

PRELIMINARY OFFICIAL STATEMENT DATED MAY 28, 2026

In the opinion of Kutak Rock LLP, Bond Counsel to the Issuer, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Bonds (including any original issue discount properly allocable to the owner of a Bond) is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Further, and to the extent of the aforementioned federal income tax exclusion, interest on the Bonds is excludable from taxable net income of individuals, trusts and estates for Minnesota income tax purposes, and is not a preference item for purposes of the computation of the Minnesota alternative minimum tax imposed on individuals, trusts and estates. Interest on the Bonds (a) may affect the federal alternative minimum tax imposed on certain corporations, and (b) is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. For a more detailed description of such opinions of Bond Counsel, see "Tax Matters" herein and "Appendix B - Form of Legal Opinion."

The City will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

New Issue

Rating Application Made: S&P Global Ratings

CITY OF ROGERS, MINNESOTA (Hennepin County)

\$9,985,000* GENERAL OBLIGATION TAX ABATEMENT BONDS, SERIES 2026A

PROPOSAL OPENING: June 9, 2026, 10:00 A.M., C.T.

CONSIDERATION: June 9, 2026, 7:00 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$9,985,000* General Obligation Tax Abatement Bonds, Series 2026A (the "Bonds") are being issued pursuant to Minnesota Statutes, Chapters 469 and 475, as amended, including Sections 469.1812 through 469.1815, by the City of Rogers, Minnesota (the "City"), to finance certain public improvements including without limitation a portion of the cost of the acquisition, construction and betterment of an expansion of the Rogers Activity Center to include a second sheet of ice. The Bonds will be general obligations of the City for which its full faith and credit and taxing powers are pledged. Delivery is subject to receipt of an approving legal opinion of Kutak Rock LLP, Minneapolis, Minnesota.

DATE OF BONDS: June 25, 2026

MATURITY: February 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2028	\$135,000	2035	\$450,000	2042	\$585,000
2029	375,000	2036	465,000	2043	610,000
2030	385,000	2037	485,000	2044	635,000
2031	395,000	2038	500,000	2045	660,000
2032	410,000	2039	520,000	2046	695,000
2033	420,000	2040	540,000	2047	725,000
2034	435,000	2041	560,000		

***MATURITY ADJUSTMENTS:** The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BONDS: See "Term Bond Option" herein.

INTEREST: August 1, 2027 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing on February 1, 2037 and thereafter are subject to call for prior optional redemption on February 1, 2036 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

MINIMUM PROPOSAL: \$9,865,180.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$199,700 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation.

BOND COUNSEL: Kutak Rock LLP.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

BOOK-ENTRY-ONLY: See "Book-Entry-Only System" herein (unless otherwise specified by the purchaser).



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This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b) (1), but is subject to revision, amendment and completion in a Final Official Statement.

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representation other than those contained in this Preliminary Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. ***This Preliminary Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Preliminary Official Statement is not to be construed as a contract with the Underwriter (Syndicate Manager). Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the City and other sources for which there is reasonable basis for believing the information is accurate and complete. Bond Counsel has not participated in the preparation of this Preliminary Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein. Compensation of Ehlers and Associates, Inc., payable entirely by the City, is contingent upon the delivery of the Bonds.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

Preliminary Official Statement: This Preliminary Official Statement was prepared for the City for dissemination to potential investors. Its primary purpose is to disclose information regarding the Bonds to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Preliminary Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

Review Period: This Preliminary Official Statement has been distributed to prospective bidders for review. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers and Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum prior to the sale.

Final Official Statement: Copies of the Final Official Statement will be delivered to the Underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

Continuing Disclosure: Subject to certain exemptions, issues in an aggregate amount over \$1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Preliminary Official Statement describes the conditions under which the City is required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of the Bonds, the Underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Bonds and all times subsequent thereto up to and including the time of the delivery of the Bonds, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Bonds; (3) a certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Bonds, (b) neither the corporate existence or boundaries of the City nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the City which indicates that the City does not expect to use the proceeds of the Bonds in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

TABLE OF CONTENTS

INTRODUCTORY STATEMENT.....	1	TAX LEVIES, COLLECTIONS AND RATES	20
THE BONDS	1	TAX LEVIES AND COLLECTIONS	20
GENERAL	1	TAX CAPACITY RATES	21
OPTIONAL REDEMPTION	2	THE ISSUER	21
AUTHORITY; PURPOSE	2	CITY GOVERNMENT.....	21
ESTIMATED SOURCES AND USES.....	2	EMPLOYEES; PENSIONS; UNIONS	21
SECURITY.....	3	POST EMPLOYMENT BENEFITS.....	22
RATING	3	LITIGATION	22
CONTINUING DISCLOSURE.....	3	MUNICIPAL BANKRUPTCY.....	22
LEGAL MATTERS	4	FUNDS ON HAND.....	23
TAX MATTERS.....	4	ENTERPRISE FUNDS	24
NOT QUALIFIED TAX-EXEMPT OBLIGATIONS.....	6	SUMMARY GENERAL FUND INFORMATION.....	25
MUNICIPAL ADVISOR	6	GENERAL FUND BUDGET SUMMARY	26
MUNICIPAL ADVISOR AFFILIATED COMPANIES.....	7	GENERAL INFORMATION	27
INDEPENDENT AUDITORS	7	LOCATION	27
RISK FACTORS.....	7	LARGER EMPLOYERS	27
VALUATIONS.....	9	BUILDING PERMITS	28
OVERVIEW	9	U.S. CENSUS DATA	28
CURRENT PROPERTY VALUATIONS.....	10	EMPLOYMENT/UNEMPLOYMENT DATA.....	29
2025/26 NET TAX CAPACITY BY CLASSIFICATION ..	11	FINANCIAL STATEMENTS.....	A-1
TREND OF VALUATIONS.....	11	FORM OF LEGAL OPINION	B-1
LARGEST TAXPAYING PARCELS.....	12	BOOK-ENTRY-ONLY SYSTEM	C-1
DEBT	13	FORM OF CONTINUING DISCLOSURE CERTIFICATE ..	D-1
DIRECT DEBT	13	TERMS OF PROPOSAL	E-1
DEBT PAYMENT HISTORY	13	PROPOSAL FORM	
FUTURE FINANCING.....	13		
DEBT LIMIT	14		
SCHEDULES OF BONDED INDEBTEDNESS	15		
OVERLAPPING DEBT	19		
DEBT RATIOS.....	20		

CITY OF ROGERS CITY COUNCIL

		<u>Term Expires</u>
Shannon Klick	Mayor	January 2027
Joel Brockman	Council Member	January 2029
Mark Eiden	Council Member	January 2027
Amy Enga	Council Member	January 2027
Kevin Jullie	Council Member	January 2029

ADMINISTRATION

Steve Stahmer, City Administrator
Bridget Bruska, Finance Director

PROFESSIONAL SERVICES

Kutak Rock LLP, Bond Counsel, Minneapolis, Minnesota

Ehlers and Associates, Inc., Municipal Advisors, Minneapolis, Minnesota
(Other office located in Waukesha, Wisconsin)

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the City of Rogers, Minnesota (the "City") and the issuance of its \$9,985,000* General Obligation Tax Abatement Bonds, Series 2026A (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution authorizing the issuance and sale of the Bonds ("Award Resolution") to be adopted by the City Council on June 9, 2026.

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Minneapolis, Minnesota, (651) 697-8500, the City's municipal advisor. A copy of this Preliminary Official Statement may be downloaded from Ehlers' web site at www.ehlers-inc.com by connecting to the Bond Sales link and following the directions at the top of the site.

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of June 25, 2026. The Bonds will mature on February 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on February 1 and August 1 of each year, commencing August 1, 2027, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). **The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2028 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Bonds are held under the book-entry system, beneficial ownership interests in the Bonds may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Bonds shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Bonds shall be payable as provided in the Award Resolution.

The City has selected Bond Trust Services Corporation, Minneapolis, Minnesota ("BTSC") to act as paying agent (the "Paying Agent"). BTSC and Ehlers are affiliate companies. The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

*Preliminary, subject to change.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after February 1, 2037 shall be subject to optional redemption prior to maturity on February 1, 2036 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of redemption shall be sent by mail not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

AUTHORITY; PURPOSE

The Bonds are being issued pursuant to Minnesota Statutes, Chapters 469 and 475, as amended, including Sections 469.1812 through 469.1815, by the City, to finance certain public improvements including without limitation a portion of the cost of the acquisition, construction and betterment of an expansion of the Rogers Activity Center to include a second sheet of ice.

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Bonds	\$9,985,000	
Ice Plant and Mighty Ducks Grant	2,250,000	
Park Dedication - Fieldhouse/Ice Connection	313,131	
RYHA Capital Contribution	2,000,000	
ISD 728 Locker Room Contributions	225,000	
Park Dedication	<u>3,075,000</u>	
Total Sources		\$17,848,131
Uses		
Total Underwriter's Discount (1.200%)	\$119,820	
Costs of Issuance	104,000	
Deposit to Construction Fund	17,620,000	
Rounding Amount	<u>4,311</u>	
Total Uses		\$17,848,131

*Preliminary, subject to change.

SECURITY

The Bonds will be general obligations of the City for which its full faith and credit and taxing powers are pledged without limitation as to rate or amount. The City anticipates that the debt service on the Bonds will be paid from a combination of abating the City's portion of taxes from specific parcels up to an amount of the aggregate sum of abatements equal to the principal amount of the Bonds and from ad valorem property taxes on the interest amount of the Bonds. Receipt of tax abatement revenues and ad valorem property taxes will be sufficient to provide not less than 105% of principal and interest on the Bonds as required by Minnesota law.

Should the tax abatement revenues and/or ad valorem property taxes pledged for payment of the Bonds be insufficient to pay the principal and interest as the same shall become due, the City is required to pay maturing principal and interest from moneys on hand in any other fund of the City not pledged for another purpose and/or to levy additional taxes for this purpose upon all the taxable property in the City, without limitation as to rate or amount.

RATING

General obligation debt of the City, with the exception of any outstanding credit enhanced issues, is currently rated "AA+"/Stable outlook by S&P Global Ratings ("S&P").

The City has requested a rating on the Bonds from S&P, and bidders will be notified as to the assigned rating prior to the sale. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from S&P.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Bonds, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Undertaking described under the heading "CONTINUING DISCLOSURE" neither the City nor the underwriter undertake responsibility to bring to the attention of the owner of the Bonds any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

CONTINUING DISCLOSURE

In order to assist brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Bonds, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the City shall agree to provide certain information to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events.

On the date of issue and delivery, the City shall execute and deliver a Continuing Disclosure Certificate, under which the City will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the City are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

A failure by the City to comply with any Disclosure Undertaking will not constitute an event of default on the Bonds. However, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

In the previous five years, the City believes it has not failed to comply in all material respects with its prior undertakings under the Rule. The City has reviewed its continuing disclosure responsibilities along with any changes to the Rule, to ensure compliance. Ehlers is currently engaged as dissemination agent for the City.

LEGAL MATTERS

An opinion as to the validity of the Bonds and the exemption from taxation of the interest thereon will be furnished by Kutak Rock LLP, Minneapolis, Minnesota, Bond Counsel to the City ("Bond Counsel"), and will be available at the time of delivery of the Bonds. The legal opinion will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). See "FORM OF LEGAL OPINION" found in Appendix B.

Bond Counsel has not assumed responsibility for this Official Statement or participated in its preparation (except with respect to the section entitled "Tax Matters" in this Official Statement and the Form of Legal Opinion found in Appendix B) and has not performed any investigation as to its accuracy, completeness, or sufficiency and will express no opinion with respect thereto.

TAX MATTERS

General Matters. In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Further, and to the extent of the aforementioned federal income tax exclusion, interest on the Bonds is excludable from taxable net income of individuals, trusts, and estates for Minnesota income tax purposes, and is not a preference item for purposes of the computation of the Minnesota alternative minimum tax imposed on individuals, trusts, and estates. The opinions described above assume the accuracy of certain representations and compliance by the City with covenants designed to satisfy the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be met subsequent to the issuance of the Bonds. Failure to comply with such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes and in taxable net income for Minnesota income tax purposes, retroactive to the date of issuance of the Bonds. The City has covenanted to comply with such requirements. Interest on the Bonds (a) may affect the federal alternative minimum tax imposed on certain corporations, and (b) is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Bonds.

The accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the owners of the Bonds. The extent of these other tax consequences will depend on such owners' particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences.

Purchasers of the Bonds, particularly purchasers that are corporations (including S corporations, foreign corporations operating branches in the United States of America, and certain corporations subject to the alternative minimum tax imposed on corporations), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Bonds.

A copy of the form of opinion of Bond Counsel is attached hereto as Appendix B.

Original Issue Discount. The Bonds that have an original yield above their respective interest rates, if any, as shown on the cover of this Official Statement (collectively, the "Discount Bonds"), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity (excluding "qualified stated interest" within the meaning of Section 1.1273-1 of the Regulations) constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Bond is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received on disposition of such Discount Bond that are attributable to accrued or otherwise recognized original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less (b) the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such bonds for a price that is higher or lower than the "adjusted issue price" of the bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

Original Issue Premium. The Bonds that have an original yield below their respective interest rates, if any, as shown on the cover of this Official Statement (collectively, the "Premium Bonds"), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Backup Withholding

An owner of a Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the Bonds if such owner fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner's taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other "reportable payments" (as defined in the Code) properly, or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading "TAX MATTERS" or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

Prospective purchasers of the Bonds are advised to consult their own tax advisors prior to any purchase of the Bonds as to the impact of the Code upon their acquisition, holding or disposition of the Bonds.

PROSPECTIVE PURCHASERS OF THE BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE BONDS.

NOT QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code, relating to the ability of certain financial institutions (within the meaning of Section 265(6)(5) of the Code) to deduct from income for federal income tax purposes, 80% of the interest expense that is allocable to carrying and acquiring tax-exempt obligations.

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the City in connection with the issuance of the Bonds. The Municipal Advisor cannot participate in the underwriting of the Bonds. The financial information included in this Preliminary Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor. Ehlers makes no representation, warranty or guarantee regarding the accuracy or completeness of the information in this Preliminary Official Statement, and its assistance in preparing this Preliminary Official Statement should not be construed as a representation that it has independently verified such information.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

BTSC and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the City, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the City under an agreement separate from Ehlers.

INDEPENDENT AUDITORS

The basic financial statements of the City for the fiscal year ended December 31, 2024 have been audited by Abdo, Minneapolis, Minnesota, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Preliminary Official Statement.

RISK FACTORS

The following is a description of possible risks to holders of the Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here.

Taxes: The Bonds are general obligations of the City, the ultimate payment of which rests in the City's ability to levy and collect sufficient taxes to pay debt service should other revenue (tax abatement revenues) be insufficient. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the City in time to pay debt service when due.

State Actions: Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the State of Minnesota (the "State") may affect the overall financial condition of the City, the taxable value of property within the City, and the ability of the City to levy and collect property taxes.

Future Changes in Law: Various State and federal laws, regulations and constitutional provisions apply to the City and to the Bonds. The City can give no assurance that there will not be a change in or interpretation of any such applicable laws, regulations and provisions which would have a material effect on the City or the taxing authority of the City.

Ratings; Interest Rates: In the future, the City's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Bonds for resale prior to maturity.

Tax Exemption: If the federal government or the State of Minnesota taxes all or a portion of the interest on municipal obligations, directly or indirectly, or if there is a change in federal or state tax policy, the value of the Bonds may fall for purposes of resale. Noncompliance following the issuance of the Bonds with certain requirements of the Code and covenants of the Award Resolution may result in the inclusion of interest on the Bonds in gross income of the recipient for United States income tax purposes or in taxable net income of individuals, estates or trusts for State of Minnesota income tax purposes. No provision has been made for redemption of the Bonds, or for an increase in the interest rate on the Bonds, in the event that interest on the Bonds becomes subject to federal or State of Minnesota income taxation, retroactive to the date of issuance.

Continuing Disclosure: A failure by the City to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Levy Limits: The State Legislature has periodically imposed limitations on the ability of municipalities to levy property taxes. While these limitations have expired, the potential exists for future legislation to limit the ability of local governments to levy property taxes. All previous limitations have not limited the ability to levy for the payment of debt service on bonded indebtedness. For more detailed information about Minnesota levy limits, contact the Minnesota Department of Revenue or Ehlers.

State Economy; State Aids: State of Minnesota cash flow problems could affect local governments and possibly increase property taxes.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Bonds to the accounts of the Beneficial Owners of the Bonds may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the City to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Bonds.

Economy: A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the City, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the City may have an adverse effect on the value of the Bonds in the secondary market.

Secondary Market for the Bonds: No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof. Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Bankruptcy: The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Bonds will be similarly qualified.

Cybersecurity: The City is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the City will not experience an information technology breach or attack with financial consequences that could have a material adverse impact.

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Preliminary Official Statement and the Appendices hereto.

VALUATIONS

OVERVIEW

All non-exempt property is subject to taxation by local taxing districts. Exempt real property includes Indian lands, public property, and educational, religious and charitable institutions. Most personal property is exempt from taxation (except investor-owned utility mains, generating plants, etc.).

The valuation of property in Minnesota consists of three elements. (1) The estimated market value is set by city or county assessors. Not less than 20% of all real properties are to be appraised by local assessors each year. (2) The taxable market value is the estimated market value adjusted by all legislative exclusions. (3) The tax capacity (taxable) value of property is determined by class rates set by the State Legislature. The tax capacity rate varies according to the classification of the property. Tax capacity represents a percent of taxable market value.

The property tax rate for a local taxing jurisdiction is determined by dividing the total tax capacity or market value of property within the jurisdiction into the dollars to be raised from the levy. State law determines whether a levy is spread on tax capacity or market value. Major classifications and the percentages by which tax capacity is determined are:

Type of Property	2023/24	2024/25	2025/26
Residential homestead ¹	First \$500,000 - 1.00% Over \$500,000 - 1.25%	First \$500,000 - 1.00% Over \$500,000 - 1.25%	First \$500,000 - 1.00% Over \$500,000 - 1.25%
Agricultural homestead ¹	First \$500,000 HGA - 1.00% Over \$500,000 HGA - 1.25% First \$2,150,000 - 0.50% ² Over \$2,150,000 - 1.00% ²	First \$500,000 HGA - 1.00% Over \$500,000 HGA - 1.25% First \$3,500,000 - 0.50% ² Over \$3,500,000 - 1.00% ²	First \$500,000 HGA - 1.00% Over \$500,000 HGA - 1.25% First \$3,500,000 - 0.50% ² Over \$3,500,000 - 1.00% ²
Agricultural non-homestead	Land - 1.00% ²	Land - 1.00% ²	Land - 1.00% ²
Seasonal recreational residential	First \$500,000 - 1.00% ³ Over \$500,000 - 1.25% ³	First \$500,000 - 1.00% ³ Over \$500,000 - 1.25% ³	First \$500,000 - 1.00% ³ Over \$500,000 - 1.25% ³
Residential non-homestead:	1 unit - 1st \$500,000 - 1.00% Over \$500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City ⁴ - 1.25% Affordable Rental: First \$174,000 - 0.75% Over \$174,000 - 0.25%	1 unit - 1st \$500,000 - 1.00% Over \$500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City ⁴ - 1.25% Affordable Rental: – 0.25%	1 unit - 1st \$500,000 - 1.00% Over \$500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City ⁴ - 1.25% Affordable Rental – 0.25%
Industrial/Commercial/Utility ⁵	First \$150,000 - 1.50% Over \$150,000 - 2.00%	First \$150,000 - 1.50% Over \$150,000 - 2.00%	First \$150,000 - 1.50% Over \$150,000 - 2.00%

¹ A residential property qualifies as "homestead" if it is occupied by the owner or a relative of the owner on the assessment date.

² Applies to land and buildings. Exempt from referendum market value tax.

³ Exempt from referendum market value tax.

⁴ Cities of 5,000 population or less and located entirely outside the seven-county metropolitan area and the adjacent nine-county area and whose boundaries are 15 miles or more from the boundaries of a Minnesota city with a population of over 5,000.

⁵ The estimated market value of utility property is determined by the Minnesota Department of Revenue.

CURRENT PROPERTY VALUATIONS

2025/26 Economic Market Value	<u>\$4,010,594,475¹</u>
2025/26 Assessor's Estimated Market Value	
Real Estate	\$3,735,284,000
Personal Property	<u>30,828,600</u>
Total Valuation	<u>\$3,766,112,600</u>
2025/26 Net Tax Capacity	
Real Estate	\$48,186,374
Personal Property	<u>610,992</u>
Net Tax Capacity	\$48,797,366
Less:	
Captured Tax Increment Tax Capacity ²	(325,717)
Fiscal Disparities Contribution ³	(8,733,901)
Power Line Adjustment ⁴	<u>(2,117)</u>
Taxable Net Tax Capacity	\$39,735,631
Plus: Fiscal Disparities Distribution ³	<u>2,378,362</u>
Adjusted Taxable Net Tax Capacity	<u>\$42,113,993</u>

¹ According to the Minnesota Department of Revenue, the Assessor's Estimated Market Value (the "AEMV") for the City was about 95.59% of the actual selling prices of property sold in the City. The sales ratio was calculated by comparing the selling prices with the AEMV. Dividing the AEMV of real estate by the sales ratio and adding the AEMV of personal property and utility, railroads and minerals, if any, results in an Economic Market Value ("EMV") for the City of \$4,010,594,475.

² The captured tax increment value shown above represents the captured net tax capacity of tax increment financing districts in the City.

³ Each community in the seven-county metropolitan area contributes 40% of the growth in its commercial-industrial property tax base to an area pool which is then distributed among the municipalities on the basis of population, special needs, etc. Each governmental unit makes a contribution and receives a distribution--sometimes gaining and sometimes contributing net tax capacity for tax purposes.

⁴ Ten percent of the net tax capacity of certain high voltage transmission lines is removed when setting local tax rates. However, taxes are paid on the full value of these lines. The taxes attributable to 10% of value of these lines are used to fund a power line credit. Certain property owners receive a credit when the high voltage transmission line runs over their property.

2025/26 NET TAX CAPACITY BY CLASSIFICATION

	2025/26 Net Tax Capacity	Percent of Total Net Tax Capacity
Residential homestead	\$23,498,609	48.16%
Agricultural	690,905	1.42%
Commercial/industrial	21,377,930	43.81%
Public utility	62,966	0.13%
Railroad operating property	61,438	0.13%
Non-homestead residential	2,375,547	4.87%
Commercial & residential seasonal/rec.	118,979	0.24%
Personal property	610,992	1.25%
	<u> </u>	<u> </u>
Total	<u>\$48,797,366</u>	<u>100.00%</u>

TREND OF VALUATIONS

Levy Year	Assessor's Estimated Market Value	Assessor's Taxable Market Value	Net Tax Capacity ¹	Adjusted Taxable Net Tax Capacity ²	Percent Increase/Decrease in Estimated Market Value
2021/22	\$2,451,895,900	\$2,415,220,877	\$32,263,427	\$27,319,673	6.61%
2022/23	2,967,109,600	2,940,376,875	39,044,684	33,796,779	21.01%
2023/24	3,365,516,600	3,342,439,224	44,510,906	38,226,006	13.43%
2024/25	3,555,705,000	3,502,555,319	46,619,478	39,734,425	5.65%
2025/26	3,766,112,600	3,709,825,692	48,797,366	42,113,993	5.92%

¹ Net Tax Capacity is before fiscal disparities adjustments and includes tax increment and power line values.

² Adjusted Taxable Net Tax Capacity is after fiscal disparities adjustments and does not include tax increment values and power line values.

LARGEST TAXPAYING PARCELS¹

Taxpayer	Type of Property	2025/26 Net Tax Capacity	Percent of City's Total Net Tax Capacity
Graco Minnesota Inc.	Industrial	\$874,810	1.79%
CIVF CI - MN1M01-M02 LLC	Industrial	781,850	1.60%
Diamond Lake Rd Ind Own LL	Industrial	704,270	1.44%
Fedex Ground Inc.	Industrial	592,890	1.22%
MRE Propco LP	Industrial	549,190	1.13%
WPT Industrial Reit	Industrial	539,250	1.11%
Ryan, LLC	Industrial	538,290	1.10%
22000 Industrial Blvd Own LL	Industrial	528,910	1.08%
MDH F2 MSP Diamond Lake LL	Industrial	510,890	1.05%
B9 Polar North Star, LLC	Industrial	<u>455,250</u>	<u>0.93%</u>
Total		\$6,075,600	12.45%

City's Total 2025/26 Net Tax Capacity \$48,797,366

Source: Current Property Valuations, Net Tax Capacity by Classification, Trend of Valuations and Largest Taxpaying Parcels have been furnished by Hennepin County.

¹ Hennepin County has provided the largest taxpaying *parcels* which appear on the tax rolls of Hennepin County, and therefore the information stated above may not be reflective of the entire valuation of all parcels and may not include all classifications of property.

DEBT

DIRECT DEBT¹

General Obligation Debt (see schedules following)

Total G.O. debt secured by sales tax revenues	\$15,630,000
Total G.O. debt secured by tax abatement revenues (includes the Bonds)*	10,730,000
Total G.O. debt secured by taxes	9,980,000
Total G.O. debt secured by utility revenues	3,240,000
Total General Obligation Debt*	<u>\$39,580,000</u>

*Preliminary, subject to change.

DEBT PAYMENT HISTORY

The City has no record of default in the payment of principal and interest on its debt.

FUTURE FINANCING

The City plans to issue approximately \$40,000,000 General Obligation Capital Improvement Plan Bonds for its Civic Campus project in late summer or early fall of 2026.

¹ Outstanding debt is as of the dated date of the Bonds.

DEBT LIMIT

The statutory limit on net debt of Minnesota municipalities other than school districts or cities of the first class (Minnesota Statutes, Section 475.53, subd. 1) is 3% of the Assessor's Estimated Market Value of all taxable property within its boundaries. "Net debt" means the amount remaining after deducting from gross debt the amount of current revenues which are applicable within the current fiscal year to the payment of any debt and the aggregate principal of certain obligations enumerated under Minnesota Statutes, Section 475.51, subd.4, including the following: (1) obligations issued for improvements payable wholly or partly from special assessments levied against benefitted property; (2) warrants or orders having no definite or fixed maturity; (3) obligations payable wholly from the income of revenue producing conveniences; (4) obligations issued to create or maintain a permanent improvement revolving fund; (5) obligations issued to finance any revenue producing public convenience; (6) funds held as sinking funds for payment of principal and interest on debt other than those deductible under Minnesota Statutes, Section 475.51, subd. 4; (7) obligations to repay energy conservation investment loans under Minnesota Statutes, Section 216C.37; (8) obligations issued to pay certain postemployment benefit liabilities; (9) obligations issued to pay certain judgments against the City; and (10) all other obligations which are not to be included in computing the net debt of a municipality under the provisions of the law authorizing their issuance (includes the Bonds).

2025/26 Assessor's Estimated Market Value	\$3,766,112,600
Multiply by 3%	<u>0.03</u>
Statutory Debt Limit	\$112,983,378
Less: Long-Term Debt Outstanding Being Paid Solely from Taxes	<u>(9,980,000)</u>
Unused Debt Limit	<u><u>\$103,003,378</u></u>

City of Rogers, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Sales Tax Revenues
(As of 06/25/2026)

Sales Tax Revenue Bonds Series 2024B								
Dated	11/26/2024							
Amount	\$16,275,000							
Maturity	02/01							
Calendar Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2026	0	351,175	0	351,175	351,175	15,630,000	.00%	2026
2027	810,000	682,100	810,000	682,100	1,492,100	14,820,000	5.18%	2027
2028	850,000	640,600	850,000	640,600	1,490,600	13,970,000	10.62%	2028
2029	890,000	597,100	890,000	597,100	1,487,100	13,080,000	16.31%	2029
2030	935,000	551,475	935,000	551,475	1,486,475	12,145,000	22.30%	2030
2031	980,000	503,600	980,000	503,600	1,483,600	11,165,000	28.57%	2031
2032	1,030,000	453,350	1,030,000	453,350	1,483,350	10,135,000	35.16%	2032
2033	1,085,000	400,475	1,085,000	400,475	1,485,475	9,050,000	42.10%	2033
2034	1,135,000	344,975	1,135,000	344,975	1,479,975	7,915,000	49.36%	2034
2035	1,195,000	292,700	1,195,000	292,700	1,487,700	6,720,000	57.01%	2035
2036	1,240,000	244,000	1,240,000	244,000	1,484,000	5,480,000	64.94%	2036
2037	1,290,000	193,400	1,290,000	193,400	1,483,400	4,190,000	73.19%	2037
2038	1,345,000	140,700	1,345,000	140,700	1,485,700	2,845,000	81.80%	2038
2039	1,395,000	85,900	1,395,000	85,900	1,480,900	1,450,000	90.72%	2039
2040	1,450,000	29,000	1,450,000	29,000	1,479,000	0	100.00%	2040
	15,630,000	5,510,550	15,630,000	5,510,550	21,140,550			

City of Rogers, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Tax Abatement Revenues
(As of 06/25/2026)

Tax Abatement Bonds 1) Series 2015A			Tax Abatement Bonds Series 2026A							
Dated	10/01/2015		06/25/2026							
Amount	\$2,390,000		\$9,985,000*							
Maturity	12/15		02/01							
Calendar Year Ending	Principal	Interest	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2026	190,000	10,225	0	0	190,000	10,225	200,225	10,540,000	1.77%	2026
2027	190,000	15,700	0	431,599	190,000	447,299	637,299	10,350,000	3.54%	2027
2028	195,000	10,950	135,000	390,338	330,000	401,288	731,288	10,020,000	6.62%	2028
2029	170,000	5,100	375,000	382,688	545,000	387,788	932,788	9,475,000	11.70%	2029
2030			385,000	371,191	385,000	371,191	756,191	9,090,000	15.28%	2030
2031			395,000	359,099	395,000	359,099	754,099	8,695,000	18.97%	2031
2032			410,000	346,215	410,000	346,215	756,215	8,285,000	22.79%	2032
2033			420,000	332,413	420,000	332,413	752,413	7,865,000	26.70%	2033
2034			435,000	317,769	435,000	317,769	752,769	7,430,000	30.75%	2034
2035			450,000	302,278	450,000	302,278	752,278	6,980,000	34.95%	2035
2036			465,000	285,920	465,000	285,920	750,920	6,515,000	39.28%	2036
2037			485,000	268,578	485,000	268,578	753,578	6,030,000	43.80%	2037
2038			500,000	250,105	500,000	250,105	750,105	5,530,000	48.46%	2038
2039			520,000	230,465	520,000	230,465	750,465	5,010,000	53.31%	2039
2040			540,000	209,390	540,000	209,390	749,390	4,470,000	58.34%	2040
2041			560,000	187,115	560,000	187,115	747,115	3,910,000	63.56%	2041
2042			585,000	163,783	585,000	163,783	748,783	3,325,000	69.01%	2042
2043			610,000	138,980	610,000	138,980	748,980	2,715,000	74.70%	2043
2044			635,000	112,518	635,000	112,518	747,518	2,080,000	80.62%	2044
2045			660,000	83,520	660,000	83,520	743,520	1,420,000	86.77%	2045
2046			695,000	51,669	695,000	51,669	746,669	725,000	93.24%	2046
2047			725,000	17,581	725,000	17,581	742,581	0	100.00%	2047
	745,000	41,975	9,985,000	5,233,210	10,730,000	5,275,185	16,005,185			

* Preliminary, subject to change.

