

Annual Financial Report

City of Rogers
Rogers, Minnesota

For the Year Ended
December 31, 2020

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Annual Financial Report
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INTRODUCTORY SECTION

CITY OF ROGERS
ROGERS, MINNESOTA

FOR THE YEAR ENDED
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City of Rogers, Minnesota
Elected and Appointed Officials
For the Year Ended December 31, 2020

ELECTED

Name	Title	Term Expires
Rick Ihli	Mayor	12/31/2022
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	12/31/2024

APPOINTED

Steve Stahmer	City Administrator
Bridget Bruska	Finance Director
Stacy Scharber	Assistant City Administrator / City Clerk
Greta Pudas	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, 2020

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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, 2020, 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, 2020, 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

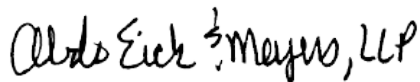
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section and combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2021, 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
May 20, 2021

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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, 2020.

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 \$141,820,978 (net position). Of this amount, \$37,872,791 (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 \$7,546,671 as a result of revenues in excess of expenses. \$1,044,001 was a result of an increase of net position within Enterprise funds, and \$6,502,670 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 \$25,777,047 an increase of \$504,363 in comparison with the prior year. Approximately 44.4 percent of this total amount, \$11,445,350, 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 \$6,377,141, or 62.8 percent of 2020 actual expenditures and 63.1 percent of budgeted 2021 expenditures.
- The City's total long-term debt decreased \$2,970,000 or 32.8 percent during the current fiscal year. The key factor of this decrease was due to the payoff of the 2011B Bonds.

Overview of the Financial Statements

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

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

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

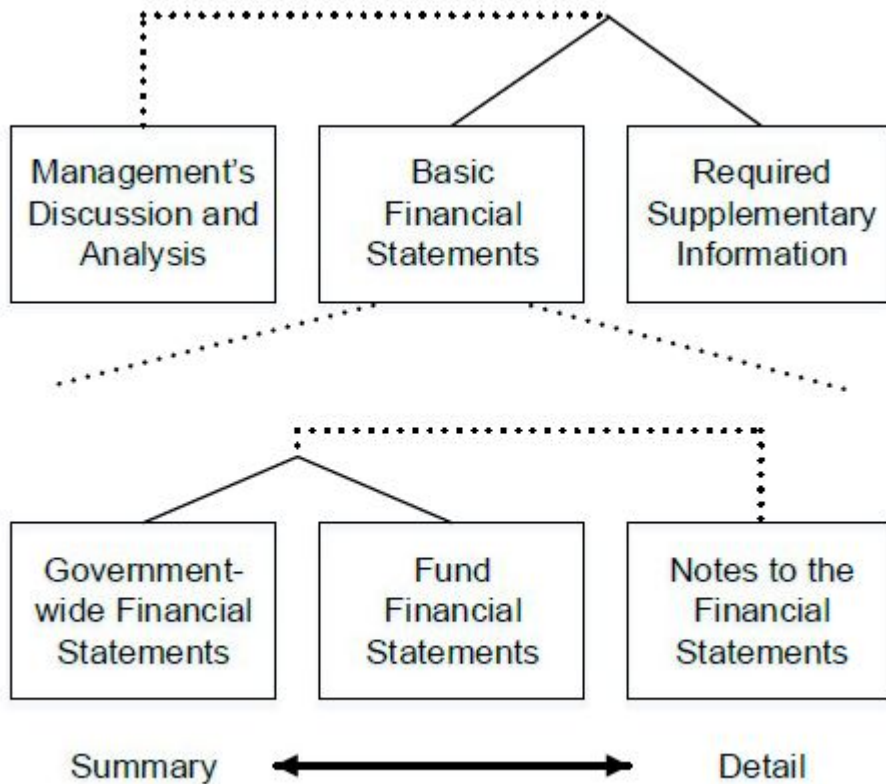


Figure 2 summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the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

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

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

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

The *statement of net position* presents information on all of the City’s assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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

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

The government-wide financial statements start on page 33 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 7 sub-funds, the street and related improvement project fund consists of 4 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 38 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 48 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 55 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 104 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$141,820,978 at the close of the most recent fiscal year.

By far, the largest portion of the City's net position (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		
	2020	2019	Increase (Decrease)	2020	2019	Increase (Decrease)
Assets						
Current and other assets	\$33,247,336	\$33,836,058	\$ (588,722)	\$29,535,253	\$27,187,903	\$ 2,347,350
Capital assets	68,685,433	65,346,981	3,338,452	27,568,399	28,212,306	(643,907)
Total Assets	<u>101,932,769</u>	<u>99,183,039</u>	<u>2,749,730</u>	<u>57,103,652</u>	<u>55,400,209</u>	<u>1,703,443</u>
Deferred Outflows of Resources	<u>2,075,221</u>	<u>2,632,516</u>	<u>(557,295)</u>	<u>138,669</u>	<u>19,524</u>	<u>119,145</u>
Liabilities						
Noncurrent liabilities outstanding	10,735,464	12,986,845	(2,251,381)	2,227,010	1,859,016	367,994
Other liabilities	3,878,019	4,827,455	(949,436)	666,292	283,149	383,143
Total Liabilities	<u>14,613,483</u>	<u>17,814,300</u>	<u>(3,200,817)</u>	<u>2,893,302</u>	<u>2,142,165</u>	<u>751,137</u>
Deferred Inflows of Resources	<u>1,829,245</u>	<u>2,938,663</u>	<u>(1,109,418)</u>	<u>93,303</u>	<u>65,853</u>	<u>27,450</u>
Net Position						
Net investment in capital assets	63,465,433	57,477,321	5,988,112	26,713,399	27,247,306	(533,907)
Restricted	13,769,355	12,213,028	1,556,327	-	-	-
Unrestricted	10,330,474	11,372,243	(1,041,769)	27,542,317	25,964,409	1,577,908
Total Net Position	<u>\$87,565,262</u>	<u>\$81,062,592</u>	<u>\$ 6,502,670</u>	<u>\$54,255,716</u>	<u>\$53,211,715</u>	<u>\$ 1,044,001</u>

An additional portion of the City's net position (\$13,769,355) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$37,872,791) 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.

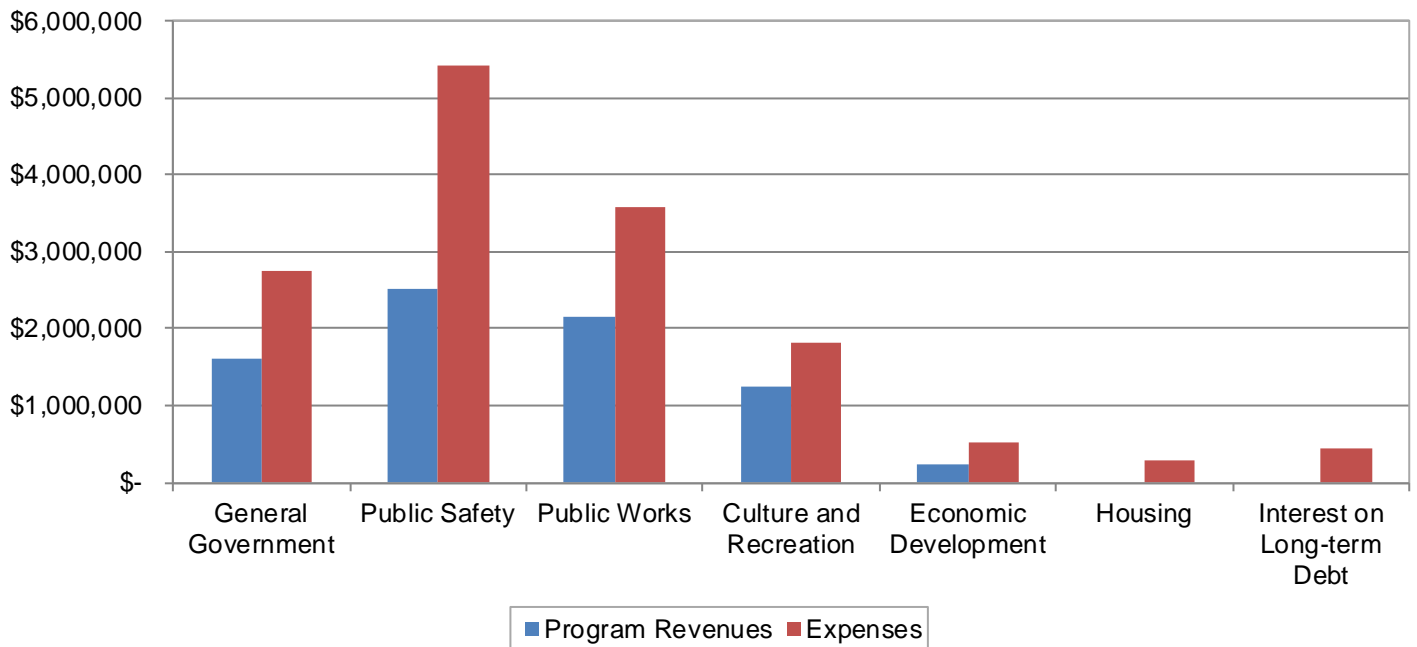
Governmental Activities. Governmental activities increased the City's net position by \$6,502,670, thereby accounting for approximately 86 percent of the growth in the net position of the City. Key elements of this increase are as follows:

City of Rogers's Changes in Net Position

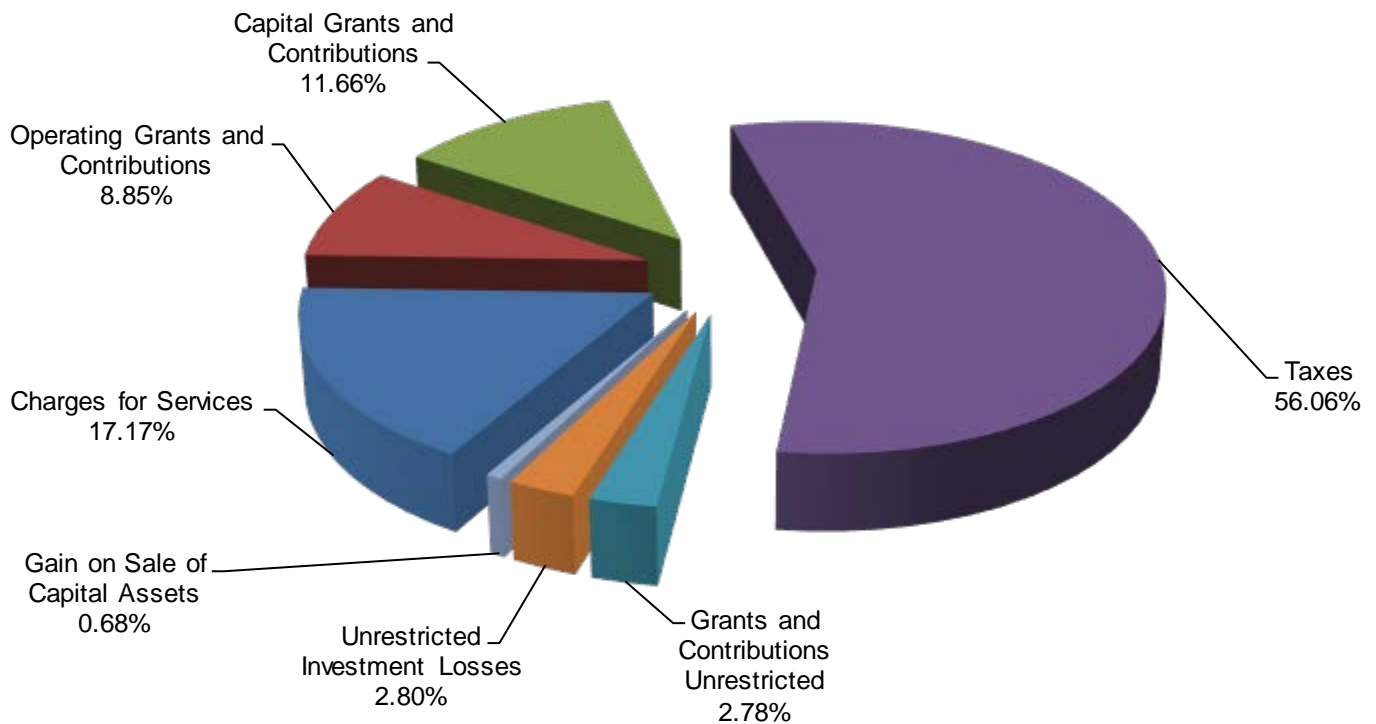
	Governmental Activities			Business-type Activities		
	2020	2019	Increase (Decrease)	2020	2019	Increase (Decrease)
Revenues						
Program Revenues						
Charges for services	\$ 3,556,470	\$ 3,734,954	\$ (178,484)	\$ 7,764,819	\$ 6,636,524	\$ 1,128,295
Operating grants and contributions	1,833,136	682,361	1,150,775	5,066	2,115	2,951
Capital grants and contributions	2,414,159	5,224,506	(2,810,347)	1,883,005	2,360,332	(477,327)
General Revenues						
Taxes						
Property taxes	8,512,729	7,659,132	853,597	-	-	-
Tax increments	474,161	387,633	86,528	-	-	-
Franchise taxes	2,622,217	1,557,752	1,064,465	-	-	-
Grants and contributions not restricted to specific programs	576,378	669,148	(92,770)	-	-	-
Unrestricted investment earnings	580,294	817,994	(237,700)	579,212	804,420	(225,208)
Gain on sale of capital assets	140,603	299,172	(158,569)	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	20,710,147	21,032,652	(322,505)	10,232,102	9,803,391	428,711
Expenses						
General government	2,763,755	2,131,960	631,795	-	-	-
Public safety	5,425,198	5,184,995	240,203	-	-	-
Public works	3,592,585	3,600,442	(7,857)	-	-	-
Culture and recreation	1,811,516	1,982,183	(170,667)	-	-	-
Economic development	518,779	1,294,150	(775,371)	-	-	-
Housing	280,151	232,160	47,991	-	-	-
Interest on long-term debt	448,072	282,896	165,176	-	-	-
Water	-	-	-	1,814,196	1,851,493	(37,297)
Sewer	-	-	-	2,032,164	2,224,098	(191,934)
Storm sewer	-	-	-	739,950	610,952	128,998
Municipal liquor	-	-	-	3,969,212	3,595,136	374,076
Total Expenses	14,840,056	14,708,786	131,270	8,555,522	8,281,679	273,843
Increase in Net Position						
Before Transfers	5,870,091	6,323,866	(453,775)	1,676,580	1,521,712	154,868
Transfers - Internal Activities	632,579	406,455	226,124	(632,579)	(406,455)	(226,124)
Change in Net Position	6,502,670	6,730,321	(227,651)	1,044,001	1,115,257	(71,256)
Net Position, January 1	81,062,592	74,332,271	6,730,321	53,211,715	52,096,458	1,115,257
Net Position, December 31	\$87,565,262	\$81,062,592	\$ 6,502,670	\$54,255,716	\$53,211,715	\$ 1,044,001

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

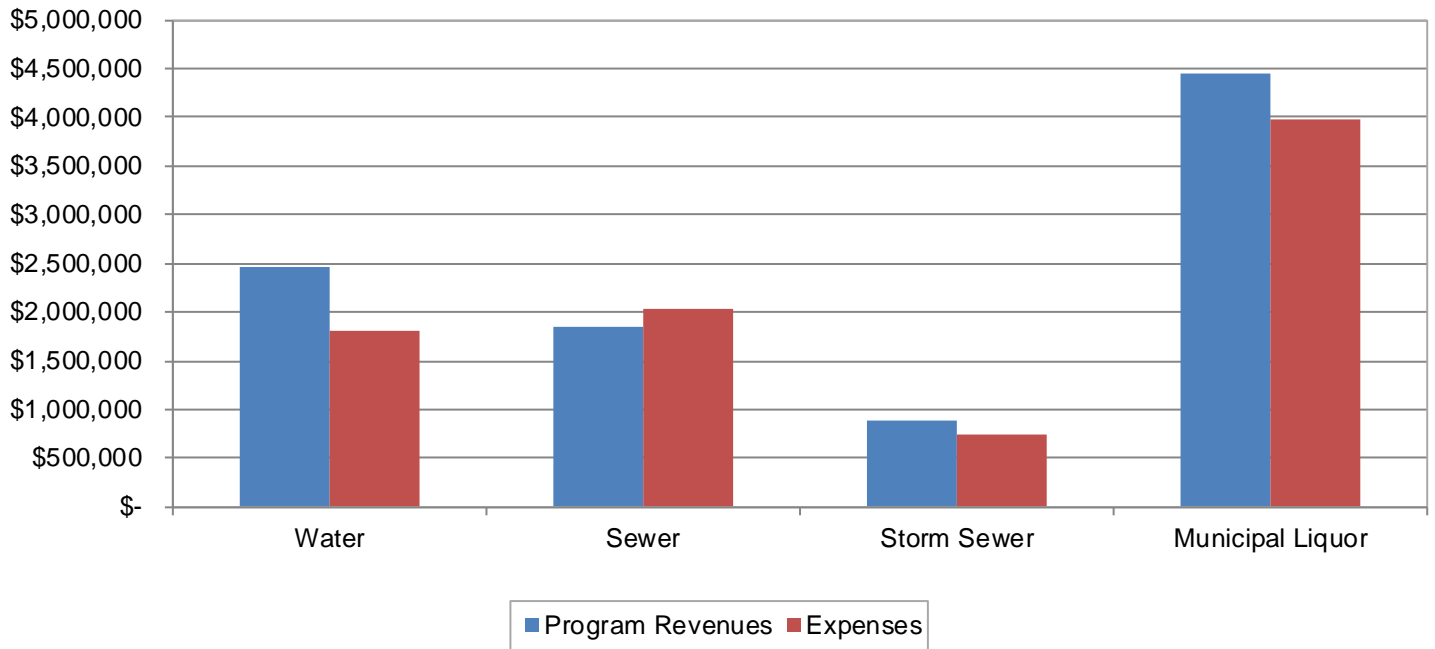


Revenues by Source - Governmental Activities

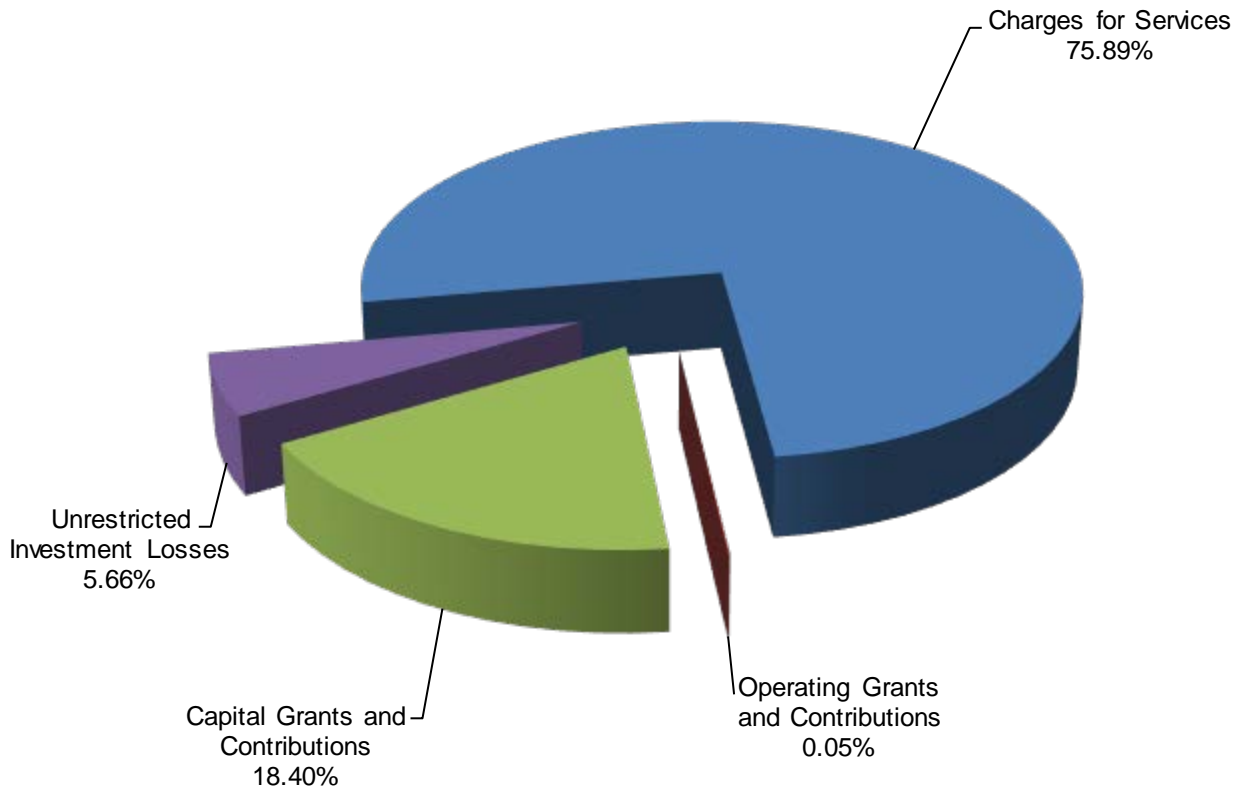


Business-type Activities. Business-type activities increased the City's net position by \$1,044,001, contributing for 14 percent of the total growth in the City's net position. Key elements of this increase are as follows:

