



Annual Financial Report

City of Rogers

Rogers, Minnesota

For the year ended December 31, 2022



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INTRODUCTORY SECTION

CITY OF ROGERS
ROGERS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2022

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City of Rogers, Minnesota
Elected and Appointed Officials
For the Year Ended December 31, 2022

ELECTED

Name	Title	Term Expires
Rick Ihli	Mayor	12/31/2024
Mark Eiden	Council Member	12/31/2026
Bruce Gorecki	Council Member	12/31/2022
Shannon Klick	Council Member	12/31/2024
Kevin Jullie	Council Member	12/31/2024

APPOINTED

Steve Stahmer	City Administrator
Bridget Bruska	Finance Director
Stacy Scharber	Assistant City Administrator / HR Director
Greta Pudas	Assistant Finance Director
Stacie Brown	City Clerk
Bradley Feist	Fire Chief
Dan Wills	Police Chief
Doran Cote	Public Works Director / City Engineer
Gary Buysse	Liquor Operations Director
Jason Greninger	Information Systems Director
Mike Bauer	Parks and Recreation Director

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FINANCIAL SECTION

CITY OF ROGERS
ROGERS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2022

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Rogers, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Rogers, Minnesota (the City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of December 31, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Change in Accounting Principle

As described in Note 8 to the financial statements, the City adopted the provisions of Governmental Accounting Standard Board (GASB) Statement No. 87, Lease, for the year ended December 31, 2022. Adoption of the provisions of these statements results in significant change to the classifications of the components of the financial statements. Our opinion is not modified with respect to this matter.

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.



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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2023, 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
Minneapolis, Minnesota
June 7, 2023



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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, 2022.

Financial Highlights

- The assets and deferred outflows or resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year as shown in the summary of net position on the following pages. The unrestricted amount of net position may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased as shown in the summary of changes in net assets table on the following pages. The increase this year was due to an increase in capital contributions from developers and the collection of connection fees and building permits.
- For the current fiscal year, the City's governmental funds fund balances are shown in the Financial Analysis of the City's Funds section of the MD&A. The total fund balance increased in comparison with the prior year. This increase was mainly due to an increase in building permit revenue.
- The unassigned fund balance in the General fund as shown in the financial analysis of the city's funds section increased from prior year.
- The City's total bonded debt decreased during the fiscal year. The decrease was a result of schedule debt service payments as shown on the outstanding debt table.

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

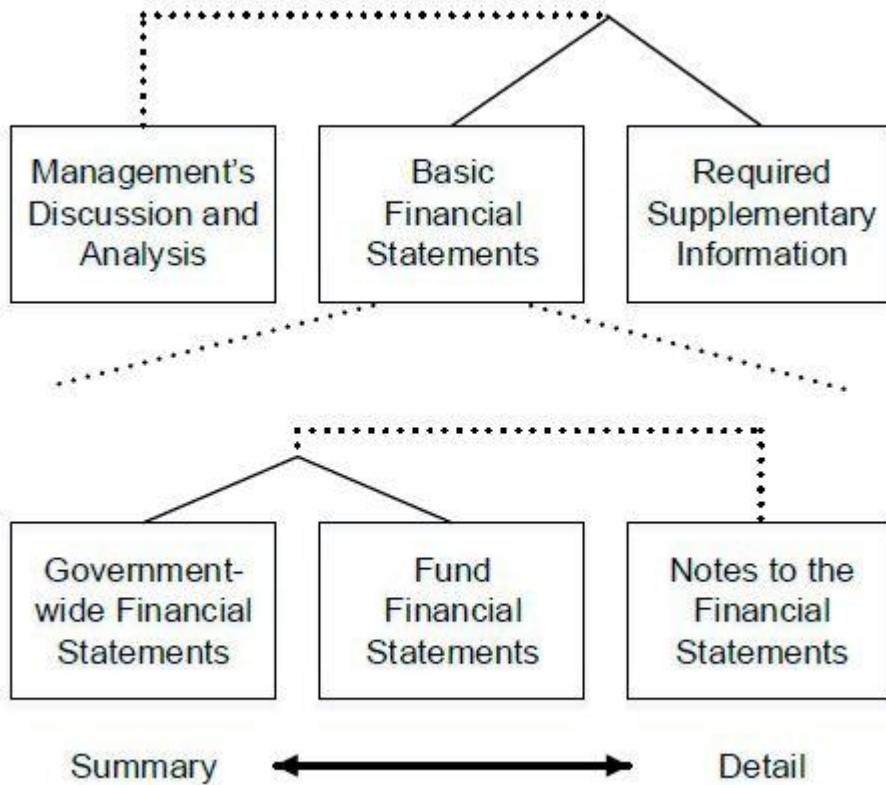


Figure 2 summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the 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/outflow 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 numerous individual governmental funds. The Debt Service fund consists of 6 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, Tower and Billboard Leases fund, Revolving Capital fund, Capital Improvement Projects 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.

Required Supplementary 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.

Other Information. 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 at the close of the most recent fiscal year.

By far, the largest portion of the City's net position 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		
	2022	2021	Increase (Decrease)	2022	2021	Increase (Decrease)
Assets						
Current and other assets	\$ 48,428,383	\$ 39,962,026	\$ 8,466,357	\$ 38,179,858	\$ 36,511,029	\$ 1,668,829
Capital assets	77,913,464	71,170,737	6,742,727	35,593,495	31,839,174	3,754,321
Total Assets	126,341,847	111,132,763	15,209,084	73,773,353	68,350,203	5,423,150
Deferred Outflows of Resources	7,168,905	4,064,259	3,104,646	547,936	562,839	(14,903)
Liabilities						
Noncurrent liabilities outstanding	19,231,555	11,840,325	7,391,230	6,624,737	5,973,548	651,189
Other liabilities	6,181,173	4,872,988	1,308,185	366,888	496,338	(129,450)
Total Liabilities	25,412,728	16,713,313	8,699,415	6,991,625	6,469,886	521,739
Deferred Inflows of Resources	6,881,011	4,728,363	2,152,648	137,552	722,404	(584,852)
Net Position						
Net investment in capital assets	71,150,996	63,789,527	7,361,469	34,796,344	31,035,815	3,760,529
Restricted	14,323,423	13,684,646	638,777	-	-	-
Unrestricted	15,742,594	16,281,173	(538,579)	32,395,768	30,684,937	1,710,831
Total Net Position	\$101,217,013	\$ 93,755,346	\$ 7,461,667	\$ 67,192,112	\$ 61,720,752	\$ 5,471,360
Net Position as a Percent of Total						
Net investment in capital assets	70.3 %	68.0 %		51.8 %	50.3 %	
Restricted	14.2	14.6		0.0	0.0	
Unrestricted	15.6	17.4		48.2	49.7	
	<u>100.0 %</u>	<u>100.0 %</u>		<u>100.0 %</u>	<u>100.0 %</u>	

An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* 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.

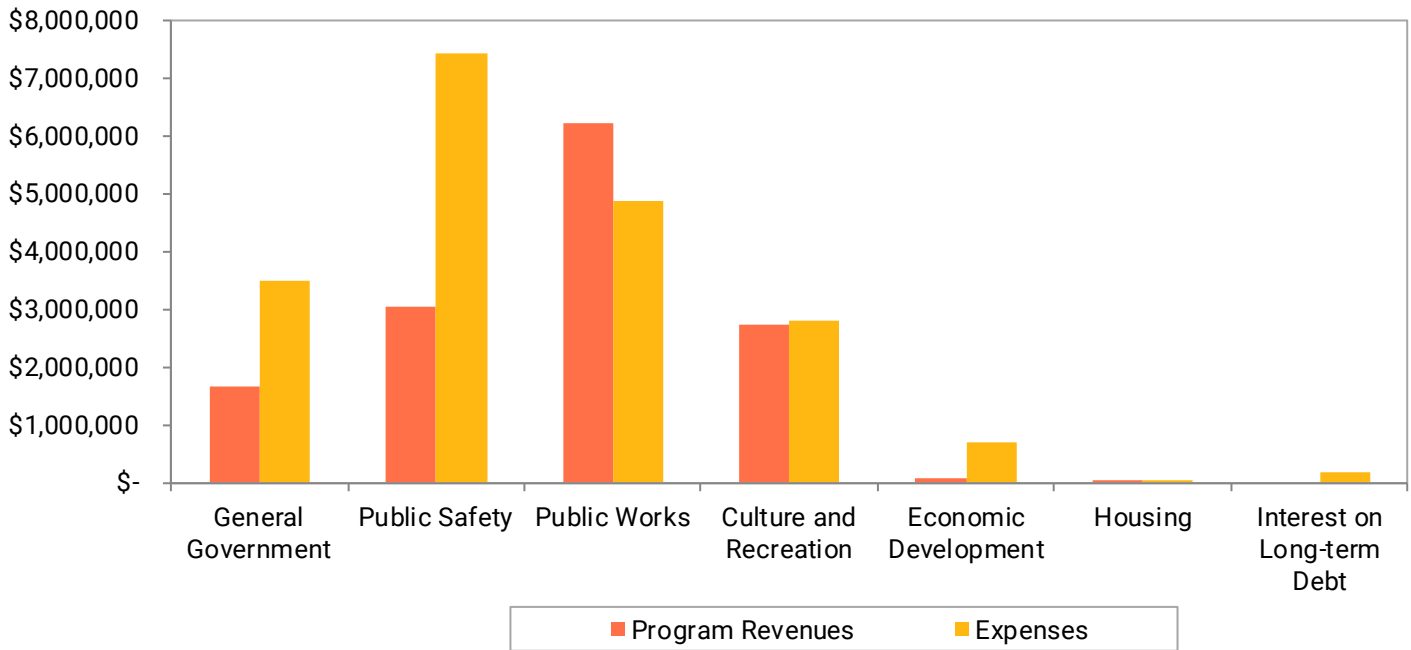
Governmental Activities. Governmental activities increased the City's net position as shown below. This increase was mainly due to an increase in operating related grants for culture and recreation projects, capital contributions from developers and a decrease in one-time related public works costs compared to what was incurred in 2021.

City of Rogers's Changes in Net Position

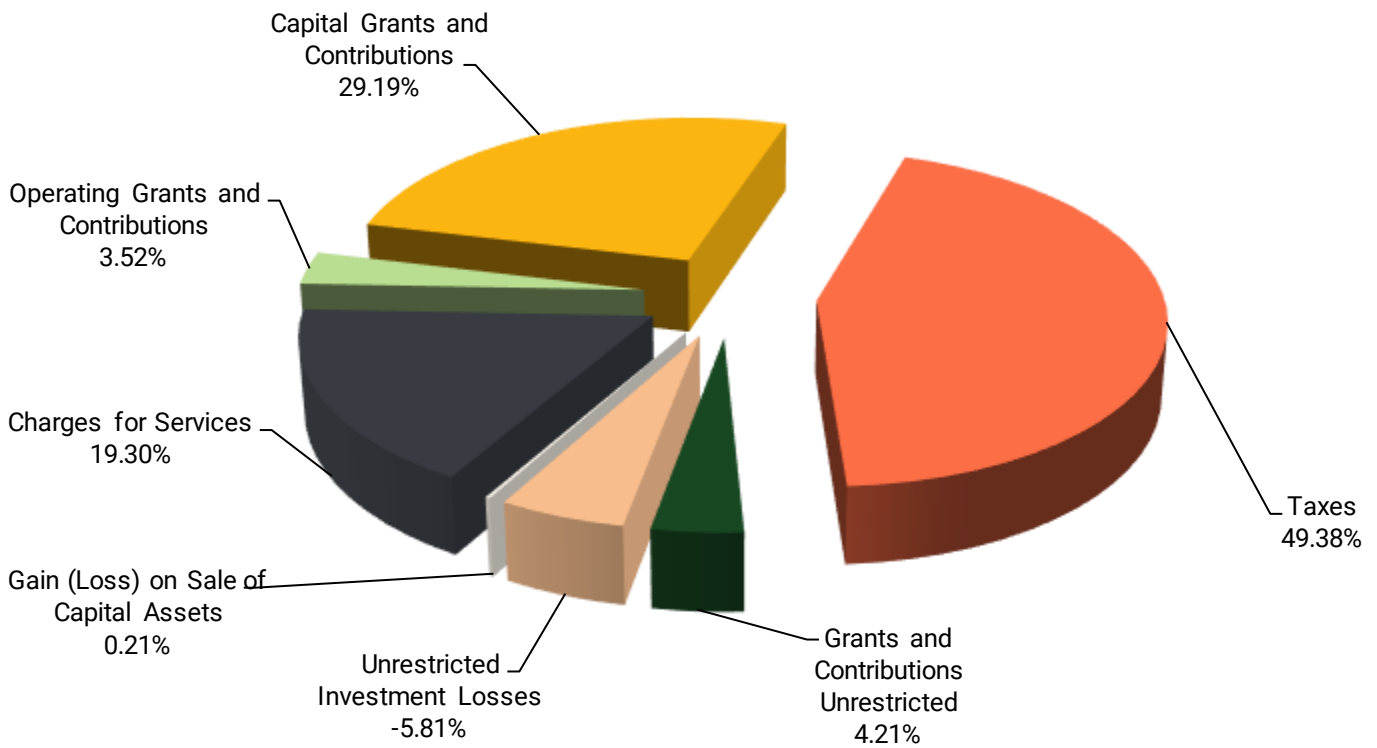
	Governmental Activities			Business-type Activities		
	2022	2021	Increase (Decrease)	2022	2021	Increase (Decrease)
Revenues						
Program Revenues						
Charges for services	\$ 5,117,261	\$ 4,743,754	\$ 373,507	\$ 8,401,010	\$ 8,132,575	\$ 268,435
Operating grants and contributions	932,450	743,428	189,022	6,639	2,128	4,511
Capital grants and contributions	7,741,797	6,954,321	787,476	8,128,269	8,508,963	(380,694)
General Revenues						
Taxes						
Property taxes	9,461,069	8,702,265	758,804	-	-	-
Tax increments	684,393	663,781	20,612	-	-	-
Franchise taxes	2,951,470	2,796,430	155,040	-	-	-
Grants and contributions not restricted to specific programs	1,117,043	760,798	356,245	-	-	-
Unrestricted investment earnings (loss)	(1,541,819)	(191,551)	(1,350,268)	(1,493,315)	(323,694)	(1,169,621)
Gain on sale of capital assets	56,886	150,689	(93,803)	-	-	-
Total Revenues	26,520,550	25,323,915	1,196,635	15,042,603	16,319,972	(1,277,369)
Expenses						
General government	3,481,274	2,850,960	630,314	-	-	-
Public safety	7,430,444	5,434,641	1,995,803	-	-	-
Public works	4,885,756	7,363,427	(2,477,671)	-	-	-
Culture and recreation	2,809,029	3,095,046	(286,017)	-	-	-
Economic development	677,470	387,693	289,777	-	-	-
Housing	25,019	156,707	(131,688)	-	-	-
Interest on long-term debt	192,390	221,174	(28,784)	-	-	-
Water	-	-	-	2,246,274	1,901,769	344,505
Sewer	-	-	-	2,054,658	1,841,277	213,381
Storm sewer	-	-	-	730,252	594,264	135,988
Municipal liquor	-	-	-	4,097,560	4,141,809	(44,249)
Total Expenses	19,501,382	19,509,648	(8,266)	9,128,744	8,479,119	649,625
Increase in Net Position						
Before Transfers	7,019,168	5,814,267	1,204,901	5,913,859	7,840,853	(1,926,994)
Transfers - Internal Activities	442,499	375,817	66,682	(442,499)	(375,817)	(66,682)
Change in Net Position	7,461,667	6,190,084	1,271,583	5,471,360	7,465,036	(1,993,676)
Net Position, January 1	93,755,346	87,565,262	6,190,084	61,720,752	54,255,716	7,465,036
Net Position, December 31	\$101,217,013	\$ 93,755,346	\$ 7,461,667	\$ 67,192,112	\$ 61,720,752	\$ 5,471,360

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

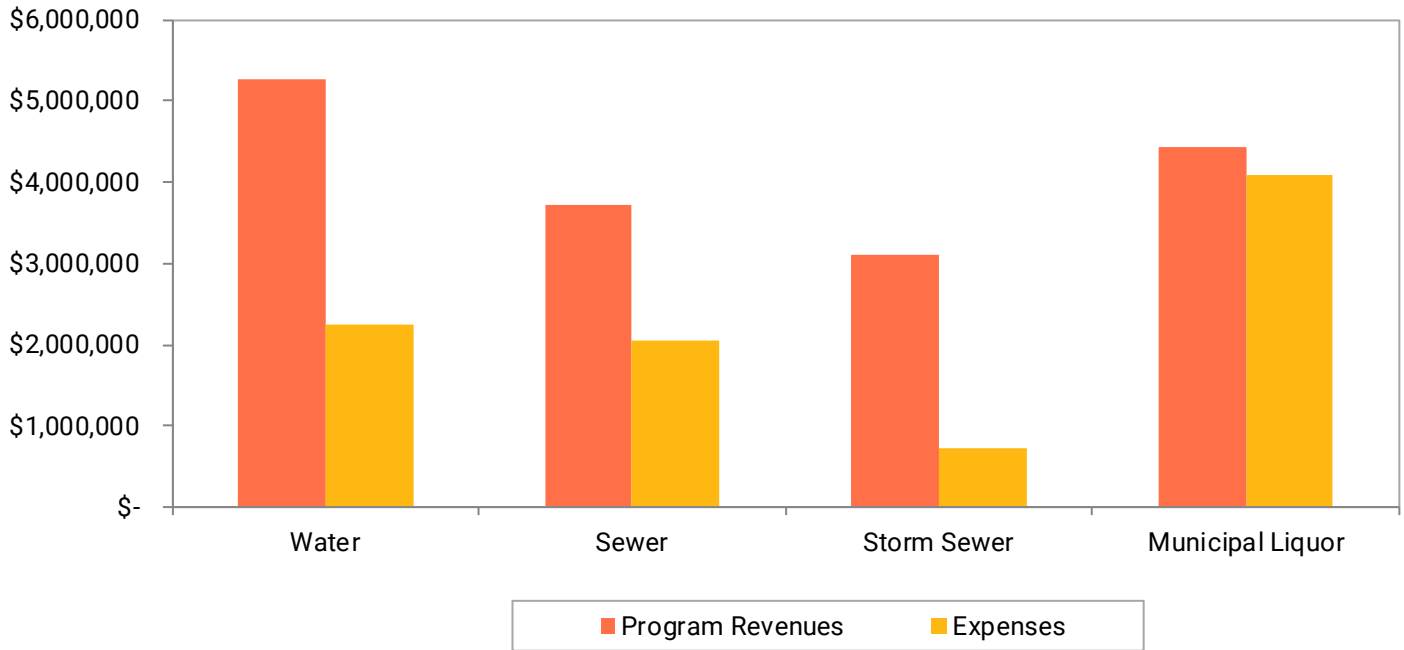


Revenues by Source - Governmental Activities

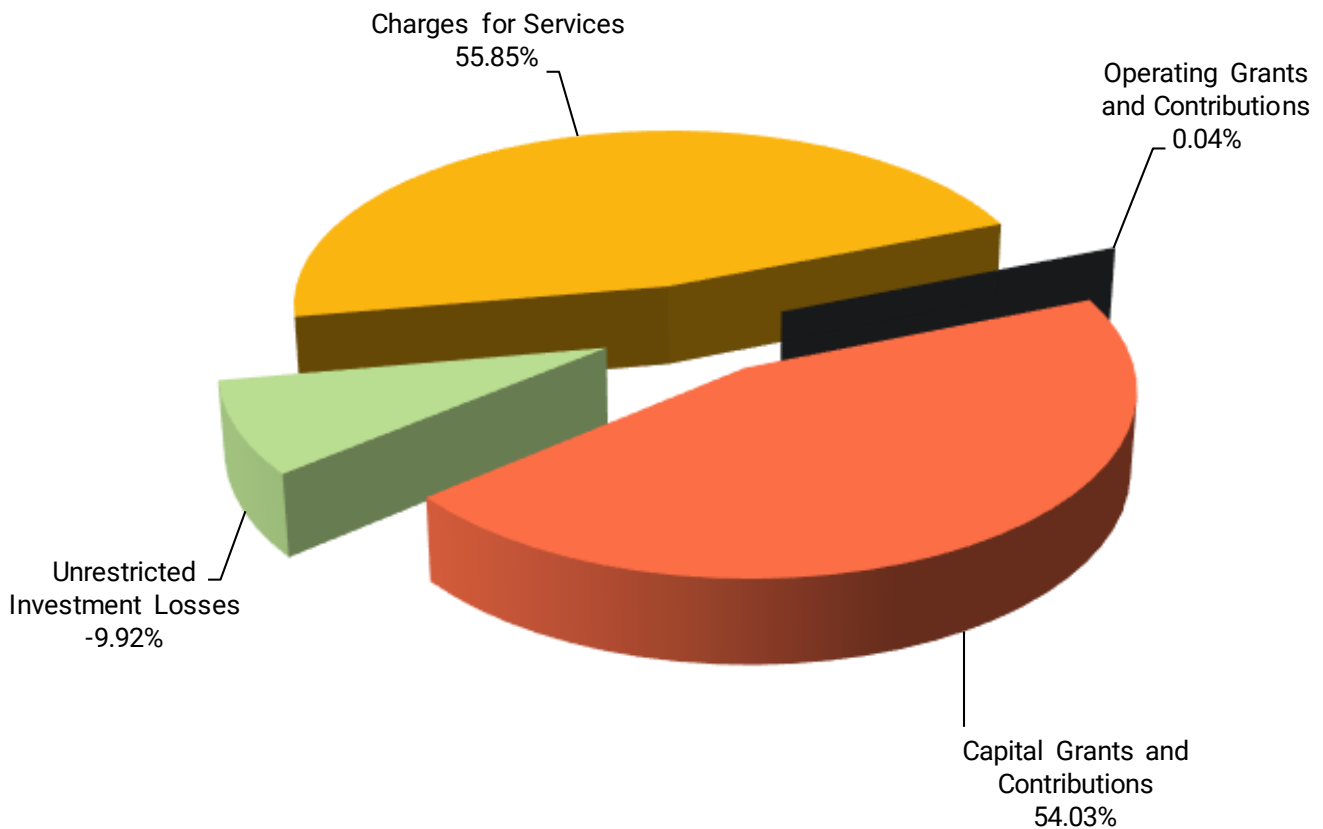


Business-type Activities. Business-type activities increased the City's net position as shown in the changes in net position table. The increase is largely attributed to capital contributions from developers and connection fee revenue.

