	13,009	6,991	12,224
Animal control					
Other services and charges	3,400	3,400	1,688	1,712	4,082
Total public safety	4,200,841	4,200,841	4,416,773	(215,932)	4,144,492
Public works					
General public works					
Personal services	491,090	491,090	484,979	6,111	478,727
Supplies	83,500	83,500	76,772	6,728	72,746
Other services and charges	78,675	78,675	113,266	(34,591)	98,040
Total general public works	653,265	653,265	675,017	(21,752)	649,513
Paved streets					
Personal services	7,184	7,184	3,850	3,334	302
Supplies	36,000	36,000	32,678	3,322	40,197
Other services and charges	153,159	153,159	119,000	34,159	129,477
Total paved streets	196,343	196,343	155,528	40,815	169,976
Unpaved streets					
Supplies	58,000	58,000	26,352	31,648	45,469
Other services and charges	56,500	56,500	32,000	24,500	53,350
Total unpaved streets	114,500	114,500	58,352	56,148	98,819
Sidewalks					
Supplies	-	-	-	-	53
Other services and charges	41,500	41,500	-	41,500	39,126
Total sidewalks	41,500	41,500	-	41,500	39,179

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, 2019  
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	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	\$ 2,575	\$ 2,575	\$ 80	\$ 2,495	\$ 111
Supplies	93,750	93,750	94,748	(998)	84,573
Other services and charges	2,250	2,250	3,959	(1,709)	10,187
Total ice and snow removal	<u>98,575</u>	<u>98,575</u>	<u>98,787</u>	<u>(212)</u>	<u>94,871</u>
Street lighting					
Supplies	-	-	-	-	6,607
Other services and charges	83,000	83,000	76,829	6,171	82,934
Total street lighting	<u>83,000</u>	<u>83,000</u>	<u>76,829</u>	<u>6,171</u>	<u>89,541</u>
Recycling					
Personal services	23,142	23,142	22,768	374	23,437
Supplies	5,300	5,300	899	4,401	6,913
Other services and charges	137,500	137,500	143,445	(5,945)	135,293
Total recycling	<u>165,942</u>	<u>165,942</u>	<u>167,112</u>	<u>(1,170)</u>	<u>165,643</u>
Weed/tree/grass control					
Supplies	500	500	401	99	421
Other services and charges	32,750	32,750	30,357	2,393	23,093
Total weed/tree/grass control	<u>33,250</u>	<u>33,250</u>	<u>30,758</u>	<u>2,492</u>	<u>23,514</u>
Total public works	<u>1,386,375</u>	<u>1,386,375</u>	<u>1,262,383</u>	<u>123,992</u>	<u>1,331,056</u>
Culture and recreation					
Community recreation					
Personal services	102,883	102,883	107,694	(4,811)	96,242
Supplies	11,500	11,500	9,649	1,851	8,968
Other services and charges	100,871	100,871	78,691	22,180	97,624
Total community recreation	<u>215,254</u>	<u>215,254</u>	<u>196,034</u>	<u>19,220</u>	<u>202,834</u>
Culture and recreation - continued					
Rockin' Rogers Days					
Supplies	250	250	3	247	-
Other services and charges	8,250	8,250	10,416	(2,166)	7,872
Total Rockin' Rogers Days	<u>8,500</u>	<u>8,500</u>	<u>10,419</u>	<u>(1,919)</u>	<u>7,872</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, 2019  
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
Senior recreation/transportation					
Personal services	\$ 34,913	\$ 34,913	\$ 36,042	\$ (1,129)	\$ 32,983
Supplies	4,900	4,900	3,160	1,740	3,184
Other services and charges	45,488	45,488	33,830	11,658	28,849
Total senior recreation/transportation	<u>85,301</u>	<u>85,301</u>	<u>73,032</u>	<u>12,269</u>	<u>65,016</u>
Parks					
Personal services	397,293	397,293	396,733	560	350,499
Supplies	87,400	87,400	89,364	(1,964)	86,522
Other services and charges	86,100	86,100	92,310	(6,210)	86,520
Total parks	<u>570,793</u>	<u>570,793</u>	<u>578,407</u>	<u>(7,614)</u>	<u>523,541</u>
Total culture and recreation	<u>879,848</u>	<u>879,848</u>	<u>857,892</u>	<u>21,956</u>	<u>799,263</u>
Total current	<u>8,544,111</u>	<u>8,544,111</u>	<u>8,578,611</u>	<u>(34,500)</u>	<u>8,359,871</u>
Capital outlay					
General government	-	-	-	-	181
Public safety	-	-	29,383	(29,383)	59,269
Public works	30,000	38,988	19,394	19,594	20,574
Culture and recreation	-	-	997	(997)	-
Total capital outlay	<u>30,000</u>	<u>38,988</u>	<u>49,774</u>	<u>(10,786)</u>	<u>80,024</u>
Total Expenditures	<u>8,574,111</u>	<u>8,583,099</u>	<u>8,628,385</u>	<u>(45,286)</u>	<u>8,439,895</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(225,000)</u>	<u>(233,988)</u>	<u>774,541</u>	<u>1,008,529</u>	<u>411,983</u>
Other Financing Sources (Uses)					
Transfers in	225,000	225,000	229,845	4,845	229,845
Transfers out	-	-	(125,111)	(125,111)	(442,050)
Total Other Financing Sources (Uses)	<u>225,000</u>	<u>225,000</u>	<u>104,734</u>	<u>(120,266)</u>	<u>(212,205)</u>
Net Change in Fund Balances	-	(8,988)	879,275	888,263	199,778
Fund Balances, January 1	<u>5,420,051</u>	<u>5,420,051</u>	<u>5,420,051</u>	<u>-</u>	<u>5,220,273</u>
Fund Balances, December 31	<u>\$ 5,420,051</u>	<u>\$ 5,411,063</u>	<u>\$ 6,299,326</u>	<u>\$ 888,263</u>	<u>\$ 5,420,051</u>