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 \$25,777,047, an increase of \$504,363 in comparison with the prior year. Approximately 24.7 percent of this total amount, \$6,377,141, constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance (\$19,399,906) is not available for new spending because it is either 1) nonspendable (\$160,731), 2) restricted (\$11,284,619), 3) committed (\$7,527,065) or 4) assigned (\$427,491) for specific purposes.

The General fund experienced an increase in fund balance in 2020. See the below section, "General Fund Budgetary Highlights" for more detailed information.

The fund balance of the Rogers Activity fund increased \$267,560 from the prior year due to charges for services and tax revenues exceeding operating costs.

The fund balance of the Debt Service fund decreased \$60,465 from the prior year due to additional principal expense due to payoff of the 2011B bonds and transfers out.

The Revolving Capital fund balance decreased of \$948,027. The decrease is mainly due capital project costs.

The Street and Related Improvement Projects fund increased fund balance by \$55,561. The increase is due to refund receipts.

General Fund Budgetary Highlights

Actual revenues were \$1,912,733 over budget and expenditures were \$621,178 over budget; along with transfers and other financing sources, the end result was an increase in fund balance of \$335,541.

Revenue highlights include:

- Non-business licenses and permits were \$555,034 in excess of budget.
- Intergovernmental revenue had a positive budget variance of \$969,070. This positive variance can be attributed to COVID-19 relief aid from the Coronavirus Relief Act.
- Investment earnings improved in 2020 and interest on investments was over budget by \$119,082.

Expenditure highlights include:

- Information systems had exceeded budgeted amounts by \$100,053 which is the result of \$106,326 in expenditures related to COVID-19. These expenditures included laptops to City employees to enable them to work from home and upgrades to the Council chamber audio system.
- Finance personnel and other services and charges had a negative budget variance of \$99,983. This was largely due to step and COLA increases as well as two severance payouts during 2020. In 2020 the City also contracted AEM Financial Solutions to assist the finance department due to turnover and vacancy.
- General government buildings had an unfavorable variance, the majority of which can be attributed to COVID-19 related expenditures of material and construction costs for improvements.
- General engineering had exceeded budgeted amounts by \$256,648 which is the result of general engineering services paid to engineering firms due to a vacant engineer position at the City.
- The public safety department had a positive budget variance of \$47,268. Police services were under budget by \$232,407 due to COVID-19 funding.
- The culture and recreation department had a positive budget variance of \$128,201 due to fewer projects occurring due to COVID-19.
- The paved streets and unpaved streets departments had positive budget variances of \$39,265 and \$26,543, respectively. Year-end transfers for unspent budgets within these departments were made to capital funds.

Rogers Activity Center Fund Budgetary Highlights

Revenues were under budgeted amounts by \$51,578 mainly due to charges for services under budget by \$98,007. Expenditures were under budgeted amounts by \$50,790.

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, 2020, amounts to \$96,253,832 (net of accumulated depreciation). This investment in capital assets includes land, structures, improvements, machinery and equipment, park facilities and roads.

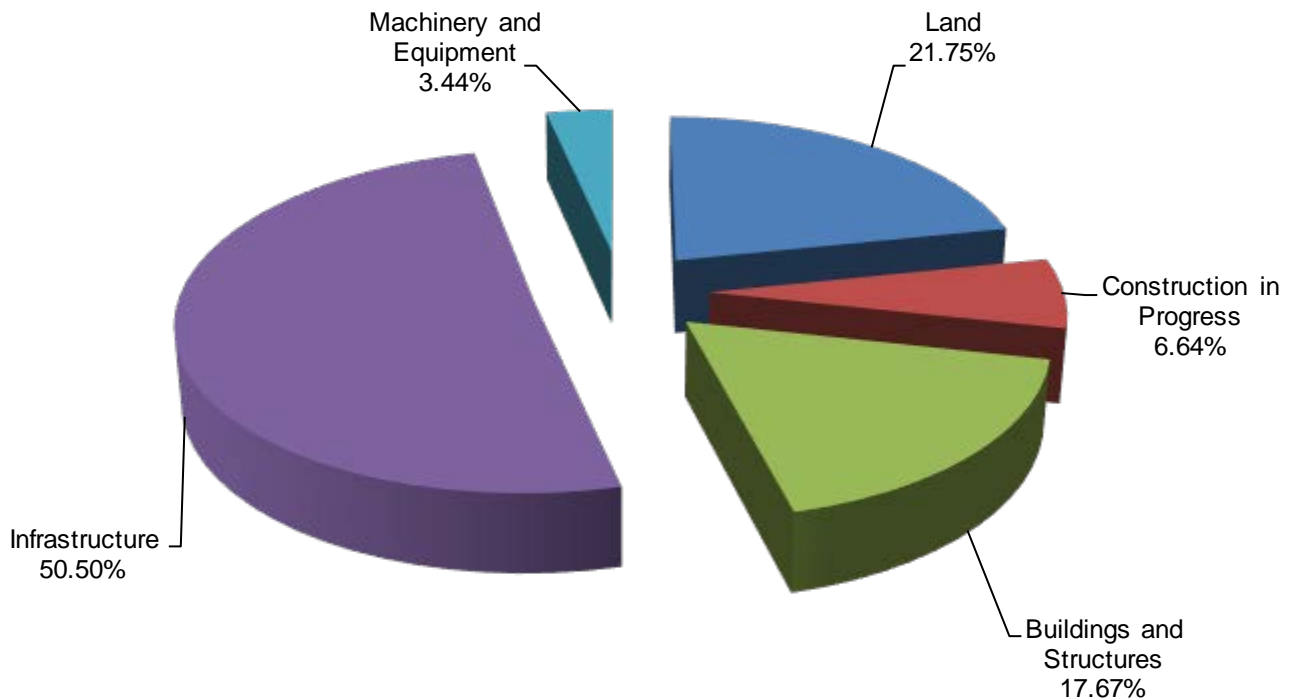
Major public project capital asset events during the current fiscal year were as follows:

- Completion of the 2019 Street Improvements
- Completion of the new Rogers Event Center building
- 2016 Justen Circle Utility Expansion & Street Improvements
- Purchase of:
 - A Silverado allocated between the Enterprise funds
 - Two John Deere Mowers
 - Bobcat Toolcat
 - Seven Police Squad Cars

Additional information on the City’s capital assets can be found in Note 3B starting on page 67 of this report.

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

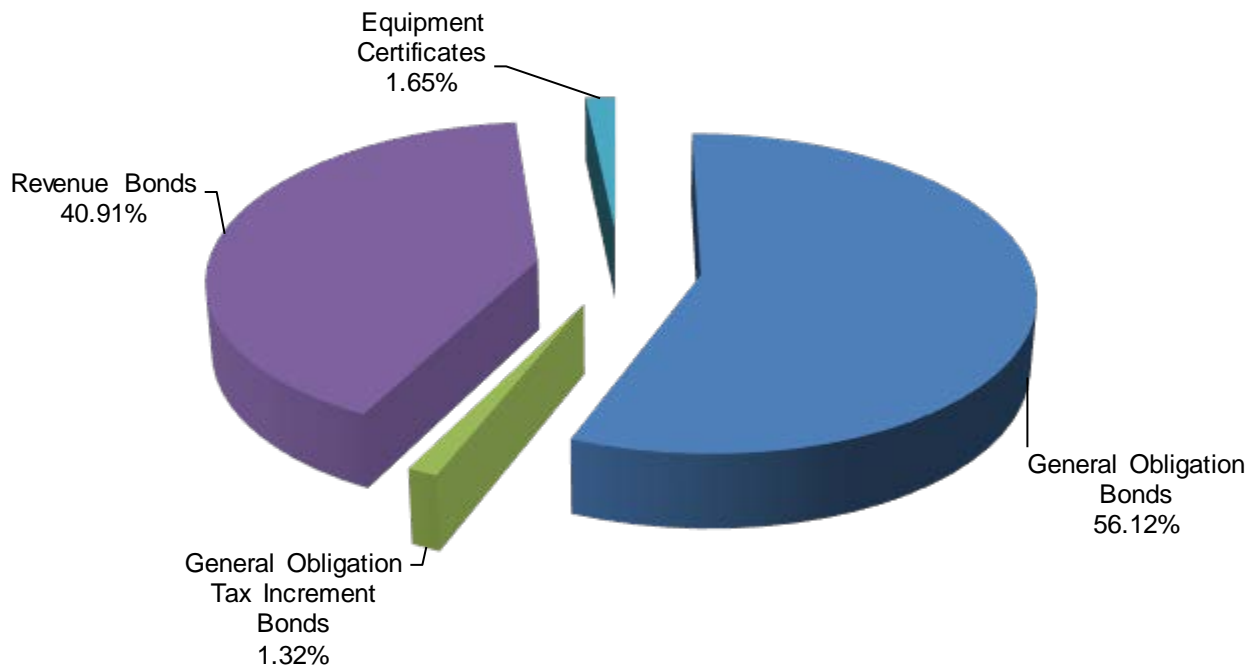
	Governmental Activities			Business-type Activities		
	2020	2019	Increase (Decrease)	2020	2019	Increase (Decrease)
Land	\$18,867,367	\$18,437,367	\$ 430,000	\$ 2,075,353	\$ 1,959,145	\$ 116,208
Construction in Progress	6,349,417	5,609,930	739,487	44,455	1,058,775	(1,014,320)
Buildings and Structures	15,557,054	13,352,559	2,204,495	1,447,090	1,627,559	(180,469)
Infrastructure	24,863,897	24,875,979	(12,082)	23,740,490	23,361,442	379,048
Machinery and Equipment	3,047,698	3,071,146	(23,448)	261,011	205,385	55,626
Total	\$68,685,433	\$65,346,981	\$ 3,338,452	\$27,568,399	\$28,212,306	\$ (643,907)



Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$6,075,000 . \$5,220,000 is governmental-related debt, and \$855,000 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		
	2020	2019	Increase (Decrease)	2020	2019	Increase (Decrease)
General Obligation Bonds	\$ 3,410,000	\$ 5,990,000	\$ (2,580,000)	\$ -	\$ -	\$ -
General Obligation Tax Increment Bonds	80,000	150,000	(70,000)	-	-	-
Revenue Bonds	1,630,000	1,790,000	(160,000)	855,000	965,000	(110,000)
Equipment Certificates	100,000	150,000	(50,000)	-	-	-
Total	\$ 5,220,000	\$ 8,080,000	\$ (2,860,000)	\$ 855,000	\$ 965,000	\$ (110,000)



The City’s total debt decreased \$2,970,000 (32.84 percent) during the current fiscal year due to annually scheduled bond payments and payroll of the 2011B Bond.

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 \$62,135,493 . The City is under the statutory debt limit as of December 31, 2020.

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 72 of this report.

Economic Factors and Next Year's Budgets and Rates

The City's elected officials considered many factors when setting the fiscal year 2021 budget, rates, and fees. These considerations include, but are not limited to, the following:

- Fiscal stewardship: making budget decisions acknowledging both the short and long-term impacts, consistent with the City's long-range financial plans.
- Tax/service level balance: fund operations at a level to provide quality services at a reasonable cost while addressing development-related growth in service demand.
- Strategic investments: consider additional investments when they help achieve the City's goals and provide a significant return to the community.
- Budget outcomes: seek to make connection between resources and results.
- Changes to the tax base due to conditions in the commercial and housing markets in a rapidly growing community.

The City's adopted budget for 2021 includes a property tax levy of \$8,713,896, which is a two percent increase over the previous year. The City's growth in tax capacity was over nine percent and the tax rate decreased almost seven percent to 33.396 percent.

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.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF ROGERS
ROGERS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2020

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City of Rogers, Minnesota
Statement of Net Position
December 31, 2020

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and temporary investments	\$ 27,868,828	\$ 27,827,492	\$ 55,696,320
Receivables			
Accounts	857,864	506,507	1,364,371
Accrued interest	152,350	-	152,350
Taxes	81,518	-	81,518
Special assessments	3,208,490	200,803	3,409,293
Loans	344,527	-	344,527
Due from other governments	517,781	21,280	539,061
Internal balances	(253,009)	253,009	-
Inventories	18,033	642,110	660,143
Prepaid items	142,698	84,052	226,750
Net pension asset	308,256	-	308,256
Capital assets			
Land and construction in progress	25,216,784	2,119,808	27,336,592
Depreciable assets (net of accumulated depreciation)	43,468,649	25,448,591	68,917,240
Total Assets	<u>101,932,769</u>	<u>57,103,652</u>	<u>159,036,421</u>
Deferred Outflows of Resources			
Deferred other postemployment benefits	64,770	16,271	81,041
Deferred pension resources	2,010,451	122,398	2,132,849
Total Deferred Outflows of Resources	<u>2,075,221</u>	<u>138,669</u>	<u>2,213,890</u>
Liabilities			
Accounts payable	1,155,018	139,101	1,294,119
Accrued salaries payable	87,128	20,142	107,270
Accrued interest payable	5,994	1,702	7,696
Due to other governments	44,823	505,347	550,170
Escrows payable	2,450,665	-	2,450,665
Unearned revenue	134,391	-	134,391
Noncurrent liabilities			
Due within one year			
Long-term liabilities	826,854	150,042	976,896
Due in more than one year			
Long-term liabilities	5,410,563	996,660	6,407,223
Other postemployment benefits payable	519,150	130,417	649,567
Net pension liability	3,978,897	949,891	4,928,788
Total Liabilities	<u>14,613,483</u>	<u>2,893,302</u>	<u>17,506,785</u>
Deferred Inflows of Resources			
Deferred other postemployment benefits	215,928	54,244	270,172
Deferred pension resources	1,613,317	39,059	1,652,376
Total Deferred Inflows of Resources	<u>1,829,245</u>	<u>93,303</u>	<u>1,922,548</u>
Net Position			
Net investment in capital assets	63,465,433	26,713,399	90,178,832
Restricted for			
Debt service	3,024,622	-	3,024,622
Tax increment financing	1,418,301	-	1,418,301
Loans	489,210	-	489,210
Police forfeitures	11,519	-	11,519
Park improvements	1,345,462	-	1,345,462
Economic development	151,134	-	151,134
Capital improvements	7,329,107	-	7,329,107
Unrestricted	10,330,474	27,542,317	37,872,791
Total Net Position	<u>\$ 87,565,262</u>	<u>\$ 54,255,716</u>	<u>\$ 141,820,978</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, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 2,763,755	\$ 1,139,808	\$ 482,144	\$ -
Public safety	5,425,198	1,697,474	808,546	25,000
Public works	3,592,585	225,282	261,395	1,672,056
Culture and recreation	1,811,516	472,007	70,316	716,368
Economic development	518,779	21,899	210,735	735
Housing	280,151	-	-	-
Interest on long-term debt	448,072	-	-	-
Total Governmental Activities	<u>14,840,056</u>	<u>3,556,470</u>	<u>1,833,136</u>	<u>2,414,159</u>
Business-type Activities				
Water	1,814,196	1,449,324	693	1,008,546
Sewer	2,032,164	1,165,698	656	690,911
Storm sewer	739,950	698,687	907	183,548
Municipal liquor	3,969,212	4,451,110	2,810	-
Total Business-type Activities	<u>8,555,522</u>	<u>7,764,819</u>	<u>5,066</u>	<u>1,883,005</u>
Total	<u>\$ 23,395,578</u>	<u>\$ 11,321,289</u>	<u>\$ 1,838,202</u>	<u>\$ 4,297,164</u>

General Revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Tax increments

Franchise and local sales 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
\$ (1,141,803)	\$ -	\$ (1,141,803)
(2,894,178)	-	(2,894,178)
(1,433,852)	-	(1,433,852)
(552,825)	-	(552,825)
(285,410)	-	(285,410)
(280,151)	-	(280,151)
(448,072)	-	(448,072)
<u>(7,036,291)</u>	<u>-</u>	<u>(7,036,291)</u>
-	644,367	644,367
-	(174,899)	(174,899)
-	143,192	143,192
-	484,708	484,708
<u>-</u>	<u>1,097,368</u>	<u>1,097,368</u>
<u>(7,036,291)</u>	<u>1,097,368</u>	<u>(5,938,923)</u>
7,820,057	-	7,820,057
692,672	-	692,672
474,161	-	474,161
2,622,217	-	2,622,217
576,378	-	576,378
580,294	579,212	1,159,506
140,603	-	140,603
632,579	(632,579)	-
<u>13,538,961</u>	<u>(53,367)</u>	<u>13,485,594</u>
6,502,670	1,044,001	7,546,671
<u>81,062,592</u>	<u>53,211,715</u>	<u>134,274,307</u>
<u>\$ 87,565,262</u>	<u>\$ 54,255,716</u>	<u>\$ 141,820,978</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, 2020