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. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the City's financing 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 fiscal year. The table below outlines the governmental fund balances for the year ending December 31, 2022.

	General	Debt Service	Rogers Activity Center	Tower & Billboard Leases	Capital Improvement Projects	
Fund Balances						
Nonspendable	\$ 211,096	\$ -	\$ 1,718	\$ -	\$ -	
Restricted	-	1,352,430	-	-	-	
Committed	-	-	2,171,377	1,169,188	2,317,238	
Assigned	148,000	-	-	-	-	
Unassigned	7,213,196	-	-	-	-	
Total	<u>\$ 7,572,292</u>	<u>\$ 1,352,430</u>	<u>\$ 2,173,095</u>	<u>\$ 1,169,188</u>	<u>\$ 2,317,238</u>	

	Revolving Capital	Local Option Sales Tax	Other Governmental Funds	Total Governmental Funds	Prior Year Total	Increase/ (Decrease)
Fund Balances						
Nonspendable	\$ -	\$ -	\$ -	\$ 212,814	\$ 228,944	\$ (16,130)
Restricted	3,753,941	939,226	6,419,257	12,464,854	11,318,160	1,146,694
Committed	2,429,334	-	3,086,114	11,173,251	10,915,836	257,415
Assigned	-	-	69,144	217,144	387,847	(170,703)
Unassigned	-	-	-	7,213,196	6,975,071	238,125
Total	<u>\$ 6,183,275</u>	<u>\$ 939,226</u>	<u>\$ 9,574,515</u>	<u>\$ 31,281,259</u>	<u>\$ 29,825,858</u>	<u>\$ 1,455,401</u>

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances shown above. Additional information on the City's fund balances can be found in Note 1 starting on page 67 of this report.

The *General fund* is the chief operating fund of the City. At the end of the current year, the fund balance of the General fund is shown in the table below. As a measure of the General fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. The total unassigned fund balance as a percent of total fund expenditures is shown in the chart below along with total fund balance as a percent of total expenditures.

	<u>Current Year Ending Balance</u>	<u>Prior Year Ending Balance</u>
General Fund Fund Balance		
Nonspendable	\$ 211,096	\$ 226,495
Assigned	148,000	98,100
Unassigned	<u>7,213,196</u>	<u>6,975,071</u>
Total	<u>\$ 7,572,292</u>	<u>\$ 7,299,666</u>
General Fund Expenditures	11,766,058	\$10,742,737
Unassigned as a percent of expenditures	61.3 %	95.6 %
Total Fund Balance as a percent of expenditures	64.4	67.9

The fund balance of the City's General fund increased during the current fiscal year as shown in the table above. The increase in fund balance was due to permit revenue and charges for service revenue collections in excess of budget. Other major governmental fund analysis is shown below:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>Increase (Decrease)</u>
Debt Service	\$ 1,352,430	\$ 810,135	\$ 542,295
<i>The Debt Service fund increased from the prior year due to revenues collected in the current year to pay future debt service.</i>			
Rogers Activity Center	2,173,095	1,739,749	433,346
<i>The Rogers Activity Fund fund balance increased from the prior year due to additional revenues from contributions and donations.</i>			
Tower & Billboard Leases	1,169,188	867,717	301,471
<i>The Tower & Billboard Lease Fund fund balance increased during the year due to revenues from lease agreements exceeding expenditures</i>			
Capital Improvement Projects	2,317,238	2,331,689	(14,451)
<i>The Capital Improvement Projects fund balance decreased from the prior year due to expenditures related to capital projects exceeding revenues.</i>			
Revolving Capital	6,183,275	5,589,102	594,173
<i>The Revolving Capital fund balance increased during the year due to transfers in from other funds.</i>			
Local Option Sales Tax	939,226	1,844,667	(905,441)
<i>The Local Option Sales Tax fund balance decreased during the year due to increased expenditures related to capital projects.</i>			

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position of the City's proprietary funds increased as follows:

	December 31, 2022	December 31, 2021	Increase (Decrease)
Water	\$26,178,234	\$ 24,007,703	\$ 2,170,531
<i>The Water fund increased during the current year primarily due to capital asset contributions from developers and connection fee revenue.</i>			
Sewer	25,620,427	24,483,604	1,136,823
<i>The Sewer fund increased during the current year primarily due to capital asset contributions from developers and connection fee revenue.</i>			
Storm Sewer	12,884,682	10,824,965	2,059,717
<i>The Storm Sewer fund increased during the current year primarily due to capital asset contributions from developers and connection fee revenue.</i>			
Municipal Liquor	2,508,769	2,404,480	104,289
<i>The municipal liquor fund increased during the year due to an increase in sales revenue and a decrease in cost of goods sold.</i>			

General Fund Budgetary Highlights

	Original Budgeted Amounts	Budget Amendments	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	11,186,711	-	11,186,711	12,011,204	824,493
Expenditures	11,414,191	24,460	11,438,651	11,766,058	(327,407)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(227,480)	(24,460)	(251,940)	245,146	497,086
Other Financing Sources (Uses)					
Transfers in	227,480	-	227,480	227,480	-
Transfers out	-	-	-	(200,000)	(200,000)
Total Other Financing Sources (Uses)	227,480	-	227,480	27,480	(200,000)
Net Change in Fund Balances	-	(24,460)	(24,460)	272,626	297,086
Fund Balances, January 1	7,299,666	-	7,299,666	7,299,666	-
Fund Balances, December 31	\$ 7,299,666	\$ -	\$ 7,275,206	\$ 7,572,292	\$ 297,086

The City's General fund budget was amended during the year as shown above. The budget amendment increased expenditures relating to planning and zoning services and public safety expenses. Actual revenues and expenditures were over the final budget amounts as shown above. The largest revenue variance was due to building permit revenue exceeding expectations and the largest expenditure variance was within general engineering, which exceeded its budget by \$288,900.

Rogers Activity Center Fund Budgetary Highlights

	Original & Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	865,699	1,077,979	212,280
Expenditures	708,156	642,880	65,276
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>157,543</u>	<u>435,099</u>	<u>277,556</u>
Other Financing Sources (Uses)			
Sale of capital assets	-	727	727
Transfers out	<u>(2,480)</u>	<u>(2,480)</u>	<u>-</u>
Net Change in Fund Balances	155,063	433,346	278,283
Fund Balances, January 1	<u>1,739,749</u>	<u>1,739,749</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 1,894,812</u>	<u>\$ 2,173,095</u>	<u>\$ 278,283</u>

The Rogers Activity Center Fund budget was not amended during the year. Actual revenues from charges for services were over the final budget and actual expenditures were under the final budget.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2022 is shown below in capital asset table (net of accumulated depreciation). This investment in capital assets includes land, structures, improvements, machinery and equipment, vehicles, roads, highways and bridges. The total increase in the City's investment in capital assets for the current fiscal year for governmental and business-type activities is due to the following major capital asset events during the fiscal year:

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

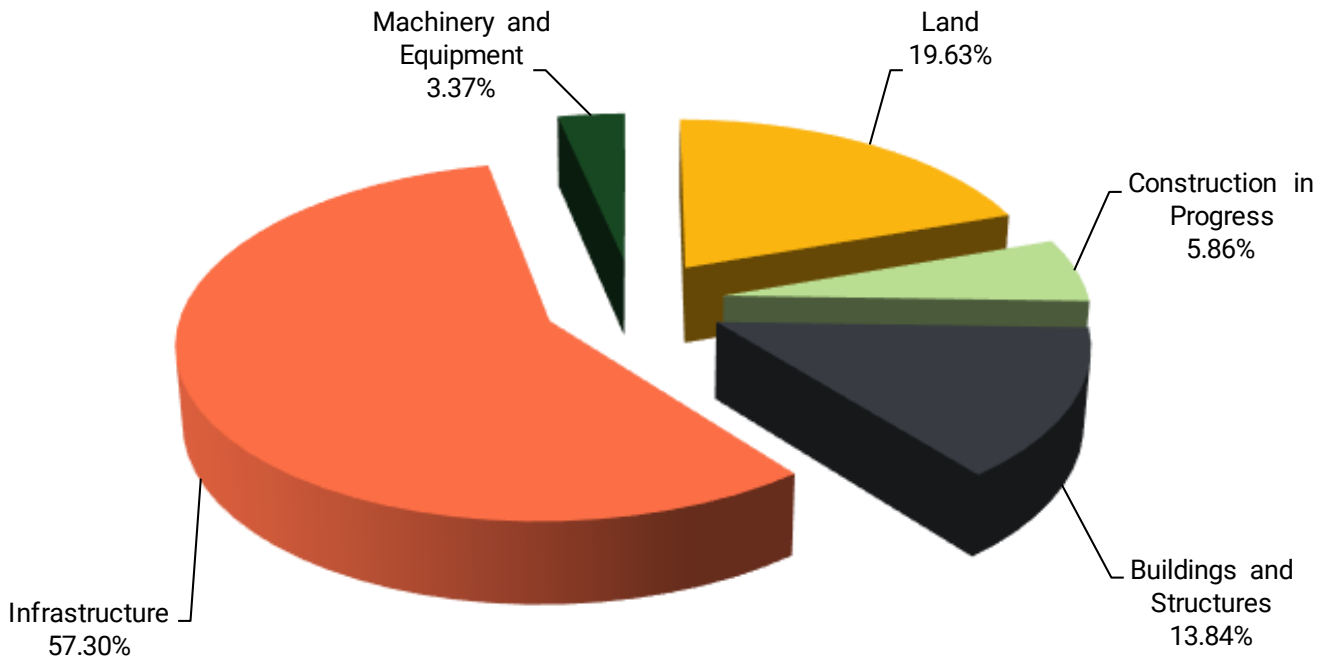
- Purchase of Engine 22
- Developers contributed infrastructure within the following subdivisions:
 - Laurel Creek
 - Edgewater 3rd
 - WJD II 4th Addition
 - Fletcher Hills 2nd
- Completion of Phase II of CSAH 144 Trail Project
- Completion of Middle School Pickleball and Tennis Courts
- Completion of land improvements at 12704 Main Street

- Construction in Process additions:
 - 2022 Street Improvements
 - Turf Dome Site Improvements
 - Basswood Lane Improvements
 - Lions Central Park Splash Pad and Improvements
 - Rogers Event Center Site Improvements

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)

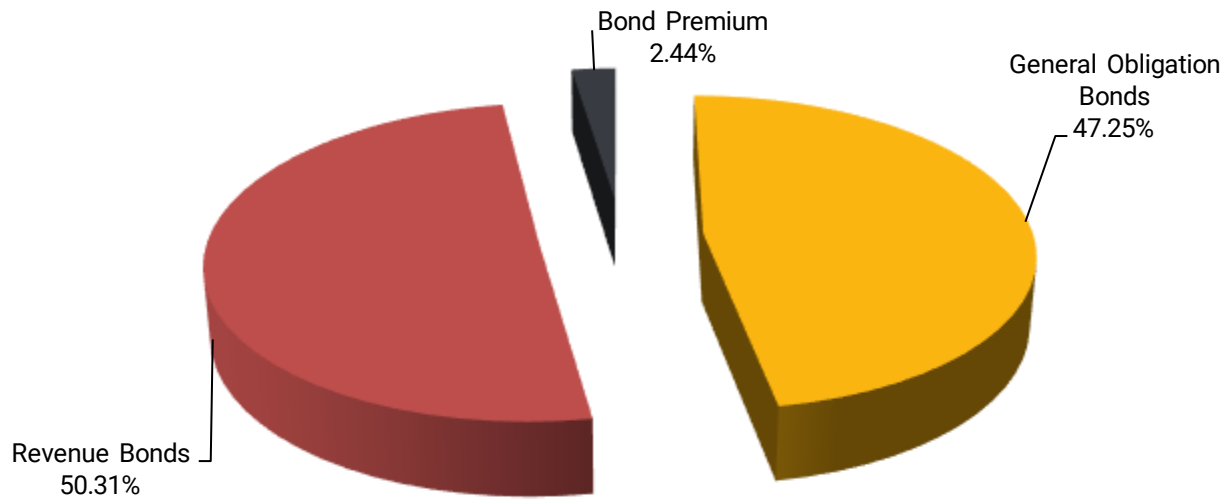
	Governmental Activities			Business-type Activities		
	2022	2021	Increase (Decrease)	2022	2021	Increase (Decrease)
Land	\$ 20,205,723	\$ 19,969,421	\$ 236,302	\$ 2,075,353	\$ 2,075,353	\$ -
Construction in Progress	6,429,866	3,476,741	2,953,125	216,516	196,130	20,386
Buildings and Structures	14,595,379	15,413,655	(818,276)	1,116,906	1,276,760	(159,854)
Infrastructure	33,139,952	29,357,725	3,782,227	31,903,965	28,072,590	3,831,375
Machinery and Equipment	3,542,544	2,953,195	589,349	280,755	218,341	62,414
Total	\$ 77,913,464	\$ 71,170,737	\$ 6,742,727	\$ 35,593,495	\$ 31,839,174	\$ 3,754,321



Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding consisting of general obligation debt and revenue related debt as noted in the table below. 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		
	2022	2021	Increase (Decrease)	2022	2021	Increase (Decrease)
General Obligation Bonds	\$ 5,480,000	\$ 5,890,000	\$ (410,000)	\$ -	\$ -	\$ -
Revenue Bonds	1,290,000	1,465,000	(175,000)	4,545,000	4,660,000	(115,000)
Equipment Certificates	-	50,000	(50,000)	-	-	-
Bond Premium	148,944	166,467	(17,523)	133,472	143,359	(9,887)
Total	\$ 6,918,944	\$ 7,571,467	\$ (652,523)	\$ 4,678,472	\$ 4,803,359	\$ (124,887)



The City’s total debt decreased during the current fiscal year. The key factor in this decrease was scheduled bond payments.

Minnesota statutes limit the amount of net general obligation debt a City may issue to 3 percent of the market value of taxable property within the City. Net debt is debt payable solely from ad valorem taxes. The current debt limitation for the City is \$72,456,626. The City is under the statutory debt limit as of December 31, 2022.

