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# City of Hastings, MN Annual Comprehensive Financial Report

For the fiscal year ended December 31, 2022





**ANNUAL  
COMPREHENSIVE FINANCIAL REPORT  
OF  
THE CITY OF HASTINGS  
MINNESOTA**

For the Fiscal Year Ended December 31, 2022

Prepared by the City's Finance Department

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## **INTRODUCTORY SECTION**

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June 26, 2023

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Hastings:

It is my honor to present the City's Annual Comprehensive Financial Report (ACFR) to you. This document is a thorough report of the City's financial position, and I am pleased to affirm the City is in a sound financial position and well positioned to continue to serve our constituents in a fiscally responsible manner.

Minnesota state law requires that every city with a population in excess of 2,500 publish within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. This report is published to fulfill that requirement for the fiscal year ended December 31, 2022.

Management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Hastings established a comprehensive internal control framework designed both to protect the City assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Hastings' financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh the benefits, the City of Hastings' comprehensive framework of internal controls is designed to provide reasonable rather than absolute assurance that financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Hastings' financial statements were audited by Bergan KDV, a firm of licensed certified public accountants who issued an unmodified ("clean") opinion on the financial statements of the City of Hastings for the fiscal year ended December 31, 2022. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and the significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, there was a reasonable basis for rendering an unmodified opinion the City of Hastings' financial statements for the fiscal year ended December 31, 2022, are fairly presented in conformity with GAAP. The Independent Auditors' Report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Hastings' MD&A can be found immediately following the report of the independent auditors.

## **City Profile**

The City of Hastings is a municipal corporation, incorporated in 1857, in the State of Minnesota, within the corporate limits and boundaries established by the Home Rule Charter of the City. We are located approximately 20 miles south of St. Paul at the junction of the Mississippi and St. Croix Rivers in the east central part of the state. As a riverfront community, the City of Hastings was the birthplace of many early commercial enterprises and is the county seat of Dakota County. A small portion of the City is located in Washington County. The City is empowered to levy a property tax on both real and personal property located within its boundaries. The City also has statutory authority to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the governing City Council.

As a part of the seven-county Minneapolis/St. Paul Metropolitan area, Hastings is within the jurisdiction of the Metropolitan Council, a regional planning agency for the Twin Cities Metropolitan region. The City's population continues to grow from 15,478 in 1990 to an estimated 23,192 in 2022. The Metropolitan Council projects that the city's population will grow to 25,500 by the year 2030. The City encompasses an area of 11.40 square miles.

The City Charter declares the City operate under a "Mayor-Council Plan" form of government. Policymaking and legislative authority are vested in the City Council, which consists of a mayor and six other members, all elected on a non-partisan basis. The Mayor and Council members are elected to four-year staggered terms with a two-year difference between at-large and ward council seats. Four Councilmembers are elected from within their respective wards and the Mayor and two Councilmembers are elected at-large. The Council is responsible, among other things, for passing ordinances, adopting the budget, appointing commissions and/or citizen committees and hiring the City Administrator. The City Administrator is the chief administrative officer of the City, and is responsible to the Council for the administration of the City's affairs set forth in the City's Charter. This includes carrying out the policies and ordinances of the City, overseeing the day-to-day operations of the City, and the heads of various departments and City employees.

The City of Hastings provides a full range of services, including police and fire protection, advanced and basic life support ambulance services, the construction and maintenance of highways, streets, parks, infrastructure, recreational and cultural facilities and general administrative services. In addition, the City provides enterprise activities such as: water, sewer and storm water services, as well as hydroelectric power generation. The City operates the Hastings Family Aquatic Center and Civic Arena, contributes to joint powers recreational operations, and supports several other important community-based events and projects.

The Council is required to adopt a final budget no later than the close of the fiscal year. The annual budget represents the financial plan and priorities of the City of Hastings. It is intended to clearly communicate the City's goals and how resources are allocated to those priorities in an easy-to-

understand manner. In essence, the budget process is ongoing, whereby priorities and goals are established and funded in alignment with Council directives, strategic plan, and our CORE values.

All departments are required to submit requests for appropriation to the City Administrator, who must balance the competing needs against available resources. Based upon direction from the City Council and the requests made, a proposed budget is prepared with input from the City's Finance Committee (a three-member committee of the council) and submitted to the City Council. The preliminary levy is adopted no later than September 15<sup>th</sup>. The City Council may only make adjustments that reduce the final levy from the adopted preliminary levy and is required to adopt a final budget no later than December 31<sup>st</sup>, the close of the City of Hastings' fiscal year.

Department Heads are held responsible for their budget performance. Department Heads may request transfers of appropriations within their departments. Transfers between departments require City Council approval. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an annual budget is adopted. For the General Fund, this comparison is presented as part of the basic financial statements for the Governmental Funds. For the governmental funds with annual budgets, other than the General Fund and the Fire and Ambulance Special Revenue Fund, this comparison is presented in the Governmental Fund subsection of this report, as noted in the table of contents.

### Local Economy

The City continues to see economic growth and local indicators point to continued stability in this area. The region has a varied manufacturing/industrial base. Major industries with headquarters or divisions located within the City's boundaries or in close proximity include an office and stationery supplies manufacturer, flour and other grain mill producer, plastics producer, and several financial and insurance institutions. The state, county and school district also all have a major economic presence in the area, as we are home to the Dakota County main governmental complex and Hastings' Independent School District 200 offices.

While we experienced a decrease in the number of permits, the overall value of work done in the past year greatly increased. Below is a chart that gives a brief building permit history.

Permits	2022	2021	2020	2019	2018	2017
New Residential	33	34	56	14	15	30
New Commercial	5	3	2	2	3	1
Residential remodel	100	77	71	77	65	40
Commercial remodel	68	55	81	48	54	40
All other permits	2,438	3,265	2,430	1,503	1,604	1,518
<b>TOTAL</b>	<b>2,644</b>	<b>3,434</b>	<b>2,640</b>	<b>1,644</b>	<b>1,741</b>	<b>1,629</b>
Dollar value of Permits (in millions)	\$ 87.0	\$ 47.9	\$ 45.4	\$ 41.7	\$ 39.8	\$ 26.5

## **Major Initiatives**

In 2022 the City approved 176 new residential building permits and 161 commercial and industrial permits for a combined valuation increase of 170 million dollars. Development included the approval of three apartment buildings, opening of a new Fleet Farm, and industrial expansion. In early 2023 the City approved an annexation of 70 acres to accommodate another 450 housing units.

The City received a second \$1.25 million allocation through the federal government's ARPA grant to respond to the COVID-19 public health emergency. This second installment is the final portion of the \$2.5 million total allocation the City will receive. These funds will be spent toward upgrading the City's infrastructure and capital needs. Repairing and preserving the historic City Hall Dome remains the largest project planned to date. A new finance system is now scheduled for completion in 2024. This will upgrade the City's cybersecurity, as well as bolster its financial management capabilities.