City of Rogers, Minnesota
Balance Sheet
Governmental Funds
December 31, 2020

	General	Debt Service	Rogers Activity Center
Assets			
Cash and temporary investments	\$ 8,375,080	\$ 540,936	\$ 1,165,454
Receivables			
Accounts	200,340	-	231,874
Accrued interest	151,877	-	-
Taxes	81,518	-	-
Special assessments	-	2,490,255	-
Notes receivable	-	-	-
Due from other governments	247,157	-	11,897
Due from other funds	142,842	-	-
Inventories	18,033	-	-
Prepaid items	141,593	475	630
	<u>\$ 9,358,440</u>	<u>\$ 3,031,666</u>	<u>\$ 1,409,855</u>
Liabilities			
Accounts payable	\$ 526,340	\$ 1,050	\$ 11,866
Accrued salaries payable	84,031	-	3,097
Escrows payable	1,986,943	-	-
Due to other governments	41,141	-	1,519
Due to other funds	-	-	-
Advance from other funds	-	-	-
Unearned revenue	3,600	-	-
Total Liabilities	<u>2,642,055</u>	<u>1,050</u>	<u>16,482</u>
Deferred Inflows of Resources			
Unavailable revenue - property taxes	81,518	-	-
Unavailable revenue - special assessments	-	2,490,255	-
Total Deferred Inflows of Resources	<u>81,518</u>	<u>2,490,255</u>	<u>-</u>
Fund Balances			
Nonspendable	159,626	475	630
Restricted	-	539,886	-
Committed	-	-	1,392,743
Assigned	98,100	-	-
Unassigned	6,377,141	-	-
Total Fund Balances	<u>6,634,867</u>	<u>540,361</u>	<u>1,393,373</u>
	<u>\$ 9,358,440</u>	<u>\$ 3,031,666</u>	<u>\$ 1,409,855</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances			
	<u>\$ 9,358,440</u>	<u>\$ 3,031,666</u>	<u>\$ 1,409,855</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
\$ 5,787,449	\$ 1,356,768	\$ 10,643,141	\$ 27,868,828
3,188	112,503	309,959	857,864
-	-	473	152,350
-	-	-	81,518
718,235	-	-	3,208,490
-	-	344,527	344,527
-	-	258,727	517,781
-	-	-	142,842
-	-	-	18,033
-	-	-	142,698
<u>\$ 6,508,872</u>	<u>\$ 1,469,271</u>	<u>\$ 11,556,827</u>	<u>\$ 33,334,931</u>
\$ 186,333	\$ 119,105	\$ 310,324	\$ 1,155,018
-	-	-	87,128
-	301,806	161,916	2,450,665
-	-	2,163	44,823
-	-	236,574	236,574
-	-	159,277	159,277
-	-	130,791	134,391
<u>186,333</u>	<u>420,911</u>	<u>1,001,045</u>	<u>4,267,876</u>
-	-	-	81,518
<u>718,235</u>	<u>-</u>	<u>-</u>	<u>3,208,490</u>
<u>718,235</u>	<u>-</u>	<u>-</u>	<u>3,290,008</u>
-	-	-	160,731
4,900,176	177,978	5,666,579	11,284,619
704,128	870,382	4,559,812	7,527,065
-	-	329,391	427,491
-	-	-	6,377,141
<u>5,604,304</u>	<u>1,048,360</u>	<u>10,555,782</u>	<u>25,777,047</u>
<u>\$ 6,508,872</u>	<u>\$ 1,469,271</u>	<u>\$ 11,556,827</u>	<u>\$ 33,334,931</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, 2020

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

Total Fund Balances - Governmental	\$ 25,777,047
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of capital assets	128,938,703
Less accumulated depreciation	(60,253,270)
Long-term assets from pensions reported in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.	
	308,256
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	(917,963)
Severance obligations payable	(99,454)
Other postemployment benefits payable	(519,150)
Bonds payable	(5,220,000)
Net pension liability	(3,978,897)
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	3,208,490
Taxes receivable	81,518
Governmental funds do not report a liability for accrued interest until due and payable.	
	(5,994)
Governmental funds do not report long-term amounts related to pensions.	
Deferred outflows of resources	2,010,451
Deferred inflows of resources	(1,613,317)
Governmental funds do not report long-term amounts related to other postemployment benefits	
Deferred outflows of resources	64,770
Deferred inflows of resources	(215,928)
	(215,928)
Total Net Position - Governmental Activities	\$ 87,565,262

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, 2020

	General	Debt Service	Rogers Activity Center
Revenues			
Taxes	\$ 6,732,853	\$ 692,672	\$ 262,624
Tax increments	-	-	-
Franchise taxes	-	-	-
Licenses and permits	1,337,642	-	-
Intergovernmental	1,555,628	-	-
Charges for services	815,615	-	410,493
Fines and forfeitures	52,630	-	-
Special assessments	-	424,719	-
Interest on investments	179,082	12,317	16,446
Miscellaneous	486,943	-	118,983
Total Revenues	<u>11,160,393</u>	<u>1,129,708</u>	<u>808,546</u>
Expenditures			
Current			
General government	2,944,252	-	-
Public safety	4,737,249	-	-
Public works	1,384,101	-	-
Culture and recreation	851,838	-	529,106
Economic development	204,113	-	-
Capital outlay			
General government	-	-	-
Public safety	6,654	-	-
Public works	30,275	-	-
Culture and recreation	-	-	9,400
Economic development	-	-	-
Housing	-	-	-
Debt service			
Principal	-	2,860,000	-
Interest and other	-	227,545	-
Total Expenditures	<u>10,158,482</u>	<u>3,087,545</u>	<u>538,506</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,001,911</u>	<u>(1,957,837)</u>	<u>270,040</u>
Other Financing Sources (Uses)			
Transfers in	227,480	2,102,262	-
Sale of capital assets	-	-	-
Transfers out	(893,850)	(204,890)	(2,480)
Total Other Financing Sources (Uses)	<u>(666,370)</u>	<u>1,897,372</u>	<u>(2,480)</u>
Net Change in Fund Balances	335,541	(60,465)	267,560
Fund Balances, January 1	<u>6,299,326</u>	<u>600,826</u>	<u>1,125,813</u>
Fund Balances, December 31	<u>\$ 6,634,867</u>	<u>\$ 540,361</u>	<u>\$ 1,393,373</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	\$ -	\$ 854,334	\$ 8,667,483
-	-	474,161	474,161
-	-	2,490,460	2,490,460
-	-	-	1,337,642
507,032	-	945,551	3,008,211
191,694	-	839,793	2,257,595
-	-	10,643	63,273
99,931	-	-	524,650
146,275	23,785	202,389	580,294
14,811	702,294	129,489	1,452,520
<u>1,084,743</u>	<u>726,079</u>	<u>5,946,820</u>	<u>20,856,289</u>
-	-	7,404	2,951,656
-	-	710	4,737,959
-	-	-	1,384,101
-	-	-	1,380,944
-	-	251,396	455,509
-	-	47,089	47,089
-	-	439,630	446,284
2,017,770	670,518	1,166,905	3,885,468
-	-	2,094,075	2,103,475
-	-	364,619	364,619
-	-	280,151	280,151
-	-	-	2,860,000
-	-	13,127	240,672
<u>2,017,770</u>	<u>670,518</u>	<u>4,665,106</u>	<u>21,137,927</u>
<u>(933,027)</u>	<u>55,561</u>	<u>1,281,714</u>	<u>(281,638)</u>
25,000	-	2,291,319	4,646,061
-	-	153,422	153,422
(40,000)	-	(2,872,262)	(4,013,482)
<u>(15,000)</u>	<u>-</u>	<u>(427,521)</u>	<u>786,001</u>
(948,027)	55,561	854,193	504,363
<u>6,552,331</u>	<u>992,799</u>	<u>9,701,589</u>	<u>25,272,684</u>
<u>\$ 5,604,304</u>	<u>\$ 1,048,360</u>	<u>\$ 10,555,782</u>	<u>\$ 25,777,047</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, 2020

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

Net Change in Fund Balances - Governmental Funds	\$ 504,363
<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	6,449,014
Depreciation expense	(3,097,743)
<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	(396,379)
Depreciation on disposals	383,560
<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	2,860,000
Amortization of deferred charges	(210,340)
<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>	
	2,940
<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	(268,425)
Taxes	(22,997)
<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	(206,987)
Severance obligations	(4,382)
Other postemployment benefits	(55,261)
<p>Long-term pension activity is not reported in governmental funds.</p>	
Pension expense	560,630
Pension revenue	4,677
	4,677
Change in Net Position - Governmental Activities	\$ 6,502,670

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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 6,742,307	\$ 6,742,307	\$ 6,732,853	\$ (9,454)
Licenses and permits	782,608	782,608	1,337,642	555,034
Intergovernmental	586,558	586,558	1,555,628	969,070
Charges for services	821,814	821,814	815,615	(6,199)
Fines and forfeitures	97,400	97,400	52,630	(44,770)
Interest on investments	60,000	60,000	179,082	119,082
Miscellaneous	156,973	156,973	486,943	329,970
Total Revenues	<u>9,247,660</u>	<u>9,247,660</u>	<u>11,160,393</u>	<u>1,912,733</u>
Expenditures				
Current				
General government	2,232,149	2,237,649	2,944,252	(706,603)
Public safety	4,772,173	4,784,517	4,737,249	47,268
Public works	1,453,599	1,495,099	1,384,101	110,998
Culture and recreation	980,039	980,039	851,838	128,201
Economic Development	-	-	204,113	(204,113)
Capital outlay				
Public safety	-	-	6,654	(6,654)
Public works	40,000	40,000	30,275	9,725
Total Expenditures	<u>9,477,960</u>	<u>9,537,304</u>	<u>10,158,482</u>	<u>(621,178)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(230,300)</u>	<u>(289,644)</u>	<u>1,001,911</u>	<u>1,291,555</u>
Other Financing Sources (Uses)				
Transfers in	225,000	225,000	227,480	2,480
Transfers out	-	-	(893,850)	(893,850)
Total Other Financing Sources (Uses)	<u>225,000</u>	<u>225,000</u>	<u>(666,370)</u>	<u>(891,370)</u>
Net Change in Fund Balances	(5,300)	(64,644)	335,541	400,185
Fund Balances, January 1	<u>6,299,326</u>	<u>6,299,326</u>	<u>6,299,326</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 6,294,026</u>	<u>\$ 6,234,682</u>	<u>\$ 6,634,867</u>	<u>\$ 400,185</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 262,624	\$ 262,624	\$ 262,624	\$ -
Charges for services	508,500	508,500	410,493	(98,007)
Interest on investments	4,000	4,000	16,446	12,446
Miscellaneous				
Contributions and donations	85,000	85,000	109,210	24,210
Other	-	-	9,773	9,773
Total Revenues	<u>860,124</u>	<u>860,124</u>	<u>808,546</u>	<u>(51,578)</u>
Expenditures				
Current				
Culture and recreation				
Personal services	287,236	287,236	262,441	24,795
Supplies	75,800	75,800	42,603	33,197
Other services and charges	180,666	180,666	224,062	(43,396)
Capital outlay				
Culture and recreation	45,594	45,594	9,400	36,194
Total Expenditures	<u>589,296</u>	<u>589,296</u>	<u>538,506</u>	<u>50,790</u>
Excess of Revenues Over Expenditures	270,828	270,828	270,040	(788)
Other Financing Uses				
Transfers out	<u>(104,017)</u>	<u>(104,017)</u>	<u>(2,480)</u>	<u>101,537</u>
Net Change in Fund Balances	166,811	166,811	267,560	100,749
Fund Balances, January 1	<u>1,125,813</u>	<u>1,125,813</u>	<u>1,125,813</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 1,292,624</u>	<u>\$ 1,292,624</u>	<u>\$ 1,393,373</u>	<u>\$ 100,749</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, 2020

	Business-type Activities - Enterprise Funds				Totals
	Water	Sewer	Storm Sewer	Municipal Liquor	
Assets					
Current Assets					
Cash and temporary investments	\$ 10,207,398	\$ 13,525,650	\$ 3,069,254	\$ 1,025,190	\$ 27,827,492
Receivables					
Accounts	118,649	193,527	122,891	71,440	506,507
Special assessments	1,218	3,185	-	-	4,403
Due from other governments	18,363	2,917	-	-	21,280
Due from other funds	-	236,574	-	-	236,574
Inventories	-	-	-	642,110	642,110
Prepaid items	878	73,656	819	8,699	84,052
Total Current Assets	<u>10,346,506</u>	<u>14,035,509</u>	<u>3,192,964</u>	<u>1,747,439</u>	<u>29,322,418</u>
Noncurrent Assets					
Special assessments receivable	51,122	111,754	33,524	-	196,400
Advance to other funds	-	159,277	-	-	159,277
Capital assets					
Land	810,812	123,541	166,421	974,579	2,075,353
Buildings and improvements	3,991,348	1,021,216	-	1,211,213	6,223,777
Infrastructure	15,841,757	12,209,646	9,703,489	-	37,754,892
Machinery and equipment	304,512	563,352	238,304	205,906	1,312,074
Construction in progress	31,907	-	12,548	-	44,455
Less accumulated depreciation	<u>(9,593,020)</u>	<u>(4,993,148)</u>	<u>(4,448,928)</u>	<u>(807,056)</u>	<u>(19,842,152)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>11,387,316</u>	<u>8,924,607</u>	<u>5,671,834</u>	<u>1,584,642</u>	<u>27,568,399</u>
Total Noncurrent Assets	<u>11,438,438</u>	<u>9,195,638</u>	<u>5,705,358</u>	<u>1,584,642</u>	<u>27,924,076</u>
Total Assets	<u>21,784,944</u>	<u>23,231,147</u>	<u>8,898,322</u>	<u>3,332,081</u>	<u>57,246,494</u>
Deferred Outflows of Resources					
Deferred other postemployment benefits resources	5,041	5,019	3,176	3,035	16,271
Deferred pension resources	31,417	31,305	19,365	40,311	122,398
Total Deferred Outflows of Resources	<u>36,458</u>	<u>36,324</u>	<u>22,541</u>	<u>43,346</u>	<u>138,669</u>
Liabilities					
Current Liabilities					
Accounts payable	54,145	9,021	3,266	72,669	139,101
Accrued salaries payable	4,909	4,894	3,082	7,257	20,142
Accrued interest payable	1,702	-	-	-	1,702
Due to other governments	212	457,588	-	47,547	505,347
Due to other funds	-	-	-	142,842	142,842
Compensated absences payable - current	7,741	7,716	4,198	15,387	35,042
Bonds payable - current	115,000	-	-	-	115,000
Total Current Liabilities	<u>183,709</u>	<u>479,219</u>	<u>10,546</u>	<u>285,702</u>	<u>959,176</u>

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

City of Rogers, Minnesota
Statement of Net Position (Continued)
Proprietary Funds
December 31, 2020

	Business-type Activities - Enterprise Funds				Totals
	Water	Sewer	Storm Sewer	Municipal Liquor	
Noncurrent Liabilities					
Severance obligations payable	\$ 12,897	\$ 12,897	\$ 5,964	\$ 15,981	\$ 47,739
Compensated absences payable	46,154	46,002	25,028	91,737	208,921
Other postemployment benefits payable	40,402	40,230	25,457	24,328	130,417
Bonds payable	740,000	-	-	-	740,000
Net pension liability	243,816	242,946	150,287	312,842	949,891
Total Noncurrent Liabilities	<u>1,083,269</u>	<u>342,075</u>	<u>206,736</u>	<u>444,888</u>	<u>2,076,968</u>
Total Liabilities	<u>1,266,978</u>	<u>821,294</u>	<u>217,282</u>	<u>730,590</u>	<u>3,036,144</u>
Deferred Inflows of Resources					
Deferred other postemployment benefits resources	16,804	16,733	10,588	10,119	54,244
Deferred pension resources	10,025	9,990	6,180	12,864	39,059
Total Deferred Outflows of Resources	<u>26,829</u>	<u>26,723</u>	<u>16,768</u>	<u>22,983</u>	<u>93,303</u>
Net Position					
Net investment in capital assets	10,532,316	8,924,607	5,671,834	1,584,642	26,713,399
Unrestricted	9,995,279	13,494,847	3,014,979	1,037,212	27,542,317
Total Net Position	<u>\$ 20,527,595</u>	<u>\$ 22,419,454</u>	<u>\$ 8,686,813</u>	<u>\$ 2,621,854</u>	<u>\$ 54,255,716</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, 2020

	Business-type Activities - Enterprise Funds				Totals
	Water	Sewer	Storm Sewer	Municipal Liquor	
Operating Revenues					
Sales	\$ -	\$ -	\$ -	\$ 4,451,110	\$ 4,451,110
Cost of sales	-	-	-	(3,019,305)	(3,019,305)
Gross Profit	-	-	-	1,431,805	1,431,805
Charges for services	1,442,501	1,165,255	659,113	-	3,266,869
Miscellaneous	6,823	443	39,574	-	46,840
Total Operating Revenues	<u>1,449,324</u>	<u>1,165,698</u>	<u>698,687</u>	<u>1,431,805</u>	<u>4,745,514</u>
Operating Expenses					
Personal services	501,793	499,775	306,157	661,694	1,969,419
Supplies	211,557	24,932	11,930	13,233	261,652
Other services and charges	531,543	1,208,249	225,973	238,702	2,204,467
Depreciation	546,866	299,208	195,890	36,278	1,078,242
Total Operating Expenses	<u>1,791,759</u>	<u>2,032,164</u>	<u>739,950</u>	<u>949,907</u>	<u>5,513,780</u>
Operating Income (Loss)	<u>(342,435)</u>	<u>(866,466)</u>	<u>(41,263)</u>	<u>481,898</u>	<u>(768,266)</u>
Nonoperating Revenues (Expenses)					
Income on investments	213,920	303,492	59,410	2,390	579,212
Intergovernmental	38	4	4	1,970	2,016
Interest expense	(22,437)	-	-	-	(22,437)
Other income	655	652	903	840	3,050
Total Nonoperating Revenues (Expenses)	<u>192,176</u>	<u>304,148</u>	<u>60,317</u>	<u>5,200</u>	<u>561,841</u>
Income (Loss) Before Contributions and Transfers	(150,259)	(562,318)	19,054	487,098	(206,425)
Capital Contributions					
Connection fees and special assessments	893,097	635,811	139,755	-	1,668,663
Contributions from Developers	115,449	55,100	43,793	-	214,342
Transfers Out	(150,000)	(150,000)	(30,000)	(302,579)	(632,579)
Change in Net Position	708,287	(21,407)	172,602	184,519	1,044,001
Net Position, January 1	<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>
Net Position, December 31	<u><u>\$ 20,527,595</u></u>	<u><u>\$ 22,419,454</u></u>	<u><u>\$ 8,686,813</u></u>	<u><u>\$ 2,621,854</u></u>	<u><u>\$ 54,255,716</u></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, 2020