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 2023 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 2023 includes a property tax levy of \$11,362,909, which is a 19.96 percent increase over the previous year. The City's growth in tax capacity was approximately 21 percent and the tax rate decreased approximately 3.5 percent to 33.557 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 of Rogers, 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, 2022

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City of Rogers, Minnesota
Statement of Net Position
December 31, 2022

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and temporary investments	\$ 38,565,611	\$ 33,250,601	\$ 71,816,212
Receivables			
Accounts	793,826	492,545	1,286,371
Accrued interest	242,701	-	242,701
Taxes	88,287	-	88,287
Special assessments	1,871,715	75,890	1,947,605
Loans	224,513	-	224,513
Leases	6,240,694	-	6,240,694
Due from other governments	2,974,165	500,592	3,474,757
Internal balances	(3,305,933)	3,305,933	-
Inventories	32,843	430,952	463,795
Prepaid items	179,971	123,345	303,316
Net pension asset	519,990	-	519,990
Capital assets			
Land and construction in progress	26,635,589	2,291,869	28,927,458
Depreciable assets (net of accumulated depreciation)	51,277,875	33,301,626	84,579,501
Total Assets	126,341,847	73,773,353	200,115,200
Deferred Outflows of Resources			
Deferred other postemployment benefits	125,183	33,492	158,675
Deferred pension resources	7,043,722	514,444	7,558,166
Total Deferred Outflows of Resources	7,168,905	547,936	7,716,841
Liabilities			
Accounts payable	1,434,024	210,030	1,644,054
Accrued salaries payable	138,665	35,323	173,988
Accrued interest payable	28,516	31,105	59,621
Due to other governments	18,525	90,430	108,955
Escrows payable	3,393,755	-	3,393,755
Unearned revenue	1,167,688	-	1,167,688
Noncurrent liabilities			
Due within one year			
Long-term liabilities	1,159,273	426,519	1,585,792
Due in more than one year			
Long-term liabilities	6,996,892	4,575,565	11,572,457
Other postemployment benefits payable	403,529	107,962	511,491
Net pension liability	10,671,861	1,514,691	12,186,552
Total Liabilities	25,412,728	6,991,625	32,404,353
Deferred Inflows of Resources			
Deferred other postemployment benefits	438,376	117,286	555,662
Deferred pension resources	289,650	20,266	309,916
Deferred lease revenue	6,152,985	-	6,152,985
Total Deferred Inflows of Resources	6,881,011	137,552	7,018,563
Net Position			
Net investment in capital assets	71,150,996	34,796,344	105,947,340
Restricted for			
Debt service	2,842,115	-	2,842,115
Tax increment financing	1,431,249	-	1,431,249
Loans	399,851	-	399,851
Police forfeitures	20,524	-	20,524
Park improvements	2,765,334	-	2,765,334
Economic development	189,739	-	189,739
Capital improvements	6,149,251	-	6,149,251
Fire relief pension	525,360	-	525,360
Unrestricted	15,742,594	32,395,768	48,663,722
Total Net Position	\$ 101,217,013	\$ 67,192,112	\$ 168,409,125

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, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 3,481,274	\$ 1,671,825	\$ 5,237	\$ -
Public safety	7,430,444	2,312,236	533,704	195,000
Public works	4,885,756	254,630	267,310	5,697,097
Culture and recreation	2,809,029	780,879	126,199	1,829,700
Economic development	677,470	48,836	-	20,000
Housing	25,019	48,855	-	-
Interest on long-term debt	192,390	-	-	-
Total Governmental Activities	<u>19,501,382</u>	<u>5,117,261</u>	<u>932,450</u>	<u>7,741,797</u>
Business-type Activities				
Water	2,246,274	1,752,170	1,616	3,524,792
Sewer	2,054,658	1,484,092	1,610	2,234,769
Storm sewer	730,252	726,952	944	2,368,708
Municipal liquor	4,097,560	4,437,796	2,469	-
Total Business-type Activities	<u>9,128,744</u>	<u>8,401,010</u>	<u>6,639</u>	<u>8,128,269</u>
Total	<u>\$ 28,630,126</u>	<u>\$ 13,518,271</u>	<u>\$ 939,089</u>	<u>\$ 15,870,066</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 (loss)

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
\$ (1,804,212)	\$ -	\$ (1,804,212)
(4,389,504)	-	(4,389,504)
1,333,281	-	1,333,281
(72,251)	-	(72,251)
(608,634)	-	(608,634)
23,836	-	23,836
(192,390)	-	(192,390)
<u>(5,709,874)</u>	<u>-</u>	<u>(5,709,874)</u>
-	3,032,304	3,032,304
-	1,665,813	1,665,813
-	2,366,352	2,366,352
-	342,705	342,705
<u>-</u>	<u>7,407,174</u>	<u>7,407,174</u>
<u>(5,709,874)</u>	<u>7,407,174</u>	<u>1,697,300</u>
9,000,602	-	9,000,602
460,467	-	460,467
684,393	-	684,393
2,951,470	-	2,951,470
1,117,043	-	1,117,043
(1,541,819)	(1,493,315)	(3,035,134)
56,886	-	56,886
442,499	(442,499)	-
<u>13,171,541</u>	<u>(1,935,814)</u>	<u>11,235,727</u>
7,461,667	5,471,360	12,933,027
<u>93,755,346</u>	<u>61,720,752</u>	<u>155,476,098</u>
<u>\$101,217,013</u>	<u>\$ 67,192,112</u>	<u>\$168,409,125</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, 2022

City of Rogers, Minnesota

Balance Sheet
Governmental Funds
December 31, 2022

	General	Debt Service	Rogers Activity Center	Tower & Billboard Leases	Capital Improvement Projects
Assets					
Cash and temporary investments	\$ 10,483,281	\$ 1,352,430	\$ 1,968,342	\$ 1,097,375	\$ 5,453,124
Receivables					
Accounts	229,425	-	231,294		-
Accrued interest	242,567	-	-		-
Taxes	88,287	-	-		-
Special assessments	-	1,518,201	-		-
Loans	-	-	-		-
Leases	-	-	-	6,240,694	-
Due from other governments	315,860	-	3		-
Due from other funds	521,952	-	-		-
Inventories	32,843	-	-		-
Prepaid items	178,253	-	1,718		-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 12,092,468</u>	<u>\$ 2,870,631</u>	<u>\$ 2,201,357</u>	<u>\$ 7,338,069</u>	<u>\$ 5,453,124</u>
Liabilities					
Accounts payable	\$ 952,714	\$ -	\$ 16,649	\$ -	\$ 41,321
Accrued salaries payable	133,457	-	5,208		-
Escrows payable	3,285,276	-	-	15,896	-
Due to other governments	12,116	-	2,861		-
Due to other funds	-	-	-		704,875
Advance from other funds	-	-	-		2,389,690
Unearned revenue	48,326	-	3,544	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>4,431,889</u>	<u>-</u>	<u>28,262</u>	<u>15,896</u>	<u>3,135,886</u>
Deferred Inflows of Resources					
Deferred lease resources	-	-	-	6,152,985	-
Unavailable revenue - property taxes	88,287	-	-	-	-
Unavailable revenue - special assessments	-	1,518,201	-	-	-
Unavailable revenue - intergovernmental	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Deferred Inflows of Resources	<u>88,287</u>	<u>1,518,201</u>	<u>-</u>	<u>6,152,985</u>	<u>-</u>
Fund Balances					
Nonspendable	211,096	-	1,718	-	-
Restricted	-	1,352,430	-	-	-
Committed	-	-	2,171,377	1,169,188	2,317,238
Assigned	148,000	-	-	-	-
Unassigned	7,213,196	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>7,572,292</u>	<u>1,352,430</u>	<u>2,173,095</u>	<u>1,169,188</u>	<u>2,317,238</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 12,092,468</u>	<u>\$ 2,870,631</u>	<u>\$ 2,201,357</u>	<u>\$ 7,338,069</u>	<u>\$ 5,453,124</u>

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

Revolving Capital	Local Option Sales Tax	Other Governmental Funds	Total Governmental Funds
\$ 6,218,824	\$ 739,673	\$ 11,252,562	\$ 38,565,611
-	-	333,107	793,826
-	-	134	242,701
-	-	-	88,287
353,514	-	-	1,871,715
-	-	224,513	224,513
-	-	-	6,240,694
2,361,490	296,812	-	2,974,165
-	-	-	521,952
-	-	-	32,843
-	-	-	179,971
<u>\$ 8,933,828</u>	<u>\$ 1,036,485</u>	<u>\$ 11,810,316</u>	<u>\$ 51,736,278</u>
\$ 35,539	\$ 97,259	\$ 290,542	\$ 1,434,024
-	-	-	138,665
-	-	92,583	3,393,755
10	-	3,538	18,525
-	-	172,689	877,564
-	-	560,631	2,950,321
-	-	1,115,818	1,167,688
<u>35,549</u>	<u>97,259</u>	<u>2,235,801</u>	<u>9,980,542</u>
-	-	-	6,152,985
-	-	-	88,287
353,514	-	-	1,871,715
2,361,490	-	-	2,361,490
<u>2,715,004</u>	<u>-</u>	<u>-</u>	<u>10,474,477</u>
-	-	-	212,814
3,753,941	939,226	6,419,257	12,464,854
2,429,334	-	3,086,114	11,173,251
-	-	69,144	217,144
-	-	-	7,213,196
<u>6,183,275</u>	<u>939,226</u>	<u>9,574,515</u>	<u>31,281,259</u>
<u>\$ 8,933,828</u>	<u>\$ 1,036,485</u>	<u>\$ 11,810,316</u>	<u>\$ 51,736,278</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, 2022

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

Total Fund Balances - Governmental	\$ 31,281,259
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.</p>	
Cost of capital assets	143,814,198
Less accumulated depreciation	(65,900,734)
<p>Long-term assets from pensions reported in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.</p>	
	519,990
<p>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</p>	
Compensated absences payable	(1,109,100)
Severance obligations payable	(128,121)
Other postemployment benefits payable	(403,529)
Bonds payable	(6,918,944)
Net pension liability	(10,671,861)
<p>Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable in the funds.</p>	
Special assessments receivable	1,871,715
Taxes receivable	88,287
Grant receivable	2,361,490
<p>Governmental funds do not report a liability for accrued interest until due and payable.</p>	
	(28,516)
<p>Governmental funds do not report long-term amounts related to pensions.</p>	
Deferred outflows of resources	7,043,722
Deferred inflows of resources	(289,650)
<p>Governmental funds do not report long-term amounts related to other postemployment benefits.</p>	
Deferred outflows of resources	125,183
Deferred inflows of resources	(438,376)
Total Net Position - Governmental Activities	\$ 101,217,013

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, 2022

	General	Debt Service	Rogers Activity Center	Tower & Billboard Leases	Capital Improvement Projects
Revenues					
Taxes	\$ 7,796,164	\$ 460,467	\$ 253,699	\$ -	\$ 552,267
Tax increments	-	-	-	-	-
Franchise taxes	-	-	-	-	-
Licenses and permits	1,923,310	-	-	-	-
Intergovernmental	696,249	-	-	-	742,799
Charges for services	1,445,256	-	639,019	360,522	-
Fines and forfeitures	88,197	-	-	-	-
Special assessments	-	524,240	-	-	-
Investment earnings (loss)	(546,968)	16,337	(102,393)	(57,452)	(287,555)
Miscellaneous	608,996	-	287,654	-	157
Total Revenues	12,011,204	1,001,044	1,077,979	303,070	1,007,668
Expenditures					
Current					
General government	2,972,170	-	-	1,599	-
Public safety	6,139,205	-	-	-	-
Public works	1,477,468	-	-	-	-
Culture and recreation	1,167,453	-	636,380	-	-
Economic development	-	-	-	-	-
Capital outlay					
General government	-	-	-	-	82,180
Public safety	-	-	-	-	769,015
Public works	9,762	-	-	-	83,445
Culture and recreation	-	-	6,500	-	134,071
Economic development	-	-	-	-	-
Housing	-	-	-	-	-
Debt service					
Principal	-	635,000	-	-	-
Interest and other	-	193,069	-	-	24,871
Total Expenditures	11,766,058	828,069	642,880	1,599	1,093,582
Excess (Deficiency) of Revenues Over (Under) Expenditures	245,146	172,975	435,099	301,471	(85,914)
Other Financing Sources (Uses)					
Transfers in	227,480	369,320	-	-	30,000
Sale of capital assets	-	-	727	-	41,463
Transfers out	(200,000)	-	(2,480)	-	-
Total Other Financing Sources (Uses)	27,480	369,320	(1,753)	-	71,463
Net Change in Fund Balances	272,626	542,295	433,346	301,471	(14,451)
Fund Balances, January 1	7,299,666	810,135	1,739,749	867,717	2,331,689
Fund Balances, December 31	\$ 7,572,292	\$ 1,352,430	\$ 2,173,095	\$ 1,169,188	\$ 2,317,238

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

Revolving Capital	Local Option Sales Tax	Other Governmental Funds	Total Governmental Funds
\$ 125,000	\$ -	\$ 409,000	\$ 9,596,597
-	-	684,393	684,393
-	1,543,253	1,262,462	2,805,715
-	-	-	1,923,310
-	-	934,364	2,373,412
144,583	-	998,555	3,587,935
-	-	1,758	89,955
202,483	-	-	726,723
(283,728)	17,306	(297,366)	(1,541,819)
-	-	401,593	1,298,400
<u>188,338</u>	<u>1,560,559</u>	<u>4,394,759</u>	<u>21,544,621</u>
-	-	290,687	3,264,456
-	-	10,722	6,149,927
-	-	-	1,477,468
-	-	43,677	1,847,510
-	-	327,972	327,972
-	-	-	82,180
-	-	11,590	780,605
436,152	-	1,397,359	1,926,718
-	2,466,000	1,170,366	3,776,937
-	-	232,534	232,534
-	-	61,498	61,498
-	-	-	-
-	-	-	635,000
-	-	-	217,940
<u>436,152</u>	<u>2,466,000</u>	<u>3,546,405</u>	<u>20,780,745</u>
<u>(247,814)</u>	<u>(905,441)</u>	<u>848,354</u>	<u>763,876</u>
841,987	-	262,499	1,731,286
-	-	206,836	249,026
-	-	(1,086,307)	(1,288,787)
<u>841,987</u>	<u>-</u>	<u>(616,972)</u>	<u>691,525</u>
594,173	(905,441)	231,382	1,455,401
<u>5,589,102</u>	<u>1,844,667</u>	<u>9,343,133</u>	<u>29,825,858</u>
<u>\$ 6,183,275</u>	<u>\$ 939,226</u>	<u>\$ 9,574,515</u>	<u>\$ 31,281,259</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, 2022

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

Net Change in Fund Balances - Governmental Funds	\$ 1,455,401
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.</p>	
Capital outlays	5,254,597
Depreciation expense	(3,493,516)
<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	(924,048)
Depreciation on disposals	536,311
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.</p>	
Capital assets contributed from developers	5,369,383
<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	635,000
Amortization of bond premium	17,523
<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>	
	8,027
<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	(657,984)
Taxes	10,227
Intergovernmental	100,135
<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	(108,278)
Severance obligations	(22,486)
Other postemployment benefits	(14,827)
<p>Long-term pension activity is not reported in governmental funds.</p>	
Pension expense	(801,080)
Pension revenue	97,282
	97,282
Change in Net Position - Governmental Activities	\$ 7,461,667

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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 7,801,912	\$ 7,801,912	\$ 7,796,164	\$ (5,748)
Licenses and permits	1,311,230	1,311,230	1,923,310	612,080
Intergovernmental	603,798	603,798	696,249	92,451
Charges for services	1,055,498	1,055,498	1,445,256	389,758
Fines and forfeitures	72,000	72,000	88,197	16,197
Investment earnings (loss)	70,000	70,000	(546,968)	(616,968)
Miscellaneous	272,273	272,273	608,996	336,723
Total Revenues	<u>11,186,711</u>	<u>11,186,711</u>	<u>12,011,204</u>	<u>824,493</u>
Expenditures				
Current				
General government	2,623,186	2,633,186	2,972,170	(338,984)
Public safety	5,981,305	5,995,765	6,139,205	(143,440)
Public works	1,639,479	1,639,479	1,477,468	162,011
Culture and recreation	1,130,221	1,130,221	1,167,453	(37,232)
Capital outlay				
Public works	40,000	40,000	9,762	30,238
Total Expenditures	<u>11,414,191</u>	<u>11,438,651</u>	<u>11,766,058</u>	<u>(327,407)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(227,480)</u>	<u>(251,940)</u>	<u>245,146</u>	<u>497,086</u>
Other Financing Sources (Uses)				
Transfers in	227,480	227,480	227,480	-
Transfers out	-	-	(200,000)	(200,000)
Total Other Financing Sources (Uses)	<u>227,480</u>	<u>227,480</u>	<u>27,480</u>	<u>(200,000)</u>
Net Change in Fund Balances	-	(24,460)	272,626	297,086
Fund Balances, January 1	<u>7,299,666</u>	<u>7,299,666</u>	<u>7,299,666</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 7,299,666</u>	<u>\$ 7,275,206</u>	<u>\$ 7,572,292</u>	<u>\$ 297,086</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 253,699	\$ 253,699	\$ 253,699	\$ -
Charges for services	523,000	523,000	639,019	116,019
Investment earnings (loss)	4,000	4,000	(102,393)	(106,393)
Miscellaneous				
Contributions and donations	85,000	85,000	285,000	200,000
Other	-	-	2,654	2,654
Total Revenues	<u>865,699</u>	<u>865,699</u>	<u>1,077,979</u>	<u>212,280</u>
Expenditures				
Current				
Culture and recreation				
Personal services	291,931	291,931	306,402	(14,471)
Supplies	76,350	76,350	105,148	(28,798)
Other services and charges	166,475	166,475	224,830	(58,355)
Capital outlay				
Culture and recreation	173,400	173,400	6,500	166,900
Total Expenditures	<u>708,156</u>	<u>708,156</u>	<u>642,880</u>	<u>65,276</u>
Excess of Revenues Over Expenditures	157,543	157,543	435,099	277,556
Other Financing Sources (Uses)				
Transfers out	(2,480)	(2,480)	(2,480)	-
Sale of capital assets	-	-	727	727
Total Other Financing Sources (Uses)	<u>(2,480)</u>	<u>(2,480)</u>	<u>(1,753)</u>	<u>727</u>
Net Change in Fund Balances	155,063	155,063	433,346	278,283
Fund Balances, January 1	<u>1,739,749</u>	<u>1,739,749</u>	<u>1,739,749</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 1,894,812</u>	<u>\$ 1,894,812</u>	<u>\$ 2,173,095</u>	<u>\$ 278,283</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, 2022

	Business-type Activities - Enterprise Funds				Totals
	Water	Sewer	Storm Sewer	Municipal Liquor	
Assets					
Current Assets					
Cash and temporary investments	\$ 17,245,288	\$ 10,398,636	\$ 3,941,918	\$ 1,664,759	\$ 33,250,601
Receivables					
Accounts	94,850	194,490	101,552	101,653	492,545
Due from other governments	431,186	46,103	19	23,284	500,592
Due from other funds	-	877,564	-	-	877,564
Inventories	-	-	-	430,952	430,952
Prepaid items	5,674	97,591	4,065	16,015	123,345
Total Current Assets	17,776,998	11,614,384	4,047,554	2,236,663	35,675,599
Noncurrent Assets					
Special assessments receivable	36,273	31,410	8,207	-	75,890
Advance to other funds	-	2,950,321	-	-	2,950,321
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	18,935,474	15,218,335	13,563,554	-	47,717,363
Machinery and equipment	247,702	603,140	214,858	122,424	1,188,124
Construction in progress	118,679	97,837	-	-	216,516
Less accumulated depreciation	(10,583,464)	(5,594,741)	(4,871,266)	(778,167)	(21,827,638)
Total Capital Assets (Net of Accumulated Depreciation)	13,520,551	11,469,328	9,073,567	1,530,049	35,593,495
Total Noncurrent Assets	13,556,824	14,451,059	9,081,774	1,530,049	38,619,706
Total Assets	31,333,822	26,065,443	13,129,328	3,766,712	74,295,305
Deferred Outflows of Resources					
Deferred other postemployment benefits resources	10,785	10,744	6,203	5,760	33,492
Deferred pension resources	125,202	124,736	73,181	191,325	514,444
Total Deferred Outflows of Resources	135,987	135,480	79,384	197,085	547,936
Liabilities					
Current Liabilities					
Accounts payable	57,665	25,599	17,131	109,635	210,030
Accrued salaries payable	8,780	8,751	5,039	12,753	35,323
Accrued interest payable	31,105	-	-	-	31,105
Due to other governments	2,772	35,410	-	52,248	90,430
Due to other funds	-	-	-	521,952	521,952
Compensated absences payable - current portion	16,062	15,957	9,699	34,801	76,519
Bonds payable - current portion	350,000	-	-	-	350,000
Total Current Liabilities	466,384	85,717	31,869	731,389	1,315,359

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, 2022

Business-type Activities - Enterprise Funds

	Water	Sewer	Storm Sewer	Municipal Liquor	Totals
Noncurrent Liabilities					
Severance obligations payable	\$ 8,133	\$ 8,133	\$ 6,437	\$ 21,992	\$ 44,695
Compensated absences payable	42,486	42,207	25,654	92,051	202,398
Other postemployment benefits payable	34,766	34,634	19,996	18,566	107,962
Bonds payable	4,328,472	-	-	-	4,328,472
Net pension liability	368,634	367,266	215,468	563,323	1,514,691
Total Noncurrent Liabilities	<u>4,782,491</u>	<u>452,240</u>	<u>267,555</u>	<u>695,932</u>	<u>6,198,218</u>
Total Liabilities	<u>5,248,875</u>	<u>537,957</u>	<u>299,424</u>	<u>1,427,321</u>	<u>7,513,577</u>
Deferred Inflows of Resources					
Deferred other postemployment benefits resources	37,768	37,625	21,723	20,170	117,286
Deferred pension resources	4,932	4,914	2,883	7,537	20,266
Total Deferred Outflows of Resources	<u>42,700</u>	<u>42,539</u>	<u>24,606</u>	<u>27,707</u>	<u>137,552</u>
Net Position					
Net investment in capital assets	12,723,400	11,469,328	9,073,567	1,530,049	34,796,344
Unrestricted	13,454,834	14,151,099	3,811,115	978,720	32,395,768
Total Net Position	<u>\$ 26,178,234</u>	<u>\$ 25,620,427</u>	<u>\$ 12,884,682</u>	<u>\$ 2,508,769</u>	<u>\$ 67,192,112</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, 2022