City of Rogers, Minnesota  
Debt Service Funds  
Combining Balance Sheet  
December 31, 2019

	<b>328</b>	<b>330</b>	<b>335</b>	<b>336</b>
	General Obligation Improvement Refunding Bonds of 2008	Rogers Activity Center Tax Abatement Bonds of 2015	General Obligation Capital Improvement Plan Bonds of 2011	General Obligation Tax Increment Refunding Bonds of 2011
<b>Assets</b>				
Cash and temporary investments	\$ 314,874	\$ 40,404	\$ 184,329	\$ -
Special assessments receivable	803,799	-	-	-
Prepaid items	-	123	238	238
<b>Total Assets</b>	<b><u>\$ 1,118,673</u></b>	<b><u>\$ 40,527</u></b>	<b><u>\$ 184,567</u></b>	<b><u>\$ 238</u></b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - special assessments	803,799	-	-	-
<b>Fund Balances</b>				
Nonspendable	-	123	238	238
Restricted	314,874	40,404	184,329	-
<b>Total Fund Balances</b>	<b><u>314,874</u></b>	<b><u>40,527</u></b>	<b><u>184,567</u></b>	<b><u>238</u></b>
<b>Total Deferred Inflows of Resources and Fund Balances</b>	<b><u>\$ 1,118,673</u></b>	<b><u>\$ 40,527</u></b>	<b><u>\$ 184,567</u></b>	<b><u>\$ 238</u></b>

340	341	362	
2014A G.O. Bonds	2015A G.O. Improvement Bonds	General Obligation Tax Increment Bonds of 2003	Total
\$ 85,224	\$ (25,174)	\$ -	\$ 599,657
-	2,033,259	-	2,837,058
<u>455</u>	<u>115</u>	<u>-</u>	<u>1,169</u>
<u>\$ 85,679</u>	<u>\$ 2,008,200</u>	<u>\$ -</u>	<u>\$ 3,437,884</u>
<u>-</u>	<u>2,033,259</u>	<u>-</u>	<u>2,837,058</u>
455	115	-	1,169
<u>85,224</u>	<u>(25,174)</u>	<u>-</u>	<u>599,657</u>
<u>85,679</u>	<u>(25,059)</u>	<u>-</u>	<u>600,826</u>
<u>\$ 85,679</u>	<u>\$ 2,008,200</u>	<u>\$ -</u>	<u>\$ 3,437,884</u>

City of Rogers, Minnesota  
Debt Service Funds  
Combining Schedule of Revenues, Expenditures and  
Changes in Fund Balances  
For the Year Ended December 31, 2019

	<b>328</b> General Obligation Improvement Refunding Bonds of 2008	<b>330</b> Rogers Activity Center Tax Abatement Bonds of 2015	<b>335</b> General Obligation Capital Improvement Plan Bonds of 2011	<b>336</b> General Obligation Tax Increment Refunding Bonds of 2011
Revenues				
Property taxes	\$ -	\$ 210,381	\$ 238,032	\$ -
Special assessments	79,724	-	-	-
Interest on investments	4,981	1,199	3,527	-
Total Revenues	<u>84,705</u>	<u>211,580</u>	<u>241,559</u>	<u>-</u>
Expenditures				
Debt service				
Principal	-	155,000	325,000	55,000
Interest and other	3	46,110	59,814	5,798
Total Expenditures	<u>3</u>	<u>201,110</u>	<u>384,814</u>	<u>60,798</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	84,702	10,470	(143,255)	(60,798)
Other Financing Sources				
Transfers in	<u>-</u>	<u>-</u>	<u>165,000</u>	<u>60,811</u>
Net Change in Fund Balances	84,702	10,470	21,745	13
Fund Balances, January 1	<u>230,172</u>	<u>30,057</u>	<u>162,822</u>	<u>225</u>
Fund Balances, December 31	<u>\$ 314,874</u>	<u>\$ 40,527</u>	<u>\$ 184,567</u>	<u>\$ 238</u>