	Business-type Activities - Enterprise Funds				Totals
	Water	Sewer	Storm Sewer	Municipal Liquor	
Cash Flows from Operating Activities					
Receipts from customers and users	\$ 1,412,747	\$ 1,137,020	\$ 656,110	\$ 4,435,335	\$ 7,641,212
Payments to suppliers	(766,009)	(755,845)	(235,872)	(3,487,816)	(5,245,542)
Payments to employees	(411,063)	(416,517)	(254,214)	(562,745)	(1,644,539)
Net Cash Provided (Used) by Operating Activities	<u>235,675</u>	<u>(35,342)</u>	<u>166,024</u>	<u>384,774</u>	<u>751,131</u>
Cash Flows from Noncapital Financing Activities					
Payment on due from other funds	-	326,511	-	-	326,511
Payment on due to other funds	-	-	-	(180,501)	(180,501)
Transfers to other funds	(150,000)	(150,000)	(30,000)	(302,579)	(632,579)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(150,000)</u>	<u>176,511</u>	<u>(30,000)</u>	<u>(483,080)</u>	<u>(486,569)</u>
Cash Flows from Capital Financing Activities					
Acquisition of property and equipment	(131,451)	(98,575)	(15,990)	-	(246,016)
Connection fees/special assessments received	899,331	639,712	145,330	-	1,684,373
Interest paid on bonds	(22,620)	-	-	-	(22,620)
Principal paid on bonds	(110,000)	-	-	-	(110,000)
Net Cash Provided by Capital Financing Activities	<u>635,260</u>	<u>541,137</u>	<u>129,340</u>	<u>-</u>	<u>1,305,737</u>
Cash Flows from Investing Activities					
Interest received on investments	<u>213,920</u>	<u>303,492</u>	<u>59,410</u>	<u>2,390</u>	<u>579,212</u>
Net Increase (decrease) in Cash and Cash Equivalents	934,855	985,798	324,774	(95,916)	2,149,511
Cash and Cash Equivalents, January 1	<u>9,272,543</u>	<u>12,539,852</u>	<u>2,744,480</u>	<u>1,121,106</u>	<u>25,677,981</u>
Cash and Cash Equivalents, December 31	<u>\$ 10,207,398</u>	<u>\$ 13,525,650</u>	<u>\$ 3,069,254</u>	<u>\$ 1,025,190</u>	<u>\$ 27,827,492</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, 2020

	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)	\$ (342,435)	\$ (866,466)	\$ (41,263)	\$ 481,898	\$ (768,266)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Other income related to operations	693	656	907	2,810	5,066
Depreciation	546,866	299,208	195,890	36,278	1,078,242
(Increase) decrease in assets					
Accounts receivable	(34,247)	(44,503)	(42,577)	(15,775)	(137,102)
Due from other governments	(2,330)	15,825	-	-	13,495
Inventories	-	-	-	(250,780)	(250,780)
Prepaid items	3,741	6,547	1,518	3,022	14,828
Decrease in deferred outflows					
Deferred pension resources	(26,531)	(26,397)	(16,468)	(37,467)	(106,863)
Deferred postemployment benefit resources	(3,800)	(3,783)	(2,375)	(2,324)	(12,282)
Increase (decrease) in liabilities					
Accounts payable	(30,747)	4,188	(7,649)	15,869	(18,339)
Due to other governments	(439)	455,202	-	3,535	458,298
Accrued salaries payable	(6,980)	(6,948)	(4,339)	(12,343)	(30,610)
Compensated absences payable	7,155	7,095	7,630	18,009	39,889
Severance obligations payable	616	616	333	779	2,344
Other postemployment benefits payable	(10,858)	(10,821)	(7,641)	(5,023)	(34,343)
Net pension liability	125,606	124,960	76,199	143,339	470,104
Decrease in deferred inflows					
Deferred postemployment benefit resources	13,930	13,870	8,723	8,482	45,005
Deferred pension resources	(4,565)	(4,591)	(2,864)	(5,535)	(17,555)
 Net Cash Provided (Used) by Operating Activities	 <u>\$ 235,675</u>	 <u>\$ (35,342)</u>	 <u>\$ 166,024</u>	 <u>\$ 384,774</u>	 <u>\$ 751,131</u>
 Noncash Capital Financing and Investing Activities					
Capital assets contributed by developers	<u>\$ 115,449</u>	<u>\$ 55,100</u>	<u>\$ 43,793</u>	<u>\$ -</u>	<u>\$ 214,342</u>
Capital assets purchased on account	<u>\$ 26,288</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,288</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 65.

The City has the following recurring fair value measurements as of December 31, 2020:

- US agency securities of \$15,748,725 are valued using quoted market prices (Level 1 inputs)
- Brokered money markets of \$1,659,403 are valued using quoted market prices (Level 1 inputs)
- Municipal securities of \$2,543,506 are valued using a matrix pricing model (Level 2 inputs)
- Brokered certificates of deposits of \$9,507,012 are valued using a matrix pricing model (Level 2 inputs)
- Mortgage backed securities of \$11,616,509 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 2020. 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, 2020

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. 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, 2020

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 General Employee Plan (GERP), Police and Fire Plan (PEFPF), DCP and Rogers Fire Relief Association is as follows:

GERP	\$ 212,948
PEFPF	231,983
Fire Relief	33,357
 Total Pension Expense	 \$ 478,288

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, 2020.

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, 2020

Note 2: Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

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

The original General fund budget was amended to increase expenditures \$59,344.

B. Excess of Expenditures Over Appropriations

For the year ended December 31, 2020 expenditures exceeded appropriations in the following funds:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Excess of Expenditures Over Appropriations</u>
General	\$ 9,537,304	\$ 10,158,482	\$ 621,178

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 \$10,944,052 and the bank balance was \$11,147,382. The bank balance was covered by federal depository insurance totaling \$250,000. 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, 2020

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, 2020, 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	Level 3
Pooled Investments at Amortized Costs						
4M fund	N/A	Less than one year	\$ 3,668,617			
Money market	N/A	Less than one year	427			
Non-pooled Investments at Fair Value						
Brokered money market	N/A	Less than one year	1,659,403	\$ 1,659,403	\$ -	\$ -
Brokered certificates of deposits	N/A	Less than one year	1,953,256	-	1,953,256	-
Brokered certificates of deposits	N/A	One to Five Years	7,553,756	-	7,553,756	-
U.S. agency securities	AAA	One to Five Years	1,930,067	1,930,067	-	-
U.S. agency securities	AAA	Five to Ten Years	13,818,658	13,818,658	-	-
Municipal Securities	AA1	Less than one year	1,027,910	-	1,027,910	-
Municipal Securities	AA2	One to Five Years	1,089,265	-	1,089,265	-
Municipal Securities	A1	Five to Ten Years	167,603	-	167,603	-
Municipal Securities	AA2	Five to Ten Years	258,728	-	258,728	-
Mortgage backed securities	AAA	Less than one year	952,546	-	952,546	-
Mortgage backed securities	AAA	One to Five Years	5,503,385	-	5,503,385	-
Mortgage backed securities	AAA	Five to Ten Years	5,160,578	-	5,160,578	-
Total Investments			\$ 44,744,199	\$ 17,408,128	\$ 23,667,027	\$ -

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

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

N/A Indicates not applicable or available.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2020

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 57 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, 2020, the City had invested 5 percent or more of its total investment portfolio in the following issuers:
 - Federal Home Loan Banks \$7,874,940
 - FHLMC MTN \$5,435,106
 - FHLMC \$2,502,350
 - Federal Farm Credit Banks \$9,152,733
 - FNMA \$2,400,105
- *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	\$ 10,944,052
Investments	44,744,199
Cash on Hand	<u>8,069</u>
 Total	 <u><u>\$ 55,696,320</u></u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 3: Detailed Notes on All Funds (Continued)

B. Capital Assets

Capital asset activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets not Being Depreciated				
Land	\$ 18,437,367	\$ 430,000	\$ -	\$ 18,867,367
Construction in progress	5,609,930	5,296,971	(4,557,484)	6,349,417
Total Capital Assets not Being Depreciated	<u>24,047,297</u>	<u>5,726,971</u>	<u>(4,557,484)</u>	<u>25,216,784</u>
Capital Assets Being Depreciated				
Buildings and structures	20,012,561	2,600,840	-	22,613,401
Infrastructure	69,606,992	2,055,375	-	71,662,367
Machinery and equipment	9,219,218	636,312	(409,379)	9,446,151
Total Capital Assets Being Depreciated	<u>98,838,771</u>	<u>5,292,527</u>	<u>(409,379)</u>	<u>103,721,919</u>
Less Accumulated Depreciation for				
Buildings and structures	(6,660,002)	(396,345)	-	(7,056,347)
Infrastructure	(44,731,013)	(2,067,457)	-	(46,798,470)
Machinery and equipment	(6,148,072)	(633,941)	383,560	(6,398,453)
Total Accumulated Depreciation	<u>(57,539,087)</u>	<u>(3,097,743)</u>	<u>383,560</u>	<u>(60,253,270)</u>
Total Capital Assets Being Depreciated, Net	<u>41,299,684</u>	<u>2,194,784</u>	<u>(25,819)</u>	<u>43,468,649</u>
Governmental Activities Capital Assets, Net	<u>\$ 65,346,981</u>	<u>\$ 7,921,755</u>	<u>\$ (4,583,303)</u>	<u>\$ 68,685,433</u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 3: Detailed Notes on All Funds (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets not Being Depreciated				
Land	\$ 1,959,145	\$ 116,208	\$ -	\$ 2,075,353
Construction in progress	1,058,775	61,765	(1,076,085)	44,455
Total Capital Assets not Being Depreciated	<u>3,017,920</u>	<u>177,973</u>	<u>(1,076,085)</u>	<u>2,119,808</u>
Capital Assets Being Depreciated				
Buildings and structures	6,223,777	-	-	6,223,777
Infrastructure	36,535,386	1,219,506	-	37,754,892
Machinery and equipment	1,199,133	112,941	-	1,312,074
Total Capital Assets Being Depreciated	<u>43,958,296</u>	<u>1,332,447</u>	<u>-</u>	<u>45,290,743</u>
Less Accumulated Depreciation for				
Buildings and structures	(4,596,218)	(180,469)	-	(4,776,687)
Infrastructure	(13,173,944)	(840,458)	-	(14,014,402)
Machinery and equipment	(993,748)	(57,315)	-	(1,051,063)
Total Accumulated Depreciation	<u>(18,763,910)</u>	<u>(1,078,242)</u>	<u>-</u>	<u>(19,842,152)</u>
Total Capital Assets Being Depreciated, Net	<u>25,194,386</u>	<u>254,205</u>	<u>-</u>	<u>25,448,591</u>
Business-type Activities Capital Assets, Net	<u><u>\$ 28,212,306</u></u>	<u><u>\$ 432,178</u></u>	<u><u>\$ (1,076,085)</u></u>	<u><u>\$ 27,568,399</u></u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 3: Detailed Notes on All Funds (Continued)

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

Function/Program	Amount
Governmental Activities	
General government	\$ 34,692
Public safety	539,844
Public works	2,160,205
Culture and recreation	354,394
Economic development	8,608
Total Depreciation Expense - Governmental Activities	\$ 3,097,743
Business-type Activities	
Water	\$ 546,866
Sewer	299,208
Storm sewer	195,890
Municipal liquor	36,278
Total Depreciation Expense - Business-type Activities	\$ 1,078,242

C. Construction Commitments

As of December 31, 2020, 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	\$ 1,441,030	\$ 93,746
Industrial Blvd Extension	1,182,170	257,096
Lennar/City Future CR 117 (Rogers Parkway)	1,304,390	192,537
Brockton Lane Intersection	254,293	224,987
Hassan Hills Street Improvements	456,245	60,019
2020 South Pointe Street Improvements	554,171	151,151

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 3: Detailed Notes on All Funds (Continued)

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2020 is as follows:

Receivable Fund	Payable Fund	Amount
Due from/to other Funds		
Governmental General	Business-type Municipal Liquor	\$ 142,842
Business-type Sewer	Governmental Capital Improvement Projects	<u>236,574</u>
Total Due from/to other Funds		<u><u>\$ 379,416</u></u>
 Advance from/to other Funds		
Business-type Sewer	Governmental Capital Improvement Projects	<u><u>\$ 159,277</u></u>

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

The balance between the Sewer fund and the Capital Improvement Projects fund was issued to assist in financing 2020 - 2021 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, 2020

Note 3: Detailed Notes on All Funds (Continued)

The composition of interfund transfers at December 31, 2020 is as follows:

Fund	Transfers in				Total
	General	Debt Service	Revolving Capital	Other Governmental Funds	
Transfers Out					
General	\$ -	\$ 300,000	\$ 25,000	\$ 568,850	\$ 893,850
Rogers Activity Center	2,480	-	-	-	2,480
Debt Service	-	-	-	204,890	204,890
Revolving Capital	-	-	-	40,000	40,000
Other Governmental Funds	-	1,472,262	-	1,400,000	2,872,262
Water	-	150,000	-	-	150,000
Sewer	-	150,000	-	-	150,000
Storm Sewer	-	30,000	-	-	30,000
Municipal Liquor	225,000	-	-	77,579	302,579
Total	\$ 227,480	\$ 2,102,262	\$ 25,000	\$ 2,291,319	\$ 4,646,061

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, 2020, 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 unspent MSA Maintenance funds
- 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.
- Transfers to debt service fund for early payoff of 2011B Capital Improvement Bonds.
- Transfers from WWTP sale funds to Sewer fund to soften rates.
- Transfer between the General fund and the Nonmajor Governmental funds to repay an existing capital interfund loan.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 3: Detailed Notes on All Funds (Continued)

E. Long-term Debt

General Obligation Bonds

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

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

General Obligation Improvement Bonds

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

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Governmental Activities					
G.O. Improvement Bonds					
Series 2014	2,500,000	2.00 - 3.65	03/06/14	12/15/34	\$ 1,905,000
Series 2015	2,845,000	2.00 - 2.25	10/01/15	12/15/25	<u>1,505,000</u>
Total General Obligation Improvement Bonds					<u><u>\$ 3,410,000</u></u>

Annual debt service requirements to maturity for general obligation improvement bonds outstanding at December 31, 2020 are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2021	\$ 400,000	\$ 95,728	\$ 495,728
2022	410,000	86,628	496,628
2023	415,000	76,128	491,128
2024	425,000	65,528	490,528
2025	440,000	55,065	495,065
2026 - 2030	685,000	181,088	866,088
2031 - 2034	<u>635,000</u>	<u>58,903</u>	<u>693,903</u>
Total	<u><u>\$ 3,410,000</u></u>	<u><u>\$ 619,068</u></u>	<u><u>\$ 4,029,068</u></u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 3: Detailed Notes on All Funds (Continued)

General Obligation Tax Increment Bonds

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

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Governmental Activities					
G.O. Tax Increment Bonds, Series 2003	\$ 235,000	2.50 - 4.90 %	11/01/03	12/01/21	\$ 20,000
G.O. Tax Increment Refunding Bonds, Series 2011	725,000	0.75 - 3.00	12/06/11	12/01/21	<u>60,000</u>
Total General Obligation Tax Increment Bonds					<u><u>\$ 80,000</u></u>

Annual debt service requirements to maturity for general obligation tax increment bonds outstanding at December 31, 2020, are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2021	<u>\$ 80,000</u>	<u>\$ 2,780</u>	<u>\$ 82,780</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
Governmental Activities					
G.O. Tax Abatement Bonds Series 2015A	\$ 2,390,000	2.00 - 3.00 %	10/01/15	12/15/29	<u>\$ 1,630,000</u>
Business-type Activities					
Water Revenue Bonds Series 2012A	1,685,000	2.00 - 2.65	04/25/12	12/01/27	<u>\$ 855,000</u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2020

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
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	32,262	212,262	120,000	15,533	135,533
2024	180,000	28,663	208,663	120,000	12,893	132,893
2025	185,000	24,613	209,613	125,000	9,953	134,953
2026 - 2029	745,000	52,199	797,199	260,000	10,333	270,333
Total	<u>\$ 1,630,000</u>	<u>\$ 212,563</u>	<u>\$ 1,842,563</u>	<u>\$ 855,000</u>	<u>\$ 87,195</u>	<u>\$ 942,195</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)	\$ 1,442,501
Principal and Interest	132,620
Percentage of Revenues	9 %

Equipment Certificates

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

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Governmental Activities					
Equipment Certificates					
Series 2014	\$ 920,000	2.00 - 4.00 %	03/06/14	12/15/22	<u>\$ 100,000</u>

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

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2021	\$ 50,000	\$ 3,500	\$ 53,500
2022	50,000	2,000	52,000
Total	<u>\$ 100,000</u>	<u>\$ 5,500</u>	<u>\$ 105,500</u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 3: Detailed Notes on All Funds (Continued)

Changes in Long-term Liabilities

During the year ended December 31, 2020, the following changes occurred in long-term liabilities.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds Payable					
General obligation bonds	\$ 5,990,000	\$ -	\$ (2,580,000)	\$ 3,410,000	\$ 400,000
General obligation tax increment bonds	150,000	-	(70,000)	80,000	80,000
Revenue bonds	1,790,000	-	(160,000)	1,630,000	165,000
Equipment Certificates	150,000	-	(50,000)	100,000	50,000
Total Bonds Payable	<u>8,080,000</u>	<u>-</u>	<u>(2,860,000)</u>	<u>5,220,000</u>	<u>695,000</u>
Compensated Absences Payable	710,976	332,955	(125,968)	917,963	131,854
Severance Obligations Payable	<u>95,072</u>	<u>4,382</u>	<u>-</u>	<u>99,454</u>	<u>-</u>
Governmental Activities Long-term Liabilities	<u><u>\$ 8,886,048</u></u>	<u><u>\$ 337,337</u></u>	<u><u>\$ (2,985,968)</u></u>	<u><u>\$ 6,237,417</u></u>	<u><u>\$ 826,854</u></u>
Business-type Activities					
Bonds Payable					
Revenue bonds	\$ 965,000	\$ -	\$ (110,000)	\$ 855,000	\$ 115,000
Compensated Absences Payable	204,075	80,816	(40,928)	243,963	35,042
Severance Obligations Payable	<u>45,395</u>	<u>2,344</u>	<u>-</u>	<u>47,739</u>	<u>-</u>
Business-type Activities Long-term Liabilities	<u><u>\$ 1,324,470</u></u>	<u><u>\$ 83,160</u></u>	<u><u>\$ (150,928)</u></u>	<u><u>\$ 1,146,702</u></u>	<u><u>\$ 150,042</u></u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 3: Detailed Notes on All Funds (Continued)