1) This represents the \$2,390,000 Tax Abatement portion of the \$5,235,000 General Obligation Improvement and Abatement Bonds, Series 2015A.

City of Rogers, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 06/25/2026)

	Capital Imp. Plan and Equipment Bonds Series 2014A		Street Reconstruction Bonds 1) Series 2021A		Capital Improvement Plan Bonds Series 2024A							
Dated	03/06/2014		06/17/2021		01/31/2024							
Amount	\$3,420,000		\$2,880,000		\$7,405,000							
Maturity	12/15		02/01		02/01							
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2026	130,000	22,114	0	17,950	0	159,075	130,000	199,139	329,139	9,850,000	1.30%	2026
2027	135,000	40,328	285,000	33,050	245,000	312,025	665,000	385,403	1,050,403	9,185,000	7.97%	2027
2028	135,000	36,278	290,000	27,300	260,000	299,400	685,000	362,978	1,047,978	8,500,000	14.83%	2028
2029	140,000	32,228	295,000	21,450	270,000	286,150	705,000	339,828	1,044,828	7,795,000	21.89%	2029
2030	145,000	28,028	300,000	15,500	285,000	272,275	730,000	315,803	1,045,803	7,065,000	29.21%	2030
2031	150,000	22,953	310,000	9,400	300,000	257,650	760,000	290,003	1,050,003	6,305,000	36.82%	2031
2032	155,000	17,703	315,000	3,150	315,000	242,275	785,000	263,128	1,048,128	5,520,000	44.69%	2032
2033	160,000	12,045			330,000	226,150	490,000	238,195	728,195	5,030,000	49.60%	2033
2034	170,000	6,205			345,000	209,275	515,000	215,480	730,480	4,515,000	54.76%	2034
2035					365,000	191,525	365,000	191,525	556,525	4,150,000	58.42%	2035
2036					380,000	172,900	380,000	172,900	552,900	3,770,000	62.22%	2036
2037					400,000	153,400	400,000	153,400	553,400	3,370,000	66.23%	2037
2038					420,000	132,900	420,000	132,900	552,900	2,950,000	70.44%	2038
2039					440,000	111,400	440,000	111,400	551,400	2,510,000	74.85%	2039
2040					465,000	91,100	465,000	91,100	556,100	2,045,000	79.51%	2040
2041					480,000	72,200	480,000	72,200	552,200	1,565,000	84.32%	2041
2042					500,000	52,600	500,000	52,600	552,600	1,065,000	89.33%	2042
2043					520,000	32,200	520,000	32,200	552,200	545,000	94.54%	2043
2044					545,000	10,900	545,000	10,900	555,900	0	100.00%	2044
	1,320,000	217,879	1,795,000	127,800	6,865,000	3,285,400	9,980,000	3,631,079	13,611,079			

1) This represents the \$2,880,000 Street Reconstruction portion of the \$6,800,000 General Obligation Bonds, Series 2021A.

City of Rogers, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Utility Revenues
(As of 06/25/2026)

Water Revenue Bonds 1) Series 2012A			Water Revenue Bonds 2) Series 2021A							
Dated	04/25/2012		06/17/2021							
Amount	\$1,685,000		\$3,920,000							
Maturity	12/01		02/01							
Calendar Year Ending	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2026	130,000	3,445	0	26,373	130,000	29,818	159,818	3,110,000	4.01%	2026
2027	130,000	3,445	245,000	50,295	375,000	53,740	428,740	2,735,000	15.59%	2027
2028			250,000	45,345	250,000	45,345	295,345	2,485,000	23.30%	2028
2029			255,000	40,295	255,000	40,295	295,295	2,230,000	31.17%	2029
2030			260,000	35,145	260,000	35,145	295,145	1,970,000	39.20%	2030
2031			265,000	29,895	265,000	29,895	294,895	1,705,000	47.38%	2031
2032			275,000	24,495	275,000	24,495	299,495	1,430,000	55.86%	2032
2033			280,000	19,645	280,000	19,645	299,645	1,150,000	64.51%	2033
2034			280,000	15,445	280,000	15,445	295,445	870,000	73.15%	2034
2035			285,000	11,208	285,000	11,208	296,208	585,000	81.94%	2035
2036			290,000	6,895	290,000	6,895	296,895	295,000	90.90%	2036
2037			295,000	2,360	295,000	2,360	297,360	0	100.00%	2037
	260,000	6,890	2,980,000	307,395	3,240,000	314,285	3,554,285			

1) This represents the \$1,685,000 Water Revenue portion of the \$2,130,000 General Obligation Bonds, Series 2012A.

2) This represents the \$3,920,000 Water Revenue portion of the \$6,800,000 General Obligation Bonds, Series 2021A.

OVERLAPPING DEBT¹

Taxing District	2025/26 Adjusted Taxable Net Tax Capacity	% In City	Total G.O. Debt ²	City's Proportionate Share
Hennepin County	\$2,885,601,120	1.4595%	\$1,222,750,000 ³	\$17,846,036
I.S.D. No. 279 (Osseo Area Schools)	311,792,688	0.4206%	396,880,000 ⁴	1,669,277
I.S.D. No. 728 (Elk River Area Schools)	158,610,986	24.0024%	280,715,000 ⁴	67,378,337
I.S.D. No. 877 (Buffalo-Hanover-Montrose)	65,258,100	4.1867%	61,785,000 ⁴	2,586,753
Metropolitan Council	6,503,726,905	0.6475%	261,560,000 ⁵	1,693,601
Three Rivers Park District	2,121,317,192	1.9853%	53,165,000	1,055,485
City's Share of Total Overlapping Debt				<u>\$92,229,489</u>

¹ Overlapping debt is as of the dated date of the Bonds. Only those taxing jurisdictions with general obligation debt outstanding are included in this section. It does **not** include non-general obligation debt, self-supporting general obligation revenue debt, short-term general obligation debt, or general obligation tax/aid anticipation certificates of indebtedness.

² Outstanding debt is based on information in Official Statements obtained on EMMA and the Municipal Advisor's records.

³ Hennepin County also has General Obligation Sales Tax Revenue Bonds (Ballpark Project) outstanding which are payable entirely from the proceeds of a dedicated 0.15% county-wide sales tax; and General Obligation Sales Tax Revenue Bonds (Transportation Sales Tax) which are expected to be paid from a 0.50% sales and use tax and a \$20 per vehicle excise taxes. These issues have not been included in the overlapping debt or debt ratios.

⁴ Minnesota School Districts may qualify for aid from the State of Minnesota through the Debt Service Equalization Formula, School Building Bond Agricultural Credit and Long Term Facilities Maintenance Revenue programs. While some of the districts listed may receive these aids, Ehlers has not attempted to estimate the portion of debt service payments that would be financed by State aids for the purposes of the Bonds.

⁵ The above debt includes all outstanding general obligation debt supported by taxes of the Metropolitan Council. The Council also has general obligation wastewater revenue, grant anticipation notes and certificates of participation outstanding all of which are supported entirely by revenues and have not been included in the overlapping debt or debt ratios sections.

DEBT RATIOS

	G.O. Debt	Debt/Economic Market Value \$4,010,594,475	Debt/ Per Capita 16,190¹
Direct G.O. Debt Secured By:			
Sales Tax Revenues	\$15,630,000		
Tax Abatement Revenues*	10,730,000		
Taxes	9,980,000		
Utility Revenues	3,240,000		
Total General Obligation Debt*	\$39,580,000		
Less: G.O. Debt Paid Entirely from Revenues ²	(18,870,000)		
Tax Supported General Obligation Debt*	\$20,710,000	0.52%	\$1,279.18
City's Share of Total Overlapping Debt	\$92,229,489	2.30%	\$5,696.69
Total*	\$112,939,489	2.82%	\$6,975.88

*Preliminary, subject to change.

TAX LEVIES, COLLECTIONS AND RATES

TAX LEVIES AND COLLECTIONS

Tax Year	Net Tax Levy³	Total Collected Following Year	Collected to Date	% Collected
2021/22	\$9,486,739	\$9,444,791	\$9,486,179	99.99%
2022/23	11,306,988	11,276,855	11,296,077	99.90%
2023/24	13,536,762	13,506,015	13,519,010	99.87%
2024/25	15,245,037	15,158,902	15,158,902	99.44%
2025/26	16,830,592	In process of collection		

Property taxes are collected in two installments in Minnesota--the first by May 15 and the second by October 15.⁴ Mobile home taxes are collectible in full by August 31. Minnesota Statutes require that levies (taxes and special assessments) for debt service be at least 105% of the actual debt service requirements to allow for delinquencies.

¹ Preliminary estimated 2024 population.

² Debt service on the City's general obligation revenue debt is being paid entirely from revenues and therefore is considered self-supporting debt.

³ This reflects the Final Levy Certification of the City after all adjustments have been made.

⁴ Second half tax payments on agricultural property are due on November 15th of each year.

TAX CAPACITY RATES¹

	2021/22	2022/23	2023/24	2024/25	2025/26
Hennepin County	38.535%	34.542%	34.681%	37.081%	39.242%
City of Rogers	34.762%	33.557%	35.599%	38.767%	40.062%
I.S.D. No. 279 (Osseo Area Schools)	21.933%	19.640%	23.002%	23.640%	24.472%
I.S.D. No. 728 (Elk River Area Schools)	30.889%	26.605%	23.924%	25.252%	24.502%
I.S.D. No. 877 (Buffalo-Hanover-Montrose)	26.546%	21.573%	20.928%	21.584%	20.839%
Hennepin County HRA	0.771%	0.663%	0.624%	0.797%	0.768%
Hennepin County RRA	1.329%	1.188%	1.153%	1.205%	1.177%
Metro Mosquito	0.377%	0.331%	0.312%	0.328%	0.333%
Metropolitan Council	0.659%	0.576%	0.614%	0.567%	0.598%
Park Museum	0.722%	0.647%	0.694%	0.744%	0.731%
Three Rivers Park District	2.787%	2.473%	2.399%	2.471%	2.529%

Referendum Market Value Rates:

I.S.D. No. 279 (Osseo Area Schools)	0.21478%	0.25595%	0.25276%	0.24216%	0.24481%
I.S.D. No. 728 (Elk River Area Schools)	0.28698%	0.27424%	0.25758%	0.25349%	0.25477%
I.S.D. No. 877 (Buffalo-Hanover-Montrose)	0.20332%	0.19298%	0.16867%	0.16903%	0.15346%

Source: Tax Levies and Collections and Tax Capacity Rates have been furnished by Hennepin County.

THE ISSUER

CITY GOVERNMENT

The City was organized as a municipality in 1974. The City operates under a statutory form of government consisting of a five-member City Council of which the Mayor is a voting member. The City Administrator and Finance Director are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS; UNIONS

The City currently has 97 full-time, 80 part-time, and four (4) seasonal employees. All full-time and certain part-time employees of the City are covered by defined benefit pension plans administered by the Public Employee Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF) which are cost-sharing multiple-employer retirement plans. PERA members belong to either the Coordinated Plan or the Basic Plan. Coordinated members are covered by Social Security. See the Notes to Financial Statements in Appendix A for a detailed description of the Plans.

¹ After reduction for State aids. Does not include the statewide general property tax against commercial/industrial, non-homestead resorts and seasonal recreational residential property.

Recognized and Certified Bargaining Units

Bargaining Unit	Expiration Date of Current Contract
LELS - Sergeant Unit	December 31, 2028
LELS - Patrol Officer Unit	December 31, 2027

POST EMPLOYMENT BENEFITS

The City has obligations for some post-employment benefits for its employees. Accounting for these obligations is dictated by Governmental Accounting Standards Board Statement No. 75 (GASB 75). The City's most recent actuarial study shows a total OPEB liability of \$512,893 as of December 31, 2025. The City has been funding these obligations on a pay-as-you-go basis.

Source: The City's most recent actuarial study.

LITIGATION

There is no litigation threatened or pending questioning the organization or boundaries of the City or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Bonds or otherwise questioning the validity of the Bonds.

MUNICIPAL BANKRUPTCY

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Minnesota Statutes, Section 471.831, as amended, authorizes municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code. A municipality is defined in United States Code, title 11, section 101, as amended through December 31, 1996, but limited to a county, statutory or home rule charter city, or town; or a housing and redevelopment authority, economic development authority, or rural development financing authority established under Chapter 469, a home rule charter or special law.

FUNDS ON HAND (as of December 31, 2025)

Fund	Total Cash and Investments
General	\$13,928,966
Special Revenue	5,743,699
Debt Service	1,442,458
Capital Projects	33,138,976
Enterprise Funds	45,152,788
TIF Funds	<u>3,501,745</u>
Total Funds on Hand	<u><u>\$102,908,632</u></u>

ENTERPRISE FUNDS

Revenues available for debt service on the City's enterprise funds have been as follows as of December 31 each year:

	2022 Audited	2023 Audited	2024 Audited
Water			
Total Operating Revenues	\$1,752,170	\$2,422,225	\$2,412,396
Less: Operating Expenses	<u>(2,166,324)</u>	<u>(2,115,699)</u>	<u>(2,303,293)</u>
Operating Income	(\$414,154)	\$306,526	\$109,103
Plus: Depreciation	<u>546,296</u>	<u>542,685</u>	<u>559,836</u>
Revenues Available for Debt Service	<u><u>\$132,142</u></u>	<u><u>\$849,211</u></u>	<u><u>\$668,939</u></u>
Sewer			
Total Operating Revenues	\$1,484,092	\$2,102,627	\$3,014,013
Less: Operating Expenses	<u>(2,054,658)</u>	<u>(2,293,490)</u>	<u>(3,263,056)</u>
Operating Income	(\$570,566)	(\$190,863)	(\$249,043)
Plus: Depreciation	<u>355,268</u>	<u>397,953</u>	<u>458,232</u>
Revenues Available for Debt Service	<u><u>(\$215,298)</u></u>	<u><u>\$207,090</u></u>	<u><u>\$209,189</u></u>
Storm Sewer			
Total Operating Revenues	\$726,702	\$736,860	\$754,454
Less: Operating Expenses	<u>(730,252)</u>	<u>(807,417)</u>	<u>(662,634)</u>
Operating Income	(\$3,550)	(\$70,557)	\$91,820
Plus: Depreciation	<u>241,463</u>	<u>282,281</u>	<u>297,304</u>
Revenues Available for Debt Service	<u><u>\$237,913</u></u>	<u><u>\$211,724</u></u>	<u><u>\$389,124</u></u>
Municipal Liquor Store			
Total Operating Revenues	\$1,399,734	\$1,541,243	\$1,560,402
Less: Operating Expenses	<u>(1,092,473)</u>	<u>(1,295,408)</u>	<u>(1,397,328)</u>
Operating Income	\$307,261	\$245,835	\$163,074
Plus: Depreciation	<u>36,823</u>	<u>30,878</u>	<u>26,755</u>
Revenues Available for Debt Service	<u><u>\$344,084</u></u>	<u><u>\$276,713</u></u>	<u><u>\$189,829</u></u>

SUMMARY GENERAL FUND INFORMATION

The following are summaries of the revenues, expenditures and fund balances for the City's General Fund. These summaries are not purported to be the complete audited financial statements of the City, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the City. Copies of the complete statements are available upon request. Appendix A includes the 2024 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2020 Audited	2021 Audited	2022 Audited	2023 Audited	2024 Audited
Revenues					
Property taxes	\$6,732,853	\$7,013,903	\$7,796,164	\$8,880,569	\$10,141,857
Licenses and permits	1,337,642	1,874,420	1,923,310	2,003,350	3,192,372
Intergovernmental	1,555,628	670,826	696,249	746,383	873,166
Charges for services	815,615	1,274,426	1,445,256	1,663,979	1,817,669
Fine and forfeitures	52,630	68,823	88,197	83,924	90,923
Interest on investments	179,082	(141,906)	(546,968)	505,512	450,896
Miscellaneous	486,943	532,754	608,996	537,199	871,054
Total Revenues	<u>\$11,160,393</u>	<u>\$11,293,246</u>	<u>\$12,011,204</u>	<u>\$14,420,916</u>	<u>\$17,437,937</u>
Expenditures					
General government	\$2,944,252	\$2,666,017	\$2,972,170	\$3,540,675	\$3,905,788
Public safety	4,737,249	5,248,912	6,139,205	6,876,861	8,212,259
Public works	1,384,101	1,476,892	1,477,468	1,843,462	1,710,391
Culture and recreation	851,838	968,706	1,167,453	1,441,083	1,653,441
Economic development	204,113	0	0	0	0
Capital outlay	36,929	382,210	9,762	0	0
Total Expenditures	<u>\$10,158,482</u>	<u>\$10,742,737</u>	<u>\$11,766,058</u>	<u>\$13,702,081</u>	<u>\$15,481,879</u>
Excess of revenues over (under) expenditures	\$1,001,911	\$550,509	\$245,146	\$718,835	\$1,956,058
Other Financing Sources (Uses)					
Sale of capital asset	\$0	\$55	\$0	\$690	\$10,090
Transfers in	227,480	229,235	227,480	569,690	225,000
Transfers (out)	(893,850)	(115,000)	(200,000)	(15,000)	(10,000)
Total Other Financing Sources (Uses)	<u>(\$666,370)</u>	<u>\$114,290</u>	<u>\$27,480</u>	<u>\$555,380</u>	<u>\$225,090</u>
Net changes in Fund Balances	\$335,541	\$664,799	\$272,626	\$1,274,215	\$2,181,148
General Fund Balance January 1	\$6,299,326	\$6,634,867	\$7,299,666	\$7,572,292	\$8,846,507
Prior Period Adjustment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund Balance December 31	\$6,634,867	\$7,299,666	\$7,572,292	\$8,846,507	\$11,027,655
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	\$159,626	\$226,495	\$211,096	\$235,198	\$159,300
Assigned	98,100	98,100	148,000	178,690	225,990
Unassigned	6,377,141	6,975,071	7,213,196	8,432,619	10,642,365
Total	<u><u>\$6,634,867</u></u>	<u><u>\$7,299,666</u></u>	<u><u>\$7,572,292</u></u>	<u><u>\$8,846,507</u></u>	<u><u>\$11,027,655</u></u>

GENERAL FUND BUDGET SUMMARY

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31	
	2025 Adopted Budget ¹	2026 Adopted Budget ²
Revenues		
Property taxes	\$10,959,495	\$12,390,535
Special assessments	1,875,360	1,941,860
Licenses and permits	781,893	841,250
Intergovernmental	1,666,416	1,749,236
Charges for services	80,000	85,000
Fine and forfeitures	150,000	250,000
Interest on investments	749,050	1,016,720
Total Revenues	<u>\$16,262,214</u>	<u>\$18,274,601</u>
Expenditures		
General government	\$3,809,657	\$4,591,723
Public safety	9,060,695	10,268,761
Public works	1,928,843	2,029,330
Culture and recreation	1,768,019	2,083,787
Total Expenditures	<u>\$16,567,214</u>	<u>\$18,973,601</u>
Excess of revenues over (under) expenditures	(\$305,000)	(\$699,000)
Other Financing Sources (Uses)		
Transfers in (out)	\$225,000	\$225,000
Total Other Financing Sources (Uses)	<u>225,000</u>	<u>225,000</u>
Net changes in Fund Balances	(\$80,000)	(\$474,000)
General Fund Balance January 1	\$11,027,655	
Prior Period Adjustment	<u>0</u>	
General Fund Balance December 31	\$10,947,655	

¹ The 2025 budget was adopted on December 10, 2024, and revised on April 22, 2025.

² The 2026 budget was adopted on December 9, 2025.

GENERAL INFORMATION

LOCATION

The City, with a 2020 U.S. Census population of 13,295 and a 2024 population estimate of 16,190, and comprising an area of 26.2 square miles, is located approximately 25 miles northwest of St. Paul, Minnesota.

LARGER EMPLOYERS¹

Larger employers in the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
I.S.D. No. 728 (Elk River Area Schools)	Elementary and secondary education	2,215 ²
Veit Co.	Waste management	520
Graco Minnesota, Inc.	Pumps- manufacturers	500
Performance Food Group	Wholesale food distribution	400
Bass Pro Shops/Cabelas	Sporting goods- retail	300
Cub Foods	Grocery store	250
Solidify Manufacturing	Plastics molding and manufacturing	250
Archway Marketing Services	Promotional product packaging	200
Wellstead Lodge and Place Senior Living	Retirement community	200
Capitol Beverage Sales LP	Wholesale beverage distributor	180

Source: The City, Data Axle Reference Solutions, written and telephone survey, and the Minnesota Department of Employment and Economic Development.

¹ This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above.

² Reflects all employees of the entire school district, including those outside the City limits.

BUILDING PERMITS (as of April 30, 2026)

	2022	2023	2024	2025	2026
<u>New Single Family Homes</u>					
No. of building permits	223	277	448	249	67
Valuation	\$74,484,006	\$92,744,409	\$166,382,530	\$94,410,546	\$28,827,885
<u>New Multiple Family Buildings</u>					
No. of building permits	1	1	0	2	1
Valuation	\$19,187,920	\$6,850,000	\$0	\$14,000,000	\$11,000,000
<u>New Commercial/Industrial</u>					
No. of building permits	3	4	6	3	1
Valuation	\$25,283,645	\$12,980,465	\$20,099,867	\$2,613,000	\$235,000
<u>All Building Permits</u>					
<i>(including additions and remodelings)</i>					
No. of building permits	1,692	1,714	1,992	1,929	618
Valuation	\$152,464,622	\$141,703,685	\$230,609,354	\$166,839,120	\$68,017,745

Source: The City.

U.S. CENSUS DATA**Population Trend:** The City

2010 U.S. Census population	8,597
2020 U.S. Census population	13,295
Percent of Change 2010 - 2020	54.65%
2024 Metro Council Population Estimate	16,190

Income and Age Statistics

	The City	Hennepin County	State of Minnesota	United States
2024 per capita income	\$58,236	\$59,401	\$48,237	\$44,673
2024 median household income	\$158,750	\$97,653	\$89,062	\$80,734
2024 median family income	\$177,373	\$134,878	\$113,993	\$99,999
2024 median gross rent	\$1,789	\$1,487	\$1,280	\$1,413
2024 median value owner occupied units	\$459,700	\$392,900	\$329,300	\$332,700
2024 median age	37.0 yrs.	37.6 yrs.	38.8 yrs.	38.9 yrs.

	State of Minnesota	United States
City % of 2024 per capita income	120.73%	130.36%
City % of 2024 median family income	155.60%	177.37%

Housing Statistics

	<u>The City</u>		
	2020	2024	Percent of Change
All Housing Units	4,534	5,759	27.02%

Source: 2010 and 2020 Census of Population and Housing, and 2024 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov>), and 2024 Population Estimates, Metropolitan Council (<https://metro council.org/>).

EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities within counties.

	<u>Average Employment</u>	<u>Average Unemployment</u>
Year	Hennepin County	Hennepin County State of Minnesota
2022	692,966	2.2% 2.5%
2023	696,639	2.5% 2.8%
2024	696,890	2.9% 3.1%
2025	699,971	3.6% 3.9%
2026, April	689,196	3.6% 4.0%

Source: Minnesota Department of Employment and Economic Development.

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the City's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The City has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Preliminary Official Statement, nor has the City requested that the Auditor consent to the use of such financial statements in this Preliminary Official Statement. Although the inclusion of the financial statements in this Preliminary Official Statement is not intended to demonstrate the fiscal condition of the City since the date of the financial statements, in connection with the issuance of the Bonds, the City represents that there have been no material adverse change in the financial position or results of operations of the City, nor has the City incurred any material liabilities, which would make such financial statements misleading.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.

ANNUAL FINANCIAL REPORT

CITY OF ROGERS
ROGERS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

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City of Rogers, Minnesota
Annual Financial Report
Table of Contents
For the Year Ended December 31, 2024

	<u>Page No.</u>
Introductory Section	
Elected and Appointed Officials	9
Financial Section	
Independent Auditor's Report	13
Management's Discussion and Analysis	17
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	33
Statement of Activities	34
Fund Financial Statements	
Governmental Funds	
Balance Sheet	38
Reconciliation of the Balance Sheet to the Statement of Net Position	39
Statement of Revenues, Expenditures and Changes in Fund Balances	40
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	41
General Fund	
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	43
Proprietary Funds	
Statement of Net Position	44
Statement of Revenues, Expenses and Changes in Net Position	47
Statement of Cash Flows	48
Notes to the Financial Statements	51
Required Supplementary Information	
Schedule of Employer's Share of Public Employees Retirement Association Net Pension Liability - General Employees Retirement Fund	90
Schedule of Employer's Public Employees Retirement Association Contributions - General Employees Retirement Fund	90
Notes to the Required Supplementary Information - General Employees Retirement Fund	91
Schedule of Employer's Share of Public Employees Retirement Association Net Pension Liability - Public Employees Police and Fire Fund	93
Schedule of Employer's Public Employees Retirement Association Contributions - Public Employees Police and Fire Fund	93
Notes to the Required Supplementary Information - Public Employees Police and Fire Fund	94
Schedule of Changes in the Fire Relief Association's Net Pension Liability (Asset) and Related Ratios	96
Schedule of Employer's Fire Relief Association's Contributions	96
Schedule of Changes in the City's Total OPEB Liability and Related Ratios	98
Combining and Individual Fund Financial Statements and Schedules	
Nonmajor Governmental Funds	
Combining Balance Sheet	100
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	101
Nonmajor Special Revenue Funds	
Combining Balance Sheet	102
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	104
Rogers Activity Center Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	107
Nonmajor Capital Projects Funds	
Combining Balance Sheet	108
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	110

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City of Rogers, Minnesota
Annual Financial Report
Table of Contents (Continued)
For the Year Ended December 31, 2024

	<u>Page No.</u>
Combining and Individual Fund Financial Statements and Schedules (Continued)	
General Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	112
Debt Service Funds	
Combining Balance Sheet	116
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	117
TIF Funds	
Combining Balance Sheet	118
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	120
Enterprise Funds	
Water Fund	
Combining Schedule of Net Position	122
Combining Schedule of Revenues, Expenses and Changes in Net Position	125
Sewer Fund	
Combining Schedule of Net Position	126
Combining Schedule of Revenues, Expenses and Changes in Net Position	128
Storm Sewer Fund	
Combining Schedule of Net Position	129
Combining Schedule of Revenues, Expenses and Changes in Net Position	130
Municipal Liquor Store Fund	
Combining Schedule of Operating Revenues and Expenses	131
Summary Financial Report	
Revenues and Expenditures for General Operations - Governmental Funds	132
Other Required Reports	
Independent Auditor's Report	
on Minnesota Legal Compliance	135
Independent Auditor's Report on Internal Control Over Financial	
Reporting and on Compliance and Other Matters Based on	
an Audit of Financial Statements Performed in Accordance	
with <i>Government Auditing Standards</i>	136

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INTRODUCTORY SECTION

CITY OF ROGERS
ROGERS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

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City of Rogers, Minnesota
Elected and Appointed Officials
For the Year Ended December 31, 2024

ELECTED

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Rick Ihli	Mayor	12/31/2024
Mark Eiden	Council Member	12/31/2026
Amy Enga	Council Member	12/31/2026
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
Matthew Rathlisberger	Assistant Finance Director
Stacie Brown	City Clerk
Patrick Farrens	Fire Chief
Dan Wills	Police Chief
Doran Cote	Public Works Director / City Engineer
Thomas Agnes	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, 2024

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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, 2024, 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, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General 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.

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 90 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 3, 2025, 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 3, 2025



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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, 2024.