<b>340</b>	<b>341</b>	<b>362</b>	
2014A G.O. Bonds	2015A G.O. Improvement Bonds	General Obligation Tax Increment Bonds of 2003	Total
\$ 359,654	\$ -	\$ -	\$ 808,067
-	212,766	-	292,490
2,351	2,684	-	14,742
<u>362,005</u>	<u>215,450</u>	<u>-</u>	<u>1,115,299</u>
265,000	275,000	15,000	1,090,000
78,514	43,500	3,446	237,185
<u>343,514</u>	<u>318,500</u>	<u>18,446</u>	<u>1,327,185</u>
18,491	(103,050)	(18,446)	(211,886)
-	-	18,446	244,257
18,491	(103,050)	-	32,371
67,188	77,991	-	568,455
<u>\$ 85,679</u>	<u>\$ (25,059)</u>	<u>\$ -</u>	<u>\$ 600,826</u>

City of Rogers, Minnesota  
TIF Funds  
Combining Balance Sheet  
December 31, 2019

	<b>450</b>	<b>458</b>	<b>459</b>
	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>\$ 954,685</u>	<u>\$ 95,507</u>	<u>\$ 26,138</u>
Liabilities			
Accounts payable	\$ 1,366	\$ -	\$ -
Escrows payable	-	-	-
Due to other governments	2,097	-	-
Total Liabilities	<u>3,463</u>	<u>-</u>	<u>-</u>
Fund Balances			
Restricted	<u>951,222</u>	<u>95,507</u>	<u>26,138</u>
 Total Liabilities and Fund Balance	 <u>\$ 954,685</u>	 <u>\$ 95,507</u>	 <u>\$ 26,138</u>

<b>460</b> Tax Increment Financing District #14	<b>461</b> Tax Increment Financing District #15	<b>462</b> Tax Increment Financing District #16	Total
<u>\$ 356,380</u>	<u>\$ 184,394</u>	<u>\$ 35,901</u>	<u>\$ 1,653,005</u>
\$ -	\$ 112,615	\$ -	\$ 113,981
-	-	38,540	38,540
-	-	-	2,097
-	112,615	38,540	154,618
<u>356,380</u>	<u>71,779</u>	<u>(2,639)</u>	<u>1,498,387</u>
<u>\$ 356,380</u>	<u>\$ 184,394</u>	<u>\$ 35,901</u>	<u>\$ 1,653,005</u>

City of Rogers, Minnesota  
TIF Funds  
Combining Schedule of Revenues, Expenditures and  
Changes in Fund Balances  
For the Year Ended December 31, 2019

	<b>450</b>	<b>458</b>	<b>459</b>
	Tax Increment Financing District #1	Tax Increment Financing District #12	Tax Increment Financing District #13
	<u>          </u>	<u>          </u>	<u>          </u>
Revenues			
Tax increments	\$ -	\$ 29,356	\$ -
Intergovernmental	-	-	-
Interest on investments	11,348	1,665	489
Miscellaneous	7,543	-	-
Total Revenues	<u>18,891</u>	<u>31,021</u>	<u>489</u>
Expenditures			
Capital outlay			
Economic development	305,524	-	-
Housing	-	-	-
Total Expenditures	<u>305,524</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(286,633)</u>	<u>31,021</u>	<u>489</u>
Other Financing Sources (Uses)			
Transfers in	451,862	-	-
Sale of capital assets	142,610	-	-
Transfers out	-	(17,946)	-
Total Other Financing Sources (Uses)	<u>594,472</u>	<u>(17,946)</u>	<u>-</u>
Net Change in Fund Balances	307,839	13,075	489
Fund Balances, January 1	<u>643,383</u>	<u>82,432</u>	<u>25,649</u>
Fund Balances, December 31	<u>\$ 951,222</u>	<u>\$ 95,507</u>	<u>\$ 26,138</u>

<b>460</b> Tax Increment Financing District #14	<b>461</b> Tax Increment Financing District #15	<b>462</b> Tax Increment Financing District #16	Total
\$ 121,450	\$ 236,827	\$ -	\$ 387,633
-	-	836,000	836,000
5,889	1,422	1,053	21,866
-	-	363	7,906
<u>127,339</u>	<u>238,249</u>	<u>837,416</u>	<u>1,253,405</u>
-	-	840,198	1,145,722
1,746	230,414	-	232,160
<u>1,746</u>	<u>230,414</u>	<u>840,198</u>	<u>1,377,882</u>
<u>125,593</u>	<u>7,835</u>	<u>(2,782)</u>	<u>(124,477)</u>
-	-	-	451,862
-	-	-	142,610
<u>(60,811)</u>	<u>(500)</u>	<u>-</u>	<u>(79,257)</u>
<u>(60,811)</u>	<u>(500)</u>	<u>-</u>	<u>515,215</u>
64,782	7,335	(2,782)	390,738
<u>291,598</u>	<u>64,444</u>	<u>143</u>	<u>1,107,649</u>
<u>\$ 356,380</u>	<u>\$ 71,779</u>	<u>\$ (2,639)</u>	<u>\$ 1,498,387</u>