F. Components of Fund Balance

At December 31, 2020, portions of the City's fund balance are not available for appropriation due to not being in spendable form (Nonspendable), legal restrictions (Restricted), or City Council action (Committed). The following is a summary of the components of fund balance:

	General	Debt Service	Rogers Activity Center	Revolving Capital
Nonspendable				
Prepaid items	\$ 141,593	\$ 475	\$ 630	\$ -
Inventory	18,033	-	-	-
Total Nonspendable	\$ 159,626	\$ 475	\$ 630	\$ -
Restricted for				
Debt service	\$ -	\$ 539,886	\$ -	\$ -
Transportation infrastructure	-	-	-	4,900,176
Total Restricted	\$ -	\$ 539,886	\$ -	\$ 4,900,176
Committed to				
Rogers activity center	\$ -	\$ -	\$ 1,392,743	\$ -
Capital improvement projects	-	-	-	704,128
Total Committed	\$ -	\$ -	\$ 1,392,743	\$ 704,128
Assigned to				
Energy Conservation	\$ 22,000	\$ -	\$ -	\$ -
Emergency Management Warning Sirens	76,100	-	-	-
Total Assigned	\$ 98,100	\$ -	\$ -	\$ -

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 3: Detailed Notes on All Funds (Continued)

	Street and Related Improvement Projects	Other Governmental Funds	Total Governmental Funds
Nonspendable			
Prepaid items	\$ -	\$ -	\$ 142,698
Inventory	-	-	18,033
Total Nonspendable	\$ -	\$ -	\$ 160,731
Restricted for			
Debt service	\$ -	\$ -	\$ 539,886
Tax increment financing	-	1,418,301	1,418,301
Revolving loans	-	489,210	489,210
Police expenditures	-	11,519	11,519
Capital improvement projects	177,978	-	177,978
Economic Development	-	151,134	151,134
Park dedication fees	-	1,345,462	1,345,462
Transportation infrastructure	-	-	4,900,176
Local option sales tax	-	1,483,391	1,483,391
Trail dedication	-	767,562	767,562
Total Restricted	\$ 177,978	\$ 5,666,579	\$ 11,284,619
Committed to			
Pavement management	\$ -	\$ 1,651,064	\$ 1,651,064
Fire department capital projects	-	407,487	407,487
Park Dedication	-	492,572	492,572
Capital improvement projects	870,382	1,523,095	3,097,605
Rogers activity center	-	-	1,392,743
Tower and billboard leases	-	485,594	485,594
Total Committed	\$ 870,382	\$ 4,559,812	\$ 7,527,065
Assigned to			
Park dedication	\$ -	\$ 329,391	\$ 329,391
Energy Conservation	-	-	22,000
Emergency Management Warning Sirens	-	-	76,100
Total Assigned	\$ -	\$ 329,391	\$ 427,491

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2020

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, 2020, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	2
Active Plan Members	56
	56
Total Plan Members	58
	58

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 \$11,449 to the plan for the year ended December 31, 2020. As of January 1, 2020, there was one retiree that was receiving health benefits from the plan.

C. Actuarial Methods and Assumptions

The City's total OPEB liability of \$649,567 was measured as of December 31, 2020, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of January 1, 2020.

The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	2.12%
Expected Long-Term Investment Return	N/A
Salary Increases	3.25%
Medical Trend Rate	7.67% in 2020 grading to 5% over 10 years

The discount rate used to measure the total OPEB liability was 2.12 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, 2020 valuation were based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information as well as for consistency with the other economic assumptions.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 4: Postemployment Benefits Other Than Pensions (Continued)

D. Changes in the Total OPEB Liability

	Total OPEB Liability (a)
Balances at December 31, 2019	<u>\$ 758,947</u>
Changes for the Year:	
Service cost	54,836
Interest	33,050
Differences between expected and actual experience	(257,848)
Changes in assumptions	72,031
Benefit payments	<u>(11,449)</u>
Net Changes	<u>(109,380)</u>
Balances at December 31, 2020	<u><u>\$ 649,567</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 (1.12 percent) or 1-percentage-point higher (3.12 percent) than the current discount rate:

<u>1 Percent Decrease (1.12%)</u>	<u>Current (2.12%)</u>	<u>1 Percent Increase (3.12%)</u>
\$ 595,455	\$ 649,567	\$ 707,944

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 (7.67% Decreasing to 6.67%)</u>	<u>Healthcare Cost Trend Rates</u>	<u>1 Percent Increase (7.67% Increasing to 8.67%)</u>
\$ 743,329	\$ 649,567	\$ 570,288

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2020

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, 2020, the City recognized OPEB expense of \$67,014. At December 31, 2020, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 232,120
Changes in Actuarial Assumptions	81,041	38,052
Total	\$ 81,041	\$ 270,172

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

2021	\$ (20,872)
2022	(20,872)
2023	(20,872)
2024	(20,872)
2025	(20,872)
Thereafter	(84,771)

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

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

Public Employees Police and Fire Plan

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

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.

General Employee Plan Benefits

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

Benefit increases are provided to benefit recipients each January. Beginning in 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.

Public Employees Police and Fire Plan Benefits

Benefits for the Public Employees Police and Fire Plan 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 Public Employees Police and Fire Plan 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. For Police and Fire Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

Benefit increases are provided to benefit recipients each January. Beginning in 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 2020 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, 2020, 2019 and 2018 were \$250,903, \$235,782 and \$224,446, respectively. The City's contributions were equal to the required contributions for each year as set by state statute.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2020

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

Police and Fire Fund Contributions

Police and Fire member's contribution rates increased from 11.30 percent of pay to 11.80 percent and employer rates increased from 16.95 percent to 17.70 percent on January 1, 2020. The City's contributions to the Police and Fire Fund for the years ending December 31, 2020, 2019 and 2018 were \$363,092, \$297,920 and \$254,917, 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, 2020, the City reported a liability of \$2,691,960 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 \$83,038. The net pension liability was measured as of June 30, 2020, 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, 2019 through June 30, 2020 relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0449 percent, which was an increase of 0.0017 percent from its proportion measured as of June 30, 2019.

City's Proportionate Share of the Net Pension Liability	\$ 2,691,960
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City	<u>83,038</u>
Total	<u><u>\$ 2,774,998</u></u>

For the year ended December 31, 2020, the City recognized pension expense of \$205,721 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional \$7,227 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, 2020, the City reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources, related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Economic Experience	\$ 23,848	\$ 12,312
Changes in Actuarial Assumptions	882	98,378
Net Difference Between Projected and Actual Earnings on Plan Investments	67,020	-
Changes in Proportion	125,250	-
Contributions to PERA Subsequent to the Measurement Date	<u>129,869</u>	<u>-</u>
Total	<u><u>\$ 346,869</u></u>	<u><u>\$ 110,690</u></u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2020

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

The \$129,869 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, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2021	\$ (70,897)
2022	34,774
2023	77,396
2024	65,037

Police and Fire Fund Pension Costs

At December 31, 2020, the City reported a liability of \$2,236,828 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2019 through June 30, 2020 relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.1697 percent which was an increase of 0.0196 percent from its proportionate share measured as of June 30, 2019.

The State of Minnesota also contributed \$13.5 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2020. The contribution consisted of \$4.5 million in direct state aid that does meet the definition of a special funding situation and \$9.0 million in fire state aid that does not meet the definition of a special funding situation. The \$4.5 million direct state was paid on October 1, 2019. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in fire state aid will continue until the fund is 90 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later.

As a result, the State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$4.5 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2020, the City recognized pension expense of \$216,710 for its proportionate share of the Police and Fire Plan's pension expense. The City also recognized \$15,273 for the year ended December 31, 2020, as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$4.5 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in fire state aid. The City also recognized \$15,273 for the year ended December 31, 2020 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.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2020

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

At December 31, 2020, the City reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 94,658	\$ 127,620
Changes in Actuarial Assumptions	736,817	1,263,667
Net Difference Between Projected And Actual Earnings on Plan Investments	130,367	-
Changes in Proportion	445,573	24,914
Contributions to PERA Subsequent to the Measurement Date	193,607	-
Total	\$ 1,601,022	\$ 1,416,201

The \$193,607 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, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2021	\$ (31,194)
2022	(396,220)
2023	198,215
2024	164,934
Thereafter	55,479

E. Actuarial Assumptions

The total pension liability in the June 30, 2020 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, 2020 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 assumption changes were adopted by the Board and become effective with the July 1, 2020 actuarial valuation. The most recent four-year experience study for the Police and Fire Plan was completed in 2020. The recommended assumptions for that plan were adopted by the Board and will be effective with the July 1, 2021 actuarial valuations if approved by the Legislature

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

The following changes in actuarial assumptions and plan provisions occurred in 2020:

General Employees Fund

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

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

Police and Fire Fund

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2020

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 2020 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	\$ 4,314,278	\$ 2,691,960	\$ 1,353,678
Police and Fire Fund	4,458,319	2,236,828	398,932

H. Pension Plan Fiduciary Net Position

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

Note 6: Defined Benefit Pension Plans - Fire Relief Association

A. Plan Description

All members of the Rogers Fire Department (the Department) are covered by a defined benefit plan administered by the Rogers Fire Department Relief Association (the Association). As of December 31, 2019, 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 \$123,415 in fire state aid to the plan on behalf of the City Fire Department for the year ended December 31, 2019, which was recorded as a revenue. Required employer contributions are calculated annually based on statutory provisions. The City made no voluntary contributions to the plan. Furthermore, the firefighter has no obligation to contribute to the plan.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2020

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

D. Pension Costs

At December 31, 2020, the City reported a net pension asset of (\$308,256) for the Volunteer Firefighter Fund. The net pension asset was measured as of December 31, 2019. 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, 2019	\$ 1,111,839	\$ 1,275,262	\$ (163,423)
Changes for the Year			
Service cost	68,681	-	68,681
Interest on pension liability (asset)	61,977	-	61,977
Change of benefit terms	48,968	-	48,968
Contributions (state and local)	-	132,549	(132,549)
Net investment income	-	195,463	(195,463)
Administrative expenses	-	(3,553)	3,553
Total Net Changes	<u>179,626</u>	<u>324,459</u>	<u>(144,833)</u>
Ending Balance December 31, 2019	<u>\$ 1,291,465</u>	<u>\$ 1,599,721</u>	<u>\$ (308,256)</u>

For the year ended December 31, 2020, the City recognized pension expense of \$33,357.

At December 31, 2020, 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	\$ -	\$ 60,556
Changes in Actuarial Assumptions	52,364	4,553
Net Difference between Projected and Actual Earnings on Plan Investments	-	60,376
Contributions to Plan Subsequent to the Measurement Date	<u>132,594</u>	<u>-</u>
Total	<u>\$ 184,958</u>	<u>\$ 125,485</u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2020

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

Deferred outflows of resources totaling \$132,594 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, 2021.

2021	\$ (21,772)
2022	(17,476)
2023	2,699
2024	(26,067)
2025	247
Thereafter	(10,752)

E. Actuarial Assumptions

The total pension liability at December 31, 2019 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	2.75%

There were no changes in actuarial assumptions in 2020.

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 Equivalents	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, 2020

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	\$ (268,121)	(\$308,256)	\$ (347,461)

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 \$62,135,493 . The City is under the debt limit as of December 31, 2020.

C. Tax Increment Financing Districts

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

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

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 8: COVID-19

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus (“COVID-19”) and the risks to the international community as virus spreads globally. On March 11, 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. In response to the pandemic, the State of Minnesota has issued stay-at-home orders and other measures aimed at slowing the spread of the coronavirus.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. Due to the rapid development and fluidity of this situation, the City cannot determine the ultimate impact that the COVID-19 pandemic will have on its financial condition, liquidity, and future revenue collection, and therefore any prediction as to the ultimate impact on the City’s financial condition, liquidity, and future results of its revenue collections is uncertain.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ROGERS
ROGERS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2020

City of Rogers, Minnesota
 Required Supplementary Information
 For the Year Ended December 31, 2020

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
06/30/20	0.0449 %	\$ 2,691,960	\$ 83,038	\$ 2,774,998	\$ 3,201,983	86.7 %	79.0 %
06/30/19	0.0432	2,388,431	74,330	2,462,761	3,060,555	80.5	80.2
06/30/18	0.0427	2,368,821	77,700	2,446,521	2,857,192	85.6	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)
12/31/20	\$ 250,903	\$ 250,903	\$ -	\$ 3,345,368	7.5 %
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, 2020

Notes to the Required Supplementary Information - General Employees Fund

Changes in Actuarial Assumptions

2020 - The price inflation assumption was decreased from 2.50% to 2.25%. The payroll growth assumption was decreased from 3.25% to 3.00%. Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates. Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter. Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments. The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019. The assumed spouse age difference was changed from two years older for females to one year older. The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

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.

City of Rogers, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2020

Notes to the Required Supplementary Information - General Employees Fund (Continued)

Changes in Plan Provisions

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

2019 - 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, 2020

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
06/30/20	0.1697 %	\$ 2,236,828	\$ -	\$ 2,236,828	\$ 1,915,338	116.8 %	87.2 %
06/30/19	0.1501	1,597,966	-	1,597,966	1,619,601	98.7	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)	Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/20	\$ 363,092	\$ 363,092	\$ -	\$ 2,051,366	17.70 %
12/31/19	297,920	297,920	-	1,839,015	16.20
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.

City of Rogers, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2020

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

Changes in Actuarial Assumptions

2020 - The mortality projection scale was changed from MP-2018 to MP-2019.

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.

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.

City of Rogers, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2020

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

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, 2020

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

	2020 (Fire Relief Report Date 2019)	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)
Total Pension Liability						
Service cost	\$ 68,681	\$ 65,457	\$ 59,119	\$ 59,501	\$ 52,737	\$ 51,326
Interest on pension liability (asset)	61,977	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	48,968	57,373	26,419	42,381	-	-
Benefit payments	-	(121,638)	(229,326)	(85,477)	(79,255)	(59,219)
Net Change in Total Pension Liability	179,626	40,345	(106,215)	72,100	93,210	53,401
Total Pension Liability - January 1	1,111,839	1,071,494	1,177,709	1,105,609	1,012,399	958,998
Total Pension Liability - December 31	\$ 1,291,465	\$ 1,111,839	\$ 1,071,494	\$ 1,177,709	\$ 1,105,609	\$ 1,012,399
Plan Fiduciary Net Position						
Nonemployer contributions	132,549	130,906	126,937	106,896	101,996	103,985
Projected investment return	195,463	(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	(3,553)	(3,049)	(2,650)	(2,464)	(2,250)	(2,200)
Net Change in Plan Fiduciary Net Position	324,459	(65,066)	66,545	110,495	(28,109)	79,328
Plan Fiduciary Net Position - January 1	1,275,262	1,340,328	1,273,783	1,163,288	1,191,397	1,112,069
Plan Fiduciary Net Position - December 31	\$ 1,599,721	\$ 1,275,262	\$ 1,340,328	\$ 1,273,783	\$ 1,163,288	\$ 1,191,397
Fire Relief's Net Pension Liability (Asset) - December 31	\$ (308,256)	\$ (163,423)	\$ (268,834)	\$ (96,074)	\$ (57,679)	\$ (178,998)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (b/a)	123.87%	114.70%	125.09%	108.16%	105.22%	117.68%
Covered-employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A
Fire Relief's Net Pension Liability (Asset) as a Percentage of Covered-employee Payroll	N/A	N/A	N/A	N/A	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)
12/31/20	\$ 123,415	\$ 132,594	\$ (9,179)
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, 2020

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service cost	\$ 54,836	\$ 83,399	\$ 76,579
Interest	33,050	26,986	25,099
Differences between expected and actual experience	(257,848)	-	-
Changes in assumptions	72,031	(47,066)	12,195
Benefit payments	(11,449)	(10,928)	-
Net Change in Total OPEB Liability	<u>(109,380)</u>	<u>52,391</u>	<u>113,873</u>
Total OPEB Liability - Beginning	<u>758,947</u>	<u>706,556</u>	<u>592,683</u>
Total OPEB Liability - Ending	<u>\$ 649,567</u>	<u>\$ 758,947</u>	<u>\$ 706,556</u>
Covered - employee payroll	\$ 4,100,000	\$ 4,300,000	\$ 4,200,000
City's total OPEB liability as a percentage of covered employee payroll	15.84 %	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, 2020

City of Rogers, Minnesota
 Nonmajor Governmental Funds
 Combining Balance Sheet
 December 31, 2020

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
Assets			
Cash and temporary investments	\$ 974,510	\$ 9,668,631	\$ 10,643,141
Receivables			
Accounts	-	309,959	309,959
Accrued interest	473	-	473
Loans	344,527	-	344,527
Due from other governments	-	258,727	258,727
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 1,319,510</u>	<u>\$ 10,237,317</u>	<u>\$ 11,556,827</u>
Liabilities			
Accounts payable	\$ 44,604	\$ 265,720	\$ 310,324
Escrows payable	134,158	27,758	161,916
Due to other governments	-	2,163	2,163
Due to other funds	-	236,574	236,574
Advances from other funds	-	159,277	159,277
Unearned revenue	3,291	127,500	130,791
Total Liabilities	<u>182,053</u>	<u>818,992</u>	<u>1,001,045</u>
Fund Balances			
Restricted	651,863	5,014,716	5,666,579
Committed	485,594	4,074,218	4,559,812
Assigned	-	329,391	329,391
Total Fund Balances	<u>1,137,457</u>	<u>9,418,325</u>	<u>10,555,782</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 1,319,510</u>	<u>\$ 10,237,317</u>	<u>\$ 11,556,827</u>

City of Rogers, Minnesota
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures And
Changes in Fund Balances
For the Year Ended December 31, 2020

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
Revenues			
Taxes			
Property taxes	\$ 116,000	\$ 738,334	\$ 854,334
Tax increments	-	474,161	474,161
Franchise taxes	-	2,490,460	2,490,460
Intergovernmental	210,735	734,816	945,551
Charges for services	394,322	445,471	839,793
Fines and forfeitures	10,643	-	10,643
Interest on investments	47,194	155,195	202,389
Miscellaneous	25,366	104,123	129,489
Total Revenues	<u>804,260</u>	<u>5,142,560</u>	<u>5,946,820</u>
Expenditures			
Current			
General government	7,404	-	7,404
Public safety	710	-	710
Economic development	251,396	-	251,396
Capital outlay			
General government	-	47,089	47,089
Public safety	-	439,630	439,630
Public works	-	1,166,905	1,166,905
Culture and recreation	-	2,094,075	2,094,075
Economic development	-	364,619	364,619
Housing	-	280,151	280,151
Debt service			
Interest and other	-	13,127	13,127
Total Expenditures	<u>259,510</u>	<u>4,405,596</u>	<u>4,665,106</u>
Excess of Revenues Over Expenditures	<u>544,750</u>	<u>736,964</u>	<u>1,281,714</u>
Other Financing Sources (Uses)			
Transfers in	15,000	2,276,319	2,291,319
Sale of capital assets	-	153,422	153,422
Transfers out	(1,400,000)	(1,472,262)	(2,872,262)
Total Other Financing Sources (Uses)	<u>(1,385,000)</u>	<u>957,479</u>	<u>(427,521)</u>
Net Change in Fund Balances	(840,250)	1,694,443	854,193
Fund Balances, January 1	<u>1,977,707</u>	<u>7,723,882</u>	<u>9,701,589</u>
Fund Balances, December 31	<u>\$ 1,137,457</u>	<u>\$ 9,418,325</u>	<u>\$ 10,555,782</u>