## **Long-Term Financial Planning**

The City continues to focus on maintaining the quality of life in the City of Hastings in alignment with our CORE Values—Communication, Optimal Service, Respect for Resources, and Enthusiasm. These values drive the development of our strategic plan, our budget process, and our communication strategy.

Council strategic planning goals and efforts center around Economic Development and Vitality, Community Image and Engagement, and Operational Effectiveness & Financial Stability.

The Utility, Debt, and Capital plans were all reviewed internally to better position the community for long-term fiscal health. As part of long-term planning efforts, the City has identified capital equipment and facility improvement needs. The City updates its 5-year capital plan that is part of the annual budget process. These Capital Improvement and Equipment Plans aid in scheduling debt issuance, reserves, grant applications, and other funding sources for equipment and infrastructure.

## **Relevant Financial Policies**

The City continues to improve and update its Capital Improvement and Capital Equipment Plans. Policies cover such areas as debt management, investments, capital reserves, and internal controls. The most recent update the City adopted was updating the capital asset policy in 2021 to increase the threshold for capitalizing assets from \$5,000 to \$10,000, and to begin depreciating all capital items except road construction and utility projects the first month of the year following purchase.

The City of Hastings currently has a debt management policy in place in order to manage the City's debt. The Council has placed three limits on the issuance of debt. Annual debt service percentage calculated below is shown for governmental fund debt.

Policy	2022 Year End
a.) Total annual debt service for G.O. debt obligations per legal debt limit to not exceed 25% of total budgeted expenditures.	10.76%
b.) Net bonded debt outstanding will not exceed 3.5% of Assessor's market value of taxable property.	.61%
c.) Gross bonded debt will not exceed \$1,800 per capita.	\$577

### Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Hastings for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2021. This was the 24<sup>th</sup> consecutive year the City received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City believes that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the dedicated services of the City staff. I would like to express my appreciation to the City Council for their leadership and foresight in maintaining our financial position, the City's Management Team members for their thoughtful and deliberate approach to developing and living within our annual budget, and specifically to the Finance Department staff for their dedication and expertise throughout the year.

Respectfully submitted,

Dan Wietecha  
City Administrator

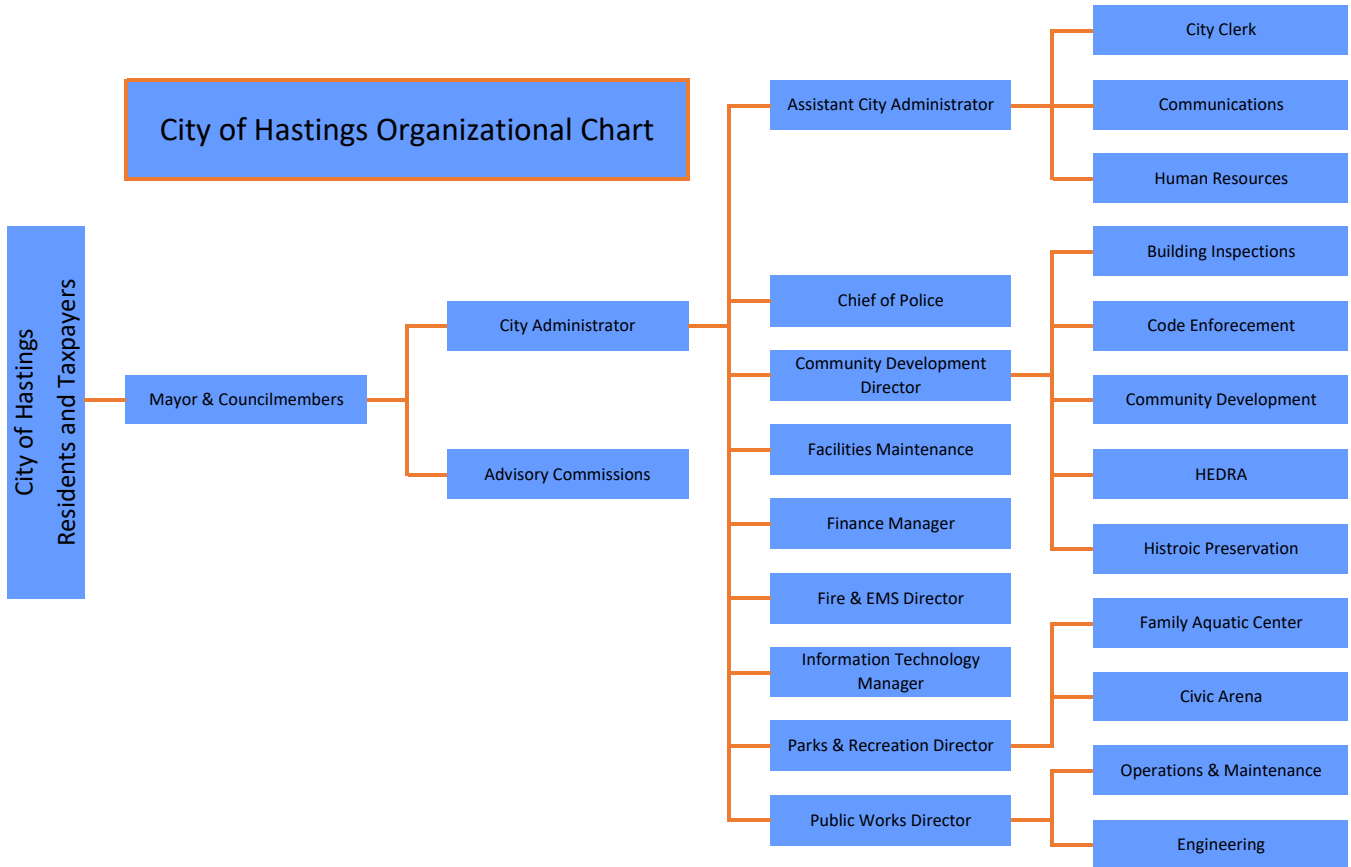
Chris Eitemiller  
Finance Manager

**City of Hastings  
Elected Officials and Administration  
December 31, 2022**

<u>Elected Officials</u>	<u>Position</u>	<u>Term Expires</u>
Mary Fasbender	Mayor	December 31, 2022
Tina Folch	1st Ward	December 31, 2024
Jen Fox	2nd Ward	December 31, 2024
Lisa Leifeld	3rd Ward	December 31, 2024
Trevor Lund	4th Ward	December 31, 2024
Angie Haus	At-Large	December 31, 2026
Dave Pemble	At-Large	December 31, 2026
<u>Administration</u>		
Dan Wietecha	City Administrator	
Kelly Murtaugh	Assistant City Administrator	
Travis Dunn	Building Official	
John Hinzman	Community Development Director	
John Townsend	Fire & EMS Director	
Chris Jenkins	Parks & Recreation Director	
David Wilske	Police Chief	
Ryan Stempski	Public Works Director	
Chris Eitemiller	Finance Manager	



**City of Hastings  
City and Department Organizational Chart  
December 31, 2022**



**City of Hastings**  
**Certificate of Achievement for Excellence in Financial Reporting**



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Hastings  
Minnesota**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2021

*Christopher P. Morill*

Executive Director/CEO

## **FINANCIAL SECTION**

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## Independent Auditor's Report

Honorable Mayor and Members  
of the City Council  
City of Hastings  
Hastings, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hastings, Minnesota, as of and for the year ended December 31, 2022, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

In our opinion, accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hastings, Minnesota, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund and the Fire and Ambulance Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 of Hastings 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.