City of Rogers, Minnesota  
Street and Related Improvement Projects Funds  
Combining Balance Sheet  
December 31, 2019

	432	439	440	446	447	
	Rogers Drive Realignment	Rogers Drive Lighting	Villas at Fletcher	CSAH 81/13	Lennar Laurel Creek	Total
<b>Assets</b>						
Cash and temporary investments	<u>\$ 857,935</u>	<u>\$ -</u>	<u>\$ 19,418</u>	<u>\$ 113,265</u>	<u>\$ 915,289</u>	<u>\$ 1,905,907</u>
<b>Liabilities</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 39,326	\$ 39,326
Escrows payable	-	-	19,418	-	398,028	417,446
Unearned revenue	-	-	-	-	456,336	456,336
Total Liabilities	<u>-</u>	<u>-</u>	<u>19,418</u>	<u>-</u>	<u>893,690</u>	<u>913,108</u>
<b>Fund Balances</b>						
Committed	<u>857,935</u>	<u>-</u>	<u>-</u>	<u>113,265</u>	<u>21,599</u>	<u>992,799</u>
Total Liabilities and Fund Balances	<u>\$ 857,935</u>	<u>\$ -</u>	<u>\$ 19,418</u>	<u>\$ 113,265</u>	<u>\$ 915,289</u>	<u>\$ 1,905,907</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, 2019

	432	439	440	446	447	
	Rogers Drive Realignment	Rogers Drive Lighting	Villas at Fletcher	CSAH 81/13	Lennar Laurel Creek	Total
<b>Revenues</b>						
Special assessments	\$ -	\$ 27,967	\$ -	\$ -	\$ -	\$ 27,967
Interest (loss) on investments	16,072	(147)	364	(459)	15,245	31,075
Miscellaneous	-	-	-	205,657	1,068,299	1,273,956
Total Revenues	<u>16,072</u>	<u>27,820</u>	<u>364</u>	<u>205,198</u>	<u>1,083,544</u>	<u>1,332,998</u>
<b>Expenditures</b>						
Capital outlay						
Public works	-	25	364	84,972	939,113	1,024,474
Excess of Revenues Over Expenditures	16,072	27,795	-	120,226	144,431	308,524
<b>Other Financing Uses</b>						
Transfers out	-	(12,017)	-	-	-	(12,017)
Net Change in Fund Balances	16,072	15,778	-	120,226	144,431	296,507
Fund Balances, January 1	<u>841,863</u>	<u>(15,778)</u>	<u>-</u>	<u>(6,961)</u>	<u>(122,832)</u>	<u>696,292</u>
Fund Balances, December 31	<u>\$ 857,935</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 113,265</u>	<u>\$ 21,599</u>	<u>\$ 992,799</u>

City of Rogers, Minnesota  
Enterprise Funds  
Water Fund  
Combining Schedule of Net Position  
December 31, 2019

	<u>601</u>	<u>405</u>	<u>407</u>	
	Water	Water Trunk	WAC	Total
<b>Assets</b>				
<b>Current Assets</b>				
Cash and temporary investments	\$ 4,831,878	\$ 652,074	\$ 3,788,591	\$ 9,272,543
Receivables				
Accounts	84,402	-	-	84,402
Special assessments	-	-	609	609
Due from other governments	16,033	-	-	16,033
Prepaid items	4,619	-	-	4,619
<b>Total Current Assets</b>	<u>4,936,932</u>	<u>652,074</u>	<u>3,789,200</u>	<u>9,378,206</u>
<b>Noncurrent Assets</b>				
Special assessments receivable	-	45,128	12,837	57,965
<b>Capital assets</b>				
Land	752,708	-	-	752,708
Buildings and improvements	3,991,348	-	-	3,991,348
Infrastructure	15,162,500	-	-	15,162,500
Machinery and equipment	234,813	-	-	234,813
Construction in progress	599,409	-	-	599,409
Less accumulated depreciation	(9,046,153)	-	-	(9,046,153)
<b>Total Capital Assets (Net of     Accumulated Depreciation)</b>	<u>11,694,625</u>	<u>-</u>	<u>-</u>	<u>11,694,625</u>
<b>Total Noncurrent Assets</b>	<u>11,694,625</u>	<u>45,128</u>	<u>12,837</u>	<u>11,752,590</u>
<b>Total Assets</b>	<u>16,631,557</u>	<u>697,202</u>	<u>3,802,037</u>	<u>21,130,796</u>
<b>Deferred Outflows of Resources</b>				
Deferred other postemployment benefits resources	1,241	-	-	1,241
Deferred pension resources	4,886	-	-	4,886
<b>Total Deferred Outflows of Resources</b>	<u>6,127</u>	<u>-</u>	<u>-</u>	<u>6,127</u>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts payable	58,604	33,631	-	92,235
Accrued salaries payable	11,889	-	-	11,889
Due to other governments	651	-	-	651
Accrued interest payable	1,885	-	-	1,885
Compensated absences payable - current	22,368	-	-	22,368
Bonds payable - current portion	110,000	-	-	110,000
<b>Total Current Liabilities</b>	<u>205,397</u>	<u>33,631</u>	<u>-</u>	<u>239,028</u>