	Business-type Activities - Enterprise Funds				Totals
	Water	Sewer	Storm Sewer	Municipal Liquor	
Operating Revenues					
Sales	\$ -	\$ -	\$ -	\$ 4,404,750	\$ 4,404,750
Cost of sales	-	-	-	(3,005,016)	(3,005,016)
Gross Profit	-	-	-	1,399,734	1,399,734
Charges for services	1,746,124	1,483,449	703,124	-	3,932,697
Miscellaneous	6,046	643	23,578	-	30,267
Total Operating Revenues	<u>1,752,170</u>	<u>1,484,092</u>	<u>726,702</u>	<u>1,399,734</u>	<u>5,362,698</u>
Operating Expenses					
Personal services	573,355	571,277	311,230	769,350	2,225,212
Supplies	333,379	30,214	7,745	23,899	395,237
Other services and charges	713,294	1,097,899	169,814	262,401	2,243,408
Depreciation	546,296	355,268	241,463	36,823	1,179,850
Total Operating Expenses	<u>2,166,324</u>	<u>2,054,658</u>	<u>730,252</u>	<u>1,092,473</u>	<u>6,043,707</u>
Operating Income (Loss)	<u>(414,154)</u>	<u>(570,566)</u>	<u>(3,550)</u>	<u>307,261</u>	<u>(681,009)</u>
Nonoperating Revenues (Expenses)					
Investment earnings (loss)	(851,863)	(519,540)	(125,962)	4,050	(1,493,315)
Gain (loss) on sale of capital assets	-	-	-	(71)	(71)
Interest expense	(79,950)	-	-	-	(79,950)
Other income	1,616	1,610	1,194	35,515	39,935
Total Nonoperating Revenues (Expenses)	<u>(930,197)</u>	<u>(517,930)</u>	<u>(124,768)</u>	<u>39,494</u>	<u>(1,533,401)</u>
Income (Loss) Before Contributions and Transfers	(1,344,351)	(1,088,496)	(128,318)	346,755	(2,214,410)
Capital Contributions					
Connection fees and special assessments	2,215,351	968,257	338,825	-	3,522,433
Contributions from Other Funds	-	-	180,673	-	180,673
Contributions from Developers	1,309,441	1,266,512	1,849,210	-	4,425,163
Transfers Out	(9,910)	(9,450)	(180,673)	(242,466)	(442,499)
Change in Net Position	2,170,531	1,136,823	2,059,717	104,289	5,471,360
Net Position, January 1	<u>24,007,703</u>	<u>24,483,604</u>	<u>10,824,965</u>	<u>2,404,480</u>	<u>61,720,752</u>
Net Position, December 31	<u>\$ 26,178,234</u>	<u>\$ 25,620,427</u>	<u>\$ 12,884,682</u>	<u>\$ 2,508,769</u>	<u>\$ 67,192,112</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, 2022

	Business-type Activities - Enterprise Funds				Totals
	Water	Sewer	Storm Sewer	Municipal Liquor	
Cash Flows from Operating Activities					
Receipts from customers and users	\$ 1,802,263	\$ 1,510,511	\$ 745,856	\$ 4,359,978	\$ 8,418,608
Payments to suppliers	(998,888)	(1,331,689)	(154,842)	(3,116,007)	(5,601,426)
Payments to employees	(519,915)	(516,931)	(301,066)	(772,103)	(2,110,015)
Net Cash Provided (Used) by Operating Activities	<u>283,460</u>	<u>(338,109)</u>	<u>289,948</u>	<u>471,868</u>	<u>707,167</u>
Cash Flows from Noncapital Financing Activities					
Payment on advance to other funds	-	(1,684,956)	-	-	(1,684,956)
Receipt on due to other funds	-	-	-	207,682	207,682
Transfers to other funds	(9,910)	(9,450)	(180,673)	(242,466)	(442,499)
Net Cash Used by Noncapital Financing Activities	<u>(9,910)</u>	<u>(1,694,406)</u>	<u>(180,673)</u>	<u>(34,784)</u>	<u>(1,919,773)</u>
Cash Flows from Capital Financing Activities					
Acquisition of property and equipment	(138,562)	(202,391)	12,548	-	(328,405)
Connection fees/special assessments received	1,834,354	970,409	359,958	-	3,164,721
Interest paid on bonds	(99,189)	-	-	-	(99,189)
Principal paid on bonds	(115,000)	-	-	-	(115,000)
Net Cash Provided by Capital Financing Activities	<u>1,481,603</u>	<u>768,018</u>	<u>372,506</u>	<u>-</u>	<u>2,622,127</u>
Cash Flows from Investing Activities					
Interest received (loss) on investments	(851,863)	(519,540)	(125,963)	4,050	(1,493,316)
Net Increase (decrease) in Cash and Cash Equivalents	903,290	(1,784,037)	355,818	441,134	(83,795)
Cash and Cash Equivalents, January 1	<u>16,341,998</u>	<u>12,182,673</u>	<u>3,586,100</u>	<u>1,223,625</u>	<u>33,334,396</u>
Cash and Cash Equivalents, December 31	<u>\$ 17,245,288</u>	<u>\$ 10,398,636</u>	<u>\$ 3,941,918</u>	<u>\$ 1,664,759</u>	<u>\$ 33,250,601</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, 2022

	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)	\$ (414,154)	\$ (570,566)	\$ (3,550)	\$ 307,261	\$ (681,009)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Other income related to operations	1,616	1,610	1,194	35,515	39,935
Depreciation	546,296	355,268	241,463	36,823	1,179,850
(Increase) decrease in assets					
Accounts receivable	61,918	41,167	19,107	(21,583)	100,609
Due from other governments	(11,825)	(14,748)	47	(23,189)	(49,715)
Inventories	-	-	-	58,030	58,030
Prepaid items	(2,189)	(16,824)	(1,702)	(5,847)	(26,562)
Decrease in deferred outflows					
Deferred pension resources	(4,036)	(4,086)	8,842	25,235	25,955
Deferred postemployment benefit resources	(3,559)	(3,545)	(2,047)	(1,901)	(11,052)
Increase (decrease) in liabilities					
Accounts payable	28,005	19,116	11,735	44,958	103,814
Due to other governments	(188)	(226,922)	-	(2,422)	(229,532)
Accrued salaries payable	1,024	1,020	741	2,835	5,620
Compensated absences payable	15,267	15,183	4,694	1,242	36,386
Severance obligations payable	1,523	1,523	1,288	3,830	8,164
Other postemployment benefits payable	(16,623)	(16,560)	(9,561)	(8,878)	(51,622)
Net pension liability	204,612	203,940	104,433	270,163	783,148
Decrease in deferred inflows					
Deferred postemployment benefit resources	21,460	21,379	12,343	11,461	66,643
Deferred pension resources	(145,687)	(145,064)	(99,079)	(261,665)	(651,495)
 Net Cash Provided (Used) by Operating Activities	 <u>\$ 283,460</u>	 <u>\$ (338,109)</u>	 <u>\$ 289,948</u>	 <u>\$ 471,868</u>	 <u>\$ 707,167</u>
 Noncash Capital Financing and Investing Activities					
Capital assets contributed by other funds	\$ -	\$ -	\$ 180,673	\$ -	\$ 180,673
Capital assets contributed by developers	\$ 1,309,441	\$ 1,266,512	\$ 1,849,210	\$ -	\$ 4,425,163
Book value of disposed capital assets	\$ -	\$ -	\$ -	\$ (71)	\$ (71)
Amortization of bond premium	\$ 9,887	\$ -	\$ -	\$ -	\$ 9,887

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

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City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2022

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.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2022

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 *Tower and Billboard Leases fund* accounts for the resources accumulated from the lease obligations other entities have to the City.

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

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

The *Local Option Sales Tax fund* accounts for the sales tax revenues collected and the capital projects those funds are used towards.

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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.

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 2022. 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.

Lease Receivable

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the leases. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

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.”

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	10,000
Infrastructure and Other Improvements	100,000
Other Assets	10,000
Construction in Progress	Accumulate all costs and capitalize if > \$100,000 when completed

With the exception of right-to use assets, assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

In the case of initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include items dating back to June 30, 1980. The City was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

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

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. Deferred pension resources and other postemployment benefit resources, are reported only in the statements of net position. These items result 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, 2022

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 (PEPFP), and the Rogers Fire Relief Association is as follows:

GERP	\$ 691,482
PEPFP	1,052,530
Fire Relief	<u>87,586</u>
 Total Pension Expense	 <u><u>\$ 1,831,598</u></u>

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, 2022.

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 three sources: property taxes, special assessments and intergovernmental. 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.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

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.

The City also reports deferred inflows related to lease receivables. The item deferred lease resources are recognized on both the modified accrual and full accrual financial statements and are recorded at the value of the related lease receivables.

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".

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

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.

Note 2: Stewardship, Compliance and Accountability

A. Budgetary Information

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

In June of each year, all departments of the City submit requests for appropriations to the Finance Director so that a budget may be prepared. Before September 30, 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 \$24,460.

B. Excess of Expenditures Over Appropriations

For the year ended December 31, 2022 expenditures exceeded appropriations in the following funds:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Excess of Expenditures Over Appropriations</u>
General	\$ 11,438,651	\$ 11,766,058	\$ 327,407

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.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on All Funds (Continued)

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 \$17,889,564 and the bank balance was \$19,088,728. 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.

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.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on All Funds (Continued)

As of December 31, 2022, 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 Qualifying Rating (1)	Segmented Time Distribution (2)	Amount	Level 1	Level 2	Level 3
Pooled Investments at Amortized Costs						
4M Fund	N/A	Less Than One Year	\$ 2,692,000	\$ -	\$ -	\$ -
Brokered Money Market	N/A	Less Than One Year	410,197	-	-	-
Non-Pooled Investments at Fair Value						
Brokered Certificates of Deposit	N/A	Less Than One Year	3,405,177	-	3,405,177	-
Brokered Certificates of Deposit	N/A	One to Five Years	4,938,953	-	4,938,953	-
Mortgage Back Securities	Aaa	Less Than One Year	3,688,454	3,688,454	-	-
Mortgage Back Securities	Aaa	One to Five Years	6,226,903	6,226,903	-	-
Mortgage Back Securities	Aaa	Five to Ten Years	2,305,758	2,305,758	-	-
Municipal Securities	Aa1	Less Than One Year	489,370	-	489,370	-
Municipal Securities	Aa2	Less Than One Year	507,386	-	507,386	-
Municipal Securities	Aa1	One to Five Years	3,510,313	-	3,510,313	-
Municipal Securities	Aa2	One to Five Years	4,151,828	-	4,151,828	-
Municipal Securities	Aa3	One to Five Years	436,182	-	436,182	-
Municipal Securities	AAA	One to Five Years	598,556	-	-	-
Municipal Securities	Aa2	Five to Ten Years	1,062,606	-	1,062,606	-
U.S Government Agency Securities	Aaa	One to Five Years	11,587,782	11,587,782	-	-
U.S Government Agency Securities	Aaa	Five to Ten Years	2,062,325	2,062,325	-	-
U.S Government Treasury Securities	Aaa	Less Than One Year	1,393,834	1,393,834	-	-
U.S Government Treasury Securities	Aaa	One to Five Years	4,447,126	4,447,126	-	-
Total Investments			<u>\$53,914,750</u>	<u>\$31,712,182</u>	<u>\$18,501,815</u>	<u>\$ -</u>

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

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

N/A Indicates not applicable or available.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2022

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, 2022, the City had invested 5 percent or more of its total investment portfolio in the following issuers:
 - FHLB \$4,979,819
 - FNMA \$3,572,214
 - FHLB DEB \$3,571,716
 - US Treasury \$5,840,960
- *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	\$ 17,889,564
Investments	53,914,750
Cash on Hand	<u>11,898</u>
 Total	 <u><u>\$ 71,816,212</u></u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on All Funds (Continued)

B. Lease Receivable

The City had the following lease receivables as of December 31, 2022:

Description	Issue Date	Maturity Date	Discount Rate	Current Year Inflow of Resources	Balance at Year End
Antenna Lease Agreements					
Great Northern	07/01/21	05/31/46	1.47 %	\$ 1,000	\$ 31,715
AT&T Tower	06/30/05	10/31/26	0.64	7,420	315,672
Nextera	04/01/09	03/31/24	0.31	21,394	269,110
Verizon-Orchid Avenue	09/01/13	08/31/23	0.31	34,207	651,260
Verizon-145Th Ave North	07/01/17	06/30/27	2.19	7,949	300,962
American Tower	11/04/86	10/31/26	0.64	36,192	1,481,801
Billboard Lease Agreements					
CBS Outdoor	06/01/22	05/31/42	2.42	44,333	2,164,430
Clear Channel	10/01/19	09/30/39	1.30	53,443	1,025,744
Total Lease Receivable					<u>\$ 6,240,694</u>

The City has entered into various antenna lease agreements with communication companies. The lease agreements provide for the use of city property to operate and maintain communication equipment.

The City has entered into two billboard lease agreements. The lease agreements provide for the use of City property for advertising purposes.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on All Funds (Continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets not Being Depreciated				
Land	\$ 19,969,421	\$ 258,169	\$ (21,867)	\$ 20,205,723
Construction in progress	3,476,741	5,478,250	(2,525,125)	6,429,866
Total Capital Assets not Being Depreciated	<u>23,446,162</u>	<u>5,736,419</u>	<u>(2,546,992)</u>	<u>26,635,589</u>
Capital Assets Being Depreciated				
Buildings and structures	22,840,772	-	(376,042)	22,464,730
Infrastructure	78,244,985	6,175,175	-	84,420,160
Machinery and equipment	9,582,347	1,237,511	(526,139)	10,293,719
Total Capital Assets Being Depreciated	<u>110,668,104</u>	<u>7,412,686</u>	<u>(902,181)</u>	<u>117,178,609</u>
Less Accumulated Depreciation for				
Buildings and structures	(7,427,117)	(452,420)	10,186	(7,869,351)
Infrastructure	(48,887,260)	(2,392,948)	-	(51,280,208)
Machinery and equipment	(6,629,152)	(648,148)	526,125	(6,751,175)
Total Accumulated Depreciation	<u>(62,943,529)</u>	<u>(3,493,516)</u>	<u>536,311</u>	<u>(65,900,734)</u>
Total Capital Assets Being Depreciated, Net	<u>47,724,575</u>	<u>3,919,170</u>	<u>(365,870)</u>	<u>51,277,875</u>
Governmental Activities Capital Assets, Net	<u>\$ 71,170,737</u>	<u>\$ 9,655,589</u>	<u>\$ (2,912,862)</u>	<u>\$ 77,913,464</u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on All Funds (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities				
Capital Assets not Being Depreciated				
Land	\$ 2,075,353	\$ -	\$ -	\$ 2,075,353
Construction in progress	196,130	216,516	(196,130)	216,516
Total Capital Assets not Being Depreciated	<u>2,271,483</u>	<u>216,516</u>	<u>(196,130)</u>	<u>2,291,869</u>
Capital Assets Being Depreciated				
Buildings and structures	6,223,777	-	-	6,223,777
Infrastructure	42,931,018	4,786,345	-	47,717,363
Machinery and equipment	1,163,151	127,510	(102,537)	1,188,124
Total Capital Assets Being Depreciated	<u>50,317,946</u>	<u>4,913,855</u>	<u>(102,537)</u>	<u>55,129,264</u>
Less Accumulated Depreciation for				
Buildings and structures	(4,947,017)	(159,854)	-	(5,106,871)
Infrastructure	(14,858,428)	(954,970)	-	(15,813,398)
Machinery and equipment	(944,810)	(65,026)	102,467	(907,369)
Total Accumulated Depreciation	<u>(20,750,255)</u>	<u>(1,179,850)</u>	<u>102,467</u>	<u>(21,827,638)</u>
Total Capital Assets Being Depreciated, Net	<u>29,567,691</u>	<u>3,734,005</u>	<u>(70)</u>	<u>33,301,626</u>
Business-type Activities Capital Assets, Net	<u>\$ 31,839,174</u>	<u>\$ 3,950,521</u>	<u>\$ (196,200)</u>	<u>\$ 35,593,495</u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2022

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	\$ 22,488
Public safety	554,868
Public works	2,460,260
Culture and recreation	443,646
Economic development	12,254
	<u>12,254</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,493,516</u>
Business-type Activities	
Water	\$ 546,366
Sewer	355,268
Storm sewer	241,463
Municipal liquor	36,823
	<u>36,823</u>
Total Depreciation Expense - Business-type Activities	<u>\$ 1,179,920</u>

D. Construction Commitments

As of December 31, 2022, the City has signed contracts in place for construction projects. The following summarizes those commitments:

Project	Spent to Date	Remaining Commitment
Event Center Gardens and Stage	\$ 449,615	\$ 332,401
Laurel Creek Park	54,013	2,513
2021 Street Improvement Projects	2,476,153	148,001
2022 Street Improvements	968,630	110,266
Turf Dome/Second Sheet of Ice Earthwork	1,763,228	164,271
South Wellfield Improvements	161,149	3,607
Basswood Lane Street Improvements	437,650	87,752

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on All Funds (Continued)

E. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2022 is as follows:

Receivable Fund	Payable Fund	Amount
Due from/to other Funds		
Governmental General	Business-type Municipal Liquor	\$ 521,952
Business-type Sewer	Governmental Capital Improvement Projects	704,875
Business-type Sewer	Governmental Nonmajor governmental	<u>172,689</u>
Total Due from/to other Funds		<u><u>\$ 1,399,516</u></u>
Advance from/to other Funds		
Business-type Sewer	Governmental Capital Improvement Projects	\$ 2,389,690
Business-type Sewer	Governmental Nonmajor governmental	<u>560,631</u>
Total Advances from/to other Funds		<u><u>\$ 2,950,321</u></u>

The balance between the Sewer fund and Capital Improvement Projects fund was issued to assist in financing 2021-2022 equipment purchases.

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 TIF Funds and the RSAC Fund was issued to finance the purchase of land for downtown redevelopment.

The balance between the Sewer fund and Capital Improvement Projects fund was issued to assist in financing 2022-2023 equipment purchases.

The composition of interfund transfers for the year ended December 31, 2022 is as follows:

Fund	Transfers in					Total
	General	Debt Service	Capital Improvement Projects	Revolving Capital	Other Governmental Funds	
Transfers Out						
General	\$ -	\$ -	\$ 30,000	\$ 125,000	\$ 45,000	\$ 200,000
Rogers Activity Center	2,480	-	-	-	-	2,480
Other Governmental Funds	-	369,320	-	716,987	-	1,086,307
Water	-	-	-	-	9,910	9,910
Sewer	-	-	-	-	9,450	9,450
Storm Sewer	-	-	-	-	180,673	180,673
Municipal Liquor	<u>225,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,466</u>	<u>242,466</u>
Total	<u><u>\$ 227,480</u></u>	<u><u>\$ 369,320</u></u>	<u><u>\$ 30,000</u></u>	<u><u>\$ 841,987</u></u>	<u><u>\$ 262,499</u></u>	<u><u>\$ 1,731,286</u></u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on All Funds (Continued)

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, 2022, the City made the following one-time transfers:

- Transfers from the Rogers Activity Center funds to the General fund for the energy initiative program.
- Monthly pull tab rental transfers to the Fire Department Capital fund.
- Transfer remaining Paved Streets Equipment Budget to Equipment Fund
- Transfer to the Park Dedication Fund from the Utility Funds to allocate project expenses related to the Hassan Trail CSAH 144 Phase 2 project.
- Transfer from Pavement Management to Revolving Capital for Main Street Overhead to Underground
- Transfer to the Revolving Capital Fund from Pavement Management Program Fund for 2021 expenditures related to the 2022 Street Improvement Project.
- Transfer Bond Proceeds from WAC to Water Operations to reimburse for 2021 and 2022 bond related expenditures
- Transfers of unspent MSA Maintenance funds.
- Transfers from WWTP sale funds to Sewer fund to soften rates.
- Transfer of Planning Budget Façade Improvements from the General fund to the EDA fund.
- Transfer of unspent unpaved streets funds from the General fund to the unpaved streets capital reserve in the Revolving Capital fund.
- Transfer unspent ADA repairs and mitigation from the General fund to the Revolving Capital fund for future projects.
- Transfer Unspent Sidewalk and ADA Repairs and Mitigation to Revolving Capital for Future Project.