#### **Emphasis of Matter – Implementation of GASB 87**

The City has adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter

#### **Responsibilities of Management for the Financial Statements**

The City of Hastings' management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

## **Responsibilities of Management for the Financial Statements (Continued)**

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 City of Hastings' ability to continue as a going concern for one year 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 GAAS 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 GAAS 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 City of Hastings' 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 City of Hastings' 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.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, which follows this report letter, and Required Supplementary information as listed in the Table of Contents 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 GASB, 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.

### **Required Supplementary Information (Continued)**

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 of Hastings' basic financial statements. The accompanying supplementary information as identified in the Table of Contents is presented for purposes of additional analysis and is 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 accompanying supplementary information is 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 Comprehensive Financial Report. The other information comprises the introductory and statistical sections 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 May 31, 2023, on our consideration of the City of Hastings' 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 internal control over financial reporting or on compliance.

**Other Reporting Required by *Government Auditing Standards* (Continued)**

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.

BergankDV, Ltd.

St. Cloud, Minnesota  
May 31, 2023



**City of Hastings  
Management's Discussion and Analysis  
December 31, 2022**

As management of the City of Hastings, Minnesota (the City), we offer readers of the City of Hastings financial statements this narrative overview and analysis of the financial activities of the City of Hastings for the fiscal year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3-7 of this report.

**Financial Highlights**

- The assets and deferred outflows of resources of the City of Hastings exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year (December 31, 2022) by \$93,047,837 (*net position*). Of this amount, \$14,957,386 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens or creditors in accordance with the City's fund designations and fiscal policies.
- The City's total net position increased by \$2,895,563. Of this total, \$2.2 million was due to revenue increases in charges for services, state aid, and property taxes.
- As of the close of the 2022 fiscal year, the City of Hastings governmental funds ending fund balances were \$21,632,834. Approximately 36.95% is restricted for special revenue-police activities, debt service, capital project programs, tax increment financing, escrow deposits and permanent trust fund—Leduc Historic Estate. Approximately 2.04% of the fund balance is non-spendable. Approximately 17.77% is committed by City Council for the following activities: special revenue funds-parks, police, aquatic, cable television, heritage preservation, fire & ambulance, and the arena. Assigned fund balance for capital projects results in 4.49% of the fund balance, the remaining 38.75% is unassigned and is available for spending at the City's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$10,200,207 or 63.9% of the total 2023 General Fund expenditures.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the City of Hastings' basic financial statements. The City of Hastings' basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The *statement of net position* presents information on all of the City of Hastings' assets and deferred outflows of resources; and liabilities and deferred inflows of resources, with the difference between the two 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 of Hastings is improving or deteriorating.

**City of Hastings  
Management's Discussion and Analysis  
December 31, 2022**

**Overview of the Financial Statements (Continued)**

**Government-wide financial statements (Continued).** 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).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*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, health and sanitation, economic development and culture and recreation. The business-type activities of the City include the following: water, sewer, storm, and hydro-electric operations.

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

The government-wide financial statements can be found on pages 29-31 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, 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 function 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 financial 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 of 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 provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

**City of Hastings  
Management's Discussion and Analysis  
December 31, 2022**

**Overview of the Financial Statements (Continued)**

**Governmental funds (Continued).** The City maintains 20 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 of the general fund, the fire and ambulance fund, the debt service fund, and the downtown redevelopment tax increment financing fund, all of which are considered to be major funds. Data from the other 16 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* in the supplementary information section of this report.

The City adopts an annual appropriated budget. Budgetary comparison statements have been provided for the general and special revenue funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 32-40 of this report.

**Proprietary funds.** The City of Hastings maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Hastings uses enterprise funds to account for its water, sewer, storm water, and hydro-electric operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Hastings' various functions. The City of Hastings uses internal service funds to account for its governmental vehicle expenses, retiree health insurance costs, insurance expense, and compensated absences liability. These services predominantly benefit governmental rather than business-type functions and have been included within *governmental activities* in the government-wide financial statements.

*Proprietary funds* provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the operations mentioned above, all of which have been reported as major funds of the City. Conversely, the four internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* in the supplementary information section of this report.

The basic proprietary fund financial statements can be found on pages 41-45 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the city. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Hastings' own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 48-49 of this report.

**Notes to 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 can be found on pages 51-92 of this report.

**City of Hastings  
Management's Discussion and Analysis  
December 31, 2022**

**Government-Wide Financial Analysis (Continued)**

**Supplementary information.** In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information for the reader. The combining statements referred to earlier in connection with nonmajor governmental funds, internal service funds, and fiduciary funds are presented immediately following the notes to the financial report. Combining and individual fund statements and schedules can be found on pages 110-151 of this report.

**Government-wide Financial Analysis**

As noted earlier, net position may serve as a useful indicator of a government's financial position. In the case of the City of Hastings, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$93,047,837 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (73.25%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City of Hastings uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Hastings' investment in 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 Hastings' Net Position**

	Governmental Activities 2021	Governmental Activities 2022	Business-type Activities 2021	Business-type Activities 2022	Total 2021	Total 2022
Current and other assets	\$ 30,622,442	\$ 38,289,056	\$ 10,171,761	\$ 11,804,063	\$ 40,794,203	\$ 50,093,119
Capital assets	59,743,113	61,020,836	30,220,574	31,855,530	89,963,687	92,876,366
Total assets	<u>90,365,555</u>	<u>99,309,892</u>	<u>40,392,335</u>	<u>43,659,593</u>	<u>130,757,890</u>	<u>142,969,485</u>
Total deferred outflows	8,389,218	15,124,253	508,937	430,381	8,898,155	15,554,634
Long-term liabilities outstanding	24,908,673	43,923,502	6,687,682	8,296,597	31,596,355	52,220,099
Other liabilities	6,094,883	7,339,143	884,025	1,028,503	6,978,908	8,367,646
Total liabilities	<u>31,003,556</u>	<u>51,262,645</u>	<u>7,571,707</u>	<u>9,325,100</u>	<u>38,575,263</u>	<u>60,587,745</u>
Total deferred inflows	10,400,190	4,862,810	528,318	25,727	10,928,508	4,888,537
<b>Net Position</b>						
Net Investment in capital assets	44,179,337	43,579,389	24,268,293	24,584,961	68,447,630	68,164,350
Restricted						
Police activities	113,606	82,112	-	-	113,606	82,112
Tax Increment	24,766	21,990			24,766	21,990
Debt service	7,346,220	7,725,877	-	-	7,346,220	7,725,877
Capital projects	1,149,928	1,015,753	-	-	1,149,928	1,015,753
Escrow	16,234	4,497			16,234	4,497
Permanent endowment						
LeDuc Historic Estate	1,324,652	1,075,872	-	-	1,324,652	1,075,872
Unrestricted	<u>3,196,284</u>	<u>4,803,200</u>	<u>8,532,954</u>	<u>10,154,186</u>	<u>11,729,238</u>	<u>14,957,386</u>
Total net position	<u>\$ 57,351,027</u>	<u>\$ 58,308,690</u>	<u>\$ 32,801,247</u>	<u>\$ 34,739,147</u>	<u>\$ 90,152,274</u>	<u>\$ 93,047,837</u>