City of Rogers, Minnesota  
Enterprise Funds  
Water Fund  
Combining Schedule Net Position (Continued)  
December 31, 2019

	<u>601</u>	<u>405</u>	<u>407</u>	
	Water	Water Trunk	WAC	Total
<b>Noncurrent Liabilities</b>				
Severance obligations payable	\$ 12,281	\$ -	\$ -	\$ 12,281
Compensated absences payable	24,372	-	-	24,372
Other postemployment benefits payable	51,260	-	-	51,260
Bonds payable	855,000	-	-	855,000
Net pension liability	118,210	-	-	118,210
<b>Total Noncurrent Liabilities</b>	<u>1,061,123</u>	<u>-</u>	<u>-</u>	<u>1,061,123</u>
<b>Total Liabilities</b>	<u>1,266,520</u>	<u>33,631</u>	<u>-</u>	<u>1,300,151</u>
<b>Deferred Inflows of Resources</b>				
Deferred other postemployment benefits resources	2,874	-	-	2,874
Deferred pension resources	14,590	-	-	14,590
<b>Total Deferred Inflows of Resources</b>	<u>17,464</u>	<u>-</u>	<u>-</u>	<u>17,464</u>
<b>Net Position</b>				
Net investment in capital assets	10,729,625	-	-	10,729,625
Unrestricted	4,624,075	663,571	3,802,037	9,089,683
<b>Total Net Position</b>	<u>\$ 15,353,700</u>	<u>\$ 663,571</u>	<u>\$ 3,802,037</u>	<u>\$ 19,819,308</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, 2019

	<u>601</u>	<u>405</u>	<u>407</u>	
	Water	Water Trunk	WAC	Total
Operating Revenues				
Charges for services	\$ 1,028,404	\$ -	\$ -	\$ 1,028,404
Miscellaneous	38,225	-	-	38,225
Total Operating Revenues	<u>1,066,629</u>	<u>-</u>	<u>-</u>	<u>1,066,629</u>
Operating Expenses				
Personal services	430,648	-	-	430,648
Supplies	394,159	-	-	394,159
Other services and charges	395,200	60,198	470	455,868
Depreciation	546,181	-	-	546,181
Total Operating Expenses	<u>1,766,188</u>	<u>60,198</u>	<u>470</u>	<u>1,826,856</u>
Operating Loss	<u>(699,559)</u>	<u>(60,198)</u>	<u>(470)</u>	<u>(760,227)</u>
Nonoperating Revenues (Expenses)				
Interest on investments	167,019	10,856	123,334	301,209
Interest expense	(24,637)	-	-	(24,637)
Other income	23,753	-	-	23,753
Total Nonoperating Revenues (Expenses)	<u>166,135</u>	<u>10,856</u>	<u>123,334</u>	<u>300,325</u>
Income (Loss) Before Contributions and Transfers	(533,424)	(49,342)	122,864	(459,902)
Capital Contributions				
Connection fees and special assessments	-	221,803	982,757	1,204,560
Contributions from Other Funds	19,715	-	-	19,715
Contributions to Other Funds	-	(19,715)	-	(19,715)
Transfers In	260,295	-	-	260,295
Transfers Out	<u>(75,000)</u>	<u>-</u>	<u>(135,295)</u>	<u>(210,295)</u>
Change in Net Position	(328,414)	152,746	970,326	794,658
Net Position, January 1	<u>15,682,114</u>	<u>510,825</u>	<u>2,831,711</u>	<u>19,024,650</u>
Net Position, December 31	<u>\$ 15,353,700</u>	<u>\$ 663,571</u>	<u>\$ 3,802,037</u>	<u>\$ 19,819,308</u>

City of Rogers, Minnesota  
Enterprise Funds  
Sewer Fund  
Combining Schedule of Net Position  
December 31, 2019