F. 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:

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on All Funds (Continued)

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	\$ 1,680,000
Series 2015	2,845,000	2.00 - 2.25	10/01/15	12/15/25	920,000
Series 2021	2,880,000	1.50 - 2.00	06/17/21	02/01/32	<u>2,880,000</u>
Total General Obligation Improvement Bonds					<u>\$ 5,480,000</u>

Annual debt service requirements to maturity for general obligation improvement bonds outstanding at December 31, 2022 are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2023	\$ 675,000	\$ 131,128	\$ 806,128
2024	695,000	115,228	810,228
2025	715,000	99,315	814,315
2026	410,000	82,927	492,927
2027	420,000	73,377	493,377
2028 - 2032	2,235,000	213,988	2,448,988
2033 - 2034	<u>330,000</u>	<u>18,250</u>	<u>348,250</u>
Total	<u>\$ 5,480,000</u>	<u>\$ 734,213</u>	<u>\$ 6,214,213</u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on All Funds (Continued)

Revenue Bonds

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

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Governmental Activities					
G.O. Tax Abatement Bonds					
Series 2015A	\$ 2,390,000	2.00 - 3.00 %	10/01/15	12/15/29	<u>\$ 1,290,000</u>
Business-type Activities					
Water Revenue Bonds					
Series 2012A	\$ 1,685,000	2.00 - 2.65 %	04/25/12	12/01/27	\$ 625,000
Series 2021A	3,920,000	1.50 - 2.00	06/17/21	02/01/37	<u>3,920,000</u>
Total business-type activities Revenue Bonds					<u>\$ 4,545,000</u>

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

Year Ending December 31,	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 180,000	\$ 32,262	\$ 212,262	\$ 350,000	\$ 84,778	\$ 434,778
2024	180,000	28,663	208,663	355,000	77,488	432,488
2025	185,000	24,612	209,613	360,000	69,848	429,848
2026	190,000	20,450	210,450	370,000	62,035	432,035
2027	190,000	15,700	586,749	375,000	53,740	428,740
2028 - 2032	365,000	16,050	-	1,305,000	175,175	1,480,175
2033 - 2037	-	-	-	1,430,000	55,551	1,485,551
Total	<u>\$ 1,290,000</u>	<u>\$ 137,737</u>	<u>\$ 1,427,737</u>	<u>\$ 4,545,000</u>	<u>\$ 578,615</u>	<u>\$ 5,123,615</u>

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

	<u>Water</u>
Net Operating Revenues (Charges for Services)	\$ 1,746,124
Principal and Interest	214,189
Percentage of Revenues	12 %

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on All Funds (Continued)

Changes in Long-term Liabilities

During the year ended December 31, 2022, the following changes occurred in long-term liabilities.

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Bonds Payable					
General obligation bonds	\$ 5,890,000	\$ -	\$ (410,000)	\$ 5,480,000	\$ 675,000
Revenue bonds	1,465,000	-	(175,000)	1,290,000	180,000
Equipment Certificates	50,000	-	(50,000)	-	-
Total Bonds Payable	<u>7,405,000</u>	<u>-</u>	<u>(635,000)</u>	<u>6,770,000</u>	<u>855,000</u>
Unamortized Bond Premium	166,467	-	(17,523)	148,944	
Compensated Absences Payable	1,000,822	423,695	(315,417)	1,109,100	304,273
Severance Obligations Payable	<u>105,635</u>	<u>32,242</u>	<u>(9,756)</u>	<u>128,121</u>	<u>-</u>
Governmental Activities Long-term Liabilities	<u>\$ 8,677,924</u>	<u>\$ 455,937</u>	<u>\$ (977,696)</u>	<u>\$ 8,156,165</u>	<u>\$ 1,159,273</u>
Business-type Activities					
Bonds Payable					
Revenue bonds	\$ 4,660,000	\$ -	\$ (115,000)	\$ 4,545,000	\$ 350,000
Unamortized Bond Premium	143,359	-	(9,887)	133,472	
Compensated Absences Payable	242,531	101,758	(65,372)	278,917	76,519
Severance Obligations Payable	<u>36,531</u>	<u>8,164</u>	<u>-</u>	<u>44,695</u>	<u>-</u>
Business-type Activities Long-term Liabilities	<u>\$ 5,082,421</u>	<u>\$ 109,922</u>	<u>\$ (190,259)</u>	<u>\$ 5,002,084</u>	<u>\$ 426,519</u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on All Funds (Continued)

G. Components of Fund Balance

At December 31, 2022, 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	Tower & Billboard Leases
Nonspendable				
Prepaid items	\$ 178,253	\$ -	\$ 1,718	\$ -
Inventory	32,843	-	-	-
Total Nonspendable	<u>\$ 211,096</u>	<u>\$ -</u>	<u>\$ 1,718</u>	<u>\$ -</u>
Restricted for				
Debt service	<u>\$ -</u>	<u>\$ 1,352,430</u>	<u>\$ -</u>	<u>\$ -</u>
Committed to				
Rogers activity center	\$ -	\$ -	\$ 2,171,377	\$ -
Tower and billboard leases	-	-	-	1,169,188
Total Committed	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,171,377</u>	<u>\$ 1,169,188</u>
Assigned to				
Energy conservation	\$ 22,000	\$ -	\$ -	\$ -
Emergency management warning sirens	126,000	-	-	-
Total Assigned	<u>\$ 148,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on All Funds (Continued)

	Capital Improvement Projects	Revolving Capital	Local Option Sales Tax	Other Governmental Funds	Total Governmental Funds
Nonspendable					
Prepaid items	\$ -	\$ -	\$ -	\$ -	\$ 179,971
Inventory	-	-	-	-	32,843
Total Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 212,814
Restricted for					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 1,352,430
Tax increment financing	-	-	-	1,431,249	1,431,249
Revolving loans	-	-	-	399,851	399,851
Police expenditures	-	-	-	20,524	20,524
Capital improvement projects	-	-	-	156,476	156,476
Economic development	-	-	-	189,739	189,739
Park dedication fees	-	-	-	2,765,334	2,765,334
Transportation infrastructure	-	3,753,941	-	-	3,753,941
Local option sales tax	-	-	939,226	-	939,226
Trail dedication	-	-	-	1,456,084	1,456,084
Total Restricted	\$ -	\$ 3,753,941	\$ 939,226	\$ 6,419,257	\$ 12,464,854
Committed to					
Pavement management	\$ -	\$ -	\$ -	\$ 1,323,133	\$ 1,323,133
Fire department capital projects	-	-	-	433,140	433,140
Park dedication	-	-	-	440,725	440,725
Revolving capital	-	2,429,334	-	-	2,429,334
Capital improvement projects	2,317,238	-	-	889,116	3,206,354
Rogers activity center	-	-	-	-	2,171,377
Tower and billboard leases	-	-	-	-	1,169,188
Total Committed	\$ 2,317,238	\$ 2,429,334	\$ -	\$ 3,086,114	\$ 11,173,251
Assigned to					
Park dedication	\$ -	\$ -	\$ -	\$ 69,144	\$ 69,144
Energy conservation	-	-	-	-	22,000
Emergency management warning sirens	-	-	-	-	126,000
Total Assigned	\$ -	\$ -	\$ -	\$ 69,144	\$ 217,144

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2022

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, 2022, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	1
Active Plan Members	70
	70
Total Plan Members	71

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 \$28,697 to the plan for the year ended December 31, 2022. As of January 1, 2022, there was one retiree that was receiving health benefits from the plan.

C. Actuarial Methods and Assumptions

The City's total OPEB liability of \$511,491 was measured as of December 31, 2022, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of January 1, 2022.

The total OPEB liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	2.06%
Expected Long-Term Investment Return	N/A
Salary Increases	3.25%
Medical Trend Rate	7.00% in 2022 grading to 5% over 10 years

The discount rate used to measure the total OPEB liability was 2.06 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, 2022 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, 2022

Note 4: Postemployment Benefits Other Than Pensions (Continued)

D. Changes in the Total OPEB Liability

	Total OPEB Liability (a)
Balances at December 31, 2021	\$ 756,061
Changes for the Year:	
Service cost	77,028
Interest	17,357
Differences between expected and actual experience	72,543
Changes in assumptions	(382,801)
Benefit payments	(28,697)
Net Changes	(244,570)
Balances at December 31, 2022	\$ 511,491

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 (1.06 percent) or 1-percentage-point higher (3.06 percent) than the current discount rate:

1 Percent Decrease (1.06%)	Current (2.06%)	1 Percent Increase (3.06%)
\$ 550,825	\$ 511,491	\$ 473,280

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:

1 Percent Decrease (6.20% Decreasing to 5.20%)	Healthcare Cost Trend Rates	1 Percent Increase (6.20% Increasing to 7.20%)
\$ 445,910	\$ 511,491	\$ 589,485

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2022

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, 2022, the City recognized OPEB expense of \$18,795. At December 31, 2022, 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	\$ 70,517	\$ 180,664
Changes in Actuarial Assumptions	88,160	374,996
Total	\$ 158,677	\$ 555,660

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

2023	\$ (46,894)
2024	(46,894)
2025	(46,894)
2026	(46,894)
2027	(46,894)
Thereafter	(162,513)

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. The postretirement increase is 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. 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. The postretirement increase is 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 2021 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, 2022, 2021, and 2020 were \$307,141, \$265,396, and \$250,903, 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, 2022

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

Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80 percent of their annual covered salary in fiscal year 2022 and the City was required to contribute 17.70 percent for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the years ending December 31, 2022, 2021, and 2020 were \$407,709, \$395,072 and \$363,092, 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, 2022, the City reported a liability of \$3,983,777 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. 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 \$116,850. The net pension liability was measured as of June 30, 2022, 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, 2021 through June 30, 2022 relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0503 percent, which was an increase of 0.0043 percent from its proportion measured as of June 30, 2021.

City's Proportionate Share of the Net Pension Liability	\$ 3,983,777
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City	116,850
	<u>116,850</u>
Total	<u>\$ 4,100,627</u>

For the year ended December 31, 2022, the City recognized pension expense of \$674,022 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional \$17,460 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, 2022, 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	\$ 33,275	\$ 38,835
Changes in Actuarial Assumptions	826,854	14,463
Net Difference Between Projected and Actual Earnings on Plan Investments	182,952	-
Changes in Proportion	134,670	-
Contributions Paid to PERA Subsequent to the Measurement Date	175,286	-
	<u>175,286</u>	<u>-</u>
Total	<u>\$ 1,353,037</u>	<u>\$ 53,298</u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2022

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

The \$175,286 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, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2023	\$ 438,302
2024	409,456
2025	(83,579)
2026	360,274

Police and Fire Fund Pension Costs

At December 31, 2022, the City reported a liability of \$8,202,775 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2021 through June 30, 2022 relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.1885 percent which was an increase of 0.0158 percent from its proportionate share measured as of June 30, 2021.

The State of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2021. The contribution consisted of \$9 million in direct state aid that does meet the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state was paid on October 1, 2020. 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 supplemental 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.

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 \$9 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, 2022, the City recognized pension expense of \$983,033 for its proportionate share of the Police and Fire Plan's pension expense. The City also recognized \$69,497 for the year ended December 31, 2022, 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 supplemental state aid. The City recognized \$16,965 for the year ended December 31, 2021 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, 2022

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

At December 31, 2022, 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Economic Experience	\$ 481,570	\$ 4,442
Changes in Actuarial Assumptions	4,697,335	55,189
Net Difference Between Projected And Actual Earnings on Plan Investments	277,600	-
Changes in Proportion	331,048	-
Contributions Paid to PERA Subsequent to the Measurement Date	<u>215,219</u>	<u>-</u>
Total	<u><u>\$ 6,002,772</u></u>	<u><u>\$ 59,631</u></u>

The \$215,219 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, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2023	\$ 1,182,702
2024	1,149,420
2025	1,041,464
2026	1,671,847
2027	682,489

E. Long-Term Expected Return on Investment

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Equity	33.50 %	5.10 %
Alternative Assets (Private Markets)	25.00	5.90
Bonds (Fixed Income)	25.00	0.75
International Equity	<u>16.50</u>	5.30
Total	<u><u>100.00 %</u></u>	

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

F. Actuarial Assumptions

The total pension liability in the June 30, 2022 actuarial valuation was determined using individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6.5 percent. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.5 percent was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25 percent for the General Employees Plan and 2.25 percent for the Police and Fire Plan. Benefit increases after retirement are assumed to be 1.25 percent for the General Employees Plan. The Police and Fire Plan benefit increase is fixed at 1 percent per year and that increase was used in the valuation.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25 percent after one year of service to 3.0 percent after 27 years of service. In the Police and Fire Plan, salary growth assumptions range from 11.75 percent after one year of service to 3.0 percent after 24 years of service.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. Mortality rates for the Police and Fire Plan is based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions used in the June 30, 2022 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 and adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2022:

General Employees Fund

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

Police and Fire Fund

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021
- The single discount rate changed from 6.50 percent to 5.40%

Changes in Plan Provisions

- There have been no changes since the prior valuation.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2022

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

G. Discount Rate

The discount rate used to measure the total pension liability in 2022 was 6.50 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.

In the Police and Fire Fund, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through June 30, 2060. Beginning in fiscal year ended June 30, 2061 for the Police and Fire Fund, projected benefit payments exceed the funds' projected fiduciary net position. Benefit payments projected after were discounted at the municipal bond rate of 3.69 percent (based on the weekly rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The resulting equivalent single discount rate of 5.40 percent for the Police and Fire Fund was determined to give approximately the same present value of projected benefits when applied to all years of projected benefits as the present value of projected benefits using 6.5 percent applied to all years of projected benefits through the point of asset depletion and 3.69 percent thereafter.

H. 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 one percentage point lower or one percentage point higher than the current discount rate:

	1 Percent Decrease (5.50%)	Current (6.50%)	1 Percent Increase (7.50%)
General Employees Fund	\$ 6,292,584	\$ 3,983,777	\$ 2,090,198
	1 Percent Decrease (4.40%)	Current (5.40%)	1 Percent Increase (6.40%)
Police and Fire Fund	12,413,848	8,202,775	4,798,375

I. 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, 2021, the plan covered 38 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.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2022

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

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 \$150,424 in fire state aid to the plan on behalf of the City Fire Department for the year ended December 31, 2021, which was recorded as a revenue. Required employer contributions are calculated annually based on statutory provisions. The City made no voluntary contributions to the plan. Furthermore, the firefighter has no obligation to contribute to the plan.

D. Pension Costs

At December 31, 2022, the City reported a net pension asset of (\$519,990) for the Volunteer Firefighter Fund. The net pension asset was measured as of December 31, 2021. 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, 2021	\$ 1,242,848	\$ 1,673,457	\$ (430,609)
Changes for the Year			
Service cost	72,809	-	72,809
Interest on pension liability (asset)	64,762	-	64,762
Change of benefit terms	75,281	-	75,281
Contributions (state and local)	-	151,671	(151,671)
Net investment income	-	154,559	(154,559)
Benefit payments	(40,852)	(40,852)	-
Administrative expenses	-	(3,997)	3,997
Total Net Changes	172,000	261,381	(89,381)
Ending Balance December 31, 2022	\$ 1,414,848	\$ 1,934,838	\$ (519,990)

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2022

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

For the year ended December 31, 2022, the City recognized negative pension expense of (\$87,586).

At December 31, 2022, 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	\$ -	\$ 88,645
Changes in Actuarial Assumptions	50,934	2,409
Net Difference between Projected and Actual Earnings on Plan Investments	-	105,933
Contributions to Plan Subsequent to the Measurement Date	151,423	-
Total	\$ 202,357	\$ 196,987

Deferred outflows of resources totaling \$151,423 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, 2023.

2023	\$ (23,928)
2024	(52,694)
2025	(26,380)
2026	(20,538)
2027	(6,760)
Thereaft	(15,753)

E. Actuarial Assumptions

The total pension liability at December 31, 2021 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	2.25% per year
Cost of living increases	2.25%
Investment rate of return	5.00%
20 year municipal bond yield	2.00%

There were no changes in actuarial assumptions in 2022.

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

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2022

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

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Equity	35.00 %	5.10 %
International Equity	15.00	5.30
Bonds	45.00	0.75
Cash and Equivalents	<u>5.00</u>	-
Total	<u><u>100.00 %</u></u>	

F. Discount Rate

The discount rate used to measure the total pension liability was 5.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions to the plan will be made as specified in statute. Based on that assumption and considering the funding ratio of the plan, the fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. Pension Asset Sensitivity

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

	<u>1 Percent Decrease (4.00%)</u>	<u>Current (5.00%)</u>	<u>1 Percent Increase (6.00%)</u>
Defined Benefit Plan	\$ (382,723)	(\$519,990)	\$ (474,429)

H. Pension Plan Fiduciary Net Position

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

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2022

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 \$72,456,626. The City is under the debt limit as of December 31, 2022.

C. Tax Increment Financing Districts

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

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

Note 8: Changes in Accounting Principle

For 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the City's 2022 financial statements. The City's recognition of the beginning balances related to the lease receivable and the related deferred inflow of resources were equal balances and had no effect on the beginning net position of the Governmental Activities.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ROGERS
ROGERS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2022

City of Rogers, Minnesota
Required Supplementary Information
For the Year Ended December 31, 2022

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/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/22	0.0503 %	\$ 3,983,777	\$ 116,850	\$ 4,100,627	\$ 3,716,566	107.2 %	76.7 %
06/30/21	0.0460	1,964,406	59,983	2,024,389	3,311,690	59.3	87.0
06/29/20	0.0449	2,691,960	83,038	2,774,998	3,201,983	84.1	79.0
06/30/19	0.0432	2,388,431	74,330	2,462,761	3,060,555	78.0	80.2
06/30/18	0.0427	2,368,821	77,700	2,446,521	2,857,192	82.9	79.5
06/30/17	0.0408	2,604,645	32,757	2,637,402	2,595,565	100.3	75.9
06/29/16	0.0381	3,093,531	40,405	3,133,936	2,368,108	130.6	68.9
06/29/15	0.0377	1,953,810	-	1,953,810	2,206,286	88.6	78.2

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

Schedule of Employer's PERA Contributions - General Employees 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)
12/31/22	\$ 307,141	\$ 307,141	\$ -	\$ 4,095,215	7.5 %
12/31/21	265,396	265,396	-	3,538,609	7.5
12/30/20	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
12/30/16	186,766	186,766	-	2,490,219	7.5
12/30/15	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, 2022

Notes to the Required Supplementary Information - General Employees Fund

Changes in Actuarial Assumptions

2022 - The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021

2021 - The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes. The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

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, 2022

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

Changes in Plan Provisions

2022 - There were no changes in plan provisions since the previous valuation.

2021 - There were no changes in plan provisions since the previous valuation.

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.

2016 - There were no changes in plan provisions since the previous valuation.