**City of Hastings  
Management's Discussion and Analysis  
December 31, 2022**

**Government-wide Financial Analysis (Continued)**

**City of Hastings' Net Position (Continued)**

At the end of 2022, the City of Hastings had positive balances in the categories of net position for the government as a whole, as well as for its separate governmental and business-type activities. The unrestricted net position for the governmental activities continues to be positive due to positive results in several funds' operations.

**Governmental activities.** Governmental activities increased the City of Hastings' net position by \$957,663. The key elements of this increase were in revenues. Public Safety saw an increase of \$461,151, while Culture and Recreation saw an increase of \$226,535 in charges for services. Property taxes increased just over \$1 million, while unrestricted state aid increased \$244,594.

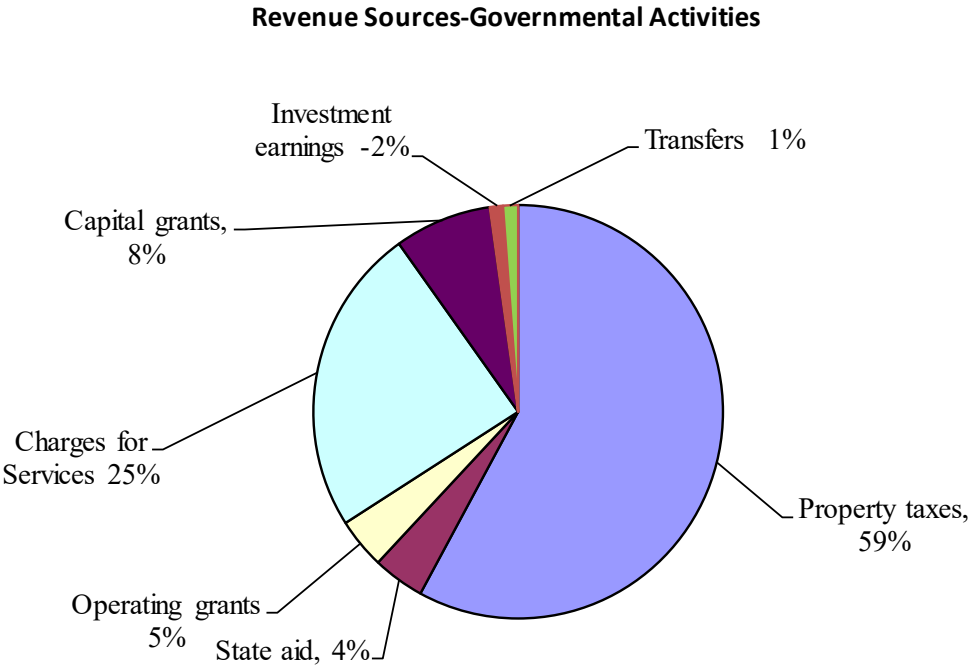
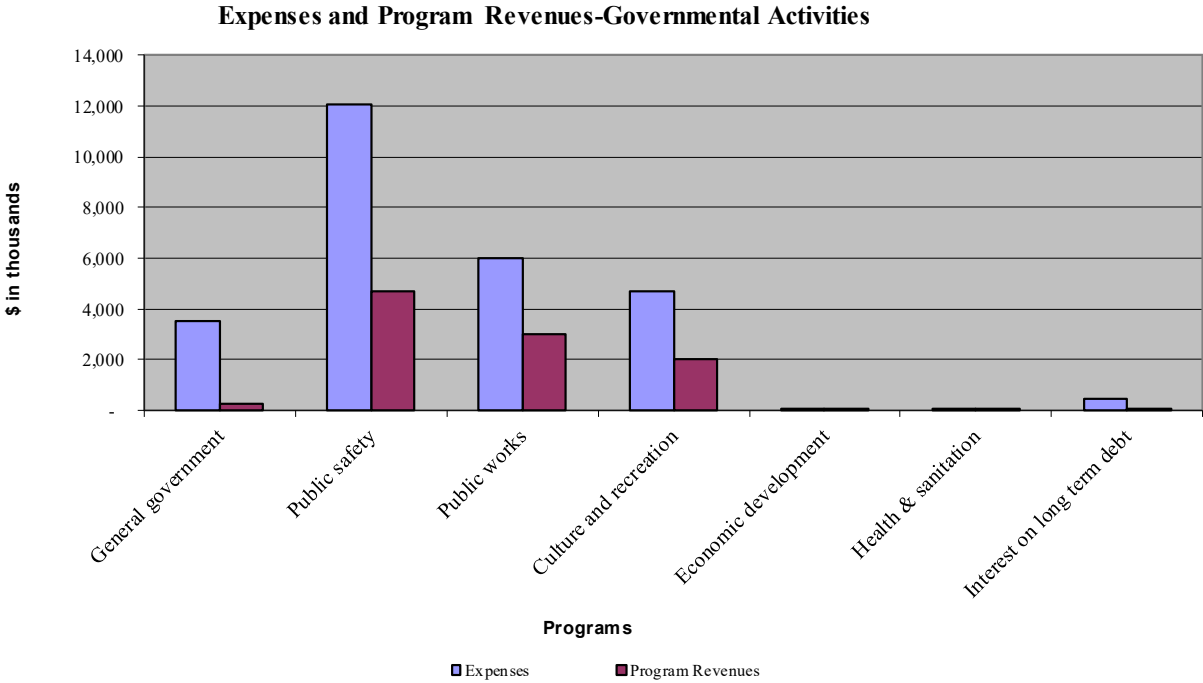
**City of Hastings' Changes in Net Position**