	<u>602</u>	<u>406</u>	<u>408</u>	
	Sewer	Sewer Trunk	RSAC	Total
<b>Assets</b>				
<b>Current Assets</b>				
Cash and temporary investments	\$ 2,345,012	\$ 1,508,289	\$ 8,686,551	\$ 12,539,852
Receivables				
Accounts	149,024	-	-	149,024
Special assessments	-	-	1,593	1,593
Due from other governments	18,742	-	-	18,742
Due from other funds	-	-	258,512	258,512
Prepaid items	80,203	-	-	80,203
<b>Total Current Assets</b>	<u>2,592,981</u>	<u>1,508,289</u>	<u>8,946,656</u>	<u>13,047,926</u>
<b>Noncurrent Assets</b>				
Special assessments receivable	-	104,073	13,174	117,247
Advances to other funds	-	-	463,850	463,850
<b>Capital assets</b>				
Land	65,437	-	-	65,437
Buildings and improvements	1,021,216	-	-	1,021,216
Infrastructure	11,913,807	-	-	11,913,807
Machinery and equipment	530,357	-	-	530,357
Construction in progress	251,944	-	-	251,944
Less accumulated depreciation	(4,693,941)	-	-	(4,693,941)
<b>Total Capital Assets (Net of     Accumulated Depreciation)</b>	<u>9,088,820</u>	<u>-</u>	<u>-</u>	<u>9,088,820</u>
<b>Total Noncurrent Assets</b>	<u>9,088,820</u>	<u>104,073</u>	<u>477,024</u>	<u>9,669,917</u>
<b>Total Assets</b>	<u>11,681,801</u>	<u>1,612,362</u>	<u>9,423,680</u>	<u>22,717,843</u>
<b>Deferred Outflows of Resources</b>				
Deferred other postemployment benefits resources	1,236	-	-	1,236
Deferred pension resources	4,908	-	-	4,908
<b>Total Deferred Outflows of Resources</b>	<u>6,144</u>	<u>-</u>	<u>-</u>	<u>6,144</u>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts payable	4,833	18,680	-	23,513
Accrued salaries payable	11,842	-	-	11,842
Due to other governments	-	-	2,386	2,386
Compensated absences payable - current	22,312	-	-	22,312
<b>Total Current Liabilities</b>	<u>38,987</u>	<u>18,680</u>	<u>2,386</u>	<u>60,053</u>

City of Rogers, Minnesota  
Enterprise Funds  
Sewer Fund  
Combining Schedule of Net Position (Continued)  
December 31, 2019

	<u>602</u>	<u>406</u>	<u>408</u>	
	Sewer	Sewer Trunk	RSAC	Total
<b>Noncurrent Liabilities</b>				
Severance obligations payable	\$ 12,281	\$ -	\$ -	\$ 12,281
Compensated absences payable	24,311	-	-	24,311
Other postemployment benefits payable	51,051	-	-	51,051
Net pension liability	117,986	-	-	117,986
<b>Total Noncurrent Liabilities</b>	<u>205,629</u>	<u>-</u>	<u>-</u>	<u>205,629</u>
<b>Total Liabilities</b>	<u>244,616</u>	<u>18,680</u>	<u>2,386</u>	<u>265,682</u>
<b>Deferred Inflows of Resources</b>				
Deferred other postemployment benefits resources	2,863			2,863
Deferred pension resources	14,581	-	-	14,581
<b>Total Deferred Inflows of Resources</b>	<u>17,444</u>	<u>-</u>	<u>-</u>	<u>17,444</u>
<b>Net Position</b>				
Investment in capital assets	9,088,820	-	-	9,088,820
Unrestricted	2,337,065	1,593,682	9,421,294	13,352,041
<b>Total Net Position</b>	<u>\$ 11,425,885</u>	<u>\$ 1,593,682</u>	<u>\$ 9,421,294</u>	<u>\$ 22,440,861</u>

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City of Rogers, Minnesota  
Enterprise Funds  
Sewer Fund  
Combining Schedule of Revenues, Expenses and  
Changes in Net Position  
For the Year Ended December 31, 2019

	<u>602</u>	<u>406</u>	<u>408</u>	
	Sewer	Sewer Trunk	RSAC	Total
Operating Revenues				
Charges for services	\$ 1,014,834	\$ -	\$ -	\$ 1,014,834
Miscellaneous	12,469	-	-	12,469
Total Operating Revenues	<u>1,027,303</u>	<u>-</u>	<u>-</u>	<u>1,027,303</u>
Operating Expenses				
Personal services	420,630	-	-	420,630
Supplies	62,973	-	-	62,973
Other services and charges	183,523	49,439	113,547	346,509
Depreciation	349,901	-	-	349,901
Total Operating Expenses	<u>1,017,027</u>	<u>49,439</u>	<u>113,547</u>	<u>1,180,013</u>
Operating Income (Loss)	<u>10,276</u>	<u>(49,439)</u>	<u>(113,547)</u>	<u>(152,710)</u>
Nonoperating Revenues				
Interest on investments	83,979	49,777	287,874	421,630
Gain (loss) on disposal of capital assets	(1,886,834)	-	842,749	(1,044,085)
Other income	23,007	-	-	23,007
Total Nonoperating Revenues	<u>(1,779,848)</u>	<u>49,777</u>	<u>1,130,623</u>	<u>(599,448)</u>
Income (Loss) Before Contributions and Transfers	(1,769,572)	338	1,017,076	(752,158)
Capital Contributions				
Connection fees and special assessments	-	211,010	755,641	966,651
Contributions from Other Funds	16,758	-	-	16,758
Contributions to Other Funds	-	(16,758)	-	(16,758)
Transfers Out	<u>(202,365)</u>	<u>-</u>	<u>-</u>	<u>(202,365)</u>
Change in Net Position	(1,955,179)	194,590	1,772,717	12,128
Net Position, January 1	<u>13,381,064</u>	<u>1,399,092</u>	<u>7,648,577</u>	<u>22,428,733</u>
Net Position, December 31	<u>\$ 11,425,885</u>	<u>\$ 1,593,682</u>	<u>\$ 9,421,294</u>	<u>\$ 22,440,861</u>