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, 2022

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/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/22	0.1885 %	\$ 8,202,775	\$ 358,279	\$ 8,561,054	\$ 2,289,394	358.3 %	70.5 %
06/30/21	0.1727	1,333,061	59,909	1,392,970	2,123,986	62.8	93.7
06/29/20	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	1,582,571	101.0	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
06/29/16	0.1370	5,498,048	-	5,498,048	1,436,163	382.8	63.9
06/29/15	0.1360	1,545,278	-	1,545,278	1,285,160	120.2	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)
12/31/22	\$ 407,709	\$ 407,709	\$ -	\$ 2,303,438	17.70 %
12/31/21	395,072	395,072	-	2,232,047	17.70
12/30/20	363,092	363,092	-	2,051,366	17.70
12/31/19	297,920	297,920	-	1,757,642	16.95
12/31/18	254,917	254,917	-	1,573,560	16.20
12/31/17	232,658	232,658	-	1,436,163	16.20
12/30/16	216,085	216,085	-	1,333,861	16.20
12/30/15	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, 2022

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

Changes in Actuarial Assumptions

2022 - The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021. The single discount rate changed from 6.50 percent to 5.40 percent.

2021 - The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes. The inflation assumption was changed from 2.50 percent to 2.25 percent. The payroll growth assumption was changed from 3.25 percent to 3.00 percent. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020. The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020). Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates. Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements. Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations. Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities. Assumed percent married for active female members was changed from 60 percent to 70 percent. Minor changes to form of payment assumptions were applied.

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.

City of Rogers, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2022

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

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

Changes in Plan Provisions

2022 - There were no changes in plan provisions since the previous valuation.

2021 - There were no changes in plan provisions since the previous valuation.

2020 - There were no changes in plan provisions since the previous valuation.

2019 - There were no changes in plan provisions since the previous valuation.

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.

2016 - There were no changes in plan provisions since the previous valuation.

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, 2022

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

	2022 (Fire Relief Report Date 2021)	2021 (Fire Relief Report Date 2020)	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	\$ 72,809	\$ 73,370	\$ 68,681	\$ 65,457	\$ 59,119	\$ 59,501	\$ 52,737	\$ 51,326
Interest on pension liability (asset)	64,762	66,443	61,977	59,187	67,330	64,536	64,094	61,294
Differences between expected and actual experience	-	(54,289)	-	(36,441)	(44,469)	-	-	-
Changes of assumptions	-	18,944	-	16,407	14,712	(8,841)	55,634	-
Change of benefit terms	75,281	45,405	48,968	57,373	26,419	42,381	-	-
Benefit payments	(40,852)	(198,490)	-	(121,638)	(229,326)	(85,477)	(79,255)	(59,219)
Net Change in Total Pension Liability	172,000	(48,617)	179,626	40,345	(106,215)	72,100	93,210	53,401
Total Pension Liability - January 1	1,242,848	1,291,465	1,111,839	1,071,494	1,177,709	1,105,609	1,012,399	958,998
Total Pension Liability - December 31	\$ 1,414,848	\$ 1,242,848	\$ 1,291,465	\$ 1,111,839	\$ 1,071,494	\$ 1,177,709	\$ 1,105,609	\$ 1,012,399
Plan Fiduciary Net Position								
Nonemployer contributions	151,671	146,415	132,549	130,906	126,937	106,896	101,996	103,985
Projected investment return	154,559	129,316	195,463	(75,762)	171,584	91,540	(48,600)	36,762
Other additions	-	-	-	4,477	-	-	-	-
Benefit payments	(40,852)	(198,490)	-	(121,638)	(229,326)	(85,477)	(79,255)	(59,219)
Administrative expense	(3,997)	(3,505)	(3,553)	(3,049)	(2,650)	(2,464)	(2,250)	(2,200)
Net Change in Plan Fiduciary Net Position	261,381	73,736	324,459	(65,066)	66,545	110,495	(28,109)	79,328
Plan Fiduciary Net Position - January 1	1,673,457	1,599,721	1,275,262	1,340,328	1,273,783	1,163,288	1,191,397	1,112,069
Plan Fiduciary Net Position - December 31	\$ 1,934,838	\$ 1,673,457	\$ 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	\$ (519,990)	\$ (430,609)	\$ (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)	136.75%	134.65%	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	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	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)
12/31/22	\$ 150,424	\$ 151,424	(1,000)
12/31/21	131,671	150,671	(19,000)
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, 2022

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service cost	\$ 77,028	\$ 66,664	\$ 54,836	\$ 83,399	\$ 76,579
Interest	17,357	19,378	33,050	26,986	25,099
Differences between expected and actual experience	72,543	6,191	(257,848)	-	-
Changes in assumptions	(382,801)	32,286	72,031	(47,066)	12,195
Benefit payments	<u>(28,697)</u>	<u>(18,025)</u>	<u>(11,449)</u>	<u>(10,928)</u>	<u>-</u>
Net Change in Total OPEB Liability	(244,570)	106,494	(109,380)	52,391	113,873
Total OPEB Liability - Beginning	<u>756,061</u>	<u>649,567</u>	<u>758,947</u>	<u>706,556</u>	<u>592,683</u>
Total OPEB Liability - Ending	<u>\$ 511,491</u>	<u>\$ 756,061</u>	<u>\$ 649,567</u>	<u>\$ 758,947</u>	<u>\$ 706,556</u>
Covered - employee payroll	\$ 5,700,000	\$ 4,300,000	\$ 4,100,000	\$ 4,300,000	\$ 4,200,000
City's total OPEB liability as a percentage of covered employee payroll	8.97 %	17.58 %	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, 2022

City of Rogers, Minnesota
 Nonmajor Governmental Funds
 Combining Balance Sheet
 December 31, 2022

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
Assets			
Cash and temporary investments	\$ 1,495,696	\$ 9,756,866	\$ 11,252,562
Receivables			
Accounts	-	333,107	333,107
Accrued interest	134	-	134
Loans	224,513	-	224,513
	<u>224,513</u>	<u>-</u>	<u>224,513</u>
Total Assets	<u>\$ 1,720,343</u>	<u>\$ 10,089,973</u>	<u>\$ 11,810,316</u>
Liabilities			
Accounts payable	\$ 29,328	\$ 261,214	\$ 290,542
Escrows payable	92,583	-	92,583
Due to other governments	-	3,538	3,538
Due to other funds	-	172,689	172,689
Advances from other funds	-	560,631	560,631
Unearned revenue	988,318	127,500	1,115,818
Total Liabilities	<u>1,110,229</u>	<u>1,125,572</u>	<u>2,235,801</u>
Fund Balances			
Restricted	610,114	5,809,143	6,419,257
Committed	-	3,086,114	3,086,114
Assigned	-	69,144	69,144
Total Fund Balances	<u>610,114</u>	<u>8,964,401</u>	<u>9,574,515</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,720,343</u>	<u>\$ 10,089,973</u>	<u>\$ 11,810,316</u>

City of Rogers, Minnesota
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures And
 Changes in Fund Balances
 For the Year Ended December 31, 2022

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
Revenues			
Taxes			
Property taxes	\$ 184,000	\$ 225,000	\$ 409,000
Tax increments	-	684,393	684,393
Franchise taxes	-	1,262,462	1,262,462
Intergovernmental	334,364	600,000	934,364
Charges for services	5,000	993,555	998,555
Fines and forfeitures	1,758	-	1,758
Investment earnings (loss)	9,687	(307,053)	(297,366)
Miscellaneous	58,520	343,073	401,593
Total Revenues	<u>593,329</u>	<u>3,801,430</u>	<u>4,394,759</u>
Expenditures			
Current			
General government	290,687	-	290,687
Public safety	10,722	-	10,722
Culture and recreation	43,677	-	43,677
Economic development	327,972	-	327,972
Capital outlay			
Public safety	-	11,590	11,590
Public works	-	1,397,359	1,397,359
Culture and recreation	-	1,170,366	1,170,366
Economic development	-	232,534	232,534
Housing	-	61,498	61,498
Total Expenditures	<u>673,058</u>	<u>2,873,347</u>	<u>3,546,405</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(79,729)</u>	<u>928,083</u>	<u>848,354</u>
Other Financing Sources (Uses)			
Transfers in	15,000	247,499	262,499
Sale of capital assets	-	206,836	206,836
Transfers out	-	(1,086,307)	(1,086,307)
Total Other Financing Sources (Uses)	<u>15,000</u>	<u>(631,972)</u>	<u>(616,972)</u>
Net Change in Fund Balances	(64,729)	296,111	231,382
Fund Balances, January 1	<u>674,843</u>	<u>8,668,290</u>	<u>9,343,133</u>
Fund Balances, December 31	<u>\$ 610,114</u>	<u>\$ 8,964,401</u>	<u>\$ 9,574,515</u>

City of Rogers, Minnesota
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 December 31, 2022

	200	202	203	206	
	Revolving Loan	Police Forfeitures	Economic Development	ARPA	Total
Assets					
Cash and temporary investments	\$ 225,204	\$ 20,524	\$ 261,650	\$ 988,318	\$ 1,495,696
Receivables					
Accrued interest	134	-	-	-	134
Loans	174,513	-	50,000	-	224,513
	<u>\$ 399,851</u>	<u>\$ 20,524</u>	<u>\$ 311,650</u>	<u>\$ 988,318</u>	<u>\$ 1,720,343</u>
Total Assets					
Liabilities					
Accounts payable	\$ -	\$ -	\$ 29,328	\$ -	\$ 29,328
Escrows payable	-	-	92,583	-	92,583
Unearned revenue	-	-	-	988,318	988,318
Total Liabilities	-	-	121,911	988,318	1,110,229
Fund Balances					
Restricted	399,851	20,524	189,739	-	610,114
	<u>399,851</u>	<u>20,524</u>	<u>189,739</u>	<u>-</u>	<u>610,114</u>
	<u>\$ 399,851</u>	<u>\$ 20,524</u>	<u>\$ 311,650</u>	<u>\$ 988,318</u>	<u>\$ 1,720,343</u>
Total Liabilities and Fund Balances					

City of Rogers, Minnesota
 Nonmajor Special Revenue Funds
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 For the Year Ended December 31, 2022

	200	202	203	206	
	Revolving Loan	Police Forfeitures	Economic Development	ARPA	Totals
Revenues					
Property taxes	\$ -	\$ -	\$ 184,000	\$ -	\$ 184,000
Intergovernmental	-	-	-	334,364	334,364
Charges for services					
Other	-	-	5,000	-	5,000
Fines and forfeitures	-	1,758	-	-	1,758
Investment earnings (loss)	5,984	346	3,357	-	9,687
Miscellaneous	-	-	58,520	-	58,520
Total Revenues	<u>5,984</u>	<u>2,104</u>	<u>250,877</u>	<u>334,364</u>	<u>593,329</u>
Expenditures					
Current					
General government	-	-	-	290,687	290,687
Public safety	-	10,722	-	-	10,722
Culture and recreation	-	-	-	43,677	43,677
Economic development	59,209	-	268,763	-	327,972
Total Expenditures	<u>59,209</u>	<u>10,722</u>	<u>268,763</u>	<u>334,364</u>	<u>673,058</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(53,225)	(8,618)	(17,886)	-	(79,729)
Other Financing Sources					
Transfers in	-	-	15,000	-	15,000
Sale of capital assets	-	-	-	-	-
Net Change in Fund Balances	(53,225)	(8,618)	(2,886)	-	(64,729)
Fund Balances, January 1	<u>453,076</u>	<u>29,142</u>	<u>192,625</u>	<u>-</u>	<u>674,843</u>
Fund Balances, December 31	<u>\$ 399,851</u>	<u>\$ 20,524</u>	<u>\$ 189,739</u>	<u>\$ -</u>	<u>\$ 610,114</u>

City of Rogers, Minnesota
 Nonmajor Capital Projects Funds
 Combining Balance Sheet
 December 31, 2022

	401	403	404
		Fire Department	
	Pavement Management	Capital Outlay	Park Dedication
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and temporary investments	\$ 1,063,699	\$ 422,240	\$ 3,342,189
Accounts receivable	319,023	10,900	3,000
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u><u>\$ 1,382,722</u></u>	<u><u>\$ 433,140</u></u>	<u><u>\$ 3,345,189</u></u>
Liabilities			
Accounts payable	\$ 59,589	\$ -	\$ 69,986
Due to other governments	-	-	-
Due to other funds	-	-	-
Advances from other funds	-	-	-
Unearned revenue	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u><u>59,589</u></u>	<u><u>-</u></u>	<u><u>69,986</u></u>
Fund Balances			
Restricted	-	-	2,765,334
Committed	1,323,133	433,140	440,725
Assigned	-	-	69,144
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u><u>1,323,133</u></u>	<u><u>433,140</u></u>	<u><u>3,275,203</u></u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$ 1,382,722</u></u>	<u><u>\$ 433,140</u></u>	<u><u>\$ 3,345,189</u></u>

427	450 - 462	432, 446-448	
Trail		Street and	
Dedication	TIF	Related	
		Improvement	Total
		Project Funds	
\$ 1,583,584	\$ 2,167,923	\$ 1,177,231	\$ 9,756,866
-	184	-	333,107
<u>\$ 1,583,584</u>	<u>\$ 2,168,107</u>	<u>\$ 1,177,231</u>	<u>\$ 10,089,973</u>
\$ -	\$ -	\$ 131,639	\$ 261,214
-	3,538	-	3,538
-	172,689	-	172,689
-	560,631	-	560,631
127,500	-	-	127,500
<u>127,500</u>	<u>736,858</u>	<u>131,639</u>	<u>1,125,572</u>
1,456,084	1,431,249	156,476	5,809,143
-	-	889,116	3,086,114
-	-	-	69,144
<u>1,456,084</u>	<u>1,431,249</u>	<u>1,045,592</u>	<u>8,964,401</u>
<u>\$ 1,583,584</u>	<u>\$ 2,168,107</u>	<u>\$ 1,177,231</u>	<u>\$ 10,089,973</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, 2022

	401	403 Fire Department	404 Park Dedication
	<u>Pavement Management</u>	<u>Capital Outlay</u>	<u>Park Dedication</u>
Revenues			
Taxes			
Property taxes	\$ -	\$ -	\$ 100,000
Tax increments	-	-	-
Franchise taxes	1,262,462	-	-
Intergovernmental	-	-	-
Charges for services	-	-	769,750
Investment earnings (loss)	(141,709)	3,729	(221,088)
Miscellaneous			
Contributions and donations	-	195,000	123,500
Refunds and reimbursements	-	-	-
Total Revenues	<u>1,120,753</u>	<u>198,729</u>	<u>772,162</u>
Expenditures			
Capital outlay			
Public safety	-	11,590	-
Public works	1,332,663	-	-
Culture and recreation	-	-	1,091,120
Economic development	-	-	-
Housing	-	-	-
Total Expenditures	<u>1,332,663</u>	<u>11,590</u>	<u>1,091,120</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(211,910)</u>	<u>187,139</u>	<u>(318,958)</u>
Other Financing Sources (Uses)			
Transfers in	30,000	17,466	-
Sale of capital assets	-	9,300	485
Transfers out	(899,061)	-	-
Total Other Financing Sources (Uses)	<u>(869,061)</u>	<u>26,766</u>	<u>485</u>
Net Change in Fund Balances	(1,080,971)	213,905	(318,473)
Fund Balances, January 1	<u>2,404,104</u>	<u>219,235</u>	<u>3,593,676</u>
Fund Balances, December 31	<u>\$ 1,323,133</u>	<u>\$ 433,140</u>	<u>\$ 3,275,203</u>

427	450 - 462	432, 446-448	
Trail		Street and	
Dedication	TIF	Related	
		Improvement	Total
		Project Funds	
\$ 125,000	\$ -	\$ -	\$ 225,000
-	684,393	-	684,393
-	-	-	1,262,462
600,000	-	-	600,000
174,950	48,855	-	993,555
11,831	22,986	17,198	(307,053)
-	-	-	318,500
-	10,316	14,257	24,573
<u>911,781</u>	<u>766,550</u>	<u>31,455</u>	<u>3,801,430</u>
-	-	-	11,590
-	-	64,696	1,397,359
79,246	-	-	1,170,366
-	232,534	-	232,534
-	61,498	-	61,498
<u>79,246</u>	<u>294,032</u>	<u>64,696</u>	<u>2,873,347</u>
<u>832,535</u>	<u>472,518</u>	<u>(33,241)</u>	<u>928,083</u>
200,033	-	-	247,499
-	197,051	-	206,836
-	-	(187,246)	(1,086,307)
<u>200,033</u>	<u>197,051</u>	<u>(187,246)</u>	<u>(631,972)</u>
1,032,568	669,569	(220,487)	296,111
<u>423,516</u>	<u>761,680</u>	<u>1,266,079</u>	<u>8,668,290</u>
<u>\$ 1,456,084</u>	<u>\$ 1,431,249</u>	<u>\$ 1,045,592</u>	<u>\$ 8,964,401</u>

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, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022			Variance With Final Budget	2021
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Revenues					
Taxes					
Property taxes	\$ 7,671,912	\$ 7,671,912	\$ 7,650,409	\$ (21,503)	\$ 6,873,989
Cable franchise fee	130,000	130,000	145,755	15,755	139,914
Total taxes	<u>7,801,912</u>	<u>7,801,912</u>	<u>7,796,164</u>	<u>(5,748)</u>	<u>7,013,903</u>
Licenses and permits					
Business	89,800	89,800	102,400	12,600	90,666
Nonbusiness	1,221,430	1,221,430	1,820,910	599,480	1,783,754
Total licenses and permits	<u>1,311,230</u>	<u>1,311,230</u>	<u>1,923,310</u>	<u>612,080</u>	<u>1,874,420</u>
Intergovernmental					
Federal					
Other	4,000	4,000	3,929	(71)	66,779
State					
Property tax credits	-	-	8,400	8,400	7,857
Street maintenance aid	220,000	220,000	233,378	13,378	202,579
Fire aid	131,671	131,671	151,425	19,754	134,671
Police aid	173,127	173,127	198,659	25,532	173,127
Other	30,000	30,000	35,873	5,873	39,177
County					
Recycling grant	20,000	20,000	24,667	4,667	22,130
Other	25,000	25,000	39,918	14,918	24,506
Total intergovernmental	<u>603,798</u>	<u>603,798</u>	<u>696,249</u>	<u>92,451</u>	<u>670,826</u>
Charges for services					
General government	286,750	286,750	679,059	392,309	646,838
Public safety	430,398	430,398	447,142	16,744	346,729
Public works	178,000	178,000	192,612	14,612	180,708
Culture and recreation	160,350	160,350	126,443	(33,907)	100,151
Total charges for services	<u>1,055,498</u>	<u>1,055,498</u>	<u>1,445,256</u>	<u>389,758</u>	<u>1,274,426</u>
Fines and forfeitures	72,000	72,000	88,197	16,197	68,823
Investment earnings (loss)	70,000	70,000	(546,968)	(616,968)	(141,906)
Miscellaneous					
Contributions and donations	5,000	5,000	29,515	24,515	7,852
Refunds and reimbursements	248,200	248,200	563,993	315,793	504,620
Other	19,073	19,073	15,488	(3,585)	20,282
Total miscellaneous	<u>272,273</u>	<u>272,273</u>	<u>608,996</u>	<u>336,723</u>	<u>532,754</u>
Total Revenues	<u>11,186,711</u>	<u>11,186,711</u>	<u>12,011,204</u>	<u>824,493</u>	<u>11,293,246</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, 2022
 (With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022				2021
	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Actual Amounts
	Original	Final			
Expenditures					
Current					
General government					
Mayor and city council					
Personal services	\$ 20,099	\$ 20,099	\$ 20,075	\$ 24	\$ 20,080
Supplies	500	500	547	(47)	638
Other services and charges	11,100	11,100	936	10,164	259
Total mayor and city council	<u>31,699</u>	<u>31,699</u>	<u>21,558</u>	<u>10,141</u>	<u>20,977</u>
Other administration					
Personal services	504,761	504,761	531,373	(26,612)	482,637
Supplies	7,700	7,700	7,884	(184)	4,833
Other services and charges	229,100	229,100	242,952	(13,852)	280,992
Total other administration	<u>741,561</u>	<u>741,561</u>	<u>782,209</u>	<u>(40,648)</u>	<u>768,462</u>
Information systems					
Personal services	216,895	216,895	233,923	(17,028)	205,527
Supplies	2,900	2,900	6,418	(3,518)	4,866
Other services and charges	82,993	82,993	85,004	(2,011)	70,555
Total information systems	<u>302,788</u>	<u>302,788</u>	<u>325,345</u>	<u>(22,557)</u>	<u>280,948</u>
Elections					
Personal services	16,088	16,088	22,567	(6,479)	-
Supplies	2,500	2,500	8,138	(5,638)	-
Other services and charges	1,600	1,600	4,257	(2,657)	1,601
Total elections	<u>20,188</u>	<u>20,188</u>	<u>34,962</u>	<u>(14,774)</u>	<u>1,601</u>
Finance					
Personal services	280,389	280,389	321,466	(41,077)	261,031
Supplies	4,200	4,200	4,988	(788)	9,050
Other services and charges	41,690	41,690	38,342	3,348	32,464
Total finance	<u>326,279</u>	<u>326,279</u>	<u>364,796</u>	<u>(38,517)</u>	<u>302,545</u>
Assessing					
Other services and charges	<u>194,000</u>	<u>194,000</u>	<u>194,000</u>	<u>-</u>	<u>180,000</u>
Planning and zoning					
Personal services	273,387	273,387	172,130	101,257	207,501
Supplies	2,600	2,600	2,875	(275)	1,889
Other services and charges	81,025	91,025	97,051	(6,026)	26,835
Total planning and zoning	<u>357,012</u>	<u>367,012</u>	<u>272,056</u>	<u>94,956</u>	<u>236,225</u>
General government buildings					
Personal services	93,481	93,481	103,211	(9,730)	85,093
Supplies	4,250	4,250	10,295	(6,045)	11,423
Other services and charges	42,010	42,010	46,375	(4,365)	52,623
Total general government buildings	<u>139,741</u>	<u>139,741</u>	<u>159,881</u>	<u>(20,140)</u>	<u>149,139</u>