	Governmental Activities <u>2021</u>	Governmental Activities <u>2022</u>	Business-type Activities <u>2021</u>	Business-type Activities <u>2022</u>	Total <u>2021</u>	Total <u>2022</u>
Revenues						
Program revenues						
Charges for services	\$ 5,926,787	\$ 6,873,080	\$ 7,003,670	\$ 7,828,381	\$ 12,930,457	\$ 14,701,461
Operating grants & contributions	1,314,781	1,125,789	-	-	1,314,781	1,125,789
Capital grants & contributions	4,831,331	2,185,950	788,199	800,611	5,619,530	2,986,561
General revenues:						
Property taxes	15,464,584	16,487,748	-	-	15,464,584	16,487,748
State aid	920,451	1,165,045	-	-	920,451	1,165,045
Other income (loss)	107,113	(296,104)	(8,409)	(192,309)	98,704	(488,413)
Total Revenues	<u>28,565,047</u>	<u>27,541,508</u>	<u>7,783,460</u>	<u>8,436,683</u>	<u>36,348,507</u>	<u>35,978,191</u>
Expenses						
General government	3,093,576	3,560,823	-	-	3,093,576	3,560,823
Public safety	9,459,406	12,044,540	-	-	9,459,406	12,044,540
Public works	6,667,995	6,017,835	-	-	6,667,995	6,017,835
Culture & recreation	3,810,177	4,695,960	-	-	3,810,177	4,695,960
Economic development	48,930	66,819	-	-	48,930	66,819
Health & sanitation	59,362	50,726	-	-	59,362	50,726
Interest on long-term debt	396,991	482,428	-	-	396,991	482,428
Water	-	-	2,413,301	2,356,748	2,413,301	2,356,748
Sewer	-	-	2,567,037	2,716,736	2,567,037	2,716,736
Storm	-	-	401,155	491,006	401,155	491,006
Hydro	-	-	521,731	599,007	521,731	599,007
Total Expenses	<u>23,536,437</u>	<u>26,919,131</u>	<u>5,903,224</u>	<u>6,163,497</u>	<u>29,439,661</u>	<u>33,082,628</u>
Change in net position before transfers and contributions	5,028,610	622,377	1,880,236	2,273,186	6,908,846	2,895,563
Transfers and contributions	50,087	335,286	(50,087)	(335,286)	-	-
Change in net position	5,078,697	957,663	1,830,149	1,937,900	6,908,846	2,895,563
Net position-January 1	<u>52,272,330</u>	<u>57,351,027</u>	<u>30,971,098</u>	<u>32,801,247</u>	<u>83,243,428</u>	<u>90,152,274</u>
Net position-December 31	<u>\$ 57,351,027</u>	<u>\$ 58,308,690</u>	<u>\$ 32,801,247</u>	<u>\$ 34,739,147</u>	<u>\$ 90,152,274</u>	<u>\$ 93,047,837</u>

On the following page are specific graphs, which provide comparisons of the governmental activities revenues and expenses:

**City of Hastings  
Management's Discussion and Analysis  
December 31, 2022**

**Government-wide Financial Analysis (Continued)**

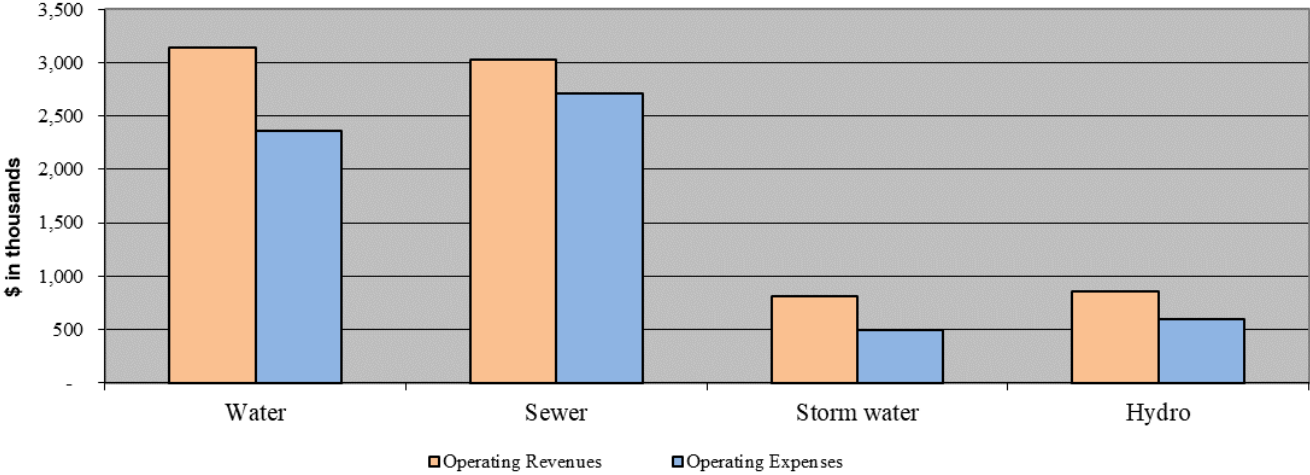


**Business-type activities.** On the following page are graphs showing the business-type activities revenue and expense comparisons.

**City of Hastings  
Management's Discussion and Analysis  
December 31, 2022**

**Government-wide Financial Analysis (Continued)**

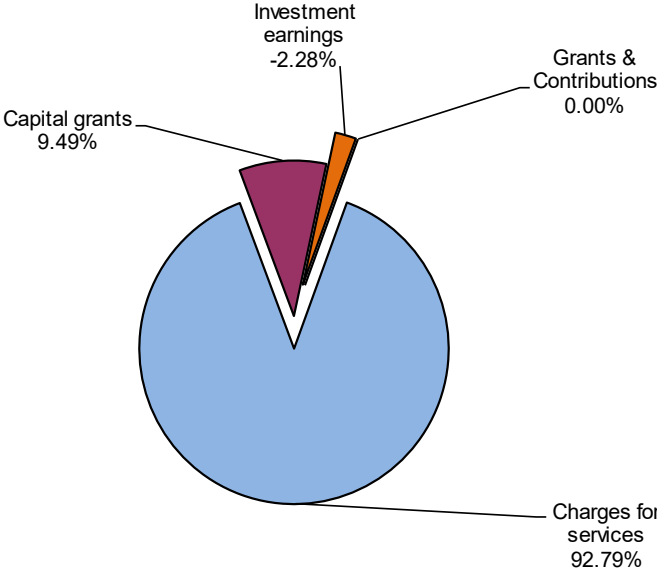
**Operating Expenses and Operating Revenues - Business Type Activities**



**Financial Analysis of the Government's Funds**

As noted earlier, the City of Hastings uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Revenue Sources - Business Type Activities**



**City of Hastings  
Management's Discussion and Analysis  
December 31, 2022**

**Government-wide Financial Analysis (Continued)**

**Governmental funds.** The focus of the City of Hastings' *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the City of Hastings' 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.

As of the end of the current fiscal year, the City of Hastings' governmental funds reported combined ending fund balances of \$21,632,834. Approximately 38.76% of this total amount or \$8,385,421 constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is restricted or committed or assigned by the City Council to indicate that it is not available for new spending. Activities such as Police activities, Debt service, and Permanent Trust funds for the LeDuc Historic Estate are restricted or committed by council action. Capital projects fund balance is assigned.