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 multiple factors, including a strong interest rate environment with positive market value adjustments, and greater than anticipated building permit and development activity including developer contributed assets. This also includes the sale of the City-owned on-sale municipal liquor store during the year.
- 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 due to the same factors mentioned above along with bond proceeds received but not yet spent.
- The City's total bonded debt increased during the fiscal year. The increase was a result of the issuance of the 2024A and 2024B bonds.

Overview of the Financial Statements

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

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

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

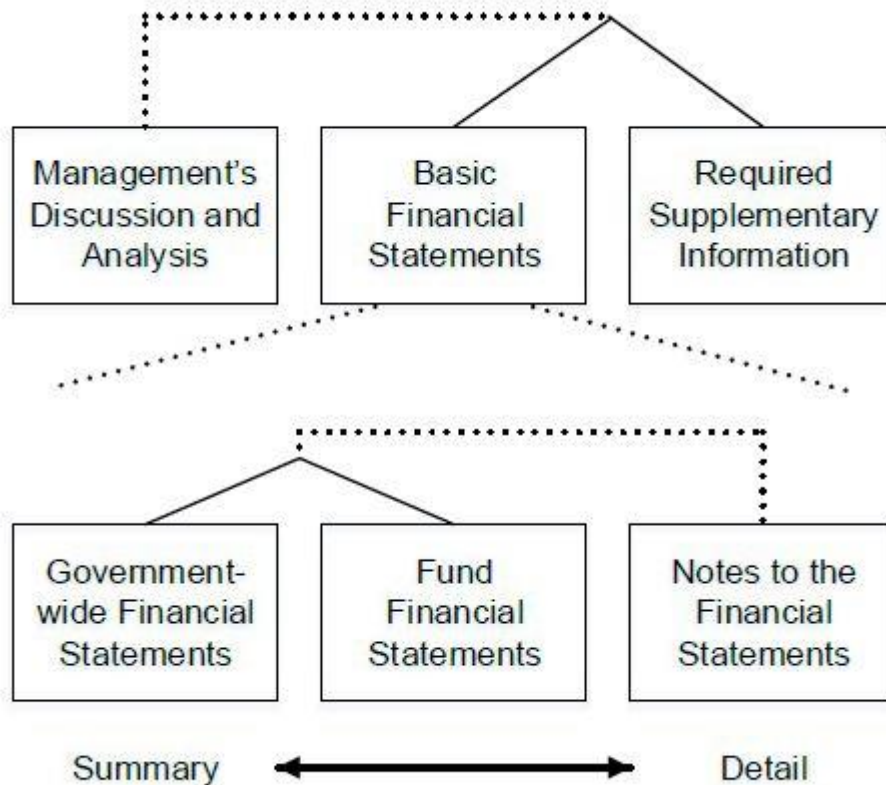


Figure 2 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the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

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

	Government-wide Statements	Fund Financial 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	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances	• 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. 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, Tower and Billboard Leases fund, Revolving Capital fund, Capital Improvement Projects, Local Option Sales Tax and Fire Station #2 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 statement and schedule 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 44 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 51 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 90 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 100 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		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
Assets						
Current and other assets	\$ 73,754,573	\$ 51,294,743	\$ 22,459,830	\$ 45,621,918	\$ 39,386,779	\$ 6,235,139
Capital assets	97,710,249	81,080,295	16,629,954	41,763,977	38,516,702	3,247,275
Total Assets	171,464,822	132,375,038	39,089,784	87,385,895	77,903,481	9,482,414
Deferred Outflows of Resources	5,198,052	6,276,429	(1,078,377)	305,348	461,664	(156,316)
Liabilities						
Noncurrent liabilities outstanding	37,482,240	13,166,425	24,315,815	5,243,424	5,956,706	(713,282)
Other liabilities	7,921,073	5,426,847	2,494,226	465,609	357,226	108,383
Total Liabilities	45,403,313	18,593,272	26,810,041	5,709,033	6,313,932	(604,899)
Deferred Inflows of Resources	11,774,146	11,812,965	(38,819)	661,338	472,820	188,518
Net Position						
Net investment in capital assets	78,091,969	75,033,874	3,058,095	37,795,409	34,198,117	3,597,292
Restricted	18,077,991	16,120,932	1,957,059	-	-	-
Unrestricted	23,315,455	17,090,424	6,225,031	43,525,463	37,380,276	6,145,187
Total Net Position	\$ 119,485,415	\$ 108,245,230	\$ 11,240,185	\$ 81,320,872	\$ 71,578,393	\$ 9,742,479
Net Position as a Percent of Total						
Net investment in capital assets	65.4 %	69.3 %		46.5 %	47.8 %	
Restricted	15.1	14.9		0.0	0.0	
Unrestricted	19.5	15.8		53.5	52.2	
	<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.

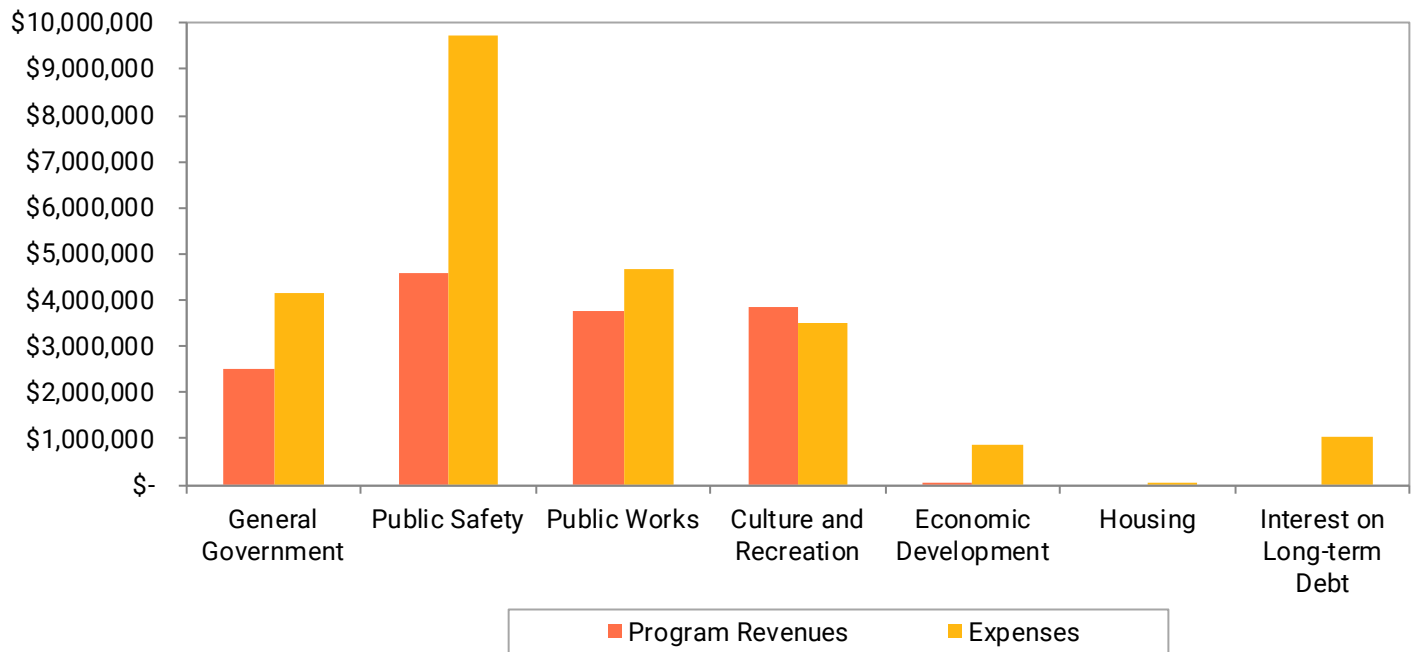
Governmental Activities. Governmental activities increased the City's net position as shown below. This increase was largely due to the strong interest rate environment with positive market value adjustments, and greater than anticipated building permit and development activity including developer contributed assets.

City of Rogers's Changes in Net Position

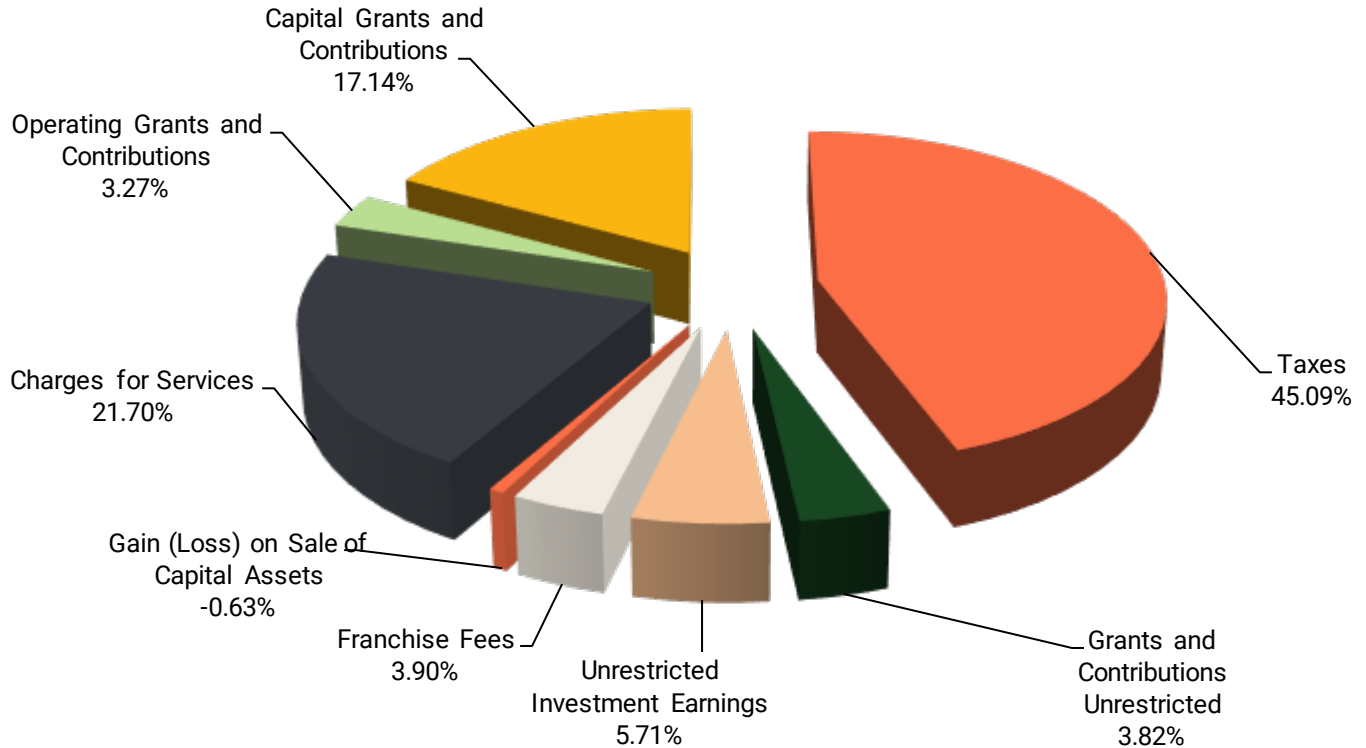
	Governmental Activities			Business-type Activities		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
Revenues						
Program Revenues						
Charges for services	\$ 7,581,384	\$ 5,415,062	\$ 2,166,322	\$ 10,846,341	\$ 9,941,411	\$ 904,930
Operating grants and contributions	1,143,773	3,823,960	(2,680,187)	257,738	15,682	242,056
Capital grants and contributions	5,990,101	2,594,046	3,396,055	6,855,823	2,663,161	4,192,662
General Revenues						
Taxes						
Property taxes	13,530,918	11,412,718	2,118,200	-	-	-
Tax increments	658,578	682,605	(24,027)	-	-	-
Local option sales taxes	1,364,567	1,311,026	53,541	-	-	-
Franchise taxes	1,569,421	1,572,301	(2,880)	-	-	-
Grants and contributions not restricted to specific programs	1,336,698	1,192,731	143,967	-	-	-
Unrestricted investment earnings (loss)	1,997,166	1,720,819	276,347	1,771,989	1,723,801	48,188
Gain on sale of capital assets	(221,051)	189,816	(410,867)	1,049,572	10,388	1,039,184
Total Revenues	<u>34,951,555</u>	<u>29,915,084</u>	<u>5,036,471</u>	<u>20,781,463</u>	<u>14,354,443</u>	<u>6,427,020</u>
Expenses						
General government	4,169,203	3,918,606	250,597	-	-	-
Public safety	9,717,706	8,611,089	1,106,617	-	-	-
Public works	4,652,676	5,306,273	(653,597)	-	-	-
Culture and recreation	3,484,300	2,808,907	675,393	-	-	-
Economic development	877,208	2,272,476	(1,395,268)	-	-	-
Housing	7,109	36,295	(29,186)	-	-	-
Interest on long-term debt	1,044,527	177,421	867,106	-	-	-
Water	-	-	-	2,369,531	2,189,191	180,340
Sewer	-	-	-	3,263,056	2,293,490	969,566
Storm sewer	-	-	-	662,634	807,417	(144,783)
Municipal liquor	-	-	-	4,502,404	4,433,864	68,540
Total Expenses	<u>23,952,729</u>	<u>23,131,067</u>	<u>821,662</u>	<u>10,797,625</u>	<u>9,723,962</u>	<u>1,073,663</u>
Increase in Net Position						
Before Transfers	10,998,826	6,784,017	4,214,809	9,983,838	4,630,481	5,353,357
Transfers - Internal Activities	<u>241,359</u>	<u>244,200</u>	<u>(2,841)</u>	<u>(241,359)</u>	<u>(244,200)</u>	<u>2,841</u>
Change in Net Position	11,240,185	7,028,217	4,211,968	9,742,479	4,386,281	5,356,198
Net Position, January 1	<u>108,245,230</u>	<u>101,217,013</u>	<u>7,028,217</u>	<u>71,578,393</u>	<u>67,192,112</u>	<u>4,386,281</u>
Net Position, December 31	<u>\$ 119,485,415</u>	<u>\$ 108,245,230</u>	<u>\$ 11,240,185</u>	<u>\$ 81,320,872</u>	<u>\$ 71,578,393</u>	<u>\$ 9,742,479</u>

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

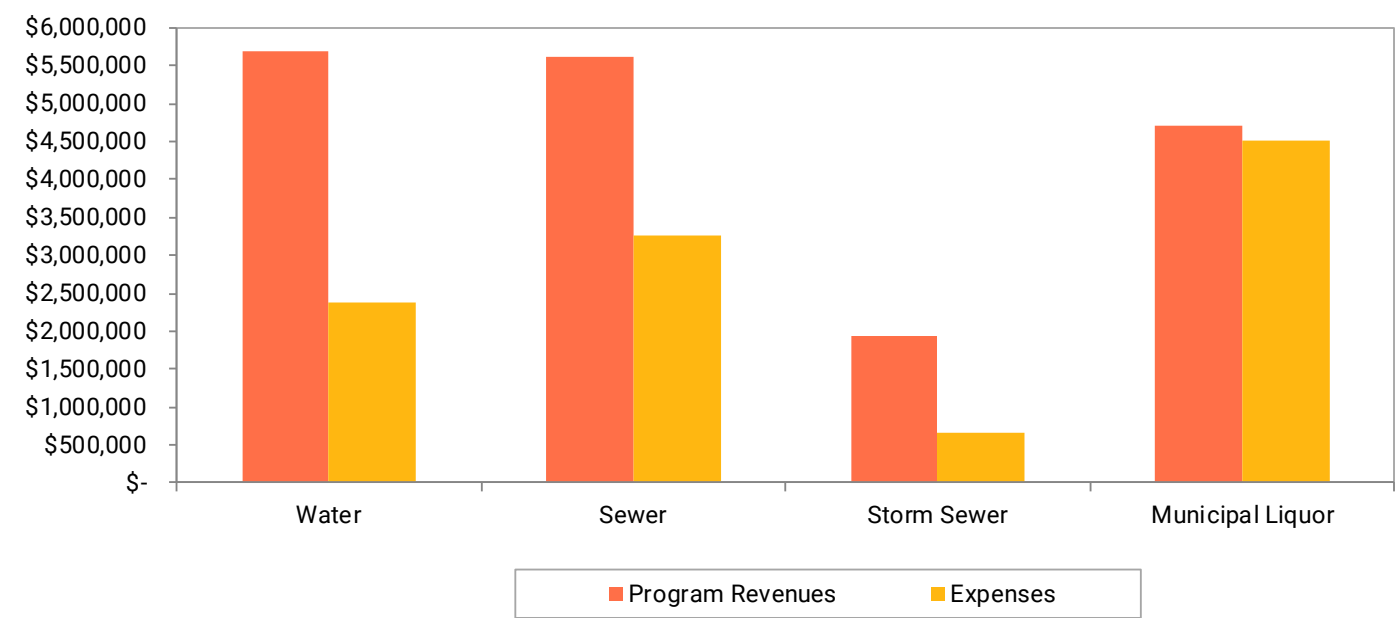


Revenues by Source - Governmental Activities

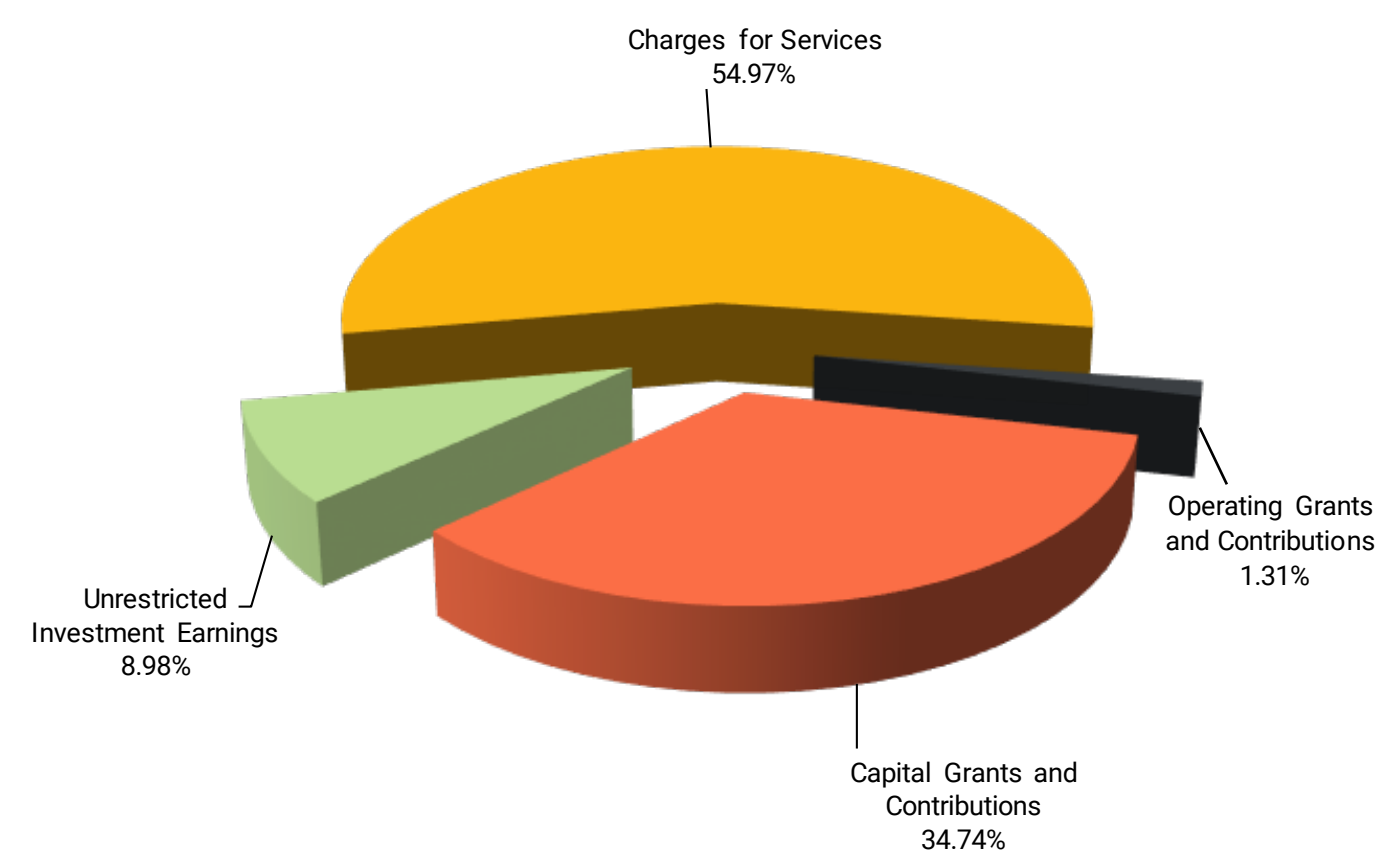


Business-type Activities. Business-type activities increased the City’s net position as shown in the changes in net position table. The increase is largely attributed to an increase in charges for services, unrestricted investment earnings, developer contributed assets, and the sale of the City-owned on-sale municipal liquor store during the year.

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, 2024.

	General	Tower & Billboard Leases	Capital Improvement Projects	Revolving Capital	Local Option Sales Tax	Fire Station #2	Other Governmental Funds	Total Governmental Funds
Fund Balances								
Nonspendable	\$ 159,300	\$ -	\$ 120,498	\$ -	-	\$ -	\$ 47,222	\$ 327,020
Restricted	-	-	-	3,442,205	14,643,765	-	10,958,083	29,044,053
Committed	-	2,035,272	1,485,791	3,490,149	-	1,427,834	7,042,947	15,481,993
Assigned	225,990	-	-	-	-	-	577,262	803,252
Unassigned	10,642,365	-	-	-	-	-	-	10,642,365
Total	<u>\$ 11,027,655</u>	<u>\$ 2,035,272</u>	<u>\$ 1,606,289</u>	<u>\$ 6,932,354</u>	<u>\$ 14,643,765</u>	<u>\$ 1,427,834</u>	<u>\$ 18,625,514</u>	<u>\$ 56,298,683</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 51 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.

	Current Year Ending Balance	Prior Year Ending Balance	Change from Prior Year
General Fund Fund Balance			
Nonspendable	\$ 159,300	\$ 235,198	\$ (75,898)
Assigned	225,990	178,690	47,300
Unassigned	10,642,365	8,432,619	2,209,746
Total	<u>\$ 11,027,655</u>	<u>\$ 8,846,507</u>	<u>\$ 2,181,148</u>
General Fund Expenditures	15,481,879	\$ 13,702,081	
Unassigned as a percent of expenditures	68.7 %	95.3 %	
Total Fund Balance as a percent of expenditures	71.2	64.6	

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 largely the result of public safety and public works state aids, interest revenues, and fees related to greater than anticipated City development activity.

Other major governmental fund analysis is shown below:

	December 31, 2024	December 31, 2023	Increase (Decrease)
Tower & Billboard Leases	\$ 2,035,272	\$ 1,598,813	\$ 436,459
<i>The Tower & Billboard Lease Fund fund balance increased during the year due to revenues from lease agreements exceeding expenditures.</i>			
Capital Improvement Projects	1,606,289	664,645	941,644
<i>The Capital Improvement Projects fund balance increased from the prior year due to development activity fees, contributions and donations, and interest earnings.</i>			
Revolving Capital	6,932,354	6,121,166	811,188
<i>The Revolving Capital fund balance increased during the year largely due to a transfer in related to the closing of the 2008 G.O. Improvement Bond debt fund.</i>			
Local Option Sales Tax	14,643,765	1,098,745	13,545,020
<i>The Local Option Sales Tax fund balance increased due to the issuance of the 2024B G.O. Sales Tax Revenue bonds in the current year.</i>			
Fire Station #2	1,427,834	966,175	461,659
<i>The Fire Station #2 fund balance increased due to the issuance of the 2024A G.O. CIP Bonds and from the transfer in of ARPA funds in the current year.</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, 2024	December 31, 2023	Increase (Decrease)
Water	\$ 33,175,868	\$ 28,767,897	\$ 4,407,971
<i>The Water fund increased during the current year primarily due to capital asset contributions from developers, connection fees and interest earnings.</i>			
Sewer	29,847,373	27,084,053	2,763,320
<i>The Sewer fund increased during the current year primarily due to capital asset contributions from developers, connection fees, the sale of City-owned parcels and interest earnings.</i>			
Storm Sewer	14,667,178	13,184,546	1,482,632
<i>The Storm Sewer fund increased during the current year primarily due to capital asset contributions from developers, connection fees and interest earnings.</i>			
Municipal Liquor	3,630,453	2,541,897	1,088,556
<i>The Municipal Liquor fund increased during the year due to the sale of the City-owned on-sale municipal liquor store.</i>			

General Fund Budgetary Highlights

	Original Budgeted Amounts	Budget Amendments	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 14,852,494	\$ -	\$ 14,852,494	\$ 17,437,937	\$ 2,585,443
Expenditures	15,157,494	-	15,157,494	15,481,879	(324,385)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(305,000)	-	(305,000)	1,956,058	2,261,058
Other Financing Sources (Uses)					
Transfers in	225,000	-	225,000	225,000	-
Sale of capital assets	-	-	-	10,090	10,090
Transfers out	-	-	-	(10,000)	(10,000)
Total Other Financing Sources (Uses)	225,000	-	225,000	225,090	90
Net Change in Fund Balances	(80,000)	-	(80,000)	2,181,148	2,261,148
Fund Balances, January 1	8,846,507	-	8,846,507	8,846,507	-
Fund Balances, December 31	\$ 8,766,507	\$ -	\$ 8,766,507	\$ 11,027,655	\$ 2,261,148

The City's General fund budget was not amended during the year. Actual revenues and expenditures were over the final budget amounts as shown above. Significant revenue budget variances include development activity including building permit and related revenues, and interest earnings. Significant expenditure variances include public safety's building inspection expenditures, which was \$452,000 over budget. This was primarily driven by increased developer activity throughout 2024 within the City, which is offset by related development fees paid to the City.

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, 2024 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:

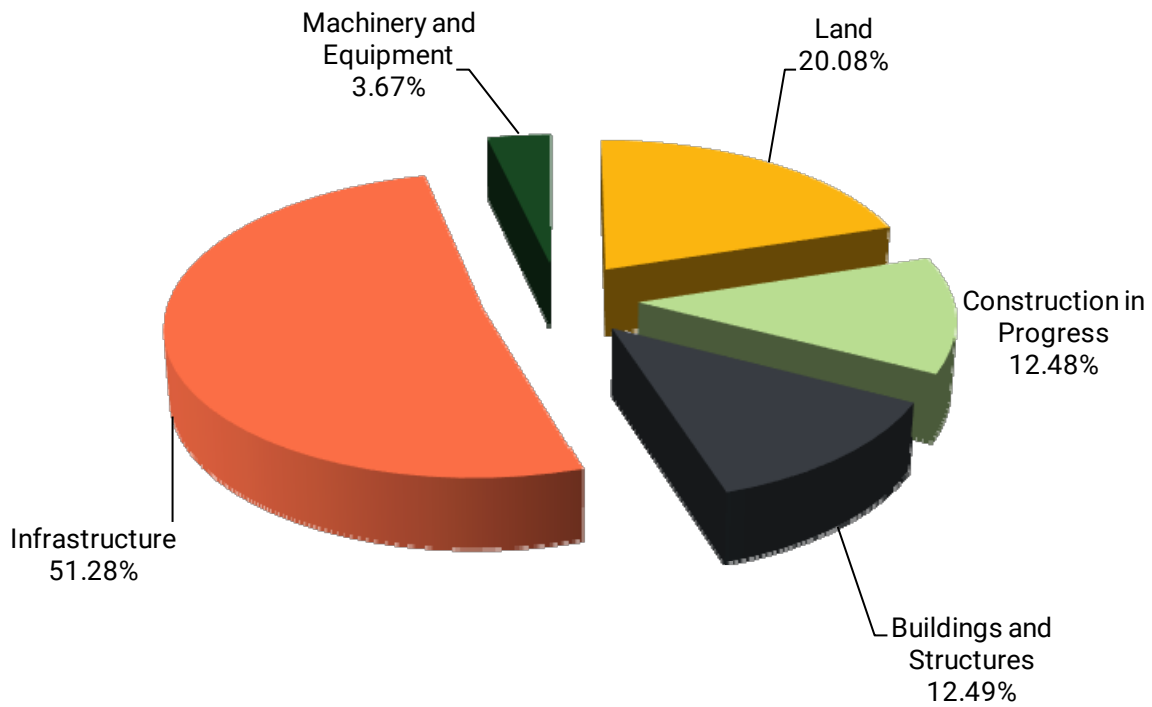
Major public project capital asset events during the current fiscal year were as follows:

- Completion of the following projects:
 - 2022 Pavement Management Program Phase II
 - Multi-Purpose Indoor Turf Facility - Site Improvements
 - 129th Avenue Reconstruction
- Purchase of the following items:
 - Stieg Woods Land
 - 2014 Fletcher Bypass Phase I - Land
 - Nine public safety vehicles
 - Four public works vehicles
 - Two Caterpillar skid steers
 - John Deere compact utility tractor

Additional information on the City's capital assets can be found in Note 3C starting on page 64 of this report.