City of Rogers, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Continued)
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022				2021
	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
General government (continued)					
Community room					
Personal services	\$ 52,124	\$ 52,124	\$ 47,678	\$ 4,446	\$ 40,827
Supplies	9,650	9,650	8,370	1,280	9,923
Other services and charges	44,900	44,900	69,171	(24,271)	64,299
Total community room	<u>106,674</u>	<u>106,674</u>	<u>125,219</u>	<u>(18,545)</u>	<u>115,049</u>
General engineering					
Personal services	305,469	305,469	158,770	146,699	94,140
Supplies	8,950	8,950	13,713	(4,763)	7,714
Other services and charges	88,825	88,825	519,661	(430,836)	509,217
Total general engineering	<u>403,244</u>	<u>403,244</u>	<u>692,144</u>	<u>(288,900)</u>	<u>611,071</u>
Total general government	<u>2,623,186</u>	<u>2,633,186</u>	<u>2,972,170</u>	<u>(338,984)</u>	<u>2,666,017</u>
Public safety					
Police protection and administration					
Personal services	3,683,025	3,683,025	3,460,868	222,157	3,117,789
Supplies	206,200	206,200	223,717	(17,517)	168,765
Other services and charges	610,000	612,000	696,565	(84,565)	446,718
Total police protection and administration	<u>4,499,225</u>	<u>4,501,225</u>	<u>4,381,150</u>	<u>120,075</u>	<u>3,733,272</u>
Police reserves					
Personal services	-	-	-	-	142
Supplies	-	-	-	-	16
Total police reserves	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>158</u>
Fire fighting and administration					
Personal services	620,802	620,802	627,424	(6,622)	535,500
Supplies	101,800	114,260	121,291	(7,031)	72,049
Other services and charges	198,166	198,166	220,066	(21,900)	198,533
Total fire fighting and administration	<u>920,768</u>	<u>933,228</u>	<u>968,781</u>	<u>(35,553)</u>	<u>806,082</u>
Fire prevention					
Supplies	2,750	2,750	17	2,733	1,198
Other services and charges	2,700	2,700	1,396	1,304	1,676
Total fire prevention	<u>5,450</u>	<u>5,450</u>	<u>1,413</u>	<u>4,037</u>	<u>2,874</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, 2022
 (With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022			Variance With Final Budget	2021
	Budgeted Amounts		Actual		Actual
	Original	Final	Amounts		Amounts
Expenditures (Continued)					
Current (continued)					
Public safety (continued)					
Fire relief association					
Other services and charges	\$ 150,171	\$ 150,171	\$ 169,925	\$ (19,754)	\$ 153,671
Building inspection					
Other services and charges	354,941	354,941	578,839	(223,898)	518,736
Emergency management					
Supplies	10,000	10,000	7,274	2,726	3,331
Other services and charges	16,950	16,950	11,093	5,857	10,603
Total emergency management	26,950	26,950	18,367	8,583	13,934
Traffic signals					
Supplies	1,000	1,000	227	773	214
Other services and charges	20,800	20,800	18,923	1,877	18,441
Total traffic signals	21,800	21,800	19,150	2,650	18,655
Animal control					
Other services and charges	2,000	2,000	1,580	420	1,530
Total public safety	5,981,305	5,995,765	6,139,205	(143,440)	5,248,912
Public works					
General public works					
Personal services	661,467	661,467	587,719	73,748	563,004
Supplies	86,100	86,100	102,116	(16,016)	73,291
Other services and charges	95,450	95,450	115,415	(19,965)	103,209
Total general public works	843,017	843,017	805,250	37,767	739,504
Paved streets					
Personal services	-	-	-	-	2,142
Supplies	40,100	40,100	69,893	(29,793)	62,104
Other services and charges	126,100	126,100	74,280	51,820	107,137
Total paved streets	166,200	166,200	144,173	22,027	171,383
Unpaved streets					
Supplies	53,000	53,000	9,521	43,479	30,189
Other services and charges	63,500	63,500	28,357	35,143	39,524
Total unpaved streets	116,500	116,500	37,878	78,622	69,713
Sidewalks					
Other services and charges	63,000	63,000	8,903	54,097	45,289

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, 2022
 (With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022				2021
	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	\$ -	\$ -	\$ -	\$ -	\$ 127
Supplies	112,250	112,250	118,032	(5,782)	109,548
Other services and charges	2,250	2,250	604	1,646	1,536
Total ice and snow removal	114,500	114,500	118,636	(4,136)	111,211
Street lighting					
Supplies	500	500	85	415	-
Other services and charges	85,800	85,800	112,587	(26,787)	87,154
Total street lighting	86,300	86,300	112,672	(26,372)	87,154
Recycling					
Personal services	28,712	28,712	25,748	2,964	27,855
Supplies	6,000	6,000	-	6,000	521
Other services and charges	179,000	179,000	184,788	(5,788)	179,513
Total recycling	213,712	213,712	210,536	3,176	207,889
Weed/tree/grass control					
Supplies	1,500	1,500	242	1,258	3,335
Other services and charges	34,750	34,750	39,178	(4,428)	35,193
Total weed/tree/grass control	36,250	36,250	39,420	(3,170)	38,528
Total public works	1,639,479	1,639,479	1,477,468	162,011	1,470,671
Culture and recreation					
Community recreation					
Personal services	144,231	144,231	144,914	(683)	156,896
Supplies	16,200	16,200	12,753	3,447	10,421
Other services and charges	102,150	102,150	70,448	31,702	65,904
Total community recreation	262,581	262,581	228,115	34,466	233,221
Rockin' Rogers Days					
Supplies	250	250	49	201	-
Other services and charges	9,000	9,000	11,044	(2,044)	-
Total Rockin' Rogers Days	9,250	9,250	11,093	(1,843)	-

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, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022			Variance With Final Budget	2021
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
Culture and recreation (continued)					
Senior recreation/transportation					
Personal services	\$ 43,289	\$ 43,289	\$ 43,717	\$ (428)	\$ 40,707
Supplies	5,250	5,250	1,387	3,863	1,200
Other services and charges	40,300	40,300	33,983	6,317	17,106
Total senior recreation/transportation	<u>88,839</u>	<u>88,839</u>	<u>79,087</u>	<u>9,752</u>	<u>59,013</u>
Parks					
Personal services	573,001	573,001	626,583	(53,582)	473,085
Supplies	90,850	90,850	118,246	(27,396)	99,749
Other services and charges	105,700	105,700	104,329	1,371	103,638
Total parks	<u>769,551</u>	<u>769,551</u>	<u>849,158</u>	<u>(79,607)</u>	<u>676,472</u>
Total culture and recreation	<u>1,130,221</u>	<u>1,130,221</u>	<u>1,167,453</u>	<u>(37,232)</u>	<u>968,706</u>
Total current	<u>11,374,191</u>	<u>11,398,651</u>	<u>11,756,296</u>	<u>(357,645)</u>	<u>10,354,306</u>
Capital outlay					
Public safety	-	-	-	-	342,210
Public works	40,000	40,000	9,762	30,238	46,221
Total capital outlay	<u>40,000</u>	<u>40,000</u>	<u>9,762</u>	<u>30,238</u>	<u>388,431</u>
Total Expenditures	<u>11,414,191</u>	<u>11,438,651</u>	<u>11,766,058</u>	<u>(327,407)</u>	<u>10,742,737</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(227,480)</u>	<u>(251,940)</u>	<u>245,146</u>	<u>497,086</u>	<u>550,509</u>
Other Financing Sources (Uses)					
Transfers in	227,480	227,480	227,480	-	229,235
Sale of capital assets	-	-	-	-	55
Transfers out	-	-	(200,000)	(200,000)	(115,000)
Total Other Financing Sources (Uses)	<u>227,480</u>	<u>227,480</u>	<u>27,480</u>	<u>(200,000)</u>	<u>114,290</u>
Net Change in Fund Balances	-	(24,460)	272,626	297,086	664,799
Fund Balances, January 1	<u>7,299,666</u>	<u>7,299,666</u>	<u>7,299,666</u>	<u>-</u>	<u>6,634,867</u>
Fund Balances, December 31	<u>\$ 7,299,666</u>	<u>\$ 7,275,206</u>	<u>\$ 7,572,292</u>	<u>\$ 297,086</u>	<u>\$ 7,299,666</u>

City of Rogers, Minnesota
Debt Service Funds
Combining Balance Sheet
December 31, 2022

	328 General Obligation Improvement Refunding Bonds of 2008	330 Rogers Activity Center Tax Abatement Bonds of 2015	336 General Obligation Tax Increment Refunding Bonds of 2011
Assets			
Cash and temporary investments	\$ 727,933	\$ 71,748	\$ -
Special assessments receivable	450,756	-	-
Total Assets	<u>\$ 1,178,689</u>	<u>\$ 71,748</u>	<u>\$ -</u>
Deferred Inflows of Resources			
Unavailable revenue - special assessments	\$ 450,756	\$ -	\$ -
Fund Balances			
Restricted	<u>727,933</u>	<u>71,748</u>	<u>-</u>
Total Deferred Inflows of Resources and Fund Balances	<u>\$ 1,178,689</u>	<u>\$ 71,748</u>	<u>\$ -</u>

340	341	342	362	
2014A G.O. Bonds	2015A G.O. Improvement Bonds	2021A G.O. Street Reconstruction Bonds	General Obligation Tax Increment Bonds of 2003	Total
\$ 114,641	\$ 131,443	\$ 306,665	\$ -	\$ 1,352,430
<u>-</u>	<u>1,067,445</u>	<u>-</u>	<u>-</u>	<u>1,518,201</u>
<u>\$ 114,641</u>	<u>\$ 1,198,888</u>	<u>\$ 306,665</u>	<u>\$ -</u>	<u>\$ 2,870,631</u>
\$ -	\$ 1,067,445	\$ -	\$ -	\$ 1,518,201
<u>114,641</u>	<u>131,443</u>	<u>306,665</u>	<u>-</u>	<u>1,352,430</u>
<u>\$ 114,641</u>	<u>\$ 1,198,888</u>	<u>\$ 306,665</u>	<u>\$ -</u>	<u>\$ 2,870,631</u>

City of Rogers, Minnesota
Debt Service Funds
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended December 31, 2022

	328 General Obligation Improvement Refunding Bonds of 2008	330 Rogers Activity Center Tax Abatement Bonds of 2015	336 General Obligation Tax Increment Refunding Bonds of 2011
Revenues			
Property taxes	\$ -	\$ 221,301	\$ -
Special assessments	212,056	-	-
Investment earnings	7,956	1,222	-
Total Revenues	<u>220,012</u>	<u>222,523</u>	<u>-</u>
Expenditures			
Debt service			
Principal	-	175,000	-
Interest and other	3	36,754	-
Total Expenditures	<u>3</u>	<u>211,754</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	220,009	10,769	-
Other Financing Sources			
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	220,009	10,769	-
Fund Balances, January 1	<u>507,924</u>	<u>60,979</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 727,933</u>	<u>\$ 71,748</u>	<u>\$ -</u>

340	341	342	362	
2014A G.O. Bonds	2015A G.O. Improvement Bonds	2021A G.O. Street Reconstruction Bonds	General Obligation Tax Increment Bonds of 2003	Total
\$ 239,166	\$ -	\$ -	\$ -	\$ 460,467
-	312,184	-	-	524,240
1,703	2,544	2,912	-	16,337
<u>240,869</u>	<u>314,728</u>	<u>2,912</u>	<u>-</u>	<u>1,001,044</u>
165,000	295,000	-	-	635,000
63,968	26,777	65,567	-	193,069
<u>228,968</u>	<u>321,777</u>	<u>65,567</u>	<u>-</u>	<u>828,069</u>
11,901	(7,049)	(62,655)	-	172,975
<u>-</u>	<u>-</u>	<u>369,320</u>	<u>-</u>	<u>369,320</u>
11,901	(7,049)	306,665	-	542,295
<u>102,740</u>	<u>138,492</u>	<u>-</u>	<u>-</u>	<u>810,135</u>
<u>\$ 114,641</u>	<u>\$ 131,443</u>	<u>\$ 306,665</u>	<u>\$ -</u>	<u>\$ 1,352,430</u>

City of Rogers, Minnesota
TIF Funds
Combining Balance Sheet
December 31, 2022

	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	\$ 738,444	\$ 150,115	\$ 25,859
Receivables			
Accounts	<u> -</u>	<u> 9</u>	<u> -</u>
Total Assets	<u><u>\$ 738,444</u></u>	<u><u>\$ 150,124</u></u>	<u><u>\$ 25,859</u></u>
Liabilities			
Due to other governments	\$ -	\$ 629	\$ -
Due to other funds	-	8,634	-
Advances from other funds	<u> -</u>	<u>28,033</u>	<u> -</u>
Total Liabilities	<u> -</u>	<u>37,296</u>	<u> -</u>
Fund Balances			
Restricted	<u>738,444</u>	<u>112,828</u>	<u>25,859</u>
Total Liabilities and Fund Balance	<u><u>\$ 738,444</u></u>	<u><u>\$ 150,124</u></u>	<u><u>\$ 25,859</u></u>

460 Tax Increment Financing District #14	461 Tax Increment Financing District #15	462 Tax Increment Financing District #16	Total
\$ 663,638	\$ 545,569	\$ 44,298	\$ 2,167,923
55	120	-	184
<u>\$ 663,693</u>	<u>\$ 545,689</u>	<u>\$ 44,298</u>	<u>\$ 2,168,107</u>
\$ 824	\$ 1,085	\$ 1,000	\$ 3,538
51,807	112,248	-	172,689
168,189	364,409	-	560,631
<u>220,820</u>	<u>477,742</u>	<u>1,000</u>	<u>736,858</u>
442,873	67,947	43,298	1,431,249
<u>\$ 663,693</u>	<u>\$ 545,689</u>	<u>\$ 44,298</u>	<u>\$ 2,168,107</u>

City of Rogers, Minnesota
TIF Funds
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended December 31, 2022

	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	\$ -	\$ 32,313	\$ -
Charges for services	-	2,443	-
Investment earnings	9,006	1,593	325
Miscellaneous	6,481	-	-
Total Revenues	<u>15,487</u>	<u>36,349</u>	<u>325</u>
Expenditures			
Capital outlay			
Economic development	14,288	-	1,155
Housing	-	4,950	-
Total Expenditures	<u>14,288</u>	<u>4,950</u>	<u>1,155</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,199	31,399	(830)
Other Financing Uses			
Sale of capital assets	-	9,853	-
Net Change in Fund Balances	1,199	41,252	(830)
Fund Balances, January 1	<u>737,245</u>	<u>71,576</u>	<u>26,689</u>
Fund Balances, December 31	<u>\$ 738,444</u>	<u>\$ 112,828</u>	<u>\$ 25,859</u>

460 Tax Increment Financing District #14	461 Tax Increment Financing District #15	462 Tax Increment Financing District #16	Total
\$ 136,875	\$ 276,765	\$ 238,440	\$ 684,393
14,656	31,756	-	48,855
7,110	4,645	307	22,986
-	-	3,835	10,316
<u>158,641</u>	<u>313,166</u>	<u>242,582</u>	<u>766,550</u>
-	-	217,091	232,534
18,682	37,866	-	61,498
<u>18,682</u>	<u>37,866</u>	<u>217,091</u>	<u>294,032</u>
139,959	275,300	25,491	472,518
59,115	128,083	-	197,051
199,074	403,383	25,491	669,569
243,799	(335,436)	17,807	761,680
<u>\$ 442,873</u>	<u>\$ 67,947</u>	<u>\$ 43,298</u>	<u>\$ 1,431,249</u>

City of Rogers, Minnesota
Street and Related Improvement Projects Funds
Combining Balance Sheet
December 31, 2022

	432	446	447	448	
	Rogers Drive Realignment	CSAH 81/13	Lennar Laurel Creek	2021 Street Improvements	Total
Assets					
Cash and temporary investments	<u>\$ 889,116</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 288,115</u>	<u>\$ 1,177,231</u>
Liabilities					
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 131,639</u>	<u>\$ 131,639</u>
Fund Balances					
Restricted	-	-	-	156,476	156,476
Committed	<u>889,116</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>889,116</u>
Total Fund Balances	<u>889,116</u>	<u>-</u>	<u>-</u>	<u>156,476</u>	<u>1,045,592</u>
 Total Liabilities and Fund Balances	 <u>\$ 889,116</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 288,115</u>	 <u>\$ 1,177,231</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, 2022

	432	446	447	448	
	Rogers Drive Realignment	CSAH 81/13	Lennar Laurel Creek	2021 Street Improvements	Total
Revenues					
Investment earnings	\$ 10,877	\$ 1,570	\$ 1,225	\$ 3,526	\$ 17,198
Miscellaneous	-	-	14,257	-	14,257
Total Revenues	<u>10,877</u>	<u>1,570</u>	<u>15,482</u>	<u>3,526</u>	<u>31,455</u>
Expenditures					
Capital outlay					
Public works	-	48,972	14,257	1,467	64,696
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,877	(47,402)	1,225	2,059	(33,241)
Other Financing Uses					
Transfers out	-	(116,029)	(35,377)	(35,840)	(187,246)
Net Change in Fund Balances	10,877	(163,431)	(34,152)	(33,781)	(220,487)
Fund Balances, January 1	<u>878,239</u>	<u>163,431</u>	<u>34,152</u>	<u>190,257</u>	<u>1,266,079</u>
Fund Balances, December 31	<u><u>\$ 889,116</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 156,476</u></u>	<u><u>\$ 1,045,592</u></u>