City of Rogers, Minnesota
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 December 31, 2020

	201	200	202	203	
	Tower & Billboard Leases	Revolving Loan	Police Forfeitures	Economic Development	Total
Assets					
Cash and temporary investments	\$ 521,138	\$ 144,210	\$ 11,519	\$ 297,643	\$ 974,510
Receivables					
Accrued interest	-	473	-	-	473
Notes	-	344,527	-	-	344,527
	<u>521,138</u>	<u>489,210</u>	<u>11,519</u>	<u>297,643</u>	<u>1,319,510</u>
Total Assets	<u>\$ 521,138</u>	<u>\$ 489,210</u>	<u>\$ 11,519</u>	<u>\$ 297,643</u>	<u>\$ 1,319,510</u>
Liabilities					
Accounts payable	\$ 944	\$ -	\$ -	\$ 43,660	\$ 44,604
Escrows payable	31,309	-	-	102,849	134,158
Unearned revenue	3,291	-	-	-	3,291
Total Liabilities	<u>35,544</u>	<u>-</u>	<u>-</u>	<u>146,509</u>	<u>182,053</u>
Fund Balances					
Restricted	-	489,210	11,519	151,134	651,863
Committed	485,594	-	-	-	485,594
Total Fund Balances	<u>485,594</u>	<u>489,210</u>	<u>11,519</u>	<u>151,134</u>	<u>1,137,457</u>
	<u>\$ 521,138</u>	<u>\$ 489,210</u>	<u>\$ 11,519</u>	<u>\$ 297,643</u>	<u>\$ 1,319,510</u>
Total Liabilities and Fund Balances	<u>\$ 521,138</u>	<u>\$ 489,210</u>	<u>\$ 11,519</u>	<u>\$ 297,643</u>	<u>\$ 1,319,510</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, 2020

	201 Tower & Billboard Leases	200 Revolving Loan	202 Police Forfeitures	203 Economic Development	Totals
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ 116,000	\$ 116,000
Intergovernmental	-	210,735	-	-	210,735
Charges for services					
Tower lease	261,366	-	-	-	261,366
Billboard lease	121,356	-	-	-	121,356
Other	1,600	-	-	10,000	11,600
Fines and forfeitures	-	-	10,643	-	10,643
Interest on investments	37,954	7,471	106	1,663	47,194
Miscellaneous	3,500	-	-	21,866	25,366
Total Revenues	<u>425,776</u>	<u>218,206</u>	<u>10,749</u>	<u>149,529</u>	<u>804,260</u>
Expenditures					
Current					
General government	7,404	-	-	-	7,404
Public safety	-	-	710	-	710
Economic development	-	145,803	-	105,593	251,396
Total Expenditures	<u>7,404</u>	<u>145,803</u>	<u>710</u>	<u>105,593</u>	<u>259,510</u>
Excess of Revenues Over Expenditures	<u>418,372</u>	<u>72,403</u>	<u>10,039</u>	<u>43,936</u>	<u>544,750</u>
Other Financing Sources					
Transfers in	-	-	-	15,000	15,000
Transfers out	(1,400,000)	-	-	-	(1,400,000)
Total Other Financing Sources (Uses)	<u>(1,400,000)</u>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>(1,385,000)</u>
Net Change in Fund Balances	(981,628)	72,403	10,039	58,936	(840,250)
Fund Balances, January 1	<u>1,467,222</u>	<u>416,807</u>	<u>1,480</u>	<u>92,198</u>	<u>1,977,707</u>
Fund Balances, December 31	<u>\$ 485,594</u>	<u>\$ 489,210</u>	<u>\$ 11,519</u>	<u>\$ 151,134</u>	<u>\$ 1,137,457</u>

City of Rogers, Minnesota
 Nonmajor Capital Projects Funds
 Combining Balance Sheet
 December 31, 2020

	400	401	403	404
	Capital Improvement Projects	Pavement Management	Fire Department Capital Outlay	Park Dedication
Assets				
Cash and temporary investments	\$ 1,934,460	\$ 1,408,558	\$ 407,487	\$ 2,173,099
Accounts receivable	-	304,959	-	5,000
Due from other governments	866	-	-	-
Total Assets	<u>\$ 1,935,326</u>	<u>\$ 1,713,517</u>	<u>\$ 407,487</u>	<u>\$ 2,178,099</u>
Liabilities				
Accounts payable	\$ 16,380	\$ 62,453	\$ -	\$ 10,674
Escrows payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	236,574	-	-	-
Advances from other funds	159,277	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	<u>412,231</u>	<u>62,453</u>	<u>-</u>	<u>10,674</u>
Fund Balances				
Restricted	-	-	-	1,345,462
Committed	1,523,095	1,651,064	407,487	492,572
Assigned	-	-	-	329,391
Total Fund Balances	<u>1,523,095</u>	<u>1,651,064</u>	<u>407,487</u>	<u>2,167,425</u>
Total Liabilities and Fund Balances	<u>\$ 1,935,326</u>	<u>\$ 1,713,517</u>	<u>\$ 407,487</u>	<u>\$ 2,178,099</u>

410	427	450 - 462	
Local Option Sales Tax	Trail Dedication	TIF	Total
\$ 1,254,038	\$ 895,853	\$ 1,595,136	\$ 9,668,631
-	-	-	309,959
257,861	-	-	258,727
<u>\$ 1,511,899</u>	<u>\$ 895,853</u>	<u>\$ 1,595,136</u>	<u>\$ 10,237,317</u>
\$ 28,508	\$ 791	\$ 146,914	\$ 265,720
-	-	27,758	27,758
-	-	2,163	2,163
-	-	-	236,574
-	-	-	159,277
-	127,500	-	127,500
<u>28,508</u>	<u>128,291</u>	<u>176,835</u>	<u>818,992</u>
1,483,391	767,562	1,418,301	5,014,716
-	-	-	4,074,218
-	-	-	329,391
<u>1,483,391</u>	<u>767,562</u>	<u>1,418,301</u>	<u>9,418,325</u>
<u>\$ 1,511,899</u>	<u>\$ 895,853</u>	<u>\$ 1,595,136</u>	<u>\$ 10,237,317</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, 2020

	400	401	403 Fire Department	404
	Capital Improvement Projects	Pavement Management	Capital Outlay	Park Dedication
Revenues				
Taxes				
Property taxes	\$ 513,334	\$ -	\$ -	\$ 100,000
Tax increments	-	-	-	-
Franchise taxes	-	1,200,377	-	-
Intergovernmental	554,816	-	-	180,000
Charges for services	-	-	-	383,740
Interest on investments	47,313	35,891	4,713	25,260
Miscellaneous				
Contributions and donations	-	-	25,000	48,325
Refunds and reimbursements	28,030	-	-	2,000
Total Revenues	<u>1,143,493</u>	<u>1,236,268</u>	<u>29,713</u>	<u>739,325</u>
Expenditures				
Capital outlay				
General government	47,089	-	-	-
Public safety	377,189	-	62,441	-
Public works	89,155	1,077,750	-	-
Culture and recreation	91,663	-	-	1,829,780
Economic development	-	-	-	-
Housing	-	-	-	-
Debt service				
Interest and other	13,127	-	-	-
Total Expenditures	<u>618,223</u>	<u>1,077,750</u>	<u>62,441</u>	<u>1,829,780</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>525,270</u>	<u>158,518</u>	<u>(32,728)</u>	<u>(1,090,455)</u>
Other Financing Sources (Uses)				
Transfers in	708,740	90,000	77,579	1,400,000
Sale of capital assets	8,479	-	-	-
Transfers out	(1,395,000)	-	-	-
Total Other Financing Sources (Uses)	<u>(677,781)</u>	<u>90,000</u>	<u>77,579</u>	<u>1,400,000</u>
Net Change in Fund Balances	(152,511)	248,518	44,851	309,545
Fund Balances, January 1	<u>1,675,606</u>	<u>1,402,546</u>	<u>362,636</u>	<u>1,857,880</u>
Fund Balances, December 31	<u>\$ 1,523,095</u>	<u>\$ 1,651,064</u>	<u>\$ 407,487</u>	<u>\$ 2,167,425</u>

410	427	450 - 462	
Local Option Sales Tax	Trail Dedication	TIF	Total
\$ -	\$ 125,000	\$ -	\$ 738,334
-	-	474,161	474,161
1,290,083	-	-	2,490,460
-	-	-	734,816
-	61,731	-	445,471
9,697	10,247	22,074	155,195
-	-	-	73,325
-	-	768	30,798
<u>1,299,780</u>	<u>196,978</u>	<u>497,003</u>	<u>5,142,560</u>
-	-	-	47,089
-	-	-	439,630
-	-	-	1,166,905
64,286	108,346	-	2,094,075
-	-	364,619	364,619
-	-	280,151	280,151
-	-	-	13,127
<u>64,286</u>	<u>108,346</u>	<u>644,770</u>	<u>4,405,596</u>
<u>1,235,494</u>	<u>88,632</u>	<u>(147,767)</u>	<u>736,964</u>
-	-	-	2,276,319
-	-	144,943	153,422
-	-	(77,262)	(1,472,262)
-	-	67,681	957,479
1,235,494	88,632	(80,086)	1,694,443
247,897	678,930	1,498,387	7,723,882
<u>\$ 1,483,391</u>	<u>\$ 767,562</u>	<u>\$ 1,418,301</u>	<u>\$ 9,418,325</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, 2020
 (With Comparative Actual Amounts for the Year Ended December 31, 2019)

	2020			Variance With Final Budget	2019
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			Amounts
Revenues					
Taxes					
Property taxes	\$ 6,608,307	\$ 6,608,307	\$ 6,601,096	\$ (7,211)	\$ 5,702,898
Cable franchise fee	134,000	134,000	131,757	(2,243)	135,981
Total taxes	<u>6,742,307</u>	<u>6,742,307</u>	<u>6,732,853</u>	<u>(9,454)</u>	<u>5,838,879</u>
Licenses and permits					
Business	79,900	79,900	87,993	8,093	114,740
Nonbusiness	702,708	702,708	1,249,649	546,941	1,407,876
Total licenses and permits	<u>782,608</u>	<u>782,608</u>	<u>1,337,642</u>	<u>555,034</u>	<u>1,522,616</u>
Intergovernmental					
Federal					
Other	4,000	4,000	967,534	963,534	4,340
State					
Property tax credits	-	-	7,390	7,390	7,681
PERA aid	-	-	-	-	2,223
Street maintenance aid	213,518	213,518	221,920	8,402	203,350
Fire aid	113,550	113,550	123,415	9,865	115,550
Police aid	172,505	172,505	160,668	(11,837)	172,505
Other	27,785	27,785	22,959	(4,826)	39,321
County					
Recycling grant	23,500	23,500	21,750	(1,750)	24,120
Other	31,700	31,700	29,992	(1,708)	34,691
Total intergovernmental	<u>586,558</u>	<u>586,558</u>	<u>1,555,628</u>	<u>969,070</u>	<u>603,781</u>
Charges for services					
General government	189,705	189,705	263,599	73,894	309,710
Public safety	310,259	310,259	351,251	40,992	258,732
Public works	143,000	143,000	151,961	8,961	143,028
Culture and recreation	178,850	178,850	48,804	(130,046)	126,143
Total charges for services	<u>821,814</u>	<u>821,814</u>	<u>815,615</u>	<u>(6,199)</u>	<u>837,613</u>
Fines and forfeitures	<u>97,400</u>	<u>97,400</u>	<u>52,630</u>	<u>(44,770)</u>	<u>97,544</u>
Interest on investments	<u>60,000</u>	<u>60,000</u>	<u>179,082</u>	<u>119,082</u>	<u>270,282</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, 2020
 (With Comparative Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Actual Amounts
	Original	Final			
Revenues (Continued)					
Miscellaneous					
Contributions and donations	\$ 3,000	\$ 3,000	\$ 8,749	\$ 5,749	\$ 11,267
Refunds and reimbursements	134,900	134,900	465,856	330,956	149,361
Other	19,073	19,073	12,338	(6,735)	17,132
Total miscellaneous	<u>156,973</u>	<u>156,973</u>	<u>486,943</u>	<u>329,970</u>	<u>177,760</u>
Total Revenues	<u>9,247,660</u>	<u>9,247,660</u>	<u>11,160,393</u>	<u>1,912,733</u>	<u>9,348,475</u>
Expenditures					
Current					
General government					
Mayor and city council					
Personal services	20,099	20,099	20,074	25	20,074
Supplies	350	350	483	(133)	713
Other services and charges	7,950	7,950	2,647	5,303	10,150
Total mayor and city council	<u>28,399</u>	<u>28,399</u>	<u>23,204</u>	<u>5,195</u>	<u>30,937</u>
Other administration					
Personal services	472,376	472,376	481,989	(9,613)	443,556
Supplies	5,900	5,900	5,605	295	4,864
Other services and charges	236,400	236,400	230,943	5,457	254,901
Total other administration	<u>714,676</u>	<u>714,676</u>	<u>718,537</u>	<u>(3,861)</u>	<u>703,321</u>
Information systems					
Personal services	193,990	193,990	194,650	(660)	179,749
Supplies	2,900	2,900	3,060	(160)	4,879
Other services and charges	72,041	72,041	171,274	(99,233)	58,884
Total information systems	<u>268,931</u>	<u>268,931</u>	<u>368,984</u>	<u>(100,053)</u>	<u>243,512</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, 2020
(With Comparative Actual Amounts for the Year Ended December 31, 2019)

	2020			Variance With Final Budget	2019
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
General government (continued)					
Elections					
Personal services	\$ 19,105	\$ 19,105	\$ 18,595	\$ 510	\$ 8
Supplies	5,000	5,000	2,453	2,547	2,204
Other services and charges	3,450	3,450	4,982	(1,532)	-
Total elections	<u>27,555</u>	<u>27,555</u>	<u>26,030</u>	<u>1,525</u>	<u>2,212</u>
Finance					
Personal services	259,865	259,865	306,521	(46,656)	252,789
Supplies	2,560	2,560	7,020	(4,460)	3,259
Other services and charges	30,901	30,901	79,768	(48,867)	29,838
Total finance	<u>293,326</u>	<u>293,326</u>	<u>393,309</u>	<u>(99,983)</u>	<u>285,886</u>
Assessing					
Other services and charges	<u>180,000</u>	<u>180,000</u>	<u>174,000</u>	<u>6,000</u>	<u>150,000</u>
Planning and zoning					
Personal services	196,288	196,288	195,620	668	184,727
Supplies	525	525	634	(109)	2,331
Other services and charges	50,706	56,206	40,925	15,281	32,079
Total planning and zoning	<u>247,519</u>	<u>253,019</u>	<u>237,179</u>	<u>15,840</u>	<u>219,137</u>
General government buildings					
Personal services	73,186	73,186	60,203	12,983	20,713
Supplies	4,750	4,750	3,675	1,075	2,631
Other services and charges	37,818	37,818	311,159	(273,341)	40,059
Total general government buildings	<u>115,754</u>	<u>115,754</u>	<u>375,037</u>	<u>(259,283)</u>	<u>63,403</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, 2020
 (With Comparative Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
General government (continued)					
Community room					
Personal services	\$ 51,676	\$ 51,676	\$ 39,881	\$ 11,795	\$ 49,903
Supplies	5,975	5,975	8,439	(2,464)	8,366
Other services and charges	38,450	38,450	63,116	(24,666)	29,997
Total community room	<u>96,101</u>	<u>96,101</u>	<u>111,436</u>	<u>(15,335)</u>	<u>88,266</u>
General engineering					
Personal services	209,263	209,263	69,733	139,530	79,540
Supplies	4,250	4,250	2,490	1,760	3,463
Other services and charges	46,375	46,375	444,313	(397,938)	159,906
Total general engineering	<u>259,888</u>	<u>259,888</u>	<u>516,536</u>	<u>(256,648)</u>	<u>242,909</u>
Total general government	<u>2,232,149</u>	<u>2,237,649</u>	<u>2,944,252</u>	<u>(706,603)</u>	<u>2,029,583</u>
Public safety					
Police protection and administration					
Personal services	2,988,949	2,988,949	2,714,384	274,565	2,483,662
Supplies	167,700	167,700	153,959	13,741	150,997
Other services and charges	436,380	436,380	492,279	(55,899)	444,553
Total police protection and administration	<u>3,593,029</u>	<u>3,593,029</u>	<u>3,360,622</u>	<u>232,407</u>	<u>3,079,212</u>
Police reserves					
Personal services	-	-	107	(107)	106
Supplies	6,400	6,400	-	6,400	824
Other services and charges	2,500	2,500	-	2,500	650
Total police reserves	<u>8,900</u>	<u>8,900</u>	<u>107</u>	<u>8,793</u>	<u>1,580</u>
Fire fighting and administration					
Personal services	507,820	507,820	481,059	26,761	404,553
Supplies	97,700	97,700	99,321	(1,621)	79,756
Other services and charges	182,591	184,935	235,026	(50,091)	210,062
Total fire fighting and administration	<u>788,111</u>	<u>790,455</u>	<u>815,406</u>	<u>(24,951)</u>	<u>694,371</u>
Fire prevention					
Supplies	1,950	1,950	1,878	72	911
Other services and charges	1,500	1,500	1,628	(128)	1,985
Total fire prevention	<u>3,450</u>	<u>3,450</u>	<u>3,506</u>	<u>(56)</u>	<u>2,896</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, 2020
 (With Comparative Actual Amounts for the Year Ended December 31, 2019)