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

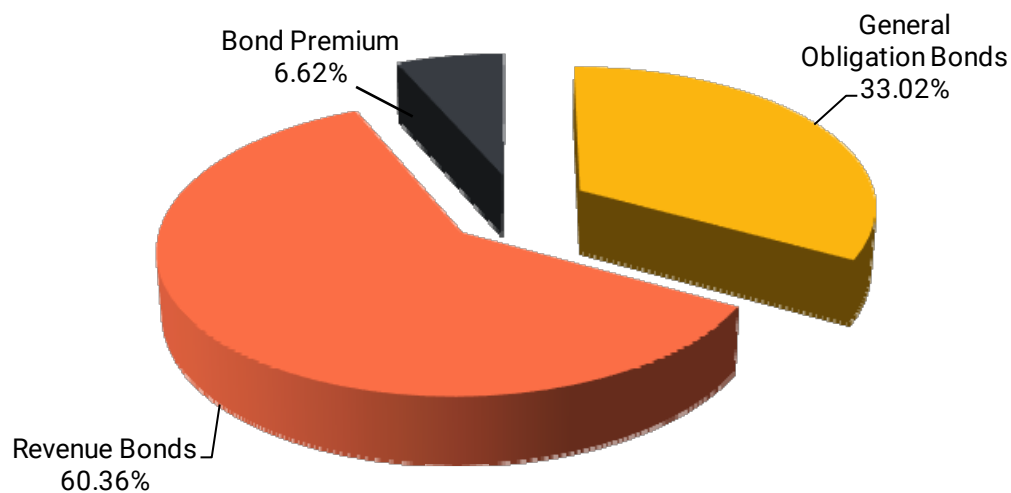
	Governmental Activities			Business-type Activities		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
Land	\$ 23,995,410	\$ 20,287,851	\$ 3,707,559	\$ 4,021,136	\$ 3,798,221	\$ 222,915
Construction in Progress	17,403,696	5,509,016	11,894,680	-	-	-
Buildings and Structures	14,833,214	15,461,531	(628,317)	2,585,432	2,765,789	(180,357)
Infrastructure	36,602,254	35,438,924	1,163,330	34,916,075	31,717,481	3,198,594
Machinery and Equipment	4,875,675	4,382,973	492,702	241,334	235,211	6,123
Total	\$ 97,710,249	\$ 81,080,295	\$ 16,629,954	\$ 41,763,977	\$ 38,516,702	\$ 3,247,275



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		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
General Obligation Bonds	\$ 11,515,000	\$ 4,805,000	\$ 6,710,000	\$ -	\$ -	\$ -
Revenue Bonds	17,205,000	1,110,000	16,095,000	3,840,000	4,195,000	(355,000)
Bond Premium	2,193,818	131,421	2,062,397	113,699	123,585	(9,886)
Total	<u>\$ 30,913,818</u>	<u>\$ 6,046,421</u>	<u>\$ 24,867,397</u>	<u>\$ 3,953,699</u>	<u>\$ 4,318,585</u>	<u>\$ (364,886)</u>



The City's total debt increased during the current fiscal year due to the issuance of the 2024A G.O. Improvement Bonds for the construction of Fire Station #2, and 2024B G.O. Sales Tax Revenue Bonds for the construction of the Multi-Purpose Indoor Turf Facility and South Community Park improvements.

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 \$98,459,286. The City is under the statutory debt limit as of December 31, 2024.

The City maintained its bond rating of AA+ from Standard & Poor's, which was formally assigned on February 7, 2014 and was reaffirmed in 2024.

Additional information on the City's long-term debt can be found in Note 3F starting on page 68 of this report.

Economic Factors and Next Year's Budgets and Rates

The City's elected officials considered many factors when setting the 2025 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 2025 includes a property tax levy of \$15,335,416, which is a 13.06 percent increase over the previous year. The City's growth in tax capacity was approximately 4.86 percent, and the tax rate increased approximately 8.70 percent to 38.71 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.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF ROGERS
ROGERS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

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City of Rogers, Minnesota
Statement of Net Position
December 31, 2024

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and temporary investments	\$ 66,874,767	\$ 37,378,380	\$ 104,253,147
Receivables			
Accounts	805,453	1,243,672	2,049,125
Accrued interest	237,478	13,230	250,708
Taxes	56,157	-	56,157
Special assessments	967,507	81,288	1,048,795
Loans	2,752	-	2,752
Leases	5,900,410	-	5,900,410
Due from other governments	3,588,274	184,388	3,772,662
Internal balances	(5,181,610)	5,181,610	-
Inventories	19,792	625,399	645,191
Prepaid items	307,228	151,451	458,679
Land held for resale	-	762,500	762,500
Net pension asset	176,365	-	176,365
Capital assets			
Land and construction in progress	41,399,106	4,021,136	45,420,242
Depreciable assets (net of accumulated depreciation)	56,311,143	37,742,841	94,053,984
Total Assets	<u>171,464,822</u>	<u>87,385,895</u>	<u>258,850,717</u>
Deferred Outflows of Resources			
Deferred other postemployment benefits	94,915	23,375	118,290
Deferred pension resources	5,103,137	281,973	5,385,110
Total Deferred Outflows of Resources	<u>5,198,052</u>	<u>305,348</u>	<u>5,503,400</u>
Liabilities			
Accounts payable	5,158,388	248,309	5,406,697
Accrued salaries payable	239,919	47,223	287,142
Accrued interest payable	229,208	26,765	255,973
Due to other governments	60,006	143,312	203,318
Escrows payable	1,943,466	-	1,943,466
Unearned revenue	290,086	-	290,086
Noncurrent liabilities			
Due within one year			
Long-term liabilities	1,404,269	461,484	1,865,753
Due in more than one year			
Long-term liabilities	31,206,532	3,835,580	35,042,112
Other postemployment benefits payable	365,902	90,098	456,000
Net pension liability	4,307,198	856,262	5,163,460
Arbitrage liability	198,339	-	198,339
Total Liabilities	<u>45,403,313</u>	<u>5,709,033</u>	<u>51,112,346</u>
Deferred Inflows of Resources			
Deferred other postemployment benefits	486,227	119,734	605,961
Deferred pension resources	5,687,046	541,604	6,228,650
Deferred lease resources	5,600,873	-	5,600,873
Total Deferred Inflows of Resources	<u>11,774,146</u>	<u>661,338</u>	<u>12,435,484</u>
Net Position			
Net investment in capital assets	78,091,969	37,795,409	115,887,378
Restricted for			
Debt service	1,670,994	-	1,670,994
Tax increment financing	3,006,449	-	3,006,449
Loans	299,119	-	299,119
Police forfeitures	29,019	-	29,019
Park improvements	5,482,460	-	5,482,460
Economic development	97,058	-	97,058
Capital improvements	2,763,039	-	2,763,039
Public safety	233,494	-	233,494
Affordable housing	32,446	-	32,446
RAC expansion	365,343	-	365,343
Fire relief pension	176,365	-	176,365
Transportation infrastructure	3,922,205	-	3,922,205
Unrestricted	23,315,455	43,525,463	66,840,918
Total Net Position	<u>\$ 119,485,415</u>	<u>\$ 81,320,872</u>	<u>\$ 200,806,287</u>

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

City of Rogers, Minnesota
Statement of Activities
For the Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 4,169,203	\$ 2,462,818	\$ 31,903	\$ -
Public safety	9,717,706	3,675,053	731,623	200,000
Public works	4,652,676	556,502	325,555	2,863,513
Culture and recreation	3,484,300	884,935	54,692	2,926,588
Economic development	877,208	2,076	-	-
Housing	7,109	-	-	-
Interest on long-term debt	1,044,527	-	-	-
Total Governmental Activities	23,952,729	7,581,384	1,143,773	5,990,101
Business-type Activities				
Water	2,369,531	2,412,396	78,257	3,210,663
Sewer	3,263,056	3,014,013	75,562	2,530,061
Storm sewer	662,634	754,454	57,890	1,115,099
Municipal liquor	4,502,404	4,665,478	46,029	-
Total Business-type Activities	10,797,625	10,846,341	257,738	6,855,823
Total	\$ 34,750,354	\$ 18,427,725	\$ 1,401,511	\$ 12,845,924

General Revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Tax increments

Local option sales taxes

Franchise

Grants and contributions not restricted to specific programs

Unrestricted investment earnings

Gain (Loss) 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
\$ (1,674,482)	\$ -	\$ (1,674,482)
(5,111,030)	-	(5,111,030)
(907,106)	-	(907,106)
381,915	-	381,915
(875,132)	-	(875,132)
(7,109)	-	(7,109)
(1,044,527)	-	(1,044,527)
<u>(9,237,471)</u>	<u>-</u>	<u>(9,237,471)</u>
-	3,331,785	3,331,785
-	2,356,580	2,356,580
-	1,264,809	1,264,809
-	209,103	209,103
<u>-</u>	<u>7,162,277</u>	<u>7,162,277</u>
<u>(9,237,471)</u>	<u>7,162,277</u>	<u>(2,075,194)</u>
12,446,365	-	12,446,365
1,084,553	-	1,084,553
658,578	-	658,578
1,569,421	-	1,569,421
1,364,567	-	1,364,567
1,336,698	-	1,336,698
1,997,166	1,771,989	3,769,155
(221,051)	1,049,572	828,521
241,359	(241,359)	-
<u>20,477,656</u>	<u>2,580,202</u>	<u>23,057,858</u>
11,240,185	9,742,479	20,982,664
<u>108,245,230</u>	<u>71,578,393</u>	<u>179,823,623</u>
<u>\$ 119,485,415</u>	<u>\$ 81,320,872</u>	<u>\$200,806,287</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, 2024

City of Rogers, Minnesota
Balance Sheet
Governmental Funds
December 31, 2024

	General	Tower & Billboard Leases	Capital Improvement Projects	Revolving Capital	Local Option Sales Tax	Fire Station #2	Other Governmental Funds	Total Governmental Funds
Assets								
Cash and temporary investments	\$ 13,347,925	\$ 1,749,062	\$ 6,888,131	\$ 7,267,412	\$ 17,015,870	\$ 1,838,134	\$ 18,768,233	\$ 66,874,767
Receivables								
Accounts	243,951	-	-	-	272	4,300	556,930	805,453
Accrued interest	228,938	-	-	-	-	8,540	-	237,478
Taxes	56,157	-	-	-	-	-	-	56,157
Special assessments	-	-	-	480,000	-	-	487,507	967,507
Loans	-	-	-	-	-	-	2,752	2,752
Leases	-	5,900,410	-	-	-	-	-	5,900,410
Due from other governments	193,456	-	10,712	2,569,066	767,584	-	47,456	3,588,274
Due from other funds	56,428	-	-	-	-	-	-	56,428
Inventories	19,792	-	-	-	-	-	-	19,792
Prepaid items	139,508	-	120,498	-	-	-	47,222	307,228
Total Assets	\$ 14,286,155	\$ 7,649,472	\$ 7,019,341	\$ 10,316,478	\$ 17,783,726	\$ 1,850,974	\$ 19,910,100	\$ 78,816,246
Liabilities								
Accounts payable	\$ 876,026	\$ -	\$ 156,514	\$ 334,359	\$ 2,759,783	\$ 423,140	\$ 608,566	\$ 5,158,388
Accrued salaries payable	229,520	-	-	-	-	-	10,399	239,919
Escrows payable	1,940,157	-	-	-	-	-	3,309	1,943,466
Due to other governments	48,844	-	-	699	-	-	10,463	60,006
Advance from other funds	-	-	5,238,038	-	-	-	-	5,238,038
Unearned revenue	93,917	13,327	18,500	-	-	-	164,342	290,086
Total Liabilities	3,188,464	13,327	5,413,052	335,058	2,759,783	423,140	797,079	12,929,903
Deferred Inflows of Resources								
Deferred lease resources	-	5,600,873	-	-	-	-	-	5,600,873
Unavailable revenue - property taxes	56,157	-	-	-	-	-	-	56,157
Unavailable revenue - special assessments	-	-	-	480,000	-	-	487,507	967,507
Unavailable revenue - intergovernmental	13,879	-	-	2,569,066	380,178	-	-	2,963,123
Total Deferred Inflows of Resources	70,036	5,600,873	-	3,049,066	380,178	-	487,507	9,587,660
Fund Balances								
Nonspendable	159,300	-	120,498	-	-	-	47,222	327,020
Restricted	-	-	-	3,442,205	14,643,765	-	10,958,083	29,044,053
Committed	-	2,035,272	1,485,791	3,490,149	-	1,427,834	7,042,947	15,481,993
Assigned	225,990	-	-	-	-	-	577,262	803,252
Unassigned	10,642,365	-	-	-	-	-	-	10,642,365
Total Fund Balances	11,027,655	2,035,272	1,606,289	6,932,354	14,643,765	1,427,834	18,625,514	56,298,683
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 14,286,155	\$ 7,649,472	\$ 7,019,341	\$ 10,316,478	\$ 17,783,726	\$ 1,850,974	\$ 19,910,100	\$ 78,816,246

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

City of Rogers, Minnesota
Reconciliation of the Balance Sheet
to the Statement of Net Position
Governmental Funds
December 31, 2024

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

Total Fund Balances - Governmental	\$ 56,298,683
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.	
Cost of capital assets	170,599,204
Less accumulated depreciation	(72,888,955)
Long-term assets from pensions reported in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	176,365
Noncurrent liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Noncurrent liabilities at year-end consist of	
Compensated absences payable	(1,538,646)
Severance obligations payable	(158,337)
Other postemployment benefits payable	(365,902)
Bonds payable	(30,913,818)
Net pension liability	(4,307,198)
Arbitrage liability	(198,339)
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable in the funds.	
Special assessments receivable	967,507
Taxes receivable	56,157
Grant receivable	2,963,123
Governmental funds do not report a liability for accrued interest until due and payable.	(229,208)
Governmental funds do not report long-term amounts related to pensions.	
Deferred outflows of resources	5,103,137
Deferred inflows of resources	(5,687,046)
Governmental funds do not report long-term amounts related to other postemployment benefits.	
Deferred outflows of resources	94,915
Deferred inflows of resources	(486,227)
Total Net Position - Governmental Activities	<u>\$ 119,485,415</u>

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, 2024

					Formerly Nonmajor			
	General	Tower & Billboard Leases	Capital Improvement Projects	Revolving Capital	Local Option Sales Tax	Fire Station #2	Other Governmental Funds	Total Governmental Funds
Revenues								
Taxes	\$ 10,141,857	\$ -	\$ 1,490,713	\$ 125,000	\$ -	\$ -	\$ 1,845,457	\$ 13,603,027
Tax increments	-	-	-	-	-	-	658,578	658,578
Franchise taxes	-	-	-	-	-	-	1,364,567	1,364,567
Local option sales tax	-	-	-	-	1,569,421	-	-	1,569,421
Licenses and permits	3,192,372	-	-	-	-	-	-	3,192,372
Intergovernmental	873,166	-	859,468	1,262,863	-	-	1,467,440	4,462,937
Charges for services	1,817,669	-	-	-	-	-	2,258,932	4,076,601
Fines and forfeitures	90,923	-	-	-	-	-	11,774	102,697
Special assessments	-	-	-	132,002	-	-	312,184	444,186
Investment earnings	450,896	69,429	140,319	299,922	94,873	279,249	662,478	1,997,166
Miscellaneous	871,054	367,030	179,565	-	-	4,300	654,880	2,076,829
Total Revenues	<u>17,437,937</u>	<u>436,459</u>	<u>2,670,065</u>	<u>1,819,787</u>	<u>1,664,294</u>	<u>283,549</u>	<u>9,236,290</u>	<u>33,548,381</u>
Expenditures								
Current								
General government	3,905,788	-	-	-	-	-	-	3,905,788
Public safety	8,212,259	-	-	-	-	-	38,521	8,250,780
Public works	1,710,391	-	-	-	-	-	-	1,710,391
Culture and recreation	1,653,441	-	-	-	-	-	721,608	2,375,049
Economic development	-	-	-	-	-	-	318,115	318,115
Capital outlay								
General government	-	-	111,847	-	-	-	329	112,176
Public safety	-	-	827,119	-	-	8,340,154	415,324	9,582,597
Public works	-	-	796,788	1,736,532	-	-	653,425	3,186,745
Culture and recreation	-	-	94,001	-	5,424,113	-	1,726,299	7,244,413
Economic development	-	-	-	-	-	-	543,760	543,760
Housing	-	-	-	-	-	-	7,109	7,109
Debt service								
Principal	-	-	-	-	-	-	875,000	875,000
Interest and other	-	-	22,184	-	-	-	328,206	350,390
Bond issuance costs	-	-	-	-	216,824	140,331	-	357,155
Total Expenditures	<u>15,481,879</u>	<u>-</u>	<u>1,851,939</u>	<u>1,736,532</u>	<u>5,640,937</u>	<u>8,480,485</u>	<u>5,627,696</u>	<u>38,819,468</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,956,058</u>	<u>436,459</u>	<u>818,126</u>	<u>83,255</u>	<u>(3,976,643)</u>	<u>(8,196,936)</u>	<u>3,608,594</u>	<u>(5,271,087)</u>
Other Financing Sources (Uses)								
Transfers in	225,000	-	-	727,933	-	373,054	364,459	1,690,446
Bonds issued	-	-	-	-	16,275,000	7,405,000	-	23,680,000
Premium on bonds issued	-	-	-	-	1,246,663	880,541	-	2,127,204
Sale of capital assets	10,090	-	123,518	-	-	-	9,540	143,148
Transfers out	(10,000)	-	-	-	-	-	(1,439,087)	(1,449,087)
Total Other Financing Sources (Uses)	<u>225,090</u>	<u>-</u>	<u>123,518</u>	<u>727,933</u>	<u>17,521,663</u>	<u>8,658,595</u>	<u>(1,065,088)</u>	<u>26,191,711</u>
Net Change in Fund Balances	<u>2,181,148</u>	<u>436,459</u>	<u>941,644</u>	<u>811,188</u>	<u>13,545,020</u>	<u>461,659</u>	<u>2,543,506</u>	<u>20,920,624</u>
Fund Balances, January 1, as previously presented	8,846,507	1,598,813	664,645	6,121,166	-	-	18,146,928	35,378,059
Change within financial reporting entity (nonmajor to major fund)	-	-	-	-	1,098,745	966,175	(2,064,920)	-
Fund Balances, January 1, as adjusted	<u>8,846,507</u>	<u>1,598,813</u>	<u>664,645</u>	<u>6,121,166</u>	<u>1,098,745</u>	<u>966,175</u>	<u>16,082,008</u>	<u>35,378,059</u>
Fund Balances, December 31	<u>\$ 11,027,655</u>	<u>\$ 2,035,272</u>	<u>\$ 1,606,289</u>	<u>\$ 6,932,354</u>	<u>\$ 14,643,765</u>	<u>\$ 1,427,834</u>	<u>\$ 18,625,514</u>	<u>\$ 56,298,683</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, 2024

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

Net Change in Fund Balances - Governmental Funds	\$ 20,920,624
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.	
Capital outlays	19,117,578
Depreciation expense	(4,195,784)
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.	
Disposals	(951,313)
Depreciation on disposals	587,114
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
Capital assets contributed from developers	2,072,359
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.	
Debt issued	(23,680,000)
Principal repayments	875,000
Bond premium	(2,127,204)
Amortization of bond premium	64,807
Arbitrage rebates in the statement of activities differs from the amount reported in the governmental fund because arbitrage repayments are 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 arbitrage expense is recognized as the federal tax is due, regardless of when it is due.	(198,339)
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.	(203,450)
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.	
Special assessments	(423,865)
Taxes	(72,109)
Intergovernmental	(97,974)
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.	
Compensated absences	(410,018)
Severance obligations	(23,166)
Other postemployment benefits	(4,452)
Long-term pension activity is not reported in governmental funds.	
Pension expense	(155,437)
Pension revenue	145,814
Change in Net Position - Governmental Activities	<u>\$ 11,240,185</u>

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

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City of Rogers, Minnesota
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
General Fund
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 10,246,948	\$ 10,246,948	\$ 10,141,857	\$ (105,091)
Licenses and permits	1,696,637	1,696,637	3,192,372	1,495,735
Intergovernmental	710,537	710,537	873,166	162,629
Charges for services	1,515,722	1,515,722	1,817,669	301,947
Fines and forfeitures	80,000	80,000	90,923	10,923
Investment earnings	70,000	70,000	450,896	380,896
Miscellaneous	532,650	532,650	871,054	338,404
Total Revenues	<u>14,852,494</u>	<u>14,852,494</u>	<u>17,437,937</u>	<u>2,585,443</u>
Expenditures				
Current				
General government	3,709,148	3,709,148	3,905,788	(196,640)
Public safety	7,887,765	7,887,765	8,212,259	(324,494)
Public works	1,959,872	1,959,872	1,710,391	249,481
Culture and recreation	1,600,709	1,600,709	1,653,441	(52,732)
Total Expenditures	<u>15,157,494</u>	<u>15,157,494</u>	<u>15,481,879</u>	<u>(324,385)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(305,000)</u>	<u>(305,000)</u>	<u>1,956,058</u>	<u>2,261,058</u>
Other Financing Sources (Uses)				
Transfers in	225,000	225,000	225,000	-
Sale of capital assets	-	-	10,090	10,090
Transfers out	-	-	(10,000)	(10,000)
Total Other Financing Sources (Uses)	<u>225,000</u>	<u>225,000</u>	<u>225,090</u>	<u>90</u>
Net Change in Fund Balances	<u>(80,000)</u>	<u>(80,000)</u>	<u>2,181,148</u>	<u>2,261,148</u>
Fund Balances, January 1	<u>8,846,507</u>	<u>8,846,507</u>	<u>8,846,507</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 8,766,507</u>	<u>\$ 8,766,507</u>	<u>\$ 11,027,655</u>	<u>\$ 2,261,148</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, 2024

	Business-type Activities - Enterprise Funds				Totals
	Water	Sewer	Storm Sewer	Municipal Liquor	
Assets					
Current Assets					
Cash and temporary investments	\$ 23,560,194	\$ 7,147,482	\$ 4,756,700	\$ 1,914,004	\$ 37,378,380
Receivables					
Accounts	210,331	412,973	98,952	521,416	1,243,672
Accrued Interest	13,230	-	-	-	13,230
Due from other governments	80,295	99,295	12	4,786	184,388
Inventories	-	-	-	625,399	625,399
Land held for resale	-	762,500	-	-	762,500
Prepaid items	7,833	121,275	6,008	16,335	151,451
Total Current Assets	23,871,883	8,543,525	4,861,672	3,081,940	40,359,020
Noncurrent Assets					
Special assessments receivable	31,879	41,202	8,207	-	81,288
Advance to other funds	-	5,238,038	-	-	5,238,038
Capital assets					
Land	810,812	1,846,409	447,836	916,079	4,021,136
Buildings and improvements	3,991,348	2,814,633	-	967,975	7,773,956
Infrastructure	20,393,013	17,704,598	14,752,536	-	52,850,147
Machinery and equipment	277,933	633,371	215,702	114,069	1,241,075
Less accumulated depreciation	(11,665,191)	(6,430,137)	(5,440,017)	(586,992)	(24,122,337)
Total Capital Assets (Net of Accumulated Depreciation)	13,807,915	16,568,874	9,976,057	1,411,131	41,763,977
Total Noncurrent Assets	13,839,794	21,848,114	9,984,264	1,411,131	47,083,303
Total Assets	37,711,677	30,391,639	14,845,936	4,493,071	87,442,323
Deferred Outflows of Resources					
Deferred other postemployment benefits resources	7,903	7,383	2,541	5,548	23,375
Deferred pension resources	73,850	67,962	26,919	113,242	281,973
Total Deferred Outflows of Resources	81,753	75,345	29,460	118,790	305,348
Liabilities					
Current Liabilities					
Accounts payable	66,854	45,078	10,975	125,402	248,309
Accrued salaries payable	13,278	12,115	4,710	17,120	47,223
Accrued interest payable	26,765	-	-	-	26,765
Due to other governments	18,875	67,434	-	57,003	143,312
Due to other funds	-	-	-	56,428	56,428
Severance obligations payable - current portion	-	-	-	11,373	11,373
Compensated absences payable - current portion	11,056	10,394	4,415	64,246	90,111
Bonds payable - current portion	360,000	-	-	-	360,000
Total Current Liabilities	496,828	135,021	20,100	331,572	983,521

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, 2024

	Business-type Activities - Enterprise Funds				Totals
	Water	Sewer	Storm Sewer	Municipal Liquor	
Noncurrent Liabilities					
Severance obligations payable	\$ 13,215	\$ 9,575	\$ 2,237	\$ 2,454	\$ 27,481
Compensated absences payable	76,418	71,842	30,519	35,621	214,400
Other postemployment benefits payable	30,461	28,459	9,795	21,383	90,098
Bonds payable	3,593,699	-	-	-	3,593,699
Net pension liability	224,274	206,380	81,701	343,907	856,262
Total Noncurrent Liabilities	3,938,067	316,256	124,252	403,365	4,781,940
Total Liabilities	4,434,895	451,277	144,352	734,937	5,765,461
Deferred Inflows of Resources					
Deferred other postemployment benefits resources	40,481	37,820	13,016	28,417	119,734
Deferred pension resources	142,186	130,514	50,850	218,054	541,604
Total Deferred Outflows of Resources	182,667	168,334	63,866	246,471	661,338
Net Position					
Net investment in capital assets	9,854,216	16,554,005	9,976,057	1,411,131	37,795,409
Unrestricted	23,321,652	13,293,368	4,691,121	2,219,322	43,525,463
Total Net Position	<u>\$ 33,175,868</u>	<u>\$ 29,847,373</u>	<u>\$ 14,667,178</u>	<u>\$ 3,630,453</u>	<u>\$ 81,320,872</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, 2024

	Business-type Activities - Enterprise Funds				
	Water	Sewer	Storm Sewer	Municipal Liquor	Totals
Operating Revenues					
Sales	\$ -	\$ -	\$ -	\$ 4,665,478	\$ 4,665,478
Cost of sales	-	-	-	(3,105,076)	(3,105,076)
Gross Profit	-	-	-	1,560,402	1,560,402
Charges for services	2,411,921	3,013,538	753,629	-	6,179,088
Miscellaneous	475	475	825	-	1,775
Total Operating Revenues	2,412,396	3,014,013	754,454	1,560,402	7,741,265
Operating Expenses					
Personal services	720,882	640,609	184,661	965,519	2,511,671
Supplies	415,271	18,833	9,252	22,526	465,882
Other services and charges	607,304	2,145,382	171,417	382,528	3,306,631
Depreciation	559,836	458,232	297,304	26,755	1,342,127
Total Operating Expenses	2,303,293	3,263,056	662,634	1,397,328	7,626,311
Operating Income (Loss)	109,103	(249,043)	91,820	163,074	114,954
Nonoperating Revenues (Expenses)					
Investment earnings	1,074,148	404,702	215,785	77,354	1,771,989
Gain on sale of capital assets	2,038	2,038	2,038	1,043,458	1,049,572
Interest expense	(66,238)	-	-	-	(66,238)
Other income	78,257	75,562	57,890	46,029	257,738
Total Nonoperating Revenues (Expenses)	1,088,205	482,302	275,713	1,166,841	3,013,061
Income (Loss) Before Contributions and Transfers	1,197,308	233,259	367,533	1,329,915	3,128,015
Capital Contributions					
Connection fees and special assessments	1,904,161	992,600	190,137	-	3,086,898
Contributions from Developers	1,306,502	1,537,461	924,962	-	3,768,925
Transfers Out	-	-	-	(241,359)	(241,359)
Change in Net Position	4,407,971	2,763,320	1,482,632	1,088,556	9,742,479
Net Position, January 1	28,767,897	27,084,053	13,184,546	2,541,897	71,578,393
Net Position, December 31	\$ 33,175,868	\$ 29,847,373	\$ 14,667,178	\$ 3,630,453	\$ 81,320,872

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, 2024

	Business-type Activities - Enterprise Funds				
	Water	Sewer	Storm Sewer	Municipal Liquor	Totals
Cash Flows from Operating Activities					
Receipts from customers and users	\$ 2,367,217	\$ 2,845,988	\$ 746,027	\$ 4,711,832	\$ 10,671,064
Payments to suppliers	(830,886)	(1,384,692)	(71,776)	(3,504,695)	(5,792,049)
Payments to employees	(759,362)	(695,376)	(290,383)	(1,043,126)	(2,788,247)
Net Cash Provided (Used) by Operating Activities	776,969	765,920	383,868	164,011	2,090,768
Cash Flows from Noncapital Financing Activities					
Payment on advance to other funds	-	(2,848,349)	-	-	(2,848,349)
Payment on due to other funds	-	-	-	(548,899)	(548,899)
Proceeds from sale of land held for resale	-	363,425	-	-	363,425
Transfers to other funds	-	-	-	(241,359)	(241,359)
Net Cash Used by Noncapital Financing Activities	-	(2,484,924)	-	(790,258)	(3,275,182)
Cash Flows from Capital Financing Activities					
Acquisition of property and equipment	(36,009)	(288,641)	(557,112)	-	(881,762)
Proceeds from sale of capital assets	2,038	2,038	2,038	645,630	651,744
Connection fees/special assessments received	1,907,878	983,342	190,137	-	3,081,357
Interest paid on bonds	(78,327)	-	-	-	(78,327)
Principal paid on bonds	(355,000)	-	-	-	(355,000)
Net Cash Provided by Capital Financing Activities	1,440,580	696,739	(364,937)	645,630	2,418,012
Cash Flows from Investing Activities					
Interest received on investments	1,060,918	404,702	215,785	77,354	1,758,759
Net Increase (decrease) in Cash and Cash Equivalents	3,278,467	(617,563)	234,716	96,737	2,992,357
Cash and Cash Equivalents, January 1	20,281,727	7,765,045	4,521,984	1,817,267	34,386,023
Cash and Cash Equivalents, December 31	<u>\$ 23,560,194</u>	<u>\$ 7,147,482</u>	<u>\$ 4,756,700</u>	<u>\$ 1,914,004</u>	<u>\$ 37,378,380</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, 2024

	Business-type Activities - Enterprise Funds				
	Water	Sewer	Storm Sewer	Municipal Liquor	Totals
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities					
Operating income (loss)	\$ 109,103	\$ (249,043)	\$ 91,820	\$ 163,074	\$ 114,954
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Other income related to operations	78,257	75,562	57,890	46,029	257,738
Loss on land held for resale	-	600,576	-	-	600,576
Depreciation	559,836	458,232	297,304	26,755	1,342,127
(Increase) decrease in assets					
Accounts receivable	(16,844)	(137,213)	(8,440)	51,109	(111,388)
Due from other governments	(28,335)	(30,812)	13	(4,755)	(63,889)
Inventories	-	-	-	(134,817)	(134,817)
Prepaid items	(1,838)	(6,428)	(1,719)	(199)	(10,184)
Decrease in deferred outflows					
Deferred pension resources	30,863	36,361	33,904	51,563	152,691
Deferred postemployment benefit resources	471	1,052	1,842	260	3,625
Increase (decrease) in liabilities					
Accounts payable	33,924	30,735	(2,114)	43,714	106,259
Due to other governments	(8,234)	(883)	-	(261)	(9,378)
Accrued salaries payable	4,598	4,102	1,627	3,378	13,705
Compensated absences payable	22,868	24,955	11,860	(26,812)	32,871
Severance obligations payable	1,790	1,490	358	(20,514)	(16,876)
Other postemployment benefits payable	(229)	(2,451)	(6,266)	100	(8,846)
Net pension liability	(70,399)	(87,198)	(89,462)	(119,859)	(366,918)
Decrease in deferred inflows					
Deferred postemployment benefit resources	6,254	3,347	(4,896)	4,680	9,385
Deferred pension resources	54,884	43,536	147	80,566	179,133
Net Cash Provided (Used) by Operating Activities	<u>\$ 776,969</u>	<u>\$ 765,920</u>	<u>\$ 383,868</u>	<u>\$ 164,011</u>	<u>\$ 2,090,768</u>
Noncash Capital Financing and Investing Activities					
Capital assets contributed by developers	\$ 1,306,502	\$ 1,537,461	\$ 924,962	\$ -	\$ 3,768,925
Book value of disposed capital assets	\$ -	\$ -	\$ 2,038	\$ 61,285	\$ 63,323
Loss on land held for resale	\$ -	\$ 600,576	\$ -	\$ -	\$ 600,576
Amortization of bond premium	\$ 9,886	\$ -	\$ -	\$ -	\$ 9,886

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, 2024

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, 2024

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 *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 resources and financing of projects related to implementing a local sales tax including park and trail improvements, and the construction of a multi-purpose indoor turf facility.