City of Rogers, Minnesota  
Enterprise Funds  
Storm Sewer Fund  
Combining Schedule of Net Position  
December 31, 2019

	<u>603</u>	<u>438</u>	
	Storm Sewer	Storm Sewer Trunk	Total
<b>Assets</b>			
<b>Current Assets</b>			
Cash and temporary investments	\$ 1,975,334	\$ 769,146	\$ 2,744,480
Accounts receivable	80,314	-	80,314
Prepaid items	2,337	-	2,337
<b>Total Current Assets</b>	<u>2,057,985</u>	<u>769,146</u>	<u>2,827,131</u>
<b>Noncurrent Assets</b>			
Special assessments receivable	-	39,099	39,099
<b>Capital assets</b>			
Land	166,421	-	166,421
Infrastructure	9,459,079	-	9,459,079
Machinery and equipment	228,057	-	228,057
Construction in progress	207,422	-	207,422
Less accumulated depreciation	(4,253,038)	-	(4,253,038)
<b>Total Capital Assets (Net of     Accumulated Depreciation)</b>	<u>5,807,941</u>	<u>-</u>	<u>5,807,941</u>
<b>Total Noncurrent Assets</b>	<u>5,807,941</u>	<u>39,099</u>	<u>5,847,040</u>
<b>Total Assets</b>	<u>7,865,926</u>	<u>808,245</u>	<u>8,674,171</u>
<b>Deferred Outflows of Resources</b>			
Deferred other postemployment benefits resources	801	-	801
Deferred pension resources	2,897	-	2,897
<b>Total Deferred Outflows of Resources</b>	<u>3,698</u>	<u>-</u>	<u>3,698</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	2,609	8,306	10,915
Accrued salaries payable	7,421	-	7,421
Compensated absences payable - current	10,335	-	10,335
<b>Total Current Liabilities</b>	<u>20,365</u>	<u>8,306</u>	<u>28,671</u>
<b>Noncurrent Liabilities</b>			
Severance obligations payable	5,631	-	5,631
Compensated absences payable	11,261	-	11,261
Other postemployment benefits payable	33,098	-	33,098
Net pension liability	74,088	-	74,088
<b>Total Noncurrent Liabilities</b>	<u>124,078</u>	<u>-</u>	<u>124,078</u>
<b>Total Liabilities</b>	<u>144,443</u>	<u>8,306</u>	<u>152,749</u>
<b>Deferred Inflows of Resources</b>			
Deferred other postemployment benefits resources	1,865	-	1,865
Deferred pension resources	9,044	-	9,044
<b>Total Deferred Inflows of Resources</b>	<u>10,909</u>	<u>-</u>	<u>10,909</u>
<b>Net Position</b>			
Investment in capital assets	5,807,941	-	5,807,941
Unrestricted	1,906,331	799,939	2,706,270
<b>Total Net Position</b>	<u>\$ 7,714,272</u>	<u>\$ 799,939</u>	<u>\$ 8,514,211</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, 2019

	<u>603</u>	<u>438</u>	
	Storm Sewer	Storm Sewer Trunk	Total
Operating Revenues			
Charges for services	\$ 558,845	\$ -	\$ 558,845
Miscellaneous	25,750	-	25,750
Total Operating Revenues	<u>584,595</u>	<u>-</u>	<u>584,595</u>
Operating Expenses			
Personal services	273,843	-	273,843
Supplies	9,640	-	9,640
Other services and charges	125,598	-	125,598
Depreciation	201,871	-	201,871
Total Operating Expenses	<u>610,952</u>	<u>-</u>	<u>610,952</u>
Operating Loss	<u>(26,357)</u>	<u>-</u>	<u>(26,357)</u>
Nonoperating Revenues			
Interest on investments	64,684	12,586	77,270
Other income	392	-	392
Total Nonoperating Revenues	<u>65,076</u>	<u>12,586</u>	<u>77,662</u>
Income Before			
Contributions and Transfers	38,719	12,586	51,305
Capital Contributions			
Connection fees and special assessments	-	189,121	189,121
Contributions from Other Funds	2,391	-	2,391
Contributions to Other Funds	-	(2,391)	(2,391)
Transfers Out	<u>(15,000)</u>	<u>-</u>	<u>(15,000)</u>
Change in Net Position	26,110	199,316	225,426
Net Position, January 1	<u>7,688,162</u>	<u>600,623</u>	<u>8,288,785</u>
Net Position, December 31	<u>\$ 7,714,272</u>	<u>\$ 799,939</u>	<u>\$ 8,514,211</u>