The City of Hastings governmental funds reported a combined ending fund balance increase of \$719,582. The fund balance change is primarily due to the effect of the following factors:

- The General fund balance increased by \$1,170,209. This increase was primarily a result of strong revenues related to increases in the levy and an increased number of building permits, combined with expenditure savings in many departments, primarily in personnel and capital.
- Fire and Ambulance fund's activity resulted in a decrease of \$654,970. This is a result of a significant decrease in charges for ambulance service revenue. The City is taking steps to improve collections in 2023.
- Debt Service funds had a fund balance increase of \$196,116 due to transfers in moving principal and interest payments from the Downtown Redevelopment Tax Increment Financing fund to the debt service fund (\$206,500).
- Road Improvement Construction fund had a fund balance increase of \$108,541 due to the timing of capital projects and related debt issuances.
- Other Governmental Funds such as the Aquatic, Cable TV, Heritage Preservation, LeDuc, and Arena had a cumulative decrease of \$100,314. The primary factor in this decrease was the large negative market value adjustment due to worsening market conditions.

The General Fund is the chief operating fund of the City of Hastings. At the end of the current fiscal year, unassigned fund balance of the general fund was \$10,200,207.

The Fire and Ambulance special revenue fund has a total fund balance of \$674,565. This fund accounts for the activities of the Fire and Ambulance department for the City of Hastings.

The Debt Service fund has a total fund balance of \$5,996,391, most of which is restricted for the payment of debt service.

The Road Improvement Construction capital projects fund has a deficit fund balance of \$523,471 due to timing differences between bond proceeds, timing of grants and capital projects.



**City of Hastings  
Management's Discussion and Analysis  
December 31, 2022**

**Financial Analysis of the Government's Funds (Continued)**

**Proprietary funds.** The City of Hastings' proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position in the respective proprietary funds are:

Water	\$ 4,911,806
Sewer	3,903,464
Storm	957,239
Hydro	286,891

The Water, Sewer and Stormwater fund's activities resulted in an increase in net position primarily due to an increase in utility rates. All utility funds had rate increases due to the 2019-2020 utility rate study that continues to be implemented. The Hydro Plant had a second consecutive year with its activities resulting in an increase to net position.

**General Fund Budgetary Highlights**

Actual expenditures were lower than the amended expenditure budget. The most significant differences from the final budget amounts are due to the following:

- Delays to the City Hall Dome project resulted in \$2.2 million less spending than budgeted.
- The Finance system project was also delayed, resulting in \$316,857 less spending than planned.
- The Public Works department street division was \$410,770 below budget. Most of this was in capital equipment purchases that were delayed. The largest was a \$260,000 dump truck.

Actual revenues were less than the amended revenue budget by \$2.6 million. The difference from the final budget amounts is primarily due to the following:

- Intergovernmental revenues were \$2 million less than budgeted, due to delays in the City Hall Dome project. The \$2 million is a reimbursable grant from the state of MN.
- Because the pace of multiple projects funded by the ARPA grant were slowed, \$1.256 million less than planned could be recognized as revenue. These funds are still available to finish the planned projects.
- Building permit revenues were again over budget due to increased construction work in 2022.

Significant changes between original and final budgets were a result of:

- Increased spending authority for consultants working of the County Road 46 study, and the compensation study.
- Adding authority for several capital purchases after the City's available resources according to the fund balance policy had been verified.

**Capital assets.** The City of Hastings' investment in capital assets for its governmental and business-type activities as of December 31, 2022, amounts to \$92,876,366 (net of accumulated depreciation/amortization) an increase of \$2,912,679. This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, and infrastructure.

**City of Hastings  
Management's Discussion and Analysis  
December 31, 2022**

**City of Hastings Capital Assets  
(Net of Depreciation/Amortization)**

	2021 Governmental Activities	2022 Governmental Activities	2021 Business- Type Activities	2022 Business- Type Activities	2021 Total	2022 Total
Land	\$ 3,690,736	\$ 3,693,211	\$ 349,300	\$ 349,300	\$ 4,040,036	\$ 4,042,511
Construction in Progress	775,829	287,252	-	2,420	775,829	289,672
Buildings	8,319,253	9,458,454	5,921,530	5,506,381	14,240,783	14,964,835
Improvement other than buildings	3,105,480	2,983,902	1,776,354	2,516,074	4,881,834	5,499,976
Machinery and Equipment	2,781,165	3,633,851	2,653,875	2,835,556	5,435,040	6,469,407
Leased Equipment	-	368,572	-	61,957	-	430,529
Infrastructure	41,070,650	40,595,594	19,519,515	20,583,842	60,590,165	61,179,436
<b>Total assets</b>	<b>\$ 59,743,113</b>	<b>\$ 61,020,836</b>	<b>\$ 30,220,574</b>	<b>\$ 31,855,530</b>	<b>\$ 89,963,687</b>	<b>\$ 92,876,366</b>

Additional information on the City of Hastings's capital assets can be found in Note 4 on pages 63-65.

**Long-term debt.**

At the end of the current fiscal year, the City of Hastings had outstanding G.O. Revenue debt of \$6,740,000 comprises debt backed by the full faith and credit of the government and \$12,835,000 of G.O. special assessment debt for which the government is liable in the event of default by the property owners subject to assessment. The remainder of the City of Hastings' debt represents bonds secured solely by specified revenue sources (i.e. revenue bonds) but still carries the City's backing (government obligation).

More detailed information on debt administration can be found in Note 7 on pages 66-71.

**Economic Factors**

In 2022, the City experienced higher levels of residential and commercial remodels than 2021, and new residential construction was even from year-to-year. The overall increase in taxable market value of residential and commercial new construction was \$87.0 million which is \$39.1 million higher than 2021. The City experienced an increase of tax capacity of \$804,758 between pay year 2021 and pay year 2022.

**Next Year's Budget**

The 2023 budget included a levy increase of \$1,079,320, or 6.624%. Of this, \$744,731 was due to tax capacity growth and the remainder of \$334,589 was derived from the property tax rate, decreased by 5.641%. The City anticipates receiving \$904,501 of Local Government Aid from the State of Minnesota, which is dedicated to funding one-time expenditures. Cost of Living increases and Capital projects and Capital equipment purchases made up the increase from 2022 to 2023.

**Requests for Information**

This financial report is designed to provide a general overview of the City of Hastings' finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Manager at 101 4<sup>th</sup> Street East, Hastings, MN 55033, FinanceDept@hastingsmn.gov or 651-480-2350.