The *Fire Station #2 fund* accounts for the resources used to finance the public safety facility construction.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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.

authorized investments. Earnings on investments are allocated to the individual funds based upon the average of month-end cash and investment balances.

Cash balances from all funds are pooled and invested, to the extent available, in certificates of deposit and other

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

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

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

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 61.

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 2024. 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.

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Inventories and Prepaid Items

Liquor inventory is valued at cost using the first-in/first-out (FIFO) method. Non-liquor inventory, such as fuel and oil, is measured using average cost methodology. 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	\$ 50,000
Buildings and Building Improvements	100,000
Improvements other than Buildings (Land Improvements)	75,000
Machinery and Equipment	25,000
Infrastructure and Other Improvements	150,000
Other Assets (and Intangible Assets)	25,000
Group Asset Purchases	150,000
Construction in Progress	Accumulate all costs and capitalize if > \$150,000 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.

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

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

Note 1: Summary of Significant Accounting Policies (Continued)

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets 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.

Beginning in 2024 and pursuant to Minnesota state statutes, the City implemented an earned sick and safe time (ESST) benefit to all eligible part-time employees. These individuals will accrue one hour of ESST for every 30 hours worked, up to 48 hours in a calendar year with a balance not to exceed 80 hours at any point in time. The employees are able to carry unused hours into the next calendar year, however, unused balances will not be paid out prior to termination.

All ESST, vacation pay and a portion of sick pay is accrued when earned in the government-wide and proprietary funds financial statements. Sick pay is accrued based on length of service and expected time to be used prior to termination. 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.

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, 2024

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

	Public Employees Retirement Association of Minnesota (PERA)		Fire Relief Association	Total
	GERF	PEPFF		
City's proportionate share	\$ 524,209	\$ 695,022	\$ 110,876	\$ 1,330,107
Proportionate share of State's contribution	1,697	11,579	-	13,276
Total pension expense	<u>\$ 525,906</u>	<u>\$ 706,601</u>	<u>\$ 110,876</u>	<u>\$ 1,343,383</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 December 31, 2023.

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 assets 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.

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.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

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 inventory and prepaid items.

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

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

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

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

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

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

Net Position

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

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

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

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2024

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. The City does not budget for the Tower & Billboard Leases major special revenue fund as it is not legally required to do so. 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 General fund budget was not amended during the year.

B. Excess of Expenditures Over Appropriations

For the year ended December 31, 2024 expenditures exceeded appropriations in the following funds:

Fund	Budget	Actual	Excess of Expenditures Over Appropriations
General	\$ 15,157,494	\$ 15,481,879	\$ 324,385
Rogers Activity Center	767,153	829,671	62,518

The excess expenditures were funded by revenues exceeding budgeted amounts, transfers from other funds, and available fund balances.

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, 2024

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 \$28,865,200 and the bank balance was \$28,191,293. 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 brokered money market investment pool operates in accordance with appropriate State laws and regulations. The reported value of the pool is the same as the fair value of the pool share.

The City has the following recurring fair value measurements as of December 31, 2024:

- Brokered certificates of deposit of \$9,505,887 are valued using a matrix pricing model (Level 2 inputs).
- Mortgage backed securities of \$9,610,337 are valued using quoted market prices (Level 1 inputs).
- Municipal securities of \$14,883,278 are valued using a matrix pricing model (Level 2 inputs).
- U.S. government agency securities of \$12,890,360 are valued using quoted market prices (Level 1 inputs).
- U.S. government treasury securities of \$6,025,939 are valued using quoted market prices (Level 1 inputs).

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

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

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

As of December 31, 2024, 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	\$ 17,622,127			
Brokered Money Market	N/A	Less Than One Year	5,843,319			
Non-Pooled Investments at Fair Value						
Brokered Certificates of Deposit	N/A	Less Than One Year	3,797,403	\$ -	\$ 3,797,403	\$ -
Brokered Certificates of Deposit	N/A	One to Five Years	5,708,484	-	5,708,484	-
Mortgage Back Securities	Aaa	Less Than One Year	3,029,858	3,029,858	-	-
Mortgage Back Securities	Aaa	One to Five Years	6,580,479	6,580,479	-	-
Municipal Securities	Aaa	Less Than One Year	1,360,087	-	1,360,087	-
Municipal Securities	Aa1	Less Than One Year	679,945	-	679,945	-
Municipal Securities	Aa2	Less Than One Year	735,105	-	735,105	-
Municipal Securities	Aa3	Less Than One Year	299,859	-	299,859	-
Municipal Securities	N/A	Less Than One Year	1,395,560	-	1,395,560	-
Municipal Securities	Aaa	One to Five Years	1,635,058	-	1,635,058	-
Municipal Securities	Aa1	One to Five Years	2,611,963	-	2,611,963	-
Municipal Securities	Aa2	One to Five Years	3,227,083	-	3,227,083	-
Municipal Securities	Aa3	One to Five Years	617,402	-	617,402	-
Municipal Securities	N/A	One to Five Years	2,099,769	-	2,099,769	-
Municipal Securities	A2	One to Five Years	221,448		221,448	-
U.S Government Agency Securities	Aaa	Less Than One Year	966,390	966,390	-	-
U.S Government Agency Securities	Aaa	One to Five Years	11,923,970	11,923,970	-	-
U.S Government Treasury Securities	Aaa	Less Than One Year	2,542,605	2,542,605	-	-
U.S Government Treasury Securities	Aaa	One to Five Years	3,483,333	3,483,333	-	-
Total Investments			<u>\$ 76,381,247</u>	<u>\$ 28,526,635</u>	<u>\$ 24,389,166</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, 2024

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 pages 53 and 54 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, 2024, the City had invested 5 percent or more of its total investment portfolio in the following issuers:
 - FHLB DEB \$7,337,185
 - US Treasury \$6,025,939
 - First American Government Obligation Funds – Class X \$5,843,319
 - FFCB DEB \$5,553,175
- *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	\$ 27,865,200
Investments	76,381,247
Cash on Hand	<u>6,700</u>
Total	<u><u>\$ 104,253,147</u></u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

B. Lease Receivable

The City had the following lease receivables as of December 31, 2024:

Description	Issue Date	Maturity Date	Discount Rate	Current Year Inflow of Resources	Balance at Year End
Antenna Lease Agreements					
Great Northern	07/01/21	05/01/66	1.47 %	\$ 730	\$ 31,113
AT&T Tower	06/30/05	03/01/51	0.64	11,174	309,856
EarthLink	04/01/09	03/31/34	0.31	23,921	228,611
Verizon-Orchid Avenue	09/01/13	08/31/38	0.31	41,570	592,920
Verizon-145th Ave North	07/01/17	06/30/42	2.19	15,434	283,976
American Tower	11/04/86	10/01/51	0.64	51,392	1,449,173
Billboard Lease Agreements					
CBS Outdoor	06/01/22	05/31/52	2.42	70,597	2,044,103
Clear Channel	10/01/19	09/30/39	1.30	61,238	960,658
Total Lease Receivable					<u>\$ 5,900,410</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.

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2025	\$ 183,669	\$ 81,529	\$ 265,198
2026	197,933	79,458	277,391
2027	202,693	77,261	279,954
2028	212,620	74,956	287,576
2029	222,964	72,523	295,487
2030 - 2034	1,215,627	321,616	1,537,243
2035 - 2039	1,302,307	240,798	1,543,105
2040 - 2044	851,682	160,805	1,012,487
2045 - 2049	1,008,685	87,073	1,095,758
2050 - 2054	491,610	11,563	503,173
2055 - 2059	4,382	618	5,000
2060 - 2064	4,716	284	5,000
2065 - 2066	1,522	15	1,537
Total	<u>\$ 5,900,410</u>	<u>\$ 1,208,499</u>	<u>\$ 7,108,909</u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets not Being Depreciated				
Land	\$ 20,287,851	\$ 3,707,559	\$ -	\$ 23,995,410
Construction in progress	5,509,016	15,166,111	(3,271,431)	17,403,696
Total Capital Assets not Being Depreciated	<u>25,796,867</u>	<u>18,873,670</u>	<u>(3,271,431)</u>	<u>41,399,106</u>
Capital Assets Being Depreciated				
Buildings and structures	23,806,774	247,813	(356,303)	23,698,284
Infrastructure	89,346,684	3,914,613	-	93,261,297
Machinery and equipment	11,410,255	1,425,272	(595,010)	12,240,517
Total Capital Assets Being Depreciated	<u>124,563,713</u>	<u>5,587,698</u>	<u>(951,313)</u>	<u>129,200,098</u>
Less Accumulated Depreciation for				
Buildings and structures	(8,345,243)	(526,507)	6,680	(8,865,070)
Infrastructure	(53,907,760)	(2,751,283)	-	(56,659,043)
Machinery and equipment	(7,027,282)	(917,994)	580,434	(7,364,842)
Total Accumulated Depreciation	<u>(69,280,285)</u>	<u>(4,195,784)</u>	<u>587,114</u>	<u>(72,888,955)</u>
Total Capital Assets Being Depreciated, Net	<u>55,283,428</u>	<u>1,391,914</u>	<u>(364,199)</u>	<u>56,311,143</u>
Governmental Activities Capital Assets, Net	<u>\$ 81,080,295</u>	<u>\$ 20,265,584</u>	<u>\$ (3,635,630)</u>	<u>\$ 97,710,249</u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets not Being Depreciated				
Land	\$ 3,798,221	\$ 281,415	\$ (58,500)	\$ 4,021,136
Capital Assets Being Depreciated				
Buildings and structures	8,017,194	-	(243,238)	7,773,956
Infrastructure	48,564,569	4,285,578	-	52,850,147
Machinery and equipment	1,198,238	83,694	(40,857)	1,241,075
Total Capital Assets Being Depreciated	57,780,001	4,369,272	(284,095)	61,865,178
Less Accumulated Depreciation for				
Buildings and structures	(5,251,405)	(177,573)	240,454	(5,188,524)
Infrastructure	(16,847,088)	(1,086,984)	-	(17,934,072)
Machinery and equipment	(963,027)	(77,570)	40,856	(999,741)
Total Accumulated Depreciation	(23,061,520)	(1,342,127)	281,310	(24,122,337)
Total Capital Assets Being Depreciated, Net	34,718,481	3,027,145	(2,785)	37,742,841
Business-type Activities Capital Assets, Net	<u>\$ 38,516,702</u>	<u>\$ 3,308,560</u>	<u>\$ (61,285)</u>	<u>\$ 41,763,977</u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2024

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	\$ 51,606
Public safety	650,293
Public works	2,770,602
Culture and recreation	707,994
Economic development	15,289
Total Depreciation Expense - Governmental Activities	<u><u>\$ 4,195,784</u></u>
Business-type Activities	
Water	\$ 559,836
Sewer	458,232
Storm sewer	297,304
Municipal liquor	26,755
Total Depreciation Expense - Business-type Activities	<u><u>\$ 1,342,127</u></u>

D. Construction Commitments

As of December 31, 2024, the City has signed contracts in place for construction projects. The following summarizes those commitments:

Project	Spent to Date	Remaining Commitment
Arthur Street Utility Improvements	\$ 282,503	\$ 37,704
South Community Park	192,292	1,181,749
Multi-Purpose Indoor Turf Facility	864,245	11,277,450
2022 Pavement Management Program Phase II	678,605	51,296
Fire Station #2	7,579,218	677,529
129th Avenue Reconstruction	1,055,344	49,341

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

E. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2024 is as follows:

Receivable Fund	Payable Fund	Amount
Due from/to other Funds		
Governmental	Business-type	
General	Municipal Liquor	\$ 56,428
Advance from/to other Funds		
Business-type	Governmental	
Sewer	Capital Equipment Purchases	\$ 1,279,855
Business-type	Governmental	
Sewer	Capital Equipment Purchases	3,958,183
Total Advances from/to other Funds		<u>\$ 5,238,038</u>

The balances between the Sewer fund and Capital Improvement Projects fund were issued to assist in financing equipment purchases for several City departments.

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

The composition of interfund transfers for the year ended December 31, 2024 is as follows:

Fund	Transfers in				Total
	General	Revolving Capital	Fire Station #2	Other Governmental Funds	
Transfers Out					
General	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000
Other Governmental Funds	-	727,933	373,054	338,100	1,439,087
Municipal Liquor	225,000	-	-	16,359	241,359
Total	<u>\$ 225,000</u>	<u>\$ 727,933</u>	<u>\$ 373,054</u>	<u>\$ 364,459</u>	<u>\$ 1,690,446</u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2024

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, 2024, the City made the following one-time transfers:

- The \$225,000 transfer from the Liquor fund to the General fund was made as approved with the 2024 budget.
- The \$16,359 transfer from the Liquor fund to the nonmajor Fire Department Capital fund are for monthly pull tab rentals as approved with the 2024 budget.
- The \$373,054 transfer from the nonmajor ARPA fund to the Fire Station #2 capital project fund was approved as part of the construction funding package.
- The \$10,000 transfer was made to move the unused budget balance of ADA improvements in the General fund to the nonmajor Pavement Management Plan fund for use with a future ADA project.
- A \$201,813 transfer was made between the Water fund's WAC and Water Operations sub-funds as a bond proceeds reimbursement for bond related expenses made during 2024.
- A \$727,933 transfer was made from the nonmajor Pavement Management Plan fund to the Revolving Capital fund as reimbursement for the closure of the 2008B G.O. Refunding Improvement Bonds fund in the Pavement Management Plan fund in the prior year.

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, 2024

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 2014A	\$ 2,500,000	2.00 - 3.65 %	03/06/14	12/15/34	\$ 1,445,000
Series 2015A	2,845,000	2.00 - 2.25	10/01/15	12/15/25	315,000
Series 2021A	2,880,000	1.50 - 2.00	06/17/21	02/01/32	2,350,000
Series 2024A	7,405,000	4.00 - 5.00	01/31/24	02/01/44	7,405,000
Total General Obligation Improvement Bonds					<u>\$ 11,515,000</u>

Annual debt service requirements to maturity for general obligation improvement bonds outstanding at December 31, 2024 are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2025	\$ 1,020,000	\$ 436,840	\$ 1,456,840
2026	645,000	406,953	1,051,953
2027	665,000	385,403	1,050,403
2028	685,000	362,977	1,047,977
2029	705,000	339,827	1,044,827
2030 - 2034	3,280,000	1,322,608	4,602,608
2035 - 2039	2,005,000	762,125	2,767,125
2040 - 2044	2,510,000	259,000	2,769,000
Total	<u>\$ 11,515,000</u>	<u>\$ 4,275,733</u>	<u>\$ 15,790,733</u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

Revenue Bonds

The following bonds were used to finance improvements. 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	\$ 930,000
G.O. Sales Tax Revenue Bonds					
Series 2024B	16,275,000	4.00 - 5.00	11/26/24	02/01/40	16,275,000
Total governmental activities Revenue Bonds					<u>\$ 17,205,000</u>
Business-type Activities					
Water Revenue Bonds					
Series 2012A	\$ 1,685,000	2.00 - 2.65 %	04/25/12	12/01/27	\$ 385,000
Series 2021A	3,920,000	1.50 - 2.00	06/17/21	02/01/37	3,455,000
Total business-type activities Revenue Bonds					<u>\$ 3,840,000</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
2025	\$ 185,000	\$ 524,549	\$ 709,549	\$ 360,000	\$ 69,848	\$ 429,848
2026	835,000	738,925	1,573,925	370,000	62,035	432,035
2027	1,000,000	697,800	1,697,800	375,000	53,740	428,740
2028	1,045,000	651,550	1,696,550	250,000	45,345	295,345
2029	1,060,000	602,200	1,662,200	255,000	40,295	295,295
2030 - 2034	5,165,000	2,253,875	7,418,875	1,360,000	124,625	1,484,625
2035 - 2039	6,465,000	956,700	7,421,700	870,000	20,462	890,462
2040	1,450,000	29,000	1,479,000	-	-	-
Total	<u>\$ 17,205,000</u>	<u>\$ 6,454,599</u>	<u>\$ 23,659,599</u>	<u>\$ 3,840,000</u>	<u>\$ 416,350</u>	<u>\$ 4,256,350</u>

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

	Water
Net Operating Revenues (Charges for Services)	\$ 2,411,921
Principal and Interest	433,327
Percentage of Revenues	18 %

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

Changes in Long-term Liabilities

During the year ended December 31, 2024, 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	\$ 4,805,000	\$ 7,405,000	\$ (695,000)	\$ 11,515,000	\$ 1,020,000
Revenue bonds	1,110,000	16,275,000	(180,000)	17,205,000	185,000
Total Bonds Payable	5,915,000	23,680,000	(875,000)	28,720,000	1,205,000
Unamortized Bond Premium	131,421	2,127,204	(64,807)	2,193,818	-
Compensated Absences Payable*	1,128,628	410,018	-	1,538,646	199,269
Severance Obligations Payable	135,171	28,525	(5,359)	158,337	-
Governmental Activities Long-term Liabilities	<u>\$ 7,310,219</u>	<u>\$ 26,245,747</u>	<u>\$ (945,166)</u>	<u>\$ 32,610,801</u>	<u>\$ 1,404,269</u>
Business-type Activities					
Bonds Payable					
Revenue bonds	\$ 4,195,000	\$ -	\$ (355,000)	\$ 3,840,000	\$ 360,000
Unamortized Bond Premium	123,585	-	(9,886)	113,699	-
Compensated Absences Payable*	271,640	32,871	-	304,511	90,111
Severance Obligations Payable	44,357	6,205	(11,708)	38,854	11,373
Business-type Activities Long-term Liabilities	<u>\$ 4,634,582</u>	<u>\$ 39,076</u>	<u>\$ (376,594)</u>	<u>\$ 4,297,064</u>	<u>\$ 461,484</u>

*The change in compensated absences payable is presented as a net change.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

G. Components of Fund Balance

At December 31, 2024, 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	Tower & Billboard Leases	Capital Improvement Projects	Revolving Capital	Local Option Sales Tax	Fire Station #2	Other Governmental Funds	Total Governmental Funds
Nonspendable								
Prepaid items	\$ 139,508	\$ -	\$ 120,498	\$ -	\$ -	\$ -	\$ 47,222	\$ 307,228
Inventory	19,792	-	-	-	-	-	-	19,792
Total Nonspendable	\$ 159,300	\$ -	\$ 120,498	\$ -	\$ -	\$ -	\$ 47,222	\$ 327,020
Restricted for								
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,412,695	\$ 1,412,695
Tax increment financing	-	-	-	-	-	-	3,006,449	3,006,449
Revolving loans	-	-	-	-	-	-	299,119	299,119
Police expenditures	-	-	-	-	-	-	29,019	29,019
Economic development	-	-	-	-	-	-	97,058	97,058
Public safety	-	-	-	-	-	-	233,494	233,494
Park dedication fees	-	-	-	-	-	-	5,482,460	5,482,460
Affordable housing	-	-	-	-	-	-	32,446	32,446
RAC expansion	-	-	-	-	-	-	365,343	365,343
Transportation infrastructure	-	-	-	3,442,205	-	-	-	3,442,205
Local Option Sales Tax	-	-	-	-	14,643,765	-	-	14,643,765
Total Restricted	\$ -	\$ -	\$ -	\$ 3,442,205	\$ 14,643,765	\$ -	\$ 10,958,083	\$ 29,044,053
Committed to								
Pavement management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,844,553	\$ 1,844,553
Fire department capital projects	-	-	-	-	-	-	717,703	717,703
Park dedication	-	-	-	-	-	-	1,629,473	1,629,473
Revolving capital	-	-	-	3,490,149	-	-	-	3,490,149
Capital improvement projects	-	-	1,485,791	-	-	1,427,834	-	2,913,625
Rogers activity center	-	-	-	-	-	-	2,851,218	2,851,218
Tower and billboard leases	-	2,035,272	-	-	-	-	-	2,035,272
Total Committed	\$ -	\$ 2,035,272	\$ 1,485,791	\$ 3,490,149	\$ -	\$ 1,427,834	\$ 7,042,947	\$ 15,481,993
Assigned to								
Park dedication	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 577,262	\$ 577,262
Warning siren	201,500	-	-	-	-	-	-	201,500
Energy conservation	24,490	-	-	-	-	-	-	24,490
Total Assigned	\$ 225,990	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 577,262	\$ 803,252

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2024

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, 2024, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	2
Active Plan Members	<u>80</u>
Total Plan Members	<u><u>82</u></u>

B. Funding Policy

The contribution requirements of plan members and the City are established and may be amended by LOGIS' Board of Directors. The required contributions are based on projected pay-as-you-go financing requirements. The City contributed \$10,800 to the plan for the year ended December 31, 2024. As of January 1, 2024, there were two retirees that were receiving health benefits from the plan.

For the year ended December 31, 2024, the City's average contribution rate was 0 percent of covered-employee payroll. For the fiscal year 2024, the City did not directly contribute to the plan. The General fund is typically used to liquidate the governmental portion of the net OPEB obligation.

C. Actuarial Methods and Assumptions

The City's total OPEB liability of \$456,000 was measured as of December 31, 2023, and the OPEB liability was determined by an actuarial valuation as of December 31, 2023. Roll forward procedures were used to roll forward the total OPEB liability to the measurement date.

The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.77%
Expected Long-Term Investment Return	N/A
20-Year Municipal Bond Yield	0.00%
Inflation Rate	2.60%
Salary Increases	N/A
Medical Trend Rate	Starting at 7.75%, and decreasing by 0.30%, until ultimate rate of 4.00% in 2043

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 4: Postemployment Benefits Other Than Pensions (Continued)

The discount rate used to measure the total OPEB liability was 3.77 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, 2023 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.

D. Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at December 31, 2023	\$ 507,522
Changes for the Year	
Service Costs	63,878
Interest Costs	22,923
Assumption Changes	(12,607)
Differences between expected and actual experience	(114,916)
Benefit Payment	(10,800)
Net Changes	<u>(51,522)</u>
Balances at December 31, 2024	<u>\$ 456,000</u>

Since the prior measurement date, the following assumptions changed:

- Medical trend was updated based on recently published trend model and trend surveys to better reflect future anticipated experience.
- Medical per capita claims tables were updated based on recent experience and demographics.
- The discount rate was updated from 4.05% to 3.77% based on recent municipal bond index rates.
- Future retiree participation rates were updated from 40% to 35% based on analysis of past plan experience.
- Future retiree spouse participation rates were updated from 30% to 20% based on analysis of past plan experience.
- Future retiree medical plan blending was updated based on an analysis of medical plan election rates as of the valuation date.

Since the prior measurement date, the following plan provisions changed:

- Medical premiums and disabled retiree contributions were updated to current levels.

Since the prior measurement date, the following benefit terms changed:

- None

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 4: Postemployment Benefits Other Than Pensions (Continued)

E. Sensitivity of the Net OPEB Liability

The following presents the net OPEB liability of the City, as well as what the City's net OPEB 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 2.77%	Discount Rate Current 3.77%	1 Percent Increase 4.77%
\$ 487,794	\$ 456,000	\$ 425,287

The following presents the City's net OPEB liability, as well as what the City's net OPEB liability would be if it were calculated using a healthcare cost trend rate one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

1 Percent Decrease 7.75% Decreasing to 6.75%	Healthcare Cost Trend Rates 7.75	1 Percent Increase 7.75% Increasing to 8.75%
\$ 405,531	\$ 456,000	\$ 515,951

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

For the year ended December 31, 2024, the City Recognized OPEB expense of \$51,522. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Actuarial Assumptions	\$ 62,973	\$ 372,392
Net Difference Between Projected and Actual Investment Earnings	55,317	233,569
Total	<u>\$ 118,290</u>	<u>\$ 605,961</u>

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

2025	\$ (67,371)
2026	(67,371)
2027	(67,371)
2028	(67,371)
2029	(67,371)
Thereafter	(150,816)

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). These plan provisions are established and administered according to Minnesota Statutes chapters 353, 353D, 353E, 353G and 356. Minnesota Statutes chapter 356 defines each plan's financial reporting requirements. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Plan (General Plan)

Membership in the General Plan includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than \$425 in a month, unless the employee meets exclusion criteria.

Public Employees Police and Fire Plan (Police and Fire Plan)

Membership in the Police and Fire Plan includes full-time, licensed police officers and firefighters who meet the membership criteria defined in Minnesota Statutes section 353.64 and who are not earning service credit in any other PERA retirement plan or a local relief association for the same service. Employers can provide Police and Fire Plan coverage for part-time positions and certain other public safety positions by submitting a resolution adopted by the entity's governing body. The resolution must state that the position meets plan requirements.

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. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

General Employee Plan Benefits

General Employees Plan requires three years of service to vest. 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 General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2 percent of the highest average salary for each of the first 10 years of service and 1.7 percent for each additional year. Under the Level formula, General Plan members receive 1.7 percent of highest average salary for all years of service. For members hired prior to July 1, 1989 a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25 percent for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of 0.25 percent for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2024

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

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. The 2024 annual increase was 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 prorated increase.

Police and Fire Plan Benefits

Benefits for Police and Fire Plan members hired before July 1, 2010, are vested after three years of service. Members hired on or after July 1, 2010, are 50 percent vested after five years of service and 100 percent vested after ten years. After five years, vesting increase by 10 percent each full year of service until members are 100 percent vested after ten years. Police and Fire Plan members receive 3 percent of highest average salary for all years of service. Police and Fire Plan members receive a full retirement benefit when they are age 55 and vested, or when their age plus their years of service equals 90 or greater if they were first hired before July 1, 1989. Early retirement starts at age 50, and early retirement benefits are reduced by 0.417 percent each month members are younger than age 55.

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. 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 chapters 353, 353E, 353G and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Employees Fund Contributions

General Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2024 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, 2024, 2023 and 2022, were \$438,021, \$396,264 and \$307,141, respectively. The City's contributions were equal to the required contributions for each year as set by state statute.

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 2024 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, 2024, 2023 and, 2022 were \$541,772, \$454,427 and \$407,709, 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, 2024

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

D. Pension Costs

General Employees Fund Pension Costs

At December 31, 2024, the City reported a liability of \$2,447,849 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 \$63,296.

City's Proportionate Share of the Net Pension Liability	\$ 2,447,849
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City	<u>63,296</u>
Total	<u><u>\$ 2,511,145</u></u>

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0662 percent at the end of the measurement period and 0.0617 percent for the beginning of the period.

For the year ended December 31, 2024, the City recognized pension expense of \$524,209 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional \$1,697 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.

During the plan year ended June 30, 2024, the State of Minnesota contributed \$170.1 million to the General Employees Fund. The State of Minnesota is not included as a non-employer contributing entity in the General Employees Plan pension allocation schedules for the \$170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The City recognized \$112,624 for the year ended December 31, 2024 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 General Employees Fund.