City of Rogers, Minnesota
Enterprise Funds
Water Fund
Combining Schedule of Net Position
December 31, 2022

	<u>601</u>	<u>405</u>	<u>407</u>	
	Water	Water Trunk	WAC	Total
Assets				
Current Assets				
Cash and temporary investments	\$ 5,907,946	\$ 1,718,160	\$ 9,619,182	\$ 17,245,288
Receivables				
Accounts	94,850	-	-	94,850
Due from other governments	38,426	-	392,760	431,186
Prepaid items	5,674	-	-	5,674
Total Current Assets	<u>6,046,896</u>	<u>1,718,160</u>	<u>10,011,942</u>	<u>17,776,998</u>
Noncurrent Assets				
Special assessments receivable	-	31,225	5,048	36,273
Capital assets				
Land	810,812	-	-	810,812
Buildings and improvements	3,991,348	-	-	3,991,348
Infrastructure	18,935,474	-	-	18,935,474
Machinery and equipment	247,702	-	-	247,702
Construction in progress	118,679	-	-	118,679
Less accumulated depreciation	(10,583,464)	-	-	(10,583,464)
Total Capital Assets (Net of Accumulated Depreciation)	<u>13,520,551</u>	<u>-</u>	<u>-</u>	<u>13,520,551</u>
Total Noncurrent Assets	<u>13,520,551</u>	<u>31,225</u>	<u>5,048</u>	<u>13,556,824</u>
Total Assets	<u>19,567,447</u>	<u>1,749,385</u>	<u>10,016,990</u>	<u>31,333,822</u>
Deferred Outflows of Resources				
Deferred other postemployment benefits resources	10,785	-	-	10,785
Deferred pension resources	125,202	-	-	125,202
Total Deferred Outflows of Resources	<u>135,987</u>	<u>-</u>	<u>-</u>	<u>135,987</u>
Liabilities				
Current Liabilities				
Accounts payable	51,926	5,739	-	57,665
Accrued salaries payable	8,780	-	-	8,780
Due to other governments	2,772	-	-	2,772
Accrued interest payable	31,105	-	-	31,105
Compensated absences payable - current portion	16,062	-	-	16,062
Bonds payable - current portion	350,000	-	-	350,000
Total Current Liabilities	<u>460,645</u>	<u>5,739</u>	<u>-</u>	<u>466,384</u>

City of Rogers, Minnesota
Enterprise Funds
Water Fund
Combining Schedule Net Position (Continued)
December 31, 2022

	<u>601</u>	<u>405</u>	<u>407</u>	
	Water	Water Trunk	WAC	Total
Noncurrent Liabilities				
Severance obligations payable	\$ 8,133	\$ -	\$ -	\$ 8,133
Compensated absences payable	42,486	-	-	42,486
Other postemployment benefits payable	34,766	-	-	34,766
Bonds payable	4,328,472	-	-	4,328,472
Net pension liability	368,634	-	-	368,634
Total Noncurrent Liabilities	<u>4,782,491</u>	<u>-</u>	<u>-</u>	<u>4,782,491</u>
 Total Liabilities	 <u>5,243,136</u>	 <u>5,739</u>	 <u>-</u>	 <u>5,248,875</u>
Deferred Inflows of Resources				
Deferred other postemployment benefits resources	37,768	-	-	37,768
Deferred pension resources	4,932	-	-	4,932
Total Deferred Inflows of Resources	<u>42,700</u>	<u>-</u>	<u>-</u>	<u>42,700</u>
Net Position				
Net investment in capital assets	12,723,400	-	-	12,723,400
Unrestricted	1,694,198	1,743,646	10,016,990	13,454,834
 Total Net Position	 <u>\$ 14,417,598</u>	 <u>\$ 1,743,646</u>	 <u>\$ 10,016,990</u>	 <u>\$ 26,178,234</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, 2022

	<u>601</u>	<u>405</u>	<u>407</u>	
	Water	Water Trunk	WAC	Total
Operating Revenues				
Charges for services	\$ 1,746,124	\$ -	\$ -	\$ 1,746,124
Miscellaneous	6,046	-	-	6,046
Total Operating Revenues	<u>1,752,170</u>	<u>-</u>	<u>-</u>	<u>1,752,170</u>
Operating Expenses				
Personal services	573,355	-	-	573,355
Supplies	333,379	-	-	333,379
Other services and charges	668,760	7,980	36,484	713,224
Depreciation	546,366	-	-	546,366
Total Operating Expenses	<u>2,121,860</u>	<u>7,980</u>	<u>36,484</u>	<u>2,166,324</u>
Operating Income (Loss)	<u>(369,690)</u>	<u>(7,980)</u>	<u>(36,484)</u>	<u>(414,154)</u>
Nonoperating Revenues (Expenses)				
Investment earnings (loss)	(304,533)	19,868	(567,198)	(851,863)
Interest expense	(79,950)	-	-	(79,950)
Other income	1,616	-	-	1,616
Total Nonoperating Revenues (Expenses)	<u>(382,867)</u>	<u>19,868</u>	<u>(567,198)</u>	<u>(930,197)</u>
Income (Loss) Before				
Contributions and Transfers	(752,557)	11,888	(603,682)	(1,344,351)
Capital Contributions				
Connection fees and special assessments	-	424,215	1,791,136	2,215,351
Contributions from Other Funds	118,679	-	-	118,679
Contributions to Other Funds	-	(118,679)	-	(118,679)
Contributions from Developers	1,309,441	-	-	1,309,441
Transfers In	629,091	-	-	629,091
Transfers Out	(9,910)	-	(629,091)	(639,001)
Change in Net Position	1,294,744	317,424	558,363	2,170,531
Net Position, January 1	<u>13,122,854</u>	<u>1,426,222</u>	<u>9,458,627</u>	<u>24,007,703</u>
Net Position, December 31	<u>\$ 14,417,598</u>	<u>\$ 1,743,646</u>	<u>\$ 10,016,990</u>	<u>\$ 26,178,234</u>

City of Rogers, Minnesota
Enterprise Funds
Sewer Fund
Combining Schedule of Net Position
December 31, 2022

	<u>602</u>	<u>406</u>	<u>408</u>	
	Sewer	Sewer Trunk	RSAC	Total
Assets				
Current Assets				
Cash and temporary investments	\$ 2,146,324	\$ 2,297,509	\$ 5,954,803	\$ 10,398,636
Receivables				
Accounts	194,490	-	-	194,490
Due from other governments	46,103	-	-	46,103
Due from other funds	-	-	877,564	877,564
Prepaid items	97,591	-	-	97,591
Total Current Assets	<u>2,484,508</u>	<u>2,297,509</u>	<u>6,832,367</u>	<u>11,614,384</u>
Noncurrent Assets				
Special assessments receivable	-	26,679	4,731	31,410
Advances to other funds	-	-	2,950,321	2,950,321
Capital assets				
Land	123,541	-	-	123,541
Buildings and improvements	1,021,216	-	-	1,021,216
Infrastructure	15,218,335	-	-	15,218,335
Machinery and equipment	603,140	-	-	603,140
Construction in progress	97,837	-	-	97,837
Less accumulated depreciation	(5,594,741)	-	-	(5,594,741)
Total Capital Assets (Net of Accumulated Depreciation)	<u>11,469,328</u>	<u>-</u>	<u>-</u>	<u>11,469,328</u>
Total Noncurrent Assets	<u>11,469,328</u>	<u>26,679</u>	<u>2,955,052</u>	<u>14,451,059</u>
Total Assets	<u>13,953,836</u>	<u>2,324,188</u>	<u>9,787,419</u>	<u>26,065,443</u>
Deferred Outflows of Resources				
Deferred other postemployment benefits resources	10,744	-	-	10,744
Deferred pension resources	124,736	-	-	124,736
Total Deferred Outflows of Resources	<u>135,480</u>	<u>-</u>	<u>-</u>	<u>135,480</u>
Liabilities				
Current Liabilities				
Accounts payable	25,599	-	-	25,599
Accrued salaries payable	8,751	-	-	8,751
Due to other governments	3,428	-	31,982	35,410
Compensated absences payable - current portion	15,957	-	-	15,957
Total Current Liabilities	<u>53,735</u>	<u>-</u>	<u>31,982</u>	<u>85,717</u>

City of Rogers, Minnesota
Enterprise Funds
Sewer Fund
Combining Schedule of Net Position (Continued)
December 31, 2022

	<u>602</u>	<u>406</u>	<u>408</u>	
	Sewer	Sewer Trunk	RSAC	Total
Noncurrent Liabilities				
Severance obligations payable	\$ 8,133	\$ -	\$ -	\$ 8,133
Compensated absences payable	42,207	-	-	42,207
Other postemployment benefits payable	34,634	-	-	34,634
Net pension liability	367,266	-	-	367,266
Total Noncurrent Liabilities	<u>452,240</u>	<u>-</u>	<u>-</u>	<u>452,240</u>
Total Liabilities	<u>505,975</u>	<u>-</u>	<u>31,982</u>	<u>537,957</u>
Deferred Inflows of Resources				
Deferred other postemployment benefits resources	37,625	-	-	37,625
Deferred pension resources	4,914	-	-	4,914
Total Deferred Inflows of Resources	<u>42,539</u>	<u>-</u>	<u>-</u>	<u>42,539</u>
Net Position				
Investment in capital assets	11,469,328	-	-	11,469,328
Unrestricted	2,071,474	2,324,188	9,755,437	14,151,099
Total Net Position	<u>\$ 13,540,802</u>	<u>\$ 2,324,188</u>	<u>\$ 9,755,437</u>	<u>\$ 25,620,427</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, 2022

	<u>602</u>	<u>406</u>	<u>408</u>	
	Sewer	Sewer Trunk	RSAC	Total
Operating Revenues				
Charges for services	\$ 1,483,449	\$ -	\$ -	\$ 1,483,449
Miscellaneous	643	-	-	643
Total Operating Revenues	<u>1,484,092</u>	<u>-</u>	<u>-</u>	<u>1,484,092</u>
Operating Expenses				
Personal services	571,277	-	-	571,277
Supplies	30,214	-	-	30,214
Other services and charges	1,071,616	1,783	24,500	1,097,899
Depreciation	355,268	-	-	355,268
Total Operating Expenses	<u>2,028,375</u>	<u>1,783</u>	<u>24,500</u>	<u>2,054,658</u>
Operating Loss	<u>(544,283)</u>	<u>(1,783)</u>	<u>(24,500)</u>	<u>(570,566)</u>
Nonoperating Revenues				
Investment earnings (loss)	(120,597)	(127,489)	(271,454)	(519,540)
Other income	1,610	-	-	1,610
Total Nonoperating Revenues	<u>(118,987)</u>	<u>(127,489)</u>	<u>(271,454)</u>	<u>(517,930)</u>
Loss Before				
Contributions and Transfers	(663,270)	(129,272)	(295,954)	(1,088,496)
Capital Contributions				
Connection fees and special assessments	-	450,369	517,888	968,257
Contributions from Other Funds	97,837	-	-	97,837
Contributions to Other Funds	-	(97,837)	-	(97,837)
Contributions From Developers	1,266,512	-	-	1,266,512
Transfers In	175,000	-	-	175,000
Transfers Out	(9,450)	-	(175,000)	(184,450)
Change in Net Position	866,629	223,260	46,934	1,136,823
Net Position, January 1	<u>12,674,173</u>	<u>2,100,928</u>	<u>9,708,503</u>	<u>24,483,604</u>
Net Position, December 31	<u>\$ 13,540,802</u>	<u>\$ 2,324,188</u>	<u>\$ 9,755,437</u>	<u>\$ 25,620,427</u>

City of Rogers, Minnesota
Enterprise Funds
Storm Sewer Fund
Combining Schedule of Net Position
December 31, 2022

	<u>603</u>	<u>438</u>	
	Storm Sewer	Storm Sewer Trunk	Total
Assets			
Current Assets			
Cash and temporary investments	\$ 2,417,862	\$ 1,524,056	\$ 3,941,918
Accounts receivable	101,552	-	101,552
Due from other governments	19	-	19
Prepaid items	4,065	-	4,065
Total Current Assets	<u>2,523,498</u>	<u>1,524,056</u>	<u>4,047,554</u>
Noncurrent Assets			
Special assessments receivable	-	8,207	8,207
Capital assets			
Land	166,421	-	166,421
Infrastructure	13,563,554	-	13,563,554
Machinery and equipment	214,858	-	214,858
Less accumulated depreciation	(4,871,266)	-	(4,871,266)
Total Capital Assets (Net of Accumulated Depreciation)	<u>9,073,567</u>	<u>-</u>	<u>9,073,567</u>
Total Noncurrent Assets	<u>9,073,567</u>	<u>8,207</u>	<u>9,081,774</u>
Total Assets	<u>11,597,065</u>	<u>1,532,263</u>	<u>13,129,328</u>
Deferred Outflows of Resources			
Deferred other postemployment benefits resources	6,203	-	6,203
Deferred pension resources	73,181	-	73,181
Total Deferred Outflows of Resources	<u>79,384</u>	<u>-</u>	<u>79,384</u>
Liabilities			
Current Liabilities			
Accounts payable	17,131	-	17,131
Accrued salaries payable	5,039	-	5,039
Compensated absences payable - current portion	9,699	-	9,699
Total Current Liabilities	<u>31,869</u>	<u>-</u>	<u>31,869</u>
Noncurrent Liabilities			
Severance obligations payable	6,437	-	6,437
Compensated absences payable	25,654	-	25,654
Other postemployment benefits payable	19,996	-	19,996
Net pension liability	215,468	-	215,468
Total Noncurrent Liabilities	<u>267,555</u>	<u>-</u>	<u>267,555</u>
Total Liabilities	<u>299,424</u>	<u>-</u>	<u>299,424</u>
Deferred Inflows of Resources			
Deferred other postemployment benefits resources	21,723	-	21,723
Deferred pension resources	2,883	-	2,883
Total Deferred Inflows of Resources	<u>24,606</u>	<u>-</u>	<u>24,606</u>
Net Position			
Investment in capital assets	9,073,567	-	9,073,567
Unrestricted	2,278,852	1,712,936	3,991,788
Total Net Position	<u>\$ 11,352,419</u>	<u>\$ 1,712,936</u>	<u>\$ 13,065,355</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, 2022

	603	438	
	Storm Sewer	Storm Sewer Trunk	Total
Operating Revenues			
Charges for services	\$ 703,124	\$ -	\$ 703,124
Miscellaneous	23,578	-	23,578
Total Operating Revenues	<u>726,702</u>	<u>-</u>	<u>726,702</u>
Operating Expenses			
Personal services	311,230	-	311,230
Supplies	7,745	-	7,745
Other services and charges	160,578	(171,437)	(10,859)
Depreciation	241,463	-	241,463
Total Operating Expenses	<u>721,016</u>	<u>(171,437)</u>	<u>549,579</u>
Operating Income (Loss)	<u>5,686</u>	<u>171,437</u>	<u>177,123</u>
Nonoperating Revenues			
Investment earnings (loss)	(142,514)	16,552	(125,962)
Other income	1,194	-	1,194
Total Nonoperating Revenues	<u>(141,320)</u>	<u>16,552</u>	<u>(124,768)</u>
Income (Loss) Before Contributions and Transfers	(135,634)	187,989	52,355
Capital Contributions			
Connection fees and special assessments	-	338,825	338,825
Contributions from Other Funds	180,673	-	180,673
Contributions from Developers	1,849,210	-	1,849,210
Transfers Out	<u>(180,673)</u>	<u>-</u>	<u>(180,673)</u>
Change in Net Position	1,713,576	526,814	2,240,390
Net Position, January 1	<u>9,638,843</u>	<u>1,186,122</u>	<u>10,824,965</u>
Net Position, December 31	<u>\$ 11,352,419</u>	<u>\$ 1,712,936</u>	<u>\$ 13,065,355</u>

City of Rogers, Minnesota
Enterprise Funds
Municipal Liquor Store Fund
Combining Schedule of Operating Revenues and Expenses
For the Year Ended December 31, 2022

	Municipal Liquor On-Sale	Municipal Liquor Off-Sale	Total
Sales and Cost of Sales			
Sales	\$ 435,790	\$ 4,002,006	\$ 4,437,796
Cost of sales	(122,034)	(2,882,982)	(3,005,016)
Gross Profit	<u>313,756</u>	<u>1,119,024</u>	<u>1,432,780</u>
Operating Expenses			
Personal services	228,628	540,722	769,350
Supplies	14,574	9,325	23,899
Other services and charges	91,368	171,033	262,401
Depreciation	8,982	27,841	36,823
Total Operating Expenses	<u>343,552</u>	<u>748,921</u>	<u>1,092,473</u>
Operating Income (Loss)	<u>\$ (29,796)</u>	<u>\$ 370,103</u>	<u>\$ 340,307</u>

City of Rogers, Minnesota
 Summary Financial Report
 Revenues and Expenditures For General Operations
 Governmental Funds
 For the Years Ended December 31, 2022 and 2021

	Total		Percent Increase (Decrease)
	2022	2021	
Revenues			
Taxes			
Property taxes	\$ 9,596,597	\$ 8,845,637	8.49 %
Tax increments	684,393	663,781	3.11
Franchise taxes	2,805,715	2,656,516	5.62
Licenses and permits	1,923,310	1,874,420	2.61
Intergovernmental	2,373,412	2,321,698	2.23
Charges for services	3,587,935	5,205,705	(31.08)
Fines and forfeitures	89,955	86,302	4.23
Special assessments	726,723	813,281	(10.64)
Investment earnings (loss)	(1,541,819)	(191,551)	7.05
Miscellaneous	1,298,400	1,058,841	22.62
	<u>\$ 21,544,621</u>	<u>\$ 23,334,630</u>	(7.67) %
Total Revenues	<u>\$ 21,544,621</u>	<u>\$ 23,334,630</u>	(7.67) %
Per Capita	\$ 1,608	\$ 1,756	(8.40)
Expenditures			
Current			
General government	\$ 3,264,456	\$ 2,825,494	15.54 %
Public safety	6,149,927	5,248,912	17.17
Public works	1,477,468	1,476,892	0.04
Culture and recreation	1,847,510	1,513,215	22.09
Economic development	327,972	167,651	95.63
Capital outlay			
General government	82,180	31,661	159.56
Public safety	780,605	1,028,624	(24.11)
Public works	1,926,718	5,791,076	(66.73)
Culture and recreation	3,776,937	2,687,689	40.53
Economic development	232,534	218,424	6.46
Housing	61,498	1,044,980	(94.11)
Debt service			
Principal	635,000	695,000	(8.63)
Interest and service charges	217,940	146,661	48.60
Bond issuance costs	-	52,725	(100.00)
	<u>\$ 20,780,745</u>	<u>\$ 22,929,004</u>	(9.37) %
Total Expenditures	<u>\$ 20,780,745</u>	<u>\$ 22,929,004</u>	(9.37) %
Per Capita	\$ 1,551	\$ 1,725	(10.09)
Total Long-term Indebtedness	\$ 6,770,000	\$ 7,405,000	(8.58) %
Per Capita	505	557	(9.30)
General Fund Balance - December 31	\$ 7,572,292	\$ 7,299,666	3.73 %
Per Capita	565	549	2.91

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, 2022

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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, 2022, and the related notes to the financial statements which collectively comprise the City's basic financial statement, and have issued our report thereon dated June 7, 2023.

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
Minneapolis, Minnesota
June 7, 2023

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 7, 2023.

Report on 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.

Report on 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
Minneapolis, Minnesota
June 7, 2023