## **BASIC FINANCIAL STATEMENTS**

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**City of Hastings  
Statement of Net Position  
December 31, 2022**

**Statement 1**

	Governmental Activities	Business-type Activities	Total	Hastings Economic Development and Redevelopment Authority
<b>Assets</b>				
Cash and investments (including cash equivalents)	\$ 23,881,674	\$ 9,994,420	\$ 33,876,094	\$ 1,088,654
Cash with fiscal agent	730,953	-	730,953	-
Restricted cash	108,872	-	108,872	-
Receivables				
Accounts receivable	988,663	1,490,892	2,479,555	2,458
Interest receivable	129,017	16,785	145,802	2,353
Taxes receivable	1,641,795	-	1,641,795	43,618
Special assessments receivable	1,992,439	162,693	2,155,132	-
Loan receivable	-	-	-	227,295
Lease receivable	3,912,346	-	3,912,346	-
Net pension asset	2,860,203	-	2,860,203	-
Due from other governments	1,802,246	-	1,802,246	1,510,739
Inventories	32,062	-	32,062	-
Prepaid items	208,786	139,273	348,059	227
Assets held for resale	-	-	-	3,069,490
Capital assets not being depreciated				
Land	3,693,211	349,300	4,042,511	-
Construction in progress	287,252	2,420	289,672	-
Capital assets net of accumulated depreciation/amortization				
Buildings and structures	9,458,454	5,506,381	14,964,835	87,999
Machinery and equipment	3,633,851	2,835,556	6,469,407	-
Leased equipment	368,572	61,957	430,529	-
Improvements other than buildings	2,983,902	2,516,074	5,499,976	-
Infrastructure	40,595,594	20,583,842	61,179,436	-
<b>Total assets</b>	<b>\$ 99,309,892</b>	<b>\$ 43,659,593</b>	<b>\$ 142,969,485</b>	<b>\$ 6,032,833</b>
<b>Deferred Outflows of Resources</b>				
Deferred outflows of resources related to fire relief pensions	225,038	-	225,038	-
Deferred outflows of resources related to City pensions	13,726,477	300,374	14,026,851	71,221
Deferred outflows of resources related to OPEB	1,172,738	130,007	1,302,745	23,879
<b>Total deferred outflows of resources</b>	<b>15,124,253</b>	<b>430,381</b>	<b>15,554,634</b>	<b>95,100</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 114,434,145</b>	<b>\$ 44,089,974</b>	<b>\$ 158,524,119</b>	<b>\$ 6,127,933</b>
<b>Liabilities</b>				
Accounts and contracts payable	\$ 943,999	\$ 177,176	\$ 1,121,175	\$ 2,057
Interest payable	271,423	105,870	377,293	-
Salaries and benefits payable	480,790	55,282	536,072	8,768
Due to other governments	88,413	16,049	104,462	1,260,739
Deposits payable	609,908	-	609,908	16,700
Unearned revenue	2,360,060	5,415	2,365,475	-
Bonds payable, net				
Payable within one year	2,310,000	630,000	2,940,000	-
Payable after one year	16,076,363	6,583,666	22,660,029	-
Lease payable				
Payable within one year	108,161	14,149	122,310	-
Payable after one year	230,455	42,754	273,209	-
Compensated absences payable				
Payable within one year	166,389	24,562	190,951	-
Payable after one year	1,715,388	215,084	1,930,472	-
Payable after one year				
Net pension liability	21,929,588	1,014,790	22,944,378	240,616
Total other post employment benefits (OPEB) liability	3,971,708	440,303	4,412,011	80,872
<b>Total liabilities</b>	<b>51,262,645</b>	<b>9,325,100</b>	<b>60,587,745</b>	<b>1,609,752</b>
<b>Deferred Inflows of Resources</b>				
Deferred inflows of resources related to fire relief pensions	704,992	-	704,992	-
Deferred inflows of resources related to City pensions	320,179	21,752	341,931	5,298
Deferred inflows of resources related to leases	3,801,774	-	3,801,774	-
Deferred inflows of resources related to OPEB	35,865	3,975	39,840	730
<b>Total deferred inflows of resources</b>	<b>4,862,810</b>	<b>25,727</b>	<b>4,888,537</b>	<b>6,028</b>
<b>Net Position</b>				
Net investment in capital assets	43,579,389	24,584,961	68,164,350	87,999
Restricted for				
Debt service	7,725,877	-	7,725,877	-
Tax increment	21,990	-	21,990	-
Capital projects	1,015,753	-	1,015,753	-
Escrow	4,497	-	4,497	-
Police activities	82,112	-	82,112	-
LeDuc Historic Estate - unexpendable	200,000	-	200,000	-
LeDuc Historic Estate - expendable	875,872	-	875,872	-
Unrestricted	4,803,200	10,154,186	14,957,386	4,424,154
<b>Total net position</b>	<b>58,308,690</b>	<b>34,739,147</b>	<b>93,047,837</b>	<b>4,512,153</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 114,434,145</b>	<b>\$ 44,089,974</b>	<b>\$ 158,524,119</b>	<b>\$ 6,127,933</b>

See notes to basic financial statements.

**City of Hastings  
Statement of Activities  
Year Ended December 31, 2022**

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 3,560,823	\$ 258,649	\$ 7,261	\$ -
Public safety	12,044,540	4,043,048	691,621	-
Public works	6,017,835	954,701	305,348	1,767,950
Health and sanitation	50,726	35	30,923	-
Culture and recreation	4,695,960	1,534,431	71,052	418,000
Economic development	66,819	-	19,584	-
Interest and fiscal charges	482,428	82,216	-	-
Total governmental activities	<u>26,919,131</u>	<u>6,873,080</u>	<u>1,125,789</u>	<u>2,185,950</u>
Business-type activities				
Water	2,356,748	3,139,177	-	461,302
Sewer	2,716,736	3,025,373	-	339,309
Storm	491,006	806,607	-	-
Hydro	599,007	857,224	-	-
Total business-type activities	<u>6,163,497</u>	<u>7,828,381</u>	<u>-</u>	<u>800,611</u>
Total governmental and business-type activities	<u>\$ 33,082,628</u>	<u>\$ 14,701,461</u>	<u>\$ 1,125,789</u>	<u>\$ 2,986,561</u>
Component unit				
Hastings Economic Development Redevelopment Authority	<u>\$ 654,835</u>	<u>\$ 27,162</u>	<u>\$ 47,748</u>	<u>\$ -</u>
General revenues				
Property taxes				
Lodging taxes				
Unrestricted state aid				
Unrestricted investment earnings				
Gain (loss) on sale of asset				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning				
Net position - ending				