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 222,455	\$ -
Changes in Actuarial Assumptions	9,079	880,357
Net Difference Between Projected and Actual Investment Earnings	-	718,468
Changes in Proportion	351,903	-
Contributions Paid to PERA Subsequent to the Measurement Date	<u>221,814</u>	<u>-</u>
Total	<u><u>\$ 805,251</u></u>	<u><u>\$ 1,598,825</u></u>

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2024

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

The \$221,814 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, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2025	\$ (375,732)
2026	(157,602)
2027	(294,441)
2028	(187,613)

Police and Fire Fund Pension Costs

At December 31, 2024, the City reported a liability of \$2,715,611 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.2064 percent at the end of the measurement period and 0.1865 percent for the beginning of the period.

The State of Minnesota contributed \$37.4 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2024. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation, additional one-time direct state aid contribution of \$19.4 million, and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. Additionally, \$9 million supplemental state aid was paid on October 1, 2024. 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's proportionate share of the net pension liability associated with the City totaled \$103,518.

City's Proportionate Share of the Net Pension Liability	\$ 2,715,611
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City	<u>103,518</u>
Total	<u><u>\$ 2,819,129</u></u>

For the year ended December 31, 2024, the City recognized pension expense of \$695,022 for its proportionate share of the Police and Fire Plan's pension expense. In addition, the City recognized an additional \$11,579 as pension expense (grant revenue) for its proportionate share of the State of Minnesota's contribution of \$9 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 \$28.4 million in supplemental state aid because this contribution was not considered to meet the definition of a special funding situation. The City recognized \$58,616 for the year ended December 31, 2024 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, 2024

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

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 981,483	\$ -
Changes in Actuarial Assumptions	2,654,379	3,612,312
Net Difference Between Projected and Actual Investment Earnings	-	820,909
Changes in Proportion	331,915	43,516
Contributions Paid to PERA Subsequent to the Measurement Date	271,907	-
	<u>\$ 4,239,684</u>	<u>\$ 4,476,737</u>
Total		

The \$271,907 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2025	\$ 23,166
2026	653,548
2027	(335,810)
2028	(912,443)
2029	62,579

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:

Asset Class	Target Allocation	Long-term Expected Return on Investment
Domestic Equity	33.5 %	5.10 %
International Equity	16.5	5.30
Fixed Income	25.0	0.75
Private Markets	25.0	5.90
	<u>100.0 %</u>	
Total		

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

F. Actuarial Assumptions

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2024, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7.0%. The 7.0% assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7.0% is within that range.

Inflation is assumed to be 2.25% for the General Employees Plan and Police and Fire Plan.

Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan and 1.0% for the Police and Fire Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service. In the Police and Fire Plan, salary growth assumptions range in annual increments from 11.75% after one year of service to 3.0% 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 are based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The General Employees Plan was last reviewed in 2022. The assumption changes were adopted by the board and became effective with the July 1, 2023 actuarial valuation. The Police and Fire Plan were reviewed in 2024. PERA anticipates the experience study will be approved by the Legislative Commission on Pensions and Retirement and become effective with the July 1, 2025 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2024:

General Employees Fund

Changes in Actuarial Assumptions

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

Changes in Plan Provisions

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

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

Police and Fire Fund

Changes in Actuarial Assumptions

- There were no changes in actuarial assumptions since the previous valuation.

Changes in Plan Provisions

- The State contribution of \$9 million per year will continue until the earlier of 1) both the Police and Fire Plan and the State Patrol Retirement Fund attain 90.0 percent funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90.0 percent funded status for one year.
- The additional \$9 million contribution will continue until the Police and Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

G. Discount Rate

The discount rate used to measure the total pension liability in 2024 was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees and Police and Fire Plans 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.

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 (6.0%)	Current (7.0%)	1 Percent Increase (8.0%)
General Employees Fund	\$ 5,346,497	\$ 2,447,849	\$ 63,447
Police and Fire Fund	6,417,518	2,715,611	(324,430)

I. Pension Plan Fiduciary Net Position

Detailed information about each 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.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2024

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, 2023, the plan covered 41 active firefighters and 3 vested terminated fire fighters whose pension benefits are deferred. The plan is a single employer retirement plan and is established and administered in accordance with Minnesota statute, chapter 69.

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

B. Benefits Provided

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

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

C. Contributions

Minnesota statutes, chapters 424 and 424A authorize pension benefits for volunteer fire relief associations. The plan is funded by fire state aid, investment earnings and, if necessary, employer contributions as specified in Minnesota statutes and voluntary City contributions (if applicable). The State of Minnesota contributed \$204,546 in fire state aid to the plan on behalf of the City Fire Department for the year ended December 31, 2023, which was recorded as a revenue. Required employer contributions are calculated annually based on statutory provisions. The City made no voluntary contributions to the plan. Furthermore, the firefighter has no obligation to contribute to the plan.

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2024

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

D. Pension Costs

At December 31, 2024, the City reported a net pension asset of (\$176,365) for the Volunteer Firefighter Fund. The net pension asset was measured as of December 31, 2023. 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, 2024	\$ 1,808,042	\$ 1,865,974	\$ (57,932)
Changes for the Year			
Service cost	101,347	-	101,347
Interest on pension liability (asset)	86,075	-	86,075
Change of benefit terms	43,189	-	43,189
Contributions (state and local)	-	189,037	(189,037)
Net investment income	-	161,941	(161,941)
Benefit payments	(194,564)	(194,564)	-
Administrative expenses	-	(1,934)	1,934
Total Net Changes	36,047	154,480	(118,433)
Ending Balance December 31, 2024	\$ 1,844,089	\$ 2,020,454	\$ (176,365)

For the year ended December 31, 2024, the City recognized pension expense of \$110,876.

At December 31, 2024, 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	\$ -	\$ 152,823
Changes in Actuarial Assumptions	34,943	265
Net Difference between Projected and Actual Earnings on Plan Investments	100,686	-
Contributions to Plan Subsequent to the Measurement Date	204,546	-
Total	\$ 340,175	\$ 153,088

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2024

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

Deferred outflows of resources totaling \$204,546 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, 2024.

2025	\$ 14,199
2026	20,041
2027	33,820
2028	(30,279)
2029	(15,500)
Thereafter	(39,740)

E. Actuarial Assumptions

The total pension liability at December 31, 2023 was determined using the entry age normal actuarial cost method and the following actuarial assumptions:

Retirement Eligibility at 50 Percent of Age 50, 10 Percent at Age 51, and Increasing 10 Percent Each Year Until 100 percent at age 65	
Salary Increases	2.50% per year
Cost of living increases	N/A
Investment rate of return	4.75%
20 year municipal bond yield	N/A

The following assumptions changed in 2024:

- The expected investment return and discount rate decreased from 5.00% to 4.75%.
- The disability, mortality, and withdrawal assumptions were updated from the rates used in the July 1, 2020 Minnesota PERA Police & Fire Plan actuarial valuation to the rates used in the July 1, 2022 Minnesota PERA Police & Fire Plan actuarial valuation.
- The cost of living assumption increased from 2.25% to 2.50%.

The following plan provisions changed in 2024:

- The lump sum benefit amount increased from \$4,100 to \$4,800

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, 2024

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	32.00 %	4.52 %
International Equity	23.00	5.08
Fixed Income	25.00	2.44
Real Estate and Alternatives	5.00	3.73
Cash and Equivalents	<u>15.00</u>	0.99
Total	<u><u>100.00 %</u></u>	

F. Discount Rate

The discount rate used to measure the total pension liability was 4.75 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 (3.75%)</u>	<u>Current (4.75%)</u>	<u>1 Percent Increase (5.75%)</u>
Defined Benefit Plan	\$ (123,170)	(\$176,365)	\$ (228,562)

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, 2024

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 \$98,459,286. The City is under the debt limit as of December 31, 2024.

C. Arbitrage Rebate

In accordance with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Positive arbitrage is the excess of (1) the amount earned on investments purchased with bond proceeds over (2) the amount that such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. To comply with the arbitrage rebates requirements, positive arbitrage must be paid to the U.S. Treasury at the end of each five-year anniversary date of the bond issue. As of December 31, 2024, the City owed \$198,339 to the U.S. Treasury in arbitrage rebates for the 2021A Water Revenue Bonds.

D. Tax Increment Financing Districts

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

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

City of Rogers, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 8: Adjustments to Beginning Balances and Changes in Accounting Principle

A. Change within Major and Nonmajor Fund Reporting

During fiscal year 2024, the Local Option Sales Tax fund and the Fire Station #2 fund were determined to be major. The effects of the changes within the financial reporting entity are shown in applicable financial statements.

B. Change in Accounting Principle

During fiscal year 2024, the City adopted the provisions of Governmental Accounting Standard Board (GASB) Statement No. 100, Accounting Changes and Error Corrections, and Statements No. 101, Compensated Absences, for the year ended December 31, 2024. Adoption of the provisions of these statement results in significant change to the classifications of the components of the financial statements. There were no restatements of beginning balances needed for the adoption of these statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ROGERS
ROGERS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

City of Rogers, Minnesota
Required Supplementary Information
For the Year Ended December 31, 2024

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

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2024	0.0662 %	\$ 2,447,849	\$ 63,296	\$ 2,511,145	\$ 5,598,837	43.7 %	86.7 %
6/30/2023	0.0617	3,450,195	95,109	3,545,304	4,904,598	70.3	83.1
6/30/2022	0.0503	3,983,777	116,850	4,100,627	3,716,566	107.2	76.7
6/30/2021	0.0460	1,964,406	59,983	2,024,389	3,311,690	59.3	87.0
6/30/2020	0.0449	2,691,960	83,038	2,774,998	3,201,983	84.1	79.0
6/30/2019	0.0432	2,388,431	74,330	2,462,761	3,060,555	78.0	80.2
6/30/2018	0.0427	2,368,821	77,700	2,446,521	2,857,192	82.9	79.5
6/30/2017	0.0408	2,604,645	32,757	2,637,402	2,595,565	100.3	75.9
6/30/2016	0.0381	3,093,531	40,405	3,133,936	2,368,108	130.6	68.9
6/30/2015	0.0377	1,953,810	-	1,953,810	2,206,286	88.6	78.2

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

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/2024	\$ 438,021	\$ 438,021	\$ -	\$ 5,840,283	7.50 %
12/31/2023	396,264	396,264	-	5,283,525	7.50
12/31/2022	307,141	307,141	-	4,095,215	7.50
12/31/2021	265,396	265,396	-	3,538,609	7.50
12/31/2020	250,903	250,903	-	3,345,368	7.50
12/31/2019	235,782	235,782	-	3,143,760	7.50
12/31/2018	224,446	224,446	-	2,992,617	7.50
12/31/2017	203,322	203,322	-	2,710,966	7.50
12/31/2016	186,766	186,766	-	2,490,219	7.50
12/31/2015	170,477	170,477	-	2,273,024	7.50

City of Rogers, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2024

Notes to the Required Supplementary Information - General Employee Retirement Fund

Changes in Actuarial Assumptions

2024 - The following changes in assumptions are effective with the July 1, 2024 valuation, as recommended in the most recent experience study (dated June 29, 2023): Rates of merit and seniority were adjusted, resulting in slightly higher rates. Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members. Minor increase in assumed withdrawals for males and females. Lower rates of disability. Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study. Minor changes to form of payment assumptions for male and female retirees. Minor changes to assumptions made with respect to missing participant data.

2023 - The investment return and single discount rates were changed from 6.5 percent to 7.0 percent.

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, 2024

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

Changes in Plan Provisions

2024 - The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

2023 - An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023. The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service. The benefit increase delay for early retirements on or after January 1, 2024 was eliminated. A one-time non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

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 4.0 percent to 3.0 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.0 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 1.0 percent per year with a provision to increase to 2.5 percent upon attainment of 90.0 percent funding ratio to 50.0 percent of the Social Security Cost of Living Adjustment, not less than 1.0 percent and not more than 1.5 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, 2024

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

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2024	0.2064 %	\$ 2,715,611	\$ 103,518	\$ 2,819,129	\$ 2,858,307	95.0 %	87.0 %
6/30/2023	0.1865	3,220,613	129,787	3,350,400	2,449,661	131.5	86.5
6/30/2022	0.1885	8,202,775	358,279	8,561,054	2,289,394	358.3	70.5
6/30/2021	0.1727	1,333,061	59,909	1,392,970	2,123,986	62.8	93.7
6/30/2020	0.1697	2,236,828	-	2,236,828	1,915,338	116.8	87.2
6/30/2019	0.1501	1,597,966	-	1,597,966	1,582,571	101.0	89.3
6/30/2018	0.1457	1,553,012	-	1,553,012	1,535,650	101.1	88.8
6/30/2017	0.1330	1,795,658	-	1,795,658	1,350,783	132.9	85.4
6/30/2016	0.1370	5,498,048	-	5,498,048	1,436,163	413.1	63.9
6/30/2015	0.1360	1,545,278	-	1,545,278	1,285,160	127.8	86.6

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

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/2024	\$ 541,772	\$ 541,772	\$ -	\$ 3,060,856	17.70 %
12/31/2023	454,427	454,427	-	2,567,385	17.70
12/31/2022	407,709	407,709	-	2,303,438	17.70
12/31/2021	395,072	395,072	-	2,232,047	17.70
12/31/2020	363,092	363,092	-	2,051,366	17.70
12/31/2019	297,920	297,920	-	1,757,642	16.95
12/31/2018	254,917	254,917	-	1,573,560	16.20
12/31/2017	232,658	232,658	-	1,436,163	16.20
12/31/2016	216,085	216,085	-	1,333,861	16.20
12/31/2015	208,196	208,196	-	1,285,160	16.20

City of Rogers, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2024

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

Changes in Actuarial Assumptions

2024 - There were no changes in actuarial assumptions since the previous valuation.

2023 - The investment return assumption was changed from 6.5 percent to 7.0 percent. The single discount rate changed from 5.4 percent to 7.0 percent.

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 7.5 percent to 6.5 percent, for financial reporting purposes. The inflation assumption was changed from 2.5 percent to 2.25 percent. The payroll growth assumption was changed from 3.25 percent to 3.0 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 60.0 percent to 70.0 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.

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 1.0 percent for all years to 1.0 percent per year through 2064 and 2.5 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 2.5 percent for inflation.

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

City of Rogers, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2024

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

Changes in Plan Provisions

2024 - The State contribution of \$9.0 million per year will continue until the earlier of 1) both the Police and Fire Plan and the State Patrol Retirement Fund attain 90.0 percent funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90.0 percent funded status for one year. The additional \$9.0 million contribution will continue until the Police and Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

2023 - An additional one-time direct state aid contribution of \$19.4 million will be contributed to the Plan on October 1, 2023. The vesting requirement for new hires after June 30, 2014 was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50 percent vesting after five years increasing incrementally to 100 percent after 10 years. A one-time non-compounding benefit increase of 3.0 percent will be payable in a lump sum for calendar year 2024 by March 31, 2024. Psychological treatment is required effective July 1, 2023 prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation. The total and permanent duty disability was increased, effective July 1, 2023.

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 million state contribution. New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9 million thereafter until the plan reaches 100 percent funding, or July 1, 2048, if earlier. Member contributions were changed from 10.8 percent to 11.3 percent of pay, effective January 1, 2019 and 11.8 percent of pay, effective January 1, 2020. Employer contributions were changed from 16.2 percent to 16.95 percent of pay, effective January 1, 2019 and 17.7 percent of pay, effective January 1, 2020. Interest credited on member contributions decreased from 4.0 percent to 3.0 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.0 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 30.0 percent for vested and non-vested, deferred members. The CSA has been changed to 33.0 percent for vested members and 2.0 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 65.0 percent to 60.0 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 1.0 percent for all years to 1.0 percent per year through 2064 and 2.5 percent thereafter. The single discount rate was changed from 5.6 percent per annum to 7.5 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, 2024

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

	2024 (Fire Relief Report Date 2023)	2023 (Fire Relief Report Date 2022)	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	\$ 101,347	\$ 79,798	\$ 72,809	\$ 73,370	\$ 68,681	\$ 65,457	\$ 59,119	\$ 59,501	\$ 52,737	\$ 51,326
Interest on pension liability (asset)	86,075	74,732	64,762	66,443	61,977	59,187	67,330	64,536	64,094	61,294
Differences between expected and actual experience	-	(112,104)	-	(54,289)	-	(36,441)	(44,469)	-	-	-
Changes of assumptions	-	5,437	-	18,944	-	16,407	14,712	(8,841)	55,634	-
Change of benefit terms	43,189	345,331	75,281	45,405	48,968	57,373	26,419	42,381	-	-
Benefit payments	(194,564)	-	(40,852)	(198,490)	-	(121,638)	(229,326)	(85,477)	(79,255)	(59,219)
Net Change in Total Pension Liability	36,047	393,194	172,000	(48,617)	179,626	40,345	(106,215)	72,100	93,210	53,401
Total Pension Liability - January 1	1,808,042	1,414,848	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	<u>\$ 1,844,089</u>	<u>\$ 1,808,042</u>	<u>\$ 1,414,848</u>	<u>\$ 1,242,848</u>	<u>\$ 1,291,465</u>	<u>\$ 1,111,839</u>	<u>\$ 1,071,494</u>	<u>\$ 1,177,709</u>	<u>\$ 1,105,609</u>	<u>\$ 1,012,399</u>
Plan Fiduciary Net Position										
Nonemployer contributions	189,037	168,925	151,671	146,415	132,549	130,906	126,937	106,896	101,996	103,985
Projected investment return	161,941	(230,437)	154,559	129,316	195,463	(75,762)	171,584	91,540	(48,600)	36,762
Other additions	-	-	-	-	-	4,477	-	-	-	-
Benefit payments	(194,564)	-	(40,852)	(198,490)	-	(121,638)	(229,326)	(85,477)	(79,255)	(59,219)
Administrative expense	(1,934)	(7,352)	(3,997)	(3,505)	(3,553)	(3,049)	(2,650)	(2,464)	(2,250)	(2,200)
Net Change in Plan Fiduciary Net Position	154,480	(68,864)	261,381	73,736	324,459	(65,066)	66,545	110,495	(28,109)	79,328
Plan Fiduciary Net Position - January 1	1,865,974	1,934,838	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	<u>\$ 2,020,454</u>	<u>\$ 1,865,974</u>	<u>\$ 1,934,838</u>	<u>\$ 1,673,457</u>	<u>\$ 1,599,721</u>	<u>\$ 1,275,262</u>	<u>\$ 1,340,328</u>	<u>\$ 1,273,783</u>	<u>\$ 1,163,288</u>	<u>\$ 1,191,397</u>
Fire Relief's Net Pension Liability (Asset) - December 31	<u>\$ (176,365)</u>	<u>\$ (57,932)</u>	<u>\$ (519,990)</u>	<u>\$ (430,609)</u>	<u>\$ (308,256)</u>	<u>\$ (163,423)</u>	<u>\$ (268,834)</u>	<u>\$ (96,074)</u>	<u>\$ (57,679)</u>	<u>\$ (178,998)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (b/a)	109.56%	103.20%	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	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	N/A	N/A

City of Rogers, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2024

Schedule of Employer's Fire Relief Association's Contributions

Year Ending	Required Supplementary Information		
	Actuarial Determined Contribution (a)	Actual Contributions Paid (b)	Contribution Deficiency (Excess) (a-b)
12/31/24	\$ 204,546	\$ 204,546	\$ -
12/31/23	167,537	167,537	-
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, 2024

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

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Costs	63,878	79,084	77,028	66,664	54,836	83,399	76,579
Interest Costs	22,923	12,069	17,357	19,378	33,050	26,986	25,099
Assumption Changes	(12,607)	(85,084)	(382,801)	32,286	72,031	(47,066)	12,195
Differences between expected and actual experience	(114,916)	(606)	72,543	6,191	(257,848)	-	-
Benefit Payment	(10,800)	(9,432)	(28,697)	(18,025)	(11,449)	(10,928)	-
Net Change in Total OPEB Liability	(51,522)	(3,969)	(244,570)	106,494	(109,380)	52,391	113,873
Total OPEB Liability - Beginning	507,522	511,491	756,061	649,567	758,947	706,556	592,683
Total OPEB Liability - Ending	<u>\$ 456,000</u>	<u>\$ 507,522</u>	<u>\$ 511,491</u>	<u>\$ 756,061</u>	<u>\$ 649,567</u>	<u>\$ 758,947</u>	<u>\$ 706,556</u>
Covered - Employee Payroll	\$ 7,500,000	\$ 7,200,000	\$ 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	6.08 %	7.05 %	8.97 %	17.58 %	15.84 %	17.65 %	16.82

Changes in assumptions:

- Medical trend was updated based on recently published trend model and trend surveys to better reflect future anticipated experience.
- Medical per capita claims tables were updated based on recent experience and demographics.
- The discount rate was updated from 4.05% to 3.77% based on recent municipal bond index rates.
- Future retiree participation rates were updated from 40% to 35% based on analysis of past plan experience.
- Future retiree spouse participation rates were updated from 30% to 20% based on analysis of past plan experience.
- Future retiree medical plan blending was updated based on an analysis of medical plan election rates as of the valuation date.

Changes in Plan Provisions:

- Medical premiums and disabled retiree contributions were updated to current levels.

Changes in benefits:

- None

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

CITY OF ROGERS
ROGERS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

City of Rogers, Minnesota
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2024

	Special Revenue	Capital Projects	Debt Service	Total Nonmajor Governmental Funds
Assets				
Cash and temporary investments	\$ 3,465,180	\$ 13,890,358	\$ 1,412,695	\$ 18,768,233
Receivables				
Accounts	169,381	387,549	-	556,930
Loans	2,752	-	-	2,752
Special assessments	-	-	487,507	487,507
Due from other governments	29,175	18,281	-	47,456
Prepaid items	47,222	-	-	47,222
	<u>3,713,710</u>	<u>14,296,188</u>	<u>1,900,202</u>	<u>19,910,100</u>
Total Assets	\$ 3,713,710	\$ 14,296,188	\$ 1,900,202	\$ 19,910,100
Liabilities				
Accounts payable	\$ 94,502	\$ 514,064	\$ -	\$ 608,566
Accrued salaries payable	10,399	-	-	10,399
Escrows payable	3,309	-	-	3,309
Due to other governments	6,594	3,869	-	10,463
Unearned revenue	9,330	155,012	-	164,342
Total Liabilities	124,134	672,945	-	797,079
Deferred Inflows of Resources				
Unavailable revenue - special assessments	-	-	487,507	487,507
Fund Balances				
Nonspendable	47,222	-	-	47,222
Restricted	691,136	8,854,252	1,412,695	10,958,083
Committed	2,851,218	4,191,729	-	7,042,947
Assigned	-	577,262	-	577,262
Total Fund Balances	3,589,576	13,623,243	1,412,695	18,625,514
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,713,710	\$ 14,296,188	\$ 1,900,202	\$ 19,910,100

City of Rogers, Minnesota
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures And
Changes in Fund Balances
For the Year Ended December 31, 2024

	Special Revenue	Capital Projects	Debt Service	Total Nonmajor Governmental Funds
Revenues				
Taxes				
Property taxes	\$ 535,904	\$ 225,000	\$ 1,084,553	\$ 1,845,457
Tax increments	-	658,578	-	658,578
Franchise taxes	-	1,364,567	-	1,364,567
Intergovernmental	464,952	1,002,488	-	1,467,440
Charges for services	722,932	1,536,000	-	2,258,932
Fines and forfeitures	11,774	-	-	11,774
Special assessments	-	-	312,184	312,184
Investment earnings	132,083	480,454	49,941	662,478
Miscellaneous	40,780	614,100	-	654,880
Total Revenues	<u>1,908,425</u>	<u>5,881,187</u>	<u>1,446,678</u>	<u>9,236,290</u>
Expenditures				
Current				
Public safety	38,521	-	-	38,521
Culture and recreation	721,608	-	-	721,608
Economic development	318,115	-	-	318,115
Capital outlay				
General government	329	-	-	329
Public safety	367,047	48,277	-	415,324
Public works	-	653,425	-	653,425
Culture and recreation	108,063	1,618,236	-	1,726,299
Economic development	-	543,760	-	543,760
Housing	-	7,109	-	7,109
Debt service				
Principal	-	-	875,000	875,000
Interest and other	-	-	328,206	328,206
Total Expenditures	<u>1,553,683</u>	<u>2,870,807</u>	<u>1,203,206</u>	<u>5,627,696</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>354,742</u>	<u>3,010,380</u>	<u>243,472</u>	<u>3,608,594</u>
Other Financing Sources (Uses)				
Transfers in	-	26,359	338,100	364,459
Sale of capital assets	550	8,990	-	9,540
Transfers out	(373,054)	(1,066,033)	-	(1,439,087)
Total Other Financing Sources (Uses)	<u>(372,504)</u>	<u>(1,030,684)</u>	<u>338,100</u>	<u>(1,065,088)</u>
Net Change in Fund Balances	<u>(17,762)</u>	<u>1,979,696</u>	<u>581,572</u>	<u>2,543,506</u>
Fund Balances, January 1, as previously presented	3,607,338	13,708,467	831,123	18,146,928
Change within financial reporting entity (nonmajor to major fund)	<u>-</u>	<u>(2,064,920)</u>	<u>-</u>	<u>(2,064,920)</u>
Fund Balances, January 1, as adjusted	<u>3,607,338</u>	<u>11,643,547</u>	<u>831,123</u>	<u>16,082,008</u>
Fund Balances, December 31	<u>\$ 3,589,576</u>	<u>\$ 13,623,243</u>	<u>\$ 1,412,695</u>	<u>\$ 18,625,514</u>

City of Rogers, Minnesota
Nonmajor Special Revenue Funds
Combining Balance Sheet
December 31, 2024

	200	202	203
	Revolving Loan	Police Forfeitures	Economic Development
Assets			
Cash and temporary investments	\$ 296,367	\$ 29,019	\$ 167,258
Receivables			
Accounts	-	-	-
Loans	2,752	-	-
Due from other governments	-	-	-
Prepaid items	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u><u>\$ 299,119</u></u>	<u><u>\$ 29,019</u></u>	<u><u>\$ 167,258</u></u>
Liabilities			
Accounts payable	\$ -	\$ -	\$ 65,920
Accrued salaries payable	-	-	971
Escrows payable	-	-	3,309
Due to other governments	-	-	-
Unearned revenue	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>70,200</u></u>
Fund Balances			
Nonspendable	-	-	-
Restricted	299,119	29,019	97,058
Committed	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u><u>299,119</u></u>	<u><u>29,019</u></u>	<u><u>97,058</u></u>
Total Liabilities and Fund Balances	<u><u>\$ 299,119</u></u>	<u><u>\$ 29,019</u></u>	<u><u>\$ 167,258</u></u>

205 Rogers Activity Center	206 ARPA	207 Public Safety Aid	208 Local Affordable Housing Aid	Total
\$ 2,702,311	\$ -	\$ 237,779	\$ 32,446	\$ 3,465,180
169,381	-	-	-	169,381
-	-	-	-	2,752
29,175	-	-	-	29,175
1,180	-	46,042	-	47,222
<u>\$ 2,902,047</u>	<u>\$ -</u>	<u>\$ 283,821</u>	<u>\$ 32,446</u>	<u>\$ 3,713,710</u>
\$ 27,272	\$ -	\$ 1,310	\$ -	\$ 94,502
9,428	-	-	-	10,399
-	-	-	-	3,309
3,619	-	2,975	-	6,594
9,330	-	-	-	9,330
<u>49,649</u>	<u>-</u>	<u>4,285</u>	<u>-</u>	<u>124,134</u>
1,180	-	46,042	-	47,222
-	-	233,494	32,446	691,136
2,851,218	-	-	-	2,851,218
<u>2,852,398</u>	<u>-</u>	<u>279,536</u>	<u>32,446</u>	<u>3,589,576</u>
<u>\$ 2,902,047</u>	<u>\$ -</u>	<u>\$ 283,821</u>	<u>\$ 32,446</u>	<u>\$ 3,713,710</u>

City of Rogers, Minnesota
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended December 31, 2024

	200	202	203
	Revolving Loan	Police Forfeitures	Economic Development
Revenues			
Property taxes	\$ -	\$ -	\$ 280,000
Intergovernmental	-	-	-
Community center	-	-	-
Fines and forfeitures	-	11,774	-
Investment earnings	8,189	740	2,650
Miscellaneous	-	-	2,076
Total Revenues	<u>8,189</u>	<u>12,514</u>	<u>284,726</u>
Expenditures			
Current			
Public safety	-	5,082	-
Culture and recreation	-	-	-
Economic development	54,845	-	263,270
Capital outlay			
General government	-	-	-
Public safety	-	-	-
Culture and recreation	-	-	-
Total Expenditures	<u>54,845</u>	<u>5,082</u>	<u>263,270</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(46,656)</u>	<u>7,432</u>	<u>21,456</u>
Other Financing Sources (Uses)			
Sale of capital assets	-	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(46,656)	7,432	21,456
Fund Balances, January 1	<u>345,775</u>	<u>21,587</u>	<u>75,602</u>
Fund Balances, December 31	<u>\$ 299,119</u>	<u>\$ 29,019</u>	<u>\$ 97,058</u>