	2020			Variance With Final Budget	2019
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
Public safety (continued)					
Fire relief association					
Other services and charges	\$ 133,550	\$ 133,550	\$ 143,415	\$ (9,865)	\$ 134,550
Building inspection					
Other services and charges	194,183	194,183	374,329	(180,146)	447,063
Emergency management					
Supplies	9,000	19,000	2,507	16,493	3,809
Other services and charges	16,950	16,950	14,014	2,936	6,416
Total emergency management	25,950	35,950	16,521	19,429	10,225
Traffic signals					
Supplies	1,000	1,000	1,008	(8)	276
Other services and charges	20,500	20,500	20,869	(369)	12,733
Total traffic signals	21,500	21,500	21,877	(377)	13,009
Animal control					
Other services and charges	3,500	3,500	1,466	2,034	1,688
Total public safety	4,772,173	4,784,517	4,737,249	47,268	4,384,594
Public works					
General public works					
Personal services	517,067	517,067	511,756	5,311	484,979
Supplies	86,000	86,000	57,437	28,563	76,772
Other services and charges	85,475	85,475	131,385	(45,910)	102,974
Total general public works	688,542	688,542	700,578	(12,036)	664,725
Paved streets					
Personal services	7,415	7,415	8,977	(1,562)	3,850
Supplies	34,000	34,000	51,341	(17,341)	32,678
Other services and charges	154,250	154,250	96,082	58,168	119,000
Total paved streets	195,665	195,665	156,400	39,265	155,528
Unpaved streets					
Supplies	58,000	58,000	40,227	17,773	26,352
Other services and charges	58,500	58,500	49,730	8,770	32,000
Total unpaved streets	116,500	116,500	89,957	26,543	58,352
Sidewalks					
Other services and charges	55,000	96,500	57,643	38,857	-

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, 2020
(With Comparative Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	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	\$ 2,657	\$ 2,657	\$ 152	\$ 2,505	\$ 80
Supplies	96,750	96,750	98,988	(2,238)	94,748
Other services and charges	2,250	2,250	516	1,734	3,959
Total ice and snow removal	<u>101,657</u>	<u>101,657</u>	<u>99,656</u>	<u>2,001</u>	<u>98,787</u>
Street lighting					
Supplies	-	-	475	(475)	-
Other services and charges	85,000	85,000	88,490	(3,490)	76,829
Total street lighting	<u>85,000</u>	<u>85,000</u>	<u>88,965</u>	<u>(3,965)</u>	<u>76,829</u>
Recycling					
Personal services	28,285	28,285	23,407	4,878	22,768
Supplies	5,000	5,000	955	4,045	899
Other services and charges	143,700	143,700	140,223	3,477	143,445
Total recycling	<u>176,985</u>	<u>176,985</u>	<u>164,585</u>	<u>12,400</u>	<u>167,112</u>
Weed/tree/grass control					
Supplies	500	500	-	500	401
Other services and charges	33,750	33,750	26,317	7,433	30,357
Total weed/tree/grass control	<u>34,250</u>	<u>34,250</u>	<u>26,317</u>	<u>7,933</u>	<u>30,758</u>
Total public works	<u>1,453,599</u>	<u>1,495,099</u>	<u>1,384,101</u>	<u>110,998</u>	<u>1,252,091</u>
Culture and recreation					
Community recreation					
Personal services	147,820	147,820	109,573	38,247	107,694
Supplies	17,550	17,550	3,112	14,438	9,649
Other services and charges	103,050	103,050	79,729	23,321	78,691
Total community recreation	<u>268,420</u>	<u>268,420</u>	<u>192,414</u>	<u>76,006</u>	<u>196,034</u>
Culture and recreation - continued					
Rockin' Rogers Days					
Supplies	250	250	-	250	3
Other services and charges	9,000	9,000	-	9,000	10,416
Total Rockin' Rogers Days	<u>9,250</u>	<u>9,250</u>	<u>-</u>	<u>9,250</u>	<u>10,419</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, 2020
(With Comparative Actual Amounts for the Year Ended December 31, 2019)

	2020			Variance With Final Budget	2019
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
Senior recreation/transportation					
Personal services	\$ 42,270	\$ 42,270	\$ 35,444	\$ 6,826	\$ 36,042
Supplies	4,900	4,900	3,314	1,586	3,160
Other services and charges	43,538	43,538	9,849	33,689	33,830
Total senior recreation/transportation	<u>90,708</u>	<u>90,708</u>	<u>48,607</u>	<u>42,101</u>	<u>73,032</u>
Parks					
Personal services	430,161	430,161	432,202	(2,041)	396,733
Supplies	91,600	91,600	82,274	9,326	89,364
Other services and charges	89,900	89,900	96,341	(6,441)	92,310
Total parks	<u>611,661</u>	<u>611,661</u>	<u>610,817</u>	<u>844</u>	<u>578,407</u>
Total culture and recreation	<u>980,039</u>	<u>980,039</u>	<u>851,838</u>	<u>128,201</u>	<u>857,892</u>
Economic Development					
Other services and charges	-	-	204,113	(204,113)	-
Total current	<u>9,437,960</u>	<u>9,497,304</u>	<u>10,121,553</u>	<u>(624,249)</u>	<u>8,524,160</u>
Capital outlay					
Public safety	-	-	6,654	(6,654)	29,383
Public works	40,000	40,000	30,275	9,725	19,394
Culture and recreation	-	-	-	-	997
Total capital outlay	<u>40,000</u>	<u>40,000</u>	<u>36,929</u>	<u>3,071</u>	<u>49,774</u>
Total Expenditures	<u>9,477,960</u>	<u>9,537,304</u>	<u>10,158,482</u>	<u>(621,178)</u>	<u>8,573,934</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>(230,300)</u>	<u>(289,644)</u>	<u>1,001,911</u>	<u>1,291,555</u>	<u>774,541</u>
Other Financing Sources (Uses)					
Transfers in	225,000	225,000	227,480	2,480	229,845
Transfers out	-	-	(893,850)	(893,850)	(125,111)
Total Other Financing Sources (Uses)	<u>225,000</u>	<u>225,000</u>	<u>(666,370)</u>	<u>(891,370)</u>	<u>104,734</u>
Net Change in Fund Balances	(5,300)	(64,644)	335,541	400,185	879,275
Fund Balances, January 1	<u>6,299,326</u>	<u>6,299,326</u>	<u>6,299,326</u>	<u>-</u>	<u>5,420,051</u>
Fund Balances, December 31	<u>\$ 6,294,026</u>	<u>\$ 6,234,682</u>	<u>\$ 6,634,867</u>	<u>\$ 400,185</u>	<u>\$ 6,299,326</u>

City of Rogers, Minnesota
Debt Service Funds
Combining Balance Sheet
December 31, 2020

	328	330	335	336
	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
Assets				
Cash and temporary investments	\$ 319,440	\$ 50,826	\$ 1,050	\$ -
Special assessments receivable	817,856	-	-	-
Prepaid items	-	126	-	238
Total Assets	<u><u>\$ 1,137,296</u></u>	<u><u>\$ 50,952</u></u>	<u><u>\$ 1,050</u></u>	<u><u>\$ 238</u></u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ 1,050	\$ -
Deferred Inflows of Resources				
Unavailable revenue - special assessments	817,856	-	-	-
Fund Balances				
Nonspendable	-	126	-	238
Restricted	319,440	50,826	-	-
Total Fund Balances	<u><u>319,440</u></u>	<u><u>50,952</u></u>	<u><u>-</u></u>	<u><u>238</u></u>
Total Deferred Inflows of Resources and Fund Balances	<u><u>\$ 1,137,296</u></u>	<u><u>\$ 50,952</u></u>	<u><u>\$ 1,050</u></u>	<u><u>\$ 238</u></u>

340	341	362	
2014A G.O. Bonds	2015A G.O. Improvement Bonds	General Obligation Tax Increment Bonds of 2003	Total
\$ 91,286	\$ 78,334	\$ -	\$ 540,936
-	1,672,399	-	2,490,255
-	111	-	475
<u>\$ 91,286</u>	<u>\$ 1,750,844</u>	<u>\$ -</u>	<u>\$ 3,031,666</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,050</u>
<u>-</u>	<u>1,672,399</u>	<u>-</u>	<u>2,490,255</u>
-	111	-	475
91,286	78,334	-	539,886
<u>91,286</u>	<u>78,445</u>	<u>-</u>	<u>540,361</u>
<u>\$ 91,286</u>	<u>\$ 1,750,844</u>	<u>\$ -</u>	<u>\$ 3,031,666</u>

City of Rogers, Minnesota
Debt Service Funds
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended December 31, 2020

	328	330	335	336
	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
Revenues				
Property taxes	\$ -	\$ 212,376	\$ 241,707	\$ -
Special assessments	-	-	-	-
Interest on investments	4,569	1,072	3,230	-
Total Revenues	<u>4,569</u>	<u>213,448</u>	<u>244,937</u>	<u>-</u>
Expenditures				
Debt service				
Principal	-	160,000	2,195,000	55,000
Interest and other	3	43,023	54,614	4,536
Total Expenditures	<u>3</u>	<u>203,023</u>	<u>2,249,614</u>	<u>59,536</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,566</u>	<u>10,425</u>	<u>(2,004,677)</u>	<u>(59,536)</u>
Other Financing Sources				
Transfers in	-	-	2,025,000	59,536
Transfers out	-	-	(204,890)	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>1,820,110</u>	<u>59,536</u>
Net Change in Fund Balances	4,566	10,425	(184,567)	-
Fund Balances, January 1	<u>314,874</u>	<u>40,527</u>	<u>184,567</u>	<u>238</u>
Fund Balances, December 31	<u>\$ 319,440</u>	<u>\$ 50,952</u>	<u>\$ -</u>	<u>\$ 238</u>

340	341	362	
2014A G.O. Bonds	2015A G.O. Improvement Bonds	General Obligation Tax Increment Bonds of 2003	Total
\$ 238,589	\$ -	\$ -	\$ 692,672
-	424,719	-	424,719
1,662	1,784	-	12,317
<u>240,251</u>	<u>426,503</u>	<u>-</u>	<u>1,129,708</u>
155,000	280,000	15,000	2,860,000
79,644	42,999	2,726	227,545
<u>234,644</u>	<u>322,999</u>	<u>17,726</u>	<u>3,087,545</u>
<u>5,607</u>	<u>103,504</u>	<u>(17,726)</u>	<u>(1,957,837)</u>
-	-	17,726	2,102,262
<u>-</u>	<u>-</u>	<u>-</u>	<u>(204,890)</u>
<u>-</u>	<u>-</u>	<u>17,726</u>	<u>1,897,372</u>
5,607	103,504	-	(60,465)
<u>85,679</u>	<u>(25,059)</u>	<u>-</u>	<u>600,826</u>
<u>\$ 91,286</u>	<u>\$ 78,445</u>	<u>\$ -</u>	<u>\$ 540,361</u>

City of Rogers, Minnesota
TIF Funds
Combining Balance Sheet
December 31, 2020

	450	458	459
	Tax Increment Financing District #1	Tax Increment Financing District #12	Tax Increment Financing District #13
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and temporary investments	<u>\$ 766,853</u>	<u>\$ 112,028</u>	<u>\$ 16,517</u>
Liabilities			
Accounts payable	\$ 616	\$ -	\$ -
Escrows payable	-	-	-
Due to other governments	2,163	-	-
Total Liabilities	<u>2,779</u>	<u>-</u>	<u>-</u>
Fund Balances			
Restricted	<u>764,074</u>	<u>112,028</u>	<u>16,517</u>
Total Liabilities and Fund Balance	<u>\$ 766,853</u>	<u>\$ 112,028</u>	<u>\$ 16,517</u>

460 Tax Increment Financing District #14	461 Tax Increment Financing District #15	462 Tax Increment Financing District #16	Total
<u>\$ 442,994</u>	<u>\$ 221,916</u>	<u>\$ 34,828</u>	<u>\$ 1,595,136</u>
\$ -	\$ 137,441	\$ 8,857	\$ 146,914
-	-	27,758	27,758
-	-	-	2,163
-	137,441	36,615	176,835
<u>442,994</u>	<u>84,475</u>	<u>(1,787)</u>	<u>1,418,301</u>
<u>\$ 442,994</u>	<u>\$ 221,916</u>	<u>\$ 34,828</u>	<u>\$ 1,595,136</u>

City of Rogers, Minnesota
TIF Funds
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended December 31, 2020

	450	458	459
	Tax Increment Financing District #1	Tax Increment Financing District #12	Tax Increment Financing District #13
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Tax increments	\$ -	\$ 32,780	\$ -
Interest on investments	12,824	1,467	379
Miscellaneous	33	-	-
Total Revenues	<u>12,857</u>	<u>34,247</u>	<u>379</u>
Expenditures			
Capital outlay			
Economic development	344,948	-	10,000
Housing	-	-	-
Total Expenditures	<u>344,948</u>	<u>-</u>	<u>10,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(332,091)</u>	<u>34,247</u>	<u>(9,621)</u>
Other Financing Sources (Uses)			
Sale of capital assets	144,943	-	-
Transfers out	-	(17,726)	-
Total Other Financing Sources (Uses)	<u>144,943</u>	<u>(17,726)</u>	<u>-</u>
Net Change in Fund Balances	(187,148)	16,521	(9,621)
Fund Balances, January 1	<u>951,222</u>	<u>95,507</u>	<u>26,138</u>
Fund Balances, December 31	<u>\$ 764,074</u>	<u>\$ 112,028</u>	<u>\$ 16,517</u>

460 Tax Increment Financing District #14	461 Tax Increment Financing District #15	462 Tax Increment Financing District #16	Total
\$ 142,803	\$ 289,349	\$ 9,229	\$ 474,161
5,597	1,248	559	22,074
-	-	735	768
<u>148,400</u>	<u>290,597</u>	<u>10,523</u>	<u>497,003</u>
-	-	9,671	364,619
2,250	277,901	-	280,151
<u>2,250</u>	<u>277,901</u>	<u>9,671</u>	<u>644,770</u>
<u>146,150</u>	<u>12,696</u>	<u>852</u>	<u>(147,767)</u>
-	-	-	144,943
<u>(59,536)</u>	<u>-</u>	<u>-</u>	<u>(77,262)</u>
<u>(59,536)</u>	<u>-</u>	<u>-</u>	<u>67,681</u>
86,614	12,696	852	(80,086)
<u>356,380</u>	<u>71,779</u>	<u>(2,639)</u>	<u>1,498,387</u>
<u>\$ 442,994</u>	<u>\$ 84,475</u>	<u>\$ (1,787)</u>	<u>\$ 1,418,301</u>

City of Rogers, Minnesota
Street and Related Improvement Projects Funds
Combining Balance Sheet
December 31, 2020

	432	440	446	447	
	Rogers Drive Realignment	Villas at Fletcher	CSAH 81/13	Lennar Laurel Creek	Total
Assets					
Cash and temporary investments	\$ 870,382	\$ -	\$ 149,655	\$ 336,731	\$ 1,356,768
Accounts	-	-	-	112,503	112,503
Total Assets	<u>\$ 870,382</u>	<u>\$ -</u>	<u>\$ 149,655</u>	<u>\$ 449,234</u>	<u>\$ 1,469,271</u>
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ 119,105	\$ 119,105
Escrows payable	-	-	-	301,806	301,806
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>420,911</u>	<u>420,911</u>
Fund Balances					
Restricted	-	-	149,655	28,323	177,978
Committed	870,382	-	-	-	870,382
Total Fund Balances	<u>870,382</u>	<u>-</u>	<u>149,655</u>	<u>28,323</u>	<u>1,048,360</u>
Total Liabilities and Fund Balances	<u>\$ 870,382</u>	<u>\$ -</u>	<u>\$ 149,655</u>	<u>\$ 449,234</u>	<u>\$ 1,469,271</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, 2020

	432	440	446	447	
	Rogers Drive Realignment	Villas at Fletcher	CSAH 81/13	Lennar Laurel Creek	Total
Revenues					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on investments	12,447	282	1,808	9,248	23,785
Miscellaneous	-	-	35,278	667,016	702,294
Total Revenues	<u>12,447</u>	<u>282</u>	<u>37,086</u>	<u>676,264</u>	<u>726,079</u>
Expenditures					
Capital outlay					
Public works	-	282	696	669,540	670,518
Net Change in Fund Balances	12,447	-	36,390	6,724	55,561
Fund Balances, January 1	<u>857,935</u>	<u>-</u>	<u>113,265</u>	<u>21,599</u>	<u>992,799</u>
Fund Balances, December 31	<u><u>\$ 870,382</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 149,655</u></u>	<u><u>\$ 28,323</u></u>	<u><u>\$ 1,048,360</u></u>

City of Rogers, Minnesota
Enterprise Funds
Water Fund
Combining Schedule of Net Position
December 31, 2020

	<u>601</u>	<u>405</u>	<u>407</u>	
	Water	Water Trunk	WAC	Total
Assets				
Current Assets				
Cash and temporary investments	\$ 5,019,353	\$ 737,216	\$ 4,450,829	\$ 10,207,398
Receivables				
Accounts	118,649	-	-	118,649
Special assessments	-	-	1,218	1,218
Due from other governments	18,363	-	-	18,363
Prepaid items	878	-	-	878
Total Current Assets	<u>5,157,243</u>	<u>737,216</u>	<u>4,452,047</u>	<u>10,346,506</u>
Noncurrent Assets				
Special assessments receivable	-	37,593	13,529	51,122
Capital assets				
Land	810,812	-	-	810,812
Buildings and improvements	3,991,348	-	-	3,991,348
Infrastructure	15,841,757	-	-	15,841,757
Machinery and equipment	304,512	-	-	304,512
Construction in progress	31,907	-	-	31,907
Less accumulated depreciation	(9,593,020)	-	-	(9,593,020)
Total Capital Assets (Net of Accumulated Depreciation)	<u>11,387,316</u>	<u>-</u>	<u>-</u>	<u>11,387,316</u>
Total Noncurrent Assets	<u>11,387,316</u>	<u>37,593</u>	<u>13,529</u>	<u>11,438,438</u>
Total Assets	<u>16,544,559</u>	<u>774,809</u>	<u>4,465,576</u>	<u>21,784,944</u>
Deferred Outflows of Resources				
Deferred other postemployment benefits resources	5,041	-	-	5,041
Deferred pension resources	31,417	-	-	31,417
Total Deferred Outflows of Resources	<u>36,458</u>	<u>-</u>	<u>-</u>	<u>36,458</u>
Liabilities				
Current Liabilities				
Accounts payable	27,846	11	26,288	54,145
Accrued salaries payable	4,909	-	-	4,909
Due to other governments	212	-	-	212
Accrued interest payable	1,702	-	-	1,702
Compensated absences payable - current	7,741	-	-	7,741
Bonds payable - current portion	115,000	-	-	115,000
Total Current Liabilities	<u>157,410</u>	<u>11</u>	<u>26,288</u>	<u>183,709</u>

City of Rogers, Minnesota
Enterprise Funds
Water Fund
Combining Schedule Net Position (Continued)
December 31, 2020