City of Rogers, Minnesota  
Enterprise Funds  
Municipal Liquor Store Fund  
Combining Schedule of Operating Revenues and Expenses  
For the Year Ended December 31, 2019

	Municipal Liquor On-Sale	Municipal Liquor Off-Sale	Total
Sales and Cost of Sales			
Sales	\$ 404,176	\$ 3,482,281	\$ 3,886,457
Cost of sales	(117,066)	(2,574,708)	(2,691,774)
Gross Profit	<u>287,110</u>	<u>907,573</u>	<u>1,194,683</u>
Operating Expenses			
Personal services	177,956	404,340	582,296
Supplies	11,742	10,637	22,379
Other services and charges	95,530	170,099	265,629
Depreciation	5,545	27,513	33,058
Total Operating Expenses	<u>290,773</u>	<u>612,589</u>	<u>903,362</u>
Operating Income (Loss)	<u>\$ (3,663)</u>	<u>\$ 294,984</u>	<u>\$ 291,321</u>

City of Rogers, Minnesota  
 Summary Financial Report  
 Revenues and Expenditures For General Operations  
 Governmental Funds  
 For the Years Ended December 31, 2019 and 2018

	Total		Percent Increase (Decrease)
	2019	2018	
Revenues			
Taxes			
Property taxes	\$ 7,765,422	\$ 7,819,376	(0.69) %
Tax increments	387,633	437,621	(11.42)
Franchise taxes	1,421,771	1,107,478	28.38
Licenses and permits	1,522,616	1,104,694	37.83
Intergovernmental	3,393,152	1,214,770	179.32
Charges for services	3,439,590	4,631,406	(25.73)
Fines and forfeitures	100,384	126,556	(20.68)
Special assessments	451,629	465,857	(3.05)
Interest on investments	817,994	268,966	204.13
Miscellaneous	1,734,819	1,794,925	(3.35)
	<u>\$ 21,035,010</u>	<u>\$ 18,971,649</u>	10.88 %
Total Revenues	<u>\$ 21,035,010</u>	<u>\$ 18,971,649</u>	10.88 %
Per Capita	\$ 1,619	\$ 1,488	8.85
Expenditures			
Current			
General government	\$ 2,042,875	\$ 2,087,487	(2.14) %
Public safety	4,422,477	4,157,644	6.37
Public works	1,262,383	1,331,056	(5.16)
Culture and recreation	1,453,515	1,291,809	12.52
Economic development	139,820	136,092	2.74
Capital outlay			
General government	52,703	65,444	(19.47)
Public safety	362,440	749,284	(51.63)
Public works	3,324,704	2,863,072	16.12
Culture and recreation	1,890,223	189,350	898.27
Economic development	1,145,722	130,502	777.93
Housing	232,160	224,955	3.20
Debt service			
Principal	1,090,000	1,280,000	(14.84)
Interest and service charges	249,070	286,297	(13.00)
	<u>\$ 17,668,092</u>	<u>\$ 14,792,992</u>	19.44 %
Total Expenditures	<u>\$ 17,668,092</u>	<u>\$ 14,792,992</u>	19.44 %
Per Capita	\$ 1,360	\$ 1,160	17.25
Total Long-term Indebtedness	\$ 8,080,000	\$ 9,170,000	(11.89) %
Per Capita	622	719	(13.50)
General Fund Balance - December 31	\$ 6,299,326	\$ 5,420,051	16.22 %
Per Capita	485	425	14.09

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.

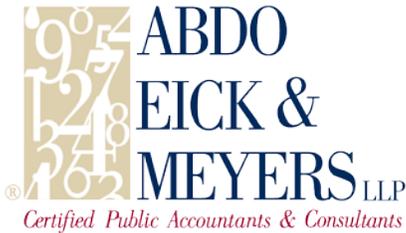
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OTHER REQUIRED REPORTS

CITY OF ROGERS  
ROGERS, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2019

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INDEPENDENT AUDITOR'S REPORT  
ON MINNESOTA LEGAL COMPLIANCE

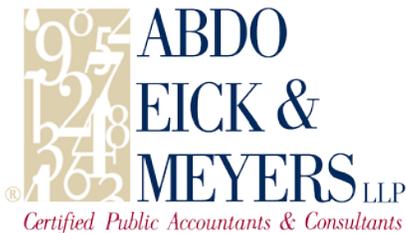
Honorable Mayor and City Council  
City of Rogers, Minnesota

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, 2019, and the related notes to the financial statements which collectively comprise the City's basic financial statement, and have issued our report thereon dated June 2, 2020.

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 contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

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 2, 2020



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, 2019, 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 2, 2020.

**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.

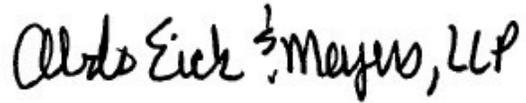
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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  
Minneapolis, Minnesota  
June 2, 2020