205 Rogers Activity Center	206 ARPA	207 Public Safety Aid	208 Local Affordable Housing Aid	Totals
\$ 255,904	\$ -	\$ -	\$ -	\$ 535,904
-	432,747	-	32,205	464,952
722,932	-	-	-	722,932
-	-	-	-	11,774
108,092	-	12,171	241	132,083
38,704	-	-	-	40,780
<u>1,125,632</u>	<u>432,747</u>	<u>12,171</u>	<u>32,446</u>	<u>1,908,425</u>
-	-	33,439	-	38,521
721,608	-	-	-	721,608
-	-	-	-	318,115
-	329	-	-	329
-	59,364	307,683	-	367,047
108,063	-	-	-	108,063
<u>829,671</u>	<u>59,693</u>	<u>341,122</u>	<u>-</u>	<u>1,553,683</u>
<u>295,961</u>	<u>373,054</u>	<u>(328,951)</u>	<u>32,446</u>	<u>354,742</u>
550	-	-	-	550
<u>-</u>	<u>(373,054)</u>	<u>-</u>	<u>-</u>	<u>(373,054)</u>
550	(373,054)	-	-	(372,504)
296,511	-	(328,951)	32,446	(17,762)
<u>2,555,887</u>	<u>-</u>	<u>608,487</u>	<u>-</u>	<u>3,607,338</u>
<u>\$ 2,852,398</u>	<u>\$ -</u>	<u>\$ 279,536</u>	<u>\$ 32,446</u>	<u>\$ 3,589,576</u>

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City of Rogers, Minnesota
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Rogers Activity Center Fund
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 255,904	\$ 255,904	\$ 255,904	\$ -
Charges for services	589,300	589,300	722,932	133,632
Investment earnings	4,000	4,000	108,092	104,092
Miscellaneous				
Contributions and donations	20,000	20,000	27,942	7,942
Other	-	-	10,762	10,762
Total Revenues	<u>869,204</u>	<u>869,204</u>	<u>1,125,632</u>	<u>256,428</u>
Expenditures				
Current				
Culture and recreation				
Personal services	385,678	385,678	404,388	(18,710)
Supplies	72,950	72,950	84,743	(11,793)
Other services and charges	211,925	211,925	232,477	(20,552)
Capital outlay				
Culture and recreation	96,600	96,600	108,063	(11,463)
Total Expenditures	<u>767,153</u>	<u>767,153</u>	<u>829,671</u>	<u>(62,518)</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	102,051	102,051	295,961	193,910
Other Financing Sources (Uses)				
Sale of capital assets	<u>-</u>	<u>-</u>	<u>550</u>	<u>550</u>
Net Change in Fund Balances	102,051	102,051	296,511	194,460
Fund Balances, January 1	<u>2,555,887</u>	<u>2,555,887</u>	<u>2,555,887</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 2,657,938</u>	<u>\$ 2,657,938</u>	<u>\$ 2,852,398</u>	<u>\$ 194,460</u>

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

City of Rogers, Minnesota
Nonmajor Capital Projects Funds
Combining Balance Sheet
December 31, 2024

	401	403	404
	Pavement Management	Fire Department Capital Outlay	Park Dedication
Assets			
Cash and temporary investments	\$ 1,587,796	\$ 716,934	\$ 7,836,669
Accounts receivable	384,549	-	3,000
Due from other governments	-	769	17,512
	<u>-</u>	<u>769</u>	<u>17,512</u>
Total Assets	<u><u>\$ 1,972,345</u></u>	<u><u>\$ 717,703</u></u>	<u><u>\$ 7,857,181</u></u>
Liabilities			
Accounts payable	\$ 127,792	\$ -	\$ 12,974
Due to other governments	-	-	-
Unearned revenue	-	-	155,012
Total Liabilities	<u>127,792</u>	<u>-</u>	<u>167,986</u>
Fund Balances			
Restricted	-	-	5,482,460
Committed	1,844,553	717,703	1,629,473
Assigned	-	-	577,262
Total Fund Balances	<u>1,844,553</u>	<u>717,703</u>	<u>7,689,195</u>
Total Liabilities and Fund Balances	<u><u>\$ 1,972,345</u></u>	<u><u>\$ 717,703</u></u>	<u><u>\$ 7,857,181</u></u>

411

450 - 462

RAC Expansion	TIF	Total
\$ 370,897	\$ 3,378,062	\$ 13,890,358
-	-	387,549
-	-	18,281
<u>\$ 370,897</u>	<u>\$ 3,378,062</u>	<u>\$ 14,296,188</u>
\$ 5,554	\$ 367,744	\$ 514,064
-	3,869	3,869
-	-	155,012
<u>5,554</u>	<u>371,613</u>	<u>672,945</u>
365,343	3,006,449	8,854,252
-	-	4,191,729
-	-	577,262
<u>365,343</u>	<u>3,006,449</u>	<u>13,623,243</u>
<u>\$ 370,897</u>	<u>\$ 3,378,062</u>	<u>\$ 14,296,188</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, 2024

	401	403 Fire Department	404
	<u>Pavement Management</u>	<u>Capital Outlay</u>	<u>Park Dedication</u>
Revenues			
Taxes			
Property taxes	\$ -	\$ -	\$ 225,000
Tax increments	-	-	-
Franchise taxes	1,364,567	-	-
Intergovernmental	-	-	1,002,488
Charges for services	-	-	1,536,000
Investment earnings	67,680	16,461	312,173
Miscellaneous			
Contributions and donations	-	200,000	26,000
Total Revenues	<u>1,432,247</u>	<u>216,461</u>	<u>3,101,661</u>
Expenditures			
Capital outlay			
Public safety	-	48,277	-
Public works	653,425	-	-
Culture and recreation	-	-	1,592,109
Economic development	-	-	-
Housing	-	-	-
Total Expenditures	<u>653,425</u>	<u>48,277</u>	<u>1,592,109</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>778,822</u>	<u>168,184</u>	<u>1,509,552</u>
Other Financing Sources (Uses)			
Transfers in	10,000	16,359	-
Sale of capital assets	-	8,990	-
Transfers out	(1,066,033)	-	-
Total Other Financing Sources (Uses)	<u>(1,056,033)</u>	<u>25,349</u>	<u>-</u>
Net Change in Fund Balances	<u>(277,211)</u>	<u>193,533</u>	<u>1,509,552</u>
Fund Balances, January 1, as previously presented	2,121,764	524,170	6,179,643
Change within financial reporting entity (nonmajor to major fund)	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, January 1, as adjusted	<u>2,121,764</u>	<u>524,170</u>	<u>6,179,643</u>
Fund Balances, December 31	<u><u>\$ 1,844,553</u></u>	<u><u>\$ 717,703</u></u>	<u><u>\$ 7,689,195</u></u>

<i>Formally Nonmajor</i>				
410	449	411	450 - 462	
Local Option Sales Tax	Fire Station #2	RAC Expansion	TIF	Total
\$ -	\$ -	\$ -	\$ -	\$ 225,000
-	-	-	658,578	658,578
-	-	-	-	1,364,567
-	-	-	-	1,002,488
-	-	-	-	1,536,000
-	-	3,370	80,770	480,454
-	-	388,100	-	614,100
		391,470	739,348	5,881,187
-	-	-	-	48,277
-	-	-	-	653,425
-	-	26,127	-	1,618,236
-	-	-	543,760	543,760
-	-	-	7,109	7,109
-	-	26,127	550,869	2,870,807
-	-	365,343	188,479	3,010,380
-	-	-	-	26,359
-	-	-	-	8,990
-	-	-	-	(1,066,033)
-	-	-	-	(1,030,684)
-	-	365,343	188,479	1,979,696
1,098,745	966,175	-	2,817,970	13,708,467
(1,098,745)	(966,175)	-	-	(2,064,920)
-	-	-	2,817,970	11,643,547
\$ -	\$ -	\$ 365,343	\$ 3,006,449	\$ 13,623,243

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, 2024
(With Comparative Actual Amounts for the Year Ended December 31, 2023)

	2024				2023
	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Actual Amounts
	Original	Final			
Revenues					
Taxes					
Property taxes	\$ 10,106,948	\$ 10,106,948	\$ 10,010,186	\$ (96,762)	\$ 8,736,656
Cable franchise fee	140,000	140,000	131,671	(8,329)	143,913
Total taxes	10,246,948	10,246,948	10,141,857	(105,091)	8,880,569
Licenses and permits					
Business	153,850	153,850	158,770	4,920	122,657
Nonbusiness	1,542,787	1,542,787	3,033,602	1,490,815	1,880,693
Total licenses and permits	1,696,637	1,696,637	3,192,372	1,495,735	2,003,350
Intergovernmental					
Federal					
Other	4,000	4,000	39,396	35,396	41,050
State					
Property tax credits	-	-	8,666	8,666	8,947
Street maintenance aid	233,000	233,000	254,502	21,502	233,202
Fire aid	167,537	167,537	206,546	39,009	167,537
Police aid	199,000	199,000	214,401	15,401	189,657
Other	53,500	53,500	82,683	29,183	61,904
County					
Recycling grant	20,000	20,000	32,205	12,205	25,213
Other	33,500	33,500	34,767	1,267	18,873
Total intergovernmental	710,537	710,537	873,166	162,629	746,383
Charges for services					
General government	440,525	440,525	682,896	242,371	716,468
Public safety	665,997	665,997	701,900	35,903	575,717
Public works	275,500	275,500	285,672	10,172	236,169
Culture and recreation	133,700	133,700	147,201	13,501	135,625
Total charges for services	1,515,722	1,515,722	1,817,669	301,947	1,663,979
Fines and forfeitures	80,000	80,000	90,923	10,923	83,924
Investment earnings	70,000	70,000	450,896	380,896	505,512
Miscellaneous					
Contributions and donations	6,000	6,000	33,434	27,434	19,630
Refunds and reimbursements	506,000	506,000	818,947	312,947	505,959
Other	20,650	20,650	18,673	(1,977)	11,610
Total miscellaneous	532,650	532,650	871,054	338,404	537,199
Total Revenues	14,852,494	14,852,494	17,437,937	2,585,443	14,420,916

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, 2024
(With Comparative Actual Amounts for the Year Ended December 31, 2023)

	2024				2023
	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Actual Amounts
	Original	Final			
Expenditures					
Current					
General government					
Mayor and city council					
Personal services	\$ 38,046	\$ 38,046	\$ 37,953	\$ 93	\$ 37,965
Supplies	500	500	142	358	39
Other services and charges	7,200	7,200	590	6,610	8,044
Total mayor and city council	45,746	45,746	38,685	7,061	46,048
Other administration					
Personal services	761,397	761,397	777,801	(16,404)	605,640
Supplies	11,350	11,350	12,927	(1,577)	6,490
Other services and charges	265,220	265,220	290,966	(25,746)	286,200
Total other administration	1,037,967	1,037,967	1,081,694	(43,727)	898,330
Information systems					
Personal services	354,668	354,668	345,948	8,720	322,613
Supplies	5,400	5,400	5,338	62	4,924
Other services and charges	133,225	133,225	152,644	(19,419)	179,592
Total information systems	493,293	493,293	503,930	(10,637)	507,129
Elections					
Personal services	70,474	70,474	56,274	14,200	-
Supplies	4,000	4,000	6,797	(2,797)	876
Other services and charges	10,400	10,400	10,647	(247)	6,563
Total elections	84,874	84,874	73,718	11,156	7,439
Finance					
Personal services	382,997	382,997	376,221	6,776	348,412
Supplies	7,700	7,700	4,907	2,793	8,148
Other services and charges	54,695	54,695	53,600	1,095	51,917
Total finance	445,392	445,392	434,728	10,664	408,477
Assessing					
Other services and charges	250,000	250,000	250,000	-	234,000
Planning and zoning					
Personal services	383,855	383,855	353,347	30,508	314,860
Supplies	2,850	2,850	3,690	(840)	8,930
Other services and charges	67,600	67,600	54,031	13,569	44,472
Total planning and zoning	454,305	454,305	411,068	43,237	368,262
General government buildings					
Personal services	154,330	154,330	141,665	12,665	160,455
Supplies	17,200	17,200	19,324	(2,124)	12,319
Other services and charges	50,080	50,080	72,104	(22,024)	55,689
Total general government buildings	221,610	221,610	233,093	(11,483)	228,463
Community room					
Personal services	55,770	55,770	77,116	(21,346)	50,056
Supplies	9,475	9,475	32,812	(23,337)	17,749
Other services and charges	74,550	74,550	88,339	(13,789)	97,639
Total community room	139,795	139,795	198,267	(58,472)	165,444

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, 2024
(With Comparative Actual Amounts for the Year Ended December 31, 2023)

	2024			2023	
	Budgeted Amounts		Actual	Variance With	Actual
	Original	Final	Amounts	Final Budget	Amounts
Expenditures (Continued)					
Current (Continued)					
General engineering					
Personal services	\$ 479,416	\$ 479,416	\$ 466,767	\$ 12,649	\$ 353,947
Supplies	11,850	11,850	10,486	1,364	2,612
Other services and charges	44,900	44,900	203,352	(158,452)	320,524
Total general engineering	536,166	536,166	680,605	(144,439)	677,083
Total general government	3,709,148	3,709,148	3,905,788	(196,640)	3,540,675
Public safety					
Police protection and administration					
Personal services	4,616,224	4,616,224	4,571,511	44,713	3,831,877
Supplies	251,300	251,300	269,787	(18,487)	217,467
Other services and charges	887,300	887,300	795,622	91,678	696,744
Total police protection and administration	5,754,824	5,754,824	5,636,920	117,904	4,746,088
Fire fighting and administration					
Personal services	928,835	928,835	957,953	(29,118)	910,550
Supplies	149,780	149,780	147,835	1,945	164,983
Other services and charges	417,017	417,017	317,523	99,494	272,217
Total fire fighting and administration	1,495,632	1,495,632	1,423,311	72,321	1,347,750
Fire prevention					
Supplies	-	-	1,101	(1,101)	1,914
Other services and charges	-	-	498	(498)	1,239
Total fire prevention	-	-	1,599	(1,599)	3,153
Fire relief association					
Other services and charges	167,537	167,537	206,546	(39,009)	187,037
Building inspection					
Other services and charges	469,772	469,772	930,086	(460,314)	578,120
Emergency management					
Supplies	-	-	-	-	3,332
Other services and charges	-	-	13,797	(13,797)	11,381
Total emergency management	-	-	13,797	(13,797)	14,713
Total public safety	7,887,765	7,887,765	8,212,259	(324,494)	6,876,861
Public works					
General public works					
Personal services	221,619	221,619	190,260	31,359	731,027
Supplies	103,900	103,900	93,142	10,758	100,821
Other services and charges	127,150	127,150	123,862	3,288	144,482
Total general public works	452,669	452,669	407,264	45,405	976,330
Street Maintenance					
Personal services	592,449	592,449	586,006	6,443	-
Supplies	228,000	228,000	171,709	56,291	275,395
Other services and charges	359,800	359,800	230,016	129,784	324,395
Total paved streets	1,180,249	1,180,249	987,731	192,518	599,790

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, 2024
(With Comparative Actual Amounts for the Year Ended December 31, 2023)

	2024			2023
	Budgeted Amounts		Actual	Actual
	Original	Final	Amounts	Amounts
Expenditures (Continued)				
Current (Continued)				
Recycling				
Personal services	\$ 31,854	\$ 31,854	\$ 31,962	\$ 29,227
Supplies	1,000	1,000	17	287
Other services and charges	294,100	294,100	283,417	237,828
Total recycling	<u>326,954</u>	<u>326,954</u>	<u>315,396</u>	<u>267,342</u>
Total public works	<u>1,959,872</u>	<u>1,959,872</u>	<u>1,710,391</u>	<u>1,843,462</u>
Culture and recreation				
Community recreation				
Personal services	196,752	196,752	195,002	160,777
Supplies	14,300	\$ 14,300	13,038	12,436
Other services and charges	97,500	97,500	97,666	75,433
Total community recreation	<u>308,552</u>	<u>308,552</u>	<u>305,706</u>	<u>248,646</u>
Senior recreation/transportation				
Personal services	52,456	52,456	54,462	41,201
Supplies	6,500	6,500	2,066	2,249
Other services and charges	40,600	40,600	42,296	32,364
Total senior recreation/transportation	<u>99,556</u>	<u>99,556</u>	<u>98,824</u>	<u>75,814</u>
Parks				
Personal services	914,601	914,601	941,857	808,993
Supplies	101,300	101,300	134,262	127,279
Other services and charges	176,700	176,700	172,792	180,351
Total parks	<u>1,192,601</u>	<u>1,192,601</u>	<u>1,248,911</u>	<u>1,116,623</u>
Total culture and recreation	<u>1,600,709</u>	<u>1,600,709</u>	<u>1,653,441</u>	<u>1,441,083</u>
Total Expenditures	<u>15,157,494</u>	<u>15,157,494</u>	<u>15,481,879</u>	<u>13,702,081</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(305,000)</u>	<u>(305,000)</u>	<u>1,956,058</u>	<u>718,835</u>
Other Financing Sources (Uses)				
Transfers in	225,000	225,000	225,000	569,690
Sale of capital assets	-	-	10,090	690
Transfers out	-	-	(10,000)	(15,000)
Total Other Financing Sources (Uses)	<u>225,000</u>	<u>225,000</u>	<u>225,090</u>	<u>555,380</u>
Net Change in Fund Balances	<u>(80,000)</u>	<u>(80,000)</u>	<u>2,181,148</u>	<u>1,274,215</u>
Fund Balances, January 1	<u>8,846,507</u>	<u>8,846,507</u>	<u>8,846,507</u>	<u>7,572,292</u>
Fund Balances, December 31	<u>\$ 8,766,507</u>	<u>\$ 8,766,507</u>	<u>\$ 11,027,655</u>	<u>\$ 8,846,507</u>

City of Rogers, Minnesota
Debt Service Funds
Combining Balance Sheet
December 31, 2024

	330	340	341	342	343	
	Rogers Activity Center Tax Abatement Bonds of 2015	2014A G.O. Bonds	2015A G.O. Improvement Bonds	2021A G.O. Water Revenue and Street Reconstruction Bonds	2024A G.O. CIP Bonds	Total
Assets						
Cash and temporary investments	\$ 97,137	\$ 133,418	\$ 127,474	\$ 540,988	\$ 513,678	\$ 1,412,695
Special assessments receivable	-	-	487,507	-	-	487,507
Total Assets	<u>\$ 97,137</u>	<u>\$ 133,418</u>	<u>\$ 614,981</u>	<u>\$ 540,988</u>	<u>\$ 513,678</u>	<u>\$ 1,900,202</u>
Deferred Inflows of Resources						
Unavailable revenue - special assessments	\$ -	\$ -	\$ 487,507	\$ -	\$ -	\$ 487,507
Fund Balances						
Restricted	<u>97,137</u>	<u>133,418</u>	<u>127,474</u>	<u>540,988</u>	<u>513,678</u>	<u>1,412,695</u>
Total Deferred Inflows of Resources and Fund Balances	<u>\$ 97,137</u>	<u>\$ 133,418</u>	<u>\$ 614,981</u>	<u>\$ 540,988</u>	<u>\$ 513,678</u>	<u>\$ 1,900,202</u>

City of Rogers, Minnesota
Debt Service Funds
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended December 31, 2024

	330 Rogers Activity Center Tax Abatement Bonds of 2015	340 2014A G.O. Bonds	341 2015A G.O. Improvement Bonds	342 2021A G.O. Water Revenue and Street Reconstruction Bonds	343 2024A G.O. CIP Bonds	Total
Revenues						
Property taxes	\$ 219,096	\$ 180,156	\$ -	\$ -	\$ 685,301	\$ 1,084,553
Special assessments	-	-	312,184	-	-	312,184
Investment earnings	3,366	4,099	6,168	33,408	2,900	49,941
Total Revenues	<u>222,462</u>	<u>184,255</u>	<u>318,352</u>	<u>33,408</u>	<u>688,201</u>	<u>1,446,678</u>
Expenditures						
Debt service						
Principal	180,000	120,000	305,000	270,000	-	875,000
Interest and other	29,551	56,471	14,684	52,977	174,523	328,206
Total Expenditures	<u>209,551</u>	<u>176,471</u>	<u>319,684</u>	<u>322,977</u>	<u>174,523</u>	<u>1,203,206</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,911	7,784	(1,332)	(289,569)	513,678	243,472
Other Financing Sources (Uses)						
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>338,100</u>	<u>-</u>	<u>338,100</u>
Net Change in Fund Balances	12,911	7,784	(1,332)	48,531	513,678	581,572
Fund Balances, January 1	<u>84,226</u>	<u>125,634</u>	<u>128,806</u>	<u>492,457</u>	<u>-</u>	<u>831,123</u>
Fund Balances, December 31	<u>\$ 97,137</u>	<u>\$ 133,418</u>	<u>\$ 127,474</u>	<u>\$ 540,988</u>	<u>\$ 513,678</u>	<u>\$ 1,412,695</u>

City of Rogers, Minnesota
TIF Funds
Combining Balance Sheet

	450 Tax Increment Financing District #1	458 Tax Increment Financing District #12	459 Tax Increment Financing District #13	460 Tax Increment Financing District #14	461 Tax Increment Financing District #15
Assets					
Cash and temporary investments	<u>\$ 1,567,389</u>	<u>\$ 176,976</u>	<u>\$ 25,109</u>	<u>\$ 756,092</u>	<u>\$ 371,825</u>
Liabilities					
Accounts payable	\$ 120	\$ -	\$ -	\$ -	\$ -
Due to other governments	<u>-</u>	<u>650</u>	<u>-</u>	<u>863</u>	<u>1,016</u>
Total Liabilities	120	650	-	863	1,016
Fund Balances					
Restricted	<u>1,567,269</u>	<u>176,326</u>	<u>25,109</u>	<u>755,229</u>	<u>370,809</u>
Total Liabilities and Fund Balance	<u>\$ 1,567,389</u>	<u>\$ 176,976</u>	<u>\$ 25,109</u>	<u>\$ 756,092</u>	<u>\$ 371,825</u>

462 Tax Increment Financing District #16		Total
<u>\$</u>	<u>480,671</u>	<u>\$ 3,378,062</u>
\$	367,624	\$ 367,744
	1,340	3,869
	<u>368,964</u>	<u>371,613</u>
	111,707	3,006,449
<u>\$</u>	<u>480,671</u>	<u>\$ 3,378,062</u>

City of Rogers, Minnesota
TIF Funds
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended December 31, 2024

	450 Tax Increment Financing District #1	458 Tax Increment Financing District #12	459 Tax Increment Financing District #13	460 Tax Increment Financing District #14	461 Tax Increment Financing District #15
Revenues					
Tax increments	\$ -	\$ 30,390	\$ -	\$ 144,442	\$ 75,274
Investment earnings	46,769	4,250	702	17,784	8,155
Total Revenues	<u>46,769</u>	<u>34,640</u>	<u>702</u>	<u>162,226</u>	<u>83,429</u>
Expenditures					
Capital outlay					
Economic development	172,194	-	1,122	-	-
Housing	-	2,129	-	2,413	2,567
Total Expenditures	<u>172,194</u>	<u>2,129</u>	<u>1,122</u>	<u>2,413</u>	<u>2,567</u>
Net Change in Fund Balances	(125,425)	32,511	(420)	159,813	80,862
Fund Balances, January 1	<u>1,692,694</u>	<u>143,815</u>	<u>25,529</u>	<u>595,416</u>	<u>289,947</u>
Fund Balances, December 31	<u>\$ 1,567,269</u>	<u>\$ 176,326</u>	<u>\$ 25,109</u>	<u>\$ 755,229</u>	<u>\$ 370,809</u>

462Tax Increment
Financing
District

#16

Total

\$	408,472	\$	658,578
	3,110		80,770
	<u>411,582</u>		<u>739,348</u>
	370,444		543,760
	-		7,109
	<u>370,444</u>		<u>550,869</u>
	41,138		188,479
	<u>70,569</u>		<u>2,817,970</u>
\$	<u>111,707</u>	\$	<u>3,006,449</u>

City of Rogers, Minnesota
Enterprise Funds
Water Fund
Combining Schedule of Net Position
December 31, 2024

	<u>601</u>	<u>405</u>	<u>407</u>	
	Water	Water Trunk	WAC	Total
Assets				
Current Assets				
Cash and temporary investments	\$ 7,688,919	\$ 2,147,913	\$ 13,723,362	\$ 23,560,194
Receivables				
Accounts	210,331	-	-	210,331
Interest	-	1,133	12,097	13,230
Due from other governments	80,295	-	-	80,295
Prepaid items	7,833	-	-	7,833
Total Current Assets	<u>7,987,378</u>	<u>2,149,046</u>	<u>13,735,459</u>	<u>23,871,883</u>
Noncurrent Assets				
Special assessments receivable	-	27,818	4,061	31,879
Capital assets				
Land	810,812	-	-	810,812
Buildings and improvements	3,991,348	-	-	3,991,348
Infrastructure	20,393,013	-	-	20,393,013
Machinery and equipment	277,933	-	-	277,933
Less accumulated depreciation	(11,665,191)	-	-	(11,665,191)
Total Capital Assets (Net of Accumulated Depreciation)	<u>13,807,915</u>	<u>-</u>	<u>-</u>	<u>13,807,915</u>
Total Noncurrent Assets	<u>13,807,915</u>	<u>27,818</u>	<u>4,061</u>	<u>13,839,794</u>
Total Assets	<u>21,795,293</u>	<u>2,176,864</u>	<u>13,739,520</u>	<u>37,711,677</u>
Deferred Outflows of Resources				
Deferred other postemployment benefits resources	7,903	-	-	7,903
Deferred pension resources	73,850	-	-	73,850
Total Deferred Outflows of Resources	<u>81,753</u>	<u>-</u>	<u>-</u>	<u>81,753</u>
Liabilities				
Current Liabilities				
Accounts payable	54,365	-	12,489	66,854
Accrued salaries payable	13,278	-	-	13,278
Due to other governments	18,875	-	-	18,875
Accrued interest payable	26,765	-	-	26,765
Compensated absences payable - current portion	11,056	-	-	11,056
Bonds payable - current portion	360,000	-	-	360,000
Total Current Liabilities	<u>484,339</u>	<u>-</u>	<u>12,489</u>	<u>496,828</u>

City of Rogers, Minnesota
Enterprise Funds
Water Fund
Combining Schedule Net Position (Continued)
December 31, 2024

	<u>601</u>	<u>405</u>	<u>407</u>	
	Water	Water Trunk	WAC	Total
Noncurrent Liabilities				
Severance obligations payable	\$ 13,215	\$ -	\$ -	\$ 13,215
Compensated absences payable	76,418	-	-	76,418
Other postemployment benefits payable	30,461	-	-	30,461
Bonds payable	3,593,699	-	-	3,593,699
Net pension liability	224,274	-	-	224,274
Total Noncurrent Liabilities	<u>3,938,067</u>	<u>-</u>	<u>-</u>	<u>3,938,067</u>
 Total Liabilities	 <u>4,422,406</u>	 <u>-</u>	 <u>12,489</u>	 <u>4,434,895</u>
Deferred Inflows of Resources				
Deferred other postemployment benefits resources	40,481	-	-	40,481
Deferred pension resources	142,186	-	-	142,186
Total Deferred Inflows of Resources	<u>182,667</u>	<u>-</u>	<u>-</u>	<u>182,667</u>
Net Position				
Net investment in capital assets	9,854,216	-	-	9,854,216
Unrestricted	<u>7,417,757</u>	<u>2,176,864</u>	<u>13,727,031</u>	<u>23,321,652</u>
 Total Net Position	 <u><u>\$ 17,271,973</u></u>	 <u><u>\$ 2,176,864</u></u>	 <u><u>\$ 13,727,031</u></u>	 <u><u>\$ 33,175,868</u></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, 2024

	601	405	407	
	Water	Water Trunk	WAC	Total
Operating Revenues				
Charges for services	\$ 2,411,921	\$ -	\$ -	\$ 2,411,921
Miscellaneous	475	-	-	475
Total Operating Revenues	<u>2,412,396</u>	<u>-</u>	<u>-</u>	<u>2,412,396</u>
Operating Expenses				
Personal services	720,882	-	-	720,882
Supplies	415,271	-	-	415,271
Other services and charges	491,085	84,213	32,006	607,304
Depreciation	559,836	-	-	559,836
Total Operating Expenses	<u>2,187,074</u>	<u>84,213</u>	<u>32,006</u>	<u>2,303,293</u>
Operating Income (Loss)	<u>225,322</u>	<u>(84,213)</u>	<u>(32,006)</u>	<u>109,103</u>
Nonoperating Revenues (Expenses)				
Investment earnings	303,623	100,433	670,092	1,074,148
Gain on disposal of fixed assets	2,038	-	-	2,038
Interest expense	(66,238)	-	-	(66,238)
Other income	78,257	-	-	78,257
Total Nonoperating Revenues (Expenses)	<u>317,680</u>	<u>100,433</u>	<u>670,092</u>	<u>1,088,205</u>
Income (Loss) Before Contributions and Transfers	543,002	16,220	638,086	1,197,308
Capital Contributions				
Connection fees and special assessments	-	217,241	1,686,920	1,904,161
Contributions from Developers	1,306,502	-	-	1,306,502
Transfers In	201,813	-	-	201,813
Transfers Out	<u>-</u>	<u>-</u>	<u>(201,813)</u>	<u>(201,813)</u>
Change in Net Position	2,051,317	233,461	2,123,193	4,407,971
Net Position, January 1	<u>15,220,656</u>	<u>1,943,403</u>	<u>11,603,838</u>	<u>28,767,897</u>
Net Position, December 31	<u>\$ 17,271,973</u>	<u>\$ 2,176,864</u>	<u>\$ 13,727,031</u>	<u>\$ 33,175,868</u>

City of Rogers, Minnesota
Enterprise Funds
Sewer Fund
Combining Schedule of Net Position
December 31, 2024