	<u>601</u>	<u>405</u>	<u>407</u>	
	Water	Water Trunk	WAC	Total
Noncurrent Liabilities				
Severance obligations payable	\$ 12,897	\$ -	\$ -	\$ 12,897
Compensated absences payable	46,154	-	-	46,154
Other postemployment benefits payable	40,402	-	-	40,402
Bonds payable	740,000	-	-	740,000
Net pension liability	243,816	-	-	243,816
Total Noncurrent Liabilities	<u>1,083,269</u>	<u>-</u>	<u>-</u>	<u>1,083,269</u>
 Total Liabilities	 <u>1,240,679</u>	 <u>11</u>	 <u>26,288</u>	 <u>1,266,978</u>
Deferred Inflows of Resources				
Deferred other postemployment benefits resources	16,804	-	-	16,804
Deferred pension resources	10,025	-	-	10,025
Total Deferred Inflows of Resources	<u>26,829</u>	<u>-</u>	<u>-</u>	<u>26,829</u>
Net Position				
Net investment in capital assets	10,532,316	-	-	10,532,316
Unrestricted	4,781,193	774,798	4,439,288	9,995,279
Total Net Position	<u>\$ 15,313,509</u>	<u>\$ 774,798</u>	<u>\$ 4,439,288</u>	<u>\$ 20,527,595</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, 2020

	<u>601</u>	<u>405</u>	<u>407</u>	
	Water	Water Trunk	WAC	Total
Operating Revenues				
Charges for services	\$ 1,442,501	\$ -	\$ -	\$ 1,442,501
Miscellaneous	6,823	-	-	6,823
Total Operating Revenues	<u>1,449,324</u>	<u>-</u>	<u>-</u>	<u>1,449,324</u>
Operating Expenses				
Personal services	501,793	-	-	501,793
Supplies	211,557	-	-	211,557
Other services and charges	523,683	911	6,949	531,543
Depreciation	546,866	-	-	546,866
Total Operating Expenses	<u>1,783,899</u>	<u>911</u>	<u>6,949</u>	<u>1,791,759</u>
Operating Income (Loss)	<u>(334,575)</u>	<u>(911)</u>	<u>(6,949)</u>	<u>(342,435)</u>
Nonoperating Revenues (Expenses)				
Interest on investments	110,348	9,952	93,620	213,920
Intergovernmental	38	-	-	38
Interest expense	(22,437)	-	-	(22,437)
Other income	655	-	-	655
Total Nonoperating Revenues (Expenses)	<u>88,604</u>	<u>9,952</u>	<u>93,620</u>	<u>192,176</u>
Income (Loss) Before Contributions and Transfers	(245,971)	9,041	86,671	(150,259)
Capital Contributions				
Connection fees and special assessments	-	177,515	715,582	893,097
Contributions from Other Funds	107,236	-	-	107,236
Contributions to Other Funds	-	(75,329)	(31,907)	(107,236)
Contributions from Developers	115,449	-	-	115,449
Transfers In	133,095	-	-	133,095
Transfers Out	<u>(150,000)</u>	<u>-</u>	<u>(133,095)</u>	<u>(283,095)</u>
Change in Net Position	(40,191)	111,227	637,251	708,287
Net Position, January 1	<u>15,353,700</u>	<u>663,571</u>	<u>3,802,037</u>	<u>19,819,308</u>
Net Position, December 31	<u>\$ 15,313,509</u>	<u>\$ 774,798</u>	<u>\$ 4,439,288</u>	<u>\$ 20,527,595</u>

City of Rogers, Minnesota
Enterprise Funds
Sewer Fund
Combining Schedule of Net Position
December 31, 2020

	<u>602</u>	<u>406</u>	<u>408</u>	
	Sewer	Sewer Trunk	RSAC	Total
Assets				
Current Assets				
Cash and temporary investments	\$ 2,298,165	\$ 1,564,283	\$ 9,663,202	\$ 13,525,650
Receivables				
Accounts	193,527	-	-	193,527
Special assessments	-	-	3,185	3,185
Due from other governments	2,917	-	-	2,917
Due from other funds	-	-	236,574	236,574
Prepaid items	73,656	-	-	73,656
Total Current Assets	<u>2,568,265</u>	<u>1,564,283</u>	<u>9,902,961</u>	<u>14,035,509</u>
Noncurrent Assets				
Special assessments receivable	-	99,511	12,243	111,754
Advances to other funds	-	-	159,277	159,277
Capital assets				
Land	123,541	-	-	123,541
Buildings and improvements	1,021,216	-	-	1,021,216
Infrastructure	12,209,646	-	-	12,209,646
Machinery and equipment	563,352	-	-	563,352
Less accumulated depreciation	(4,993,148)	-	-	(4,993,148)
Total Capital Assets (Net of Accumulated Depreciation)	<u>8,924,607</u>	<u>-</u>	<u>-</u>	<u>8,924,607</u>
Total Noncurrent Assets	<u>8,924,607</u>	<u>99,511</u>	<u>171,520</u>	<u>9,195,638</u>
Total Assets	<u>11,492,872</u>	<u>1,663,794</u>	<u>10,074,481</u>	<u>23,231,147</u>
Deferred Outflows of Resources				
Deferred other postemployment benefits resources	5,019	-	-	5,019
Deferred pension resources	31,305	-	-	31,305
Total Deferred Outflows of Resources	<u>36,324</u>	<u>-</u>	<u>-</u>	<u>36,324</u>
Liabilities				
Current Liabilities				
Accounts payable	9,010	11	-	9,021
Accrued salaries payable	4,894	-	-	4,894
Due to other governments	-	-	457,588	457,588
Compensated absences payable - current	7,716	-	-	7,716
Total Current Liabilities	<u>21,620</u>	<u>11</u>	<u>457,588</u>	<u>479,219</u>

City of Rogers, Minnesota
Enterprise Funds
Sewer Fund
Combining Schedule of Net Position (Continued)
December 31, 2020

	<u>602</u>	<u>406</u>	<u>408</u>	
	Sewer	Sewer Trunk	RSAC	Total
Noncurrent Liabilities				
Severance obligations payable	\$ 12,897	\$ -	\$ -	\$ 12,897
Compensated absences payable	46,002	-	-	46,002
Other postemployment benefits payable	40,230	-	-	40,230
Net pension liability	242,946	-	-	242,946
Total Noncurrent Liabilities	<u>342,075</u>	<u>-</u>	<u>-</u>	<u>342,075</u>
Total Liabilities	<u>363,695</u>	<u>11</u>	<u>457,588</u>	<u>821,294</u>
Deferred Inflows of Resources				
Deferred other postemployment benefits resources	16,733	-	-	16,733
Deferred pension resources	9,990	-	-	9,990
Total Deferred Inflows of Resources	<u>26,723</u>	<u>-</u>	<u>-</u>	<u>26,723</u>
Net Position				
Investment in capital assets	8,924,607	-	-	8,924,607
Unrestricted	2,214,171	1,663,783	9,616,893	13,494,847
Total Net Position	<u>\$ 11,138,778</u>	<u>\$ 1,663,783</u>	<u>\$ 9,616,893</u>	<u>\$ 22,419,454</u>

City of Rogers, Minnesota
Enterprise Funds
Sewer Fund
Combining Schedule of Revenues, Expenses and
Changes in Net Position
For the Year Ended December 31, 2020

	<u>602</u>	<u>406</u>	<u>408</u>	
	Sewer	Sewer Trunk	RSAC	Total
Operating Revenues				
Charges for services	\$ 1,165,255	\$ -	\$ -	\$ 1,165,255
Miscellaneous	443	-	-	443
Total Operating Revenues	<u>1,165,698</u>	<u>-</u>	<u>-</u>	<u>1,165,698</u>
Operating Expenses				
Personal services	499,775	-	-	499,775
Supplies	24,932	-	-	24,932
Other services and charges	1,099,058	101,077	8,114	1,208,249
Depreciation	299,208	-	-	299,208
Total Operating Expenses	<u>1,922,973</u>	<u>101,077</u>	<u>8,114</u>	<u>2,032,164</u>
Operating Income (Loss)	<u>(757,275)</u>	<u>(101,077)</u>	<u>(8,114)</u>	<u>(866,466)</u>
Nonoperating Revenues				
Interest on investments	49,418	35,565	218,509	303,492
Intergovernmental	4	-	-	4
Other income	652	-	-	652
Total Nonoperating Revenues	<u>50,074</u>	<u>35,565</u>	<u>218,509</u>	<u>304,148</u>
Income (Loss) Before Contributions and Transfers	(707,201)	(65,512)	210,395	(562,318)
Capital Contributions				
Connection fees and special assessments	-	200,607	435,204	635,811
Contributions from Other Funds	64,994	-	-	64,994
Contributions to Other Funds	-	(64,994)	-	(64,994)
Contributions From Developers	55,100	-	-	55,100
Transfers In	450,000	-	-	450,000
Transfers Out	(150,000)	-	(450,000)	(600,000)
Change in Net Position	(287,107)	70,101	195,599	(21,407)
Net Position, January 1	<u>11,425,885</u>	<u>1,593,682</u>	<u>9,421,294</u>	<u>22,440,861</u>
Net Position, December 31	<u>\$ 11,138,778</u>	<u>\$ 1,663,783</u>	<u>\$ 9,616,893</u>	<u>\$ 22,419,454</u>

City of Rogers, Minnesota
Enterprise Funds
Storm Sewer Fund
Combining Schedule of Net Position
December 31, 2020

	<u>603</u>	<u>438</u>	
	Storm Sewer	Storm Sewer Trunk	Total
Assets			
Current Assets			
Cash and temporary investments	\$ 2,156,892	\$ 912,362	\$ 3,069,254
Accounts receivable	122,891	-	122,891
Prepaid items	819	-	819
Total Current Assets	<u>2,280,602</u>	<u>912,362</u>	<u>3,192,964</u>
Noncurrent Assets			
Special assessments receivable	-	33,524	33,524
Capital assets			
Land	166,421	-	166,421
Infrastructure	9,703,489	-	9,703,489
Machinery and equipment	238,304	-	238,304
Construction in progress	12,548	-	12,548
Less accumulated depreciation	(4,448,928)	-	(4,448,928)
Total Capital Assets (Net of Accumulated Depreciation)	<u>5,671,834</u>	<u>-</u>	<u>5,671,834</u>
Total Noncurrent Assets	<u>5,671,834</u>	<u>33,524</u>	<u>5,705,358</u>
Total Assets	<u>7,952,436</u>	<u>945,886</u>	<u>8,898,322</u>
Deferred Outflows of Resources			
Deferred other postemployment benefits resources	3,176	-	3,176
Deferred pension resources	19,365	-	19,365
Total Deferred Outflows of Resources	<u>22,541</u>	<u>-</u>	<u>22,541</u>
Liabilities			
Current Liabilities			
Accounts payable	3,266	-	3,266
Accrued salaries payable	3,082	-	3,082
Compensated absences payable - current	4,198	-	4,198
Total Current Liabilities	<u>10,546</u>	<u>-</u>	<u>10,546</u>
Noncurrent Liabilities			
Severance obligations payable	5,964	-	5,964
Compensated absences payable	25,028	-	25,028
Other postemployment benefits payable	25,457	-	25,457
Net pension liability	150,287	-	150,287
Total Noncurrent Liabilities	<u>206,736</u>	<u>-</u>	<u>206,736</u>
Total Liabilities	<u>217,282</u>	<u>-</u>	<u>217,282</u>
Deferred Inflows of Resources			
Deferred other postemployment benefits resources	10,588	-	10,588
Deferred pension resources	6,180	-	6,180
Total Deferred Inflows of Resources	<u>16,768</u>	<u>-</u>	<u>16,768</u>
Net Position			
Investment in capital assets	5,671,834	-	5,671,834
Unrestricted	2,069,093	945,886	3,014,979
Total Net Position	<u>\$ 7,740,927</u>	<u>\$ 945,886</u>	<u>\$ 8,686,813</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, 2020

	<u>603</u>	<u>438</u>	
	Storm Sewer	Storm Sewer Trunk	Total
Operating Revenues			
Charges for services	\$ 659,113	\$ -	\$ 659,113
Miscellaneous	39,574	-	39,574
Total Operating Revenues	<u>698,687</u>	<u>-</u>	<u>698,687</u>
Operating Expenses			
Personal services	306,157	-	306,157
Supplies	11,930	-	11,930
Other services and charges	225,973	-	225,973
Depreciation	195,890	-	195,890
Total Operating Expenses	<u>739,950</u>	<u>-</u>	<u>739,950</u>
Operating Loss	<u>(41,263)</u>	<u>-</u>	<u>(41,263)</u>
Nonoperating Revenues			
Interest on investments	47,476	11,934	59,410
Intergovernmental	4	-	4
Other income	903	-	903
Total Nonoperating Revenues	<u>48,383</u>	<u>11,934</u>	<u>60,317</u>
Income Before			
Contributions and Transfers	7,120	11,934	19,054
Capital Contributions			
Connection fees and special assessments	-	139,755	139,755
Contributions from Other Funds	5,742	-	5,742
Contributions to Other Funds	-	(5,742)	(5,742)
Contributions from Developers	43,793	-	43,793
Transfers Out	<u>(30,000)</u>	<u>-</u>	<u>(30,000)</u>
Change in Net Position	26,655	145,947	172,602
Net Position, January 1	<u>7,714,272</u>	<u>799,939</u>	<u>8,514,211</u>
Net Position, December 31	<u>\$ 7,740,927</u>	<u>\$ 945,886</u>	<u>\$ 8,686,813</u>

City of Rogers, Minnesota
Enterprise Funds
Municipal Liquor Store Fund
Combining Schedule of Operating Revenues and Expenses
For the Year Ended December 31, 2020

	Municipal Liquor On-Sale	Municipal Liquor Off-Sale	Total
Sales and Cost of Sales			
Sales	\$ 90,531	\$ 4,360,579	\$ 4,451,110
Cost of sales	(35,318)	(2,983,987)	(3,019,305)
Gross Profit	<u>55,213</u>	<u>1,376,592</u>	<u>1,431,805</u>
Operating Expenses			
Personal services	71,571	590,123	661,694
Supplies	4,182	9,051	13,233
Other services and charges	66,367	172,335	238,702
Depreciation	7,077	29,201	36,278
Total Operating Expenses	<u>149,197</u>	<u>800,710</u>	<u>949,907</u>
Operating Income (Loss)	<u>\$ (93,984)</u>	<u>\$ 575,882</u>	<u>\$ 481,898</u>

City of Rogers, Minnesota
 Summary Financial Report
 Revenues and Expenditures For General Operations
 Governmental Funds
 For the Years Ended December 31, 2020 and 2019

	Total		Percent Increase (Decrease)
	2020	2019	
Revenues			
Taxes			
Property taxes	\$ 8,667,483	\$ 7,765,422	11.62 %
Tax increments	474,161	387,633	22.32
Franchise taxes	2,490,460	1,421,771	75.17
Licenses and permits	1,337,642	1,522,616	(12.15)
Intergovernmental	3,008,211	3,393,152	(11.34)
Charges for services	2,369,388	3,439,590	(31.11)
Fines and forfeitures	63,273	100,384	(36.97)
Special assessments	524,650	451,629	16.17
Interest on investments	580,294	817,994	(29.06)
Miscellaneous	1,452,520	1,734,819	(16.27)
Total Revenues	<u>\$ 20,968,082</u>	<u>\$ 21,035,010</u>	(0.32) %
Per Capita	<u>\$ 1,585</u>	<u>\$ 1,619</u>	(2.13)
Expenditures			
Current			
General government	\$ 2,951,656	\$ 2,042,875	44.49 %
Public safety	4,737,959	4,422,477	7.13
Public works	1,384,101	1,262,383	9.64
Culture and recreation	1,492,737	1,453,515	2.70
Economic development	455,509	139,820	225.78
Capital outlay			
General government	47,089	52,703	(10.65)
Public safety	446,284	362,440	23.13
Public works	3,885,468	3,324,704	16.87
Culture and recreation	2,103,475	1,890,223	11.28
Economic development	364,619	1,145,722	(68.18)
Housing	280,151	232,160	20.67
Debt service			
Principal	2,860,000	1,090,000	162.39
Interest and service charges	240,672	249,070	(3.37)
Total Expenditures	<u>\$ 21,249,720</u>	<u>\$ 17,668,092</u>	20.27 %
Per Capita	<u>\$ 1,606</u>	<u>\$ 1,360</u>	18.08
Total Long-term Indebtedness	\$ 5,220,000	\$ 8,080,000	(35.40) %
Per Capita	395	622	(36.57)
General Fund Balance - December 31	\$ 6,634,867	\$ 6,299,326	5.33 %
Per Capita	501	485	3.41

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 Bridget Bruska, Finance Director at (763) 428-2253.

OTHER REQUIRED REPORTS

CITY OF ROGERS
ROGERS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2020

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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, 2020, and the related notes to the financial statements which collectively comprise the City's basic financial statement, and have issued our report thereon dated May 20, 2021

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.

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

Abdo Eick & Meyers, LLP

ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
May 20, 2021



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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 20, 2021.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City'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.

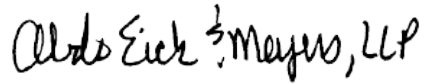
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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
May 20, 2021

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FEDERAL FINANCIAL AWARD PROGRAMS

CITY OF ROGERS
ROGERS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2020



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY *THE UNIFORM GUIDANCE*

Honorable Mayor and City Council
City of Rogers, Minnesota

Report on Compliance for Each Major Federal Program

We have audited the City of Rogers, Minnesota (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2020. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

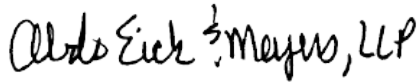
Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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



ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
May 20, 2021

City of Rogers, Minnesota
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2020

Federal Grantor	Pass-through Grantor	Program Title	Catalog of Federal Domestic Assistance Number	Total Federal Expenditures
U.S. Treasury	Minnesota Department of Revenue	Coronavirus Relief Fund	21.019	<u>\$ 978,745</u>

City of Rogers, Minnesota
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Rogers Minnesota (the City) under programs of the federal government for the year ended December 31, 2020. The City's reporting entity is defined in Note 1A to the City's financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

2. Summary of Significant Accounting Policies for Expenditures

Expenditures reported on this schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-122, Cost Principles for Non-Profit-Organizations, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Pass-through Entity Identifying Numbers

Pass-through entity identifying numbers are presented where available.

4. Subrecipients

Federal expenditures presented in this schedule of \$978,745 were all expended and no subrecipients received money.

5. Indirect Cost Rate

During the year ended December 31, 2020, the City did not elect to use the 10 percent de minimis indirect cost rate.

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City of Rogers, Minnesota
 Schedule of Findings and Questioned Costs
 For the Year Ended December 31, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)?	No

Identification of Major Programs/Projects

	CFDA No.
Coronavirus Relief Fund	21.019
Dollar threshold used to distinguish between Type A and Type B Programs	\$ 750,000
Auditee qualified as low-risk auditee?	No

Section II - Financial Statement Findings

None

Section III - Major Federal Award Findings and Questioned Costs

There are no significant deficiencies, material weaknesses, or instances of noncompliance including questioned

Section IV - Schedule of Prior Year Audit Findings

None

Other Issues

A Corrective Action Plan is not required because there were no findings required to be reported under the Federal Single Audit Act.