	<u>602</u>	<u>406</u>	<u>408</u>	
	Sewer	Sewer Trunk	RSAC	Total
Assets				
Current Assets				
Cash and temporary investments	\$ 3,226,238	\$ 2,632,894	\$ 1,288,350	\$ 7,147,482
Receivables				
Accounts	412,973	-	-	412,973
Due from other governments	99,295	-	-	99,295
Land held for resale	-	-	762,500	762,500
Prepaid items	121,275	-	-	121,275
Total Current Assets	<u>3,859,781</u>	<u>2,632,894</u>	<u>2,050,850</u>	<u>8,543,525</u>
Noncurrent Assets				
Special assessments receivable	-	37,458	3,744	41,202
Advances to other funds	-	-	5,238,038	5,238,038
Capital assets				
Land	1,846,409	-	-	1,846,409
Buildings and improvements	2,814,633	-	-	2,814,633
Infrastructure	17,704,598	-	-	17,704,598
Machinery and equipment	633,371	-	-	633,371
Less accumulated depreciation	(6,430,137)	-	-	(6,430,137)
Total Capital Assets (Net of Accumulated Depreciation)	<u>16,568,874</u>	<u>-</u>	<u>-</u>	<u>16,568,874</u>
Total Noncurrent Assets	<u>16,568,874</u>	<u>37,458</u>	<u>5,241,782</u>	<u>21,848,114</u>
Total Assets	<u>20,428,655</u>	<u>2,670,352</u>	<u>7,292,632</u>	<u>30,391,639</u>
Deferred Outflows of Resources				
Deferred other postemployment benefits resources	7,383	-	-	7,383
Deferred pension resources	67,962	-	-	67,962
Total Deferred Outflows of Resources	<u>75,345</u>	<u>-</u>	<u>-</u>	<u>75,345</u>
Liabilities				
Current Liabilities				
Accounts payable	12,456	17,556	15,066	45,078
Accrued salaries payable	12,115	-	-	12,115
Due to other governments	5,930	-	61,504	67,434
Compensated absences payable - current portion	10,394	-	-	10,394
Total Current Liabilities	<u>40,895</u>	<u>17,556</u>	<u>76,570</u>	<u>135,021</u>

City of Rogers, Minnesota
Enterprise Funds
Sewer Fund
Combining Schedule of Net Position (Continued)
December 31, 2024

	<u>602</u>	<u>406</u>	<u>408</u>	
	Sewer	Sewer Trunk	RSAC	Total
Noncurrent Liabilities				
Severance obligations payable	\$ 9,575	\$ -	\$ -	\$ 9,575
Compensated absences payable	71,842	-	-	71,842
Other postemployment benefits payable	28,459	-	-	28,459
Net pension liability	206,380	-	-	206,380
Total Noncurrent Liabilities	<u>316,256</u>	<u>-</u>	<u>-</u>	<u>316,256</u>
 Total Liabilities	 <u>357,151</u>	 <u>17,556</u>	 <u>76,570</u>	 <u>451,277</u>
Deferred Inflows of Resources				
Deferred other postemployment benefits resources	37,820	-	-	37,820
Deferred pension resources	130,514	-	-	130,514
Total Deferred Inflows of Resources	<u>168,334</u>	<u>-</u>	<u>-</u>	<u>168,334</u>
Net Position				
Net investment in capital assets	16,568,874	(14,869)	-	16,554,005
Unrestricted	<u>3,409,641</u>	<u>2,667,665</u>	<u>7,216,062</u>	<u>13,293,368</u>
Total Net Position	<u><u>\$ 19,978,515</u></u>	<u><u>\$ 2,652,796</u></u>	<u><u>\$ 7,216,062</u></u>	<u><u>\$ 29,847,373</u></u>

City of Rogers, Minnesota
Enterprise Funds
Sewer Fund
Combining Schedule of Revenues, Expenses and
Changes in Net Position
For the Year Ended December 31, 2024

	<u>602</u>	<u>406</u>	<u>408</u>	
	Sewer	Sewer Trunk	RSAC	Total
Operating Revenues				
Charges for services	\$ 3,013,538	\$ -	\$ -	\$ 3,013,538
Miscellaneous	475	-	-	475
Total Operating Revenues	<u>3,014,013</u>	<u>-</u>	<u>-</u>	<u>3,014,013</u>
Operating Expenses				
Personal services	640,609	-	-	640,609
Supplies	18,833	-	-	18,833
Other services and charges	1,509,105	2,314	633,963	2,145,382
Depreciation	458,232	-	-	458,232
Total Operating Expenses	<u>2,626,779</u>	<u>2,314</u>	<u>633,963</u>	<u>3,263,056</u>
Operating Income (Loss)	<u>387,234</u>	<u>(2,314)</u>	<u>(633,963)</u>	<u>(249,043)</u>
Nonoperating Revenues				
Investment earnings	119,355	115,743	169,604	404,702
Gain on disposal of capital assets	2,038	-	-	2,038
Other income	75,562	-	-	75,562
Total Nonoperating Revenues	<u>196,955</u>	<u>115,743</u>	<u>169,604</u>	<u>482,302</u>
Income (Loss) Before Contributions and Transfers	584,189	113,429	(464,359)	233,259
Capital Contributions				
Connection fees and special assessments	-	182,567	810,033	992,600
Contributions from Other Funds	252,634	-	-	252,634
Contributions to Other Funds	-	(252,634)	-	(252,634)
Contributions From Developers	1,537,461	-	-	1,537,461
Change in Net Position	2,374,284	43,362	345,674	2,763,320
Net Position, January 1	<u>17,604,231</u>	<u>2,609,434</u>	<u>6,870,388</u>	<u>27,084,053</u>
Net Position, December 31	<u><u>\$ 19,978,515</u></u>	<u><u>\$ 2,652,796</u></u>	<u><u>\$ 7,216,062</u></u>	<u><u>\$ 29,847,373</u></u>

City of Rogers, Minnesota
Enterprise Funds
Storm Sewer Fund
Combining Schedule of Net Position
December 31, 2024

	603	438	
	Storm Sewer	Storm Sewer Trunk	Total
Assets			
Current Assets			
Cash and temporary investments	\$ 2,983,959	\$ 1,772,741	\$ 4,756,700
Accounts receivable	98,952	-	98,952
Due from other governments	12	-	12
Prepaid items	6,008	-	6,008
Total Current Assets	<u>3,088,931</u>	<u>1,772,741</u>	<u>4,861,672</u>
Noncurrent Assets			
Special assessments receivable	-	8,207	8,207
Capital assets			
Land	447,836	-	447,836
Infrastructure	14,752,536	-	14,752,536
Machinery and equipment	215,702	-	215,702
Less accumulated depreciation	<u>(5,440,017)</u>	<u>-</u>	<u>(5,440,017)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>9,976,057</u>	<u>-</u>	<u>9,976,057</u>
Total Noncurrent Assets	<u>9,976,057</u>	<u>8,207</u>	<u>9,984,264</u>
Total Assets	<u>13,064,988</u>	<u>1,780,948</u>	<u>14,845,936</u>
Deferred Outflows of Resources			
Deferred other postemployment benefits resources	2,541	-	2,541
Deferred pension resources	26,919	-	26,919
Total Deferred Outflows of Resources	<u>29,460</u>	<u>-</u>	<u>29,460</u>
Liabilities			
Current Liabilities			
Accounts payable	10,975	-	10,975
Accrued salaries payable	4,710	-	4,710
Compensated absences payable - current portion	4,415	-	4,415
Total Current Liabilities	<u>20,100</u>	<u>-</u>	<u>20,100</u>
Noncurrent Liabilities			
Severance obligations payable	2,237	-	2,237
Compensated absences payable	30,519	-	30,519
Other postemployment benefits payable	9,795	-	9,795
Net pension liability	81,701	-	81,701
Total Noncurrent Liabilities	<u>124,252</u>	<u>-</u>	<u>124,252</u>
Total Liabilities	<u>144,352</u>	<u>-</u>	<u>144,352</u>
Deferred Inflows of Resources			
Deferred other postemployment benefits resources	13,016	-	13,016
Deferred pension resources	50,850	-	50,850
Total Deferred Inflows of Resources	<u>63,866</u>	<u>-</u>	<u>63,866</u>
Net Position			
Net investment in capital assets	9,976,057	-	9,976,057
Unrestricted	<u>2,910,173</u>	<u>1,780,948</u>	<u>4,691,121</u>
Total Net Position	<u>\$ 12,886,230</u>	<u>\$ 1,780,948</u>	<u>\$ 14,667,178</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, 2024

	603	438	
	Storm Sewer	Storm Sewer Trunk	Total
Operating Revenues			
Charges for services	\$ 753,629	\$ -	\$ 753,629
Miscellaneous	825	-	825
Total Operating Revenues	<u>754,454</u>	<u>-</u>	<u>754,454</u>
Operating Expenses			
Personal services	184,661	-	184,661
Supplies	9,252	-	9,252
Other services and charges	171,417	-	171,417
Depreciation	297,304	-	297,304
Total Operating Expenses	<u>662,634</u>	<u>-</u>	<u>662,634</u>
Operating Income (Loss)	<u>91,820</u>	<u>-</u>	<u>91,820</u>
Nonoperating Revenues			
Investment earnings	130,974	84,811	215,785
Other income	57,890	-	57,890
Gain on sale of capital assets	2,038	-	2,038
Total Nonoperating Revenues	<u>190,902</u>	<u>84,811</u>	<u>275,713</u>
Income (Loss) Before Contributions and Transfers	282,722	84,811	367,533
Capital Contributions			
Connection fees and special assessments	-	190,137	190,137
Contributions from Other Funds	264,021	-	264,021
Contributions to Other Funds	-	(264,021)	(264,021)
Contributions from Developers	<u>924,962</u>	<u>-</u>	<u>924,962</u>
Change in Net Position	1,471,705	10,927	1,482,632
Net Position, January 1	<u>11,414,525</u>	<u>1,770,021</u>	<u>13,184,546</u>
Net Position, December 31	<u>\$ 12,886,230</u>	<u>\$ 1,780,948</u>	<u>\$ 14,667,178</u>

City of Rogers, Minnesota
Enterprise Funds
Municipal Liquor Store Fund
Combining Schedule of Operating Revenues and Expenses
For the Year Ended December 31, 2024

	Municipal Liquor On-Sale	Municipal Liquor Off-Sale	Total
Sales and Cost of Sales			
Sales	\$ 454,838	\$ 4,210,640	\$ 4,665,478
Cost of sales	(148,925)	(2,956,151)	(3,105,076)
Gross Profit	<u>305,913</u>	<u>1,254,489</u>	<u>1,560,402</u>
Operating Expenses			
Personal services	299,736	665,783	965,519
Supplies	10,714	11,812	22,526
Other services and charges	118,769	263,759	382,528
Depreciation	3,889	22,866	26,755
Total Operating Expenses	<u>433,108</u>	<u>964,220</u>	<u>1,397,328</u>
Operating Income (Loss)	<u>\$ (127,195)</u>	<u>\$ 290,269</u>	<u>\$ 163,074</u>

City of Rogers, Minnesota
Summary Financial Report
Revenues and Expenditures For General Operations
Governmental Funds
For the Years Ended December 31, 2024 and 2023

	Total		Percent Increase (Decrease)
	2024	2023	
Revenues			
Taxes			
Property taxes	\$ 13,603,027	\$ 11,372,739	19.61 %
Tax increments	658,578	682,605	(3.52)
Franchise taxes	1,364,567	1,311,026	4.08
Local option sales tax	1,569,421	1,572,301	(0.18)
Licenses and permits	3,192,372	2,003,350	59.35
Intergovernmental	4,462,937	4,227,741	5.56
Charges for services	4,076,601	4,294,497	(5.07)
Fines and forfeitures	102,697	84,424	21.64
Special assessments	444,186	516,366	(13.98)
Investment earnings	1,997,166	1,720,819	16.06
Miscellaneous	2,076,829	1,315,745	57.84
Total Revenues	<u>\$ 33,548,381</u>	<u>\$ 29,101,613</u>	15.28 %
Per Capita	<u>\$ 2,246</u>	<u>\$ 2,017</u>	11.39
Expenditures			
Current			
General government	\$ 3,905,788	\$ 3,611,604	8.15 %
Public safety	8,250,780	6,895,017	19.66
Public works	1,710,391	1,843,597	(7.23)
Culture and recreation	2,375,049	2,106,115	12.77
Economic development	318,115	2,140,673	(85.14)
Capital outlay			
General government	112,176	204,567	(45.16)
Public safety	9,582,597	1,990,169	381.50
Public works	3,186,745	2,159,373	47.58
Culture and recreation	7,244,413	2,682,375	170.07
Economic development	543,760	717,468	(24.21)
Housing	7,109	36,295	(80.41)
Debt service			
Principal	875,000	855,000	2.34
Interest and service charges	350,390	197,702	77.23
Bond issuance costs	357,155	-	100.00
Total Expenditures	<u>\$ 38,819,468</u>	<u>\$ 25,439,955</u>	52.59 %
Per Capita	<u>\$ 2,599</u>	<u>\$ 1,763</u>	47.44
Total Long-term Indebtedness	\$ 28,720,000	\$ 5,915,000	385.55 %
Per Capita	1,923	410	369.16
General Fund Balance - December 31	\$ 11,027,655	\$ 8,846,507	24.66 %
Per Capita	738	613	20.45

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 of Rogers, 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, 2024

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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, 2024, 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 3, 2025.

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 3, 2025

**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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 3, 2025.

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 3, 2025



FORM OF LEGAL OPINION

(See following pages)

\$9,985,000
City of Rogers, Minnesota
General Obligation Tax Abatement Bonds
Series 2026A

We have acted as bond counsel to the City of Rogers, Minnesota (the “Issuer”) in connection with the issuance by the Issuer of its General Obligation Tax Abatement Bonds, Series 2026A (the “Bonds”), originally dated the date hereof, and issued in the original aggregate principal amount of \$9,985,000. In such capacity and for the purpose of rendering this opinion we have examined certified copies of certain proceedings, certifications and other documents, and applicable laws as we have deemed necessary. Regarding questions of fact material to this opinion, we have relied on certified proceedings and other certifications of public officials and other documents furnished to us without undertaking to verify the same by independent investigation. Under existing laws, regulations, rulings and decisions in effect on the date hereof, and based on the foregoing we are of the opinion that:

1. The Bonds have been duly authorized and executed, and are valid and binding general obligations of the Issuer, enforceable against the Issuer in accordance with their terms.

2. The principal of and interest on the Bonds are payable in part from tax abatement revenues and in part from ad valorem taxes, but if necessary for the payment thereof additional ad valorem taxes are required by law to be levied on all taxable property of the Issuer, which taxes are not subject to any limitation as to rate or amount.

3. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Bonds is excludable, to the same extent, from taxable net income of individuals, trusts, and estates for Minnesota income tax purposes and is not an item of tax preference for purposes of the Minnesota alternative minimum tax imposed on individuals, trusts and estates. The opinions set forth in the preceding sentences is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes and taxable net income for Minnesota income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations and such interest is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. We express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

4. The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors’ rights generally and by equitable principles, whether considered at law or in equity.

We have not been asked and have not undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and accordingly we express no opinion with respect thereto.

This opinion is given as of the date hereof and we assume no obligation to update, revise, or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Dated _____, 2026 at Minneapolis, Minnesota.

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]
6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.
10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

\$9,985,000
City of Rogers, Minnesota
General Obligation Tax Abatement Bonds
Series 2026A

CONTINUING DISCLOSURE CERTIFICATE

_____, 2026

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of Rogers, Minnesota (the “Issuer”) in connection with the issuance of its General Obligation Tax Abatement Bonds, Series 2026A (the “Bonds”) in the original aggregate principal amount of \$9,985,000. The Bonds are being issued pursuant to resolutions adopted by the City Council of the Issuer (the “Resolutions”). The Bonds are being delivered to [_____] (the “Purchaser”) on the date hereof. Pursuant to the Resolutions, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. The Issuer hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders (as defined herein) of the Bonds in order to provide for the public availability of such information and assist the Participating Underwriter (as defined herein) in complying with the Rule (as defined herein). This Disclosure Certificate, together with the Resolutions, constitutes the written agreement or contract for the benefit of the Holders of the Bonds that is required by the Rule.

Section 2. Definitions. In addition to the defined terms set forth in the Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Audited Financial Statements” means annual financial statements of the Issuer, prepared in accordance with GAAP as prescribed by GASB.

“Bonds” means the General Obligation Tax Abatement Bonds, Series 2026A, issued by the Issuer in the original aggregate principal amount of \$9,985,000.

“Disclosure Certificate” means this Continuing Disclosure Certificate.

“EMMA” means the Electronic Municipal Market Access system operated by the MSRB and designated as a nationally recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule.

“Final Official Statement” means the deemed final Official Statement, dated _____, 2026, which constitutes the final official statement delivered in connection with the Bonds, which is available from the MSRB.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a Financial Obligation as described in clause (a) or (b). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means the fiscal year of the Issuer.

“GAAP” means generally accepted accounting principles for governmental units as prescribed by GASB.

“GASB” means the Governmental Accounting Standards Board.

“Holder” means the person in whose name a Bond is registered or a beneficial owner of such a Bond.

“Issuer” means the City of Rogers, Minnesota, which is the obligated person with respect to the Bonds.

“Material Event” means any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” means the Municipal Securities Rulemaking Board located at 1300 I Street NW, Suite 1000, Washington, DC 20005.

“Participating Underwriter” means any of the original underwriter(s) of the Bonds (including the Purchaser) required to comply with the Rule in connection with the offering of the Bonds.

“Purchaser” means [_____].

“Repository” means EMMA, or any successor thereto designated by the SEC.

“Rule” means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and including written interpretations thereof by the SEC.

“SEC” means Securities and Exchange Commission, and any successor thereto.

Section 3. Provision of Annual Financial Information and Audited Financial Statements.

(a) The Issuer shall provide to the Repository not later than 12 months after the end of the Fiscal Year commencing with the year that ends December 31, 2025, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report.

(b) If the Issuer is unable or fails to provide to the Repository an Annual Report by the date required in subsection (a), the Issuer shall send a notice of that fact to the Repository and the MSRB.

(c) The Issuer shall determine each year prior to the date for providing the Annual Report the name and address of each Repository.

Section 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following sections of the Final Official Statement:

1. Current Property Valuations
2. Direct Debt
3. Tax Levies and Collections
4. US Census Data/Population Trend
5. Employment/Unemployment Data

In addition to the items listed above, the Annual Report shall include Audited Financial Statements submitted in accordance with Section 3 of this Disclosure Certificate.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to the Repository or the SEC. If the document incorporated by reference is a final official statement, it must also be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Material Events.

(a) This Section 5 shall govern the giving of notice of the occurrence of any of the following events ("Material Events") with respect to the Bonds:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
7. Modifications to rights of security holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the obligated person;

13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) The Issuer shall file a notice of such occurrence with the Repository or with the MSRB within ten (10) business days of the occurrence of the Material Event.

(c) Unless otherwise required by law and subject to technical and economic feasibility, the Issuer shall employ such methods of information transmission as shall be requested or recommended by the designated recipients of the Issuer's information.

Section 6. EMMA. The SEC has designated EMMA as a nationally recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule. Until the EMMA system is amended or altered by the MSRB and the SEC, the Issuer shall make all filings required under this Disclosure Certificate solely with EMMA.

Section 7. Termination of Reporting Obligation. The Issuer's obligations under the Resolutions and this Disclosure Certificate shall terminate upon the redemption in full of all Bonds or payment in full of all Bonds.

Section 8. Agent. The Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolutions and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of the Resolutions or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel to the effect that such amendment or waiver would not, in and of itself, cause a violation of the Rule. The provisions of the Resolutions requiring continuing disclosure pursuant to the Rule and this Disclosure Certificate, or any provision hereof, shall be null and void in the event that the Issuer delivers to the Repository an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which impose the continuing disclosure requirements of the Resolutions and the execution and delivery of this Disclosure Certificate are invalid, have been repealed retroactively or otherwise do not apply to the Bonds. The provisions of the Resolutions requiring continuing disclosure pursuant to the Rule and this Disclosure Certificate may be amended without the consent of the Holders of the Bonds, but only upon the delivery by the Issuer to the Repository of the proposed amendment and an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance with the Rule.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Holder of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolutions and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Bonds and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, we have executed this Disclosure Certificate in our official capacities effective as of the date and year first written above.

CITY OF ROGERS, MINNESOTA

Mayor

City Clerk

TERMS OF PROPOSAL

\$9,985,000* GENERAL OBLIGATION TAX ABATEMENT BONDS, SERIES 2026A CITY OF ROGERS, MINNESOTA

Proposals for the purchase of \$9,985,000* General Obligation Tax Abatement Bonds, Series 2026A (the "Bonds") of the City of Rogers, Minnesota (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3001 Broadway Street, Suite 320, Minneapolis, Minnesota 55413, municipal advisors to the City, until 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:00 A.M., Central Time, on June 9, 2026, at which time they will be opened, read and tabulated. The proposals will be presented to the City Council for consideration for award by resolution at a meeting to be held at 7:00 P.M., Central Time, on the same date. The proposal offering to purchase the Bonds upon the terms specified herein and most favorable to the City will be accepted unless all proposals are rejected.

AUTHORITY; PURPOSE; SECURITY

The Bonds are being issued pursuant to Minnesota Statutes, Chapters 469 and 475, as amended, including Sections 469.1812 through 469.1815, by the City, to finance certain public improvements including without limitation a portion of the cost of the acquisition, construction and betterment of an the expansion of the Rogers Activity Center to include a second sheet of ice. The Bonds will be general obligations of the City for which its full faith and credit and taxing powers are pledged.

DATES AND MATURITIES

The Bonds will be dated June 25, 2026, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on February 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2028	\$135,000	2035	\$450,000	2042	\$585,000
2029	375,000	2036	465,000	2043	610,000
2030	385,000	2037	485,000	2044	635,000
2031	395,000	2038	500,000	2045	660,000
2032	410,000	2039	520,000	2046	695,000
2033	420,000	2040	540,000	2047	725,000
2034	435,000	2041	560,000		

ADJUSTMENT OPTION

The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BOND OPTION

Proposals for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on February 1 and August 1 of each year, commencing August 1, 2027, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. **The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2028 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

Unless otherwise specified by the purchaser, the Bonds will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds.

PAYING AGENT

The City has selected Bond Trust Services Corporation, Minneapolis, Minnesota ("BTSC"), to act as paying agent (the "Paying Agent"). BTSC and Ehlers are affiliate companies. The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after February 1, 2037 shall be subject to optional redemption prior to maturity on February 1, 2036 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of redemption shall be sent by mail not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

DELIVERY

On or about June 25, 2026, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Bonds must be received by the City at its designated depository on the date of closing in immediately available funds.

LEGAL MATTERS

An opinion as to the validity of the Bonds and the exemption from taxation of the interest thereon will be furnished by Kutak Rock LLP, Minneapolis, Minnesota, Bond Counsel to the City ("Bond Counsel"), and will be available at the time of delivery of the Bonds. The legal opinion will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). See "FORM OF LEGAL OPINION" found in Appendix B.

Bond Counsel has not participated in the preparation of this Official Statement and is not passing upon its accuracy, completeness, or sufficiency. Bond Counsel has not examined or verified, nor attempted to examine or verify, any of the financial or statistical statements or data contained in this Official Statement and will express no opinion with respect thereto.

SUBMISSION OF PROPOSALS

Proposals must not be for less than \$9,865,180 plus accrued interest on the principal sum of \$9,985,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of proposals, interested parties may submit a proposal as follows:

- 1) Electronically to bondsale@ehlers-inc.com; or
- 2) Electronically via **PARITY** in accordance with this Terms of Proposal until 10:00 A.M., Central Time, but no proposal will be received after the time for receiving proposals specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Terms of Proposal, the terms of this Terms of Proposal shall control. For further information about **PARITY**, potential bidders may contact IHS Markit (now part of S&P Global) at <https://ihsmarkit.com/products/municipal-issuance.html> or via telephone (844) 301-7334.

Proposals must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of proposals. Each proposal must be unconditional except as to legality. Neither the City nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit ("Deposit") in the amount of \$199,700 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the proposal opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of proposals. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best proposal provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the proposal is accepted and the Purchaser fails to comply therewith.

The City and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the proposal is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the proposal is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

No proposal can be withdrawn after the time set for receiving proposals unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

AWARD

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The City reserves the right to reject any and all proposals and to waive any informality in any proposal.

BOND INSURANCE

If the Bonds are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the City requested and received a rating on the Bonds from a rating agency, the City will pay that rating fee. Any rating agency fees not requested by the City are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Bonds are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Bonds.

CUSIP NUMBERS

The City will assume no obligation for the assignment or printing of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

NOT QUALIFIED TAX-EXEMPT OBLIGATIONS

The Bonds shall not be "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

CONTINUING DISCLOSURE

In order to assist the Underwriter (Syndicate Manager) in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the City will enter into an undertaking for the benefit of the holders of the Bonds. A description of the details and terms of the undertaking is set forth in Appendix D of the Preliminary Official Statement.

NEW ISSUE PRICING

The winning bidder will be required to provide, in a timely manner, certain information necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and to provide a certificate which will be provided by Bond Counsel upon request.

(a) The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at closing an "issue price" or similar certificate satisfactory to Bond Counsel setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications. All actions to be taken by the City under this Terms of Proposal to establish the issue price of the Bonds may be taken on behalf of the City by the City's municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City's municipal advisor.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

- (1) The City shall disseminate this Terms of Proposal to potential underwriters in a manner that is reasonably designed to reach potential investors;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive proposals from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Terms of Proposal.

Any proposal submitted pursuant to this Terms of Proposal shall be considered a firm offer for the purchase of the Bonds, as specified in this proposal.

(c) If all of the requirements of a "competitive sale" are not satisfied, the City shall advise the winning bidder of such fact prior to the time of award of the sale of the Bonds to the winning bidder. In such event, any proposal submitted will not be subject to cancellation or withdrawal and the City agrees to use the rule selected by the winning bidder on its proposal form to determine the issue price for the Bonds. On its proposal form, each bidder must select one of the following two rules for determining the issue price of the Bonds: (1) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Bonds (the "hold-the-offering-price rule").

(d) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the hold-the-offering-price rule, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the proposal submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the City promptly after the close of the fifth (5th) business day after the sale whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The City acknowledges that in making the representation set forth above, the winning bidder will rely on:

(i) the agreement of each underwriter to comply with requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires,

(ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price rule of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Bonds.

(e) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the 10% test, the winning bidder agrees to promptly report to the City, Bond Counsel and Ehlers the prices at which the Bonds have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Bonds, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(f) By submitting a proposal, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is party to such third-party distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred until either all securities of that maturity allocated to it have been sold or it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

(A) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(B) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(g) Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each term being used as defined below) shall not constitute sales to the public for purposes of this Terms of Proposal. Further, for purposes of this Terms of Proposal:

- (i) "public" means any person other than an underwriter or a related party,
- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),
- (iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) "sale date" means the date that the Bonds are awarded by the City to the winning bidder.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Preliminary Official Statement relating to the Bonds prior to the proposal opening by request from Ehlers at www.ehlers-inc.com by connecting to the Bond Sales link. The Underwriter (Syndicate Manager) will be provided with an electronic copy of the Final Official Statement within seven business days of the proposal acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of \$10.00 per copy.

Information for bidders and proposal forms may be obtained from Ehlers at 3001 Broadway Street, Suite 320, Minneapolis, Minnesota 55413, Telephone (651) 697-8500.

By Order of the City Council

City of Rogers, Minnesota

PROPOSAL FORM

The City Council
City of Rogers, Minnesota (the "City")

June 9, 2026

RE: \$9,985,000* General Obligation Tax Abatement Bonds, Series 2026A (the "Bonds")
DATED: June 25, 2026

For all or none of the above Bonds, in accordance with the Terms of Proposal and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$_____ (not less than \$9,865,180) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____ % due 2028	_____ % due 2035	_____ % due 2042
_____ % due 2029	_____ % due 2036	_____ % due 2043
_____ % due 2030	_____ % due 2037	_____ % due 2044
_____ % due 2031	_____ % due 2038	_____ % due 2045
_____ % due 2032	_____ % due 2039	_____ % due 2046
_____ % due 2033	_____ % due 2040	_____ % due 2047
_____ % due 2034	_____ % due 2041	

The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2028 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.) All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

A good faith deposit ("Deposit") in the amount of \$199,700 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the proposal opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of proposals. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best proposal provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the proposal is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Terms of Proposal. This proposal is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Terms of Proposal. Delivery is anticipated to be on or about June 25, 2026.

This proposal is subject to the City's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for the Bonds.

We have received and reviewed the Official Statement, and any addenda thereto, and have submitted our requests for additional information or corrections to the Final Official Statement. As Underwriter (Syndicate Manager), we agree to provide the City with the reoffering price of the Bonds within 24 hours of the proposal acceptance.

This proposal is a firm offer for the purchase of the Bonds identified in the Terms of Proposal, on the terms set forth in this proposal form and the Terms of Proposal, and is not subject to any conditions, except as permitted by the Terms of Proposal.

By submitting this proposal, we confirm that we are an underwriter and have an established industry reputation for underwriting new issuances of municipal bonds. YES: ____ NO: ____.

If the competitive sale requirements are not met, we elect to use either the: ____ 10% test, or the ____ hold-the-offering-price rule to determine the issue price of the Bonds.

Account Manager: _____ By: _____
Account Members: _____

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from June 25, 2026 of the above proposal is \$_____ and the true interest cost (TIC) is _____ %.

The foregoing offer is hereby accepted by and on behalf of the City Council of the City of Rogers, Minnesota, on June 9, 2026.

By: _____ By: _____
Title: _____ Title: _____