Net (Expense) Revenues  
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total	Hastings Economic and Redevelopment Authority
\$ (3,294,913)	\$ -	\$ (3,294,913)	\$ -
(7,309,871)	-	(7,309,871)	-
(2,989,836)	-	(2,989,836)	-
(19,768)	-	(19,768)	-
(2,672,477)	-	(2,672,477)	-
(47,235)	-	(47,235)	-
(400,212)	-	(400,212)	-
<u>(16,734,312)</u>	<u>-</u>	<u>(16,734,312)</u>	<u>-</u>
-	1,243,731	1,243,731	-
-	647,946	647,946	-
-	315,601	315,601	-
-	258,217	258,217	-
<u>-</u>	<u>2,465,495</u>	<u>2,465,495</u>	<u>-</u>
<u>\$ (16,734,312)</u>	<u>\$ 2,465,495</u>	<u>\$ (14,268,817)</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (579,925)
16,484,080	-	16,484,080	414,268
3,668	-	3,668	-
1,165,045	-	1,165,045	-
(353,682)	(151,823)	(505,505)	(14,153)
57,578	(40,486)	17,092	-
335,286	(335,286)	-	-
<u>17,691,975</u>	<u>(527,595)</u>	<u>17,164,380</u>	<u>400,115</u>
957,663	1,937,900	2,895,563	(179,810)
<u>57,351,027</u>	<u>32,801,247</u>	<u>90,152,274</u>	<u>4,691,963</u>
<u>\$ 58,308,690</u>	<u>\$ 34,739,147</u>	<u>\$ 93,047,837</u>	<u>\$ 4,512,153</u>

**City of Hastings**  
**Balance Sheet - Governmental Funds**  
**December 31, 2022**

	General Fund (101, 220, 221, 223)	Special Revenue  Fire and Ambulance (213)	Debt Service
<b>Assets</b>			
Cash and investments	\$ 10,801,170	\$ 181,621	\$ 5,389,183
Cash with fiscal agent	-	-	-
Restricted cash	108,872	-	-
Interest receivable	104,463	320	10,630
Due from other governments	1,730,305	50	-
Accounts receivable	228,211	554,093	-
Due from other funds	-	-	339,258
Property taxes receivable	978,413	143,573	261,813
Lease receivable	3,912,346	-	-
Special assessments receivable	-	-	1,992,439
Advances to other funds	1,260,739	-	-
Inventory	25,611	-	-
Prepaid items	171,170	31,212	3,977
Total assets	<u>\$ 19,321,300</u>	<u>\$ 910,869</u>	<u>\$ 7,997,300</u>
<b>Liabilities</b>			
Accounts payable	\$ 483,337	\$ 81,821	\$ -
Due to other governments	77,614	8,432	-
Deposits payable	-	-	-
Salaries and benefits payable	301,808	130,875	-
Due to other funds	-	-	-
Advances from other funds	-	-	-
Unearned revenues	2,354,607	-	-
Total liabilities	<u>3,217,366</u>	<u>221,128</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - taxes and assessments	104,483	15,176	2,000,909
Advanced appropriations - State Shared Taxes	1,616,112	-	-
Unavailable revenue - leases	3,801,774	-	-
Unavailable revenue - grants	32,836	-	-
Total deferred inflows of resources	<u>5,555,205</u>	<u>15,176</u>	<u>2,000,909</u>
<b>Fund Balances</b>			
Nonspendable			
Prepaid items	171,170	31,212	3,977
Inventory	25,611	-	-
Permanent Endowment-Leduc Historic Estate	-	-	-
Restricted			
Police activities	32,124	-	-
Debt service	-	-	5,992,414
Capital projects	-	-	-
Tax increment financing	-	-	-
Leduc Historic Estate	119,617	-	-
Escrow	-	-	-
Committed			
Park Maintenance	-	-	-
Aquatic operations	-	-	-
Cable TV activities	-	-	-
Heritage preservation activities	-	-	-
Fire and ambulance activities	-	643,353	-
Arena activities	-	-	-
Assigned			
Capital	-	-	-
Unassigned	10,200,207	-	-
Total fund balances	<u>10,548,729</u>	<u>674,565</u>	<u>5,996,391</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 19,321,300</u>	<u>\$ 910,869</u>	<u>\$ 7,997,300</u>



Capital Project		
Road Improvement Construction (470-483)	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 5,821,997	\$ 22,193,971
-	730,953	730,953
-	-	108,872
-	10,696	126,109
-	71,891	1,802,246
-	206,359	988,663
-	30,224	369,482
-	224,463	1,608,262
-	-	3,912,346
-	-	1,992,439
-	-	1,260,739
-	6,451	32,062
352	2,075	208,786
<u>\$ 352</u>	<u>\$ 7,105,109</u>	<u>\$ 35,334,930</u>
\$ 184,565	\$ 192,356	\$ 942,079
-	2,367	88,413
-	609,908	609,908
-	48,107	480,790
339,258	30,224	369,482
-	1,260,739	1,260,739
-	1,955	2,356,562
<u>523,823</u>	<u>2,145,656</u>	<u>6,107,973</u>
-	22,833	2,143,401
-	-	1,616,112
-	-	3,801,774
-	-	32,836
<u>-</u>	<u>22,833</u>	<u>7,594,123</u>
352	2,075	208,786
-	6,451	32,062
-	200,000	200,000
-	49,972	82,096
-	-	5,992,414
-	1,015,753	1,015,753
-	21,990	21,990
-	756,255	875,872
-	4,497	4,497
-	2,014,442	2,014,442
-	407,090	407,090
-	145,741	145,741
-	120,476	120,476
-	-	643,353
-	512,325	512,325
-	970,516	970,516
(523,823)	(1,290,963)	8,385,421
<u>(523,471)</u>	<u>4,936,620</u>	<u>21,632,834</u>
<u>\$ 352</u>	<u>\$ 7,105,109</u>	<u>\$ 35,334,930</u>

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**City of Hastings**  
**Reconciliation of the Balance Sheet to**  
**the Statement of Net Position - Governmental Funds**  
**December 31, 2022**

**Statement 4**

Total fund balances - governmental funds	\$ 21,632,834
 Amounts reported for governmental activities in the Statement of Net Position are different because:	
 Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.	
Cost of capital assets	156,605,923
Less accumulated depreciation/amortization	(97,439,486)
 Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.	
Long-term liabilities at year-end consist of:	
Bonds payable	(17,250,000)
Unamortized bond premium and discount	(1,136,363)
Lease payable	(338,616)
Net pension liability	(21,919,588)
 Revenues in the Statement of Activities that do not provide current financial resources are deferred in the funds.	
Taxes and special assessments	2,143,401
Grants, state shared tax, and other	1,648,948
 Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to pensions that are not recognized in the governmental funds.	
Deferred inflows of resources related to fire relief pensions	(704,992)
Deferred inflows of resources related to city pensions	(320,179)
Deferred outflows of resources related to fire relief pensions	225,038
Deferred outflows of resources related to city pensions	13,726,477
 The Fire Relief Association net pension asset created through contributions to a defined benefit pension plan which is not recognized in the governmental funds.	
	2,860,203
 Governmental funds do not report a liability for accrued interest due and payable.	
	(271,423)
 Internal Service Funds are used by management to charge the costs of insurance and capital equipment to individual funds. These assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Position.	
	<u>(1,143,487)</u>
Total net position - governmental activities	<u><u>\$ 58,318,690</u></u>

**City of Hastings**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Governmental Funds**  
**Year Ended December 31, 2022**

	General Fund (101, 220, 221, 223)	Special Revenue Fire and Ambulance (213)	Debt Service  Debt Service
<b>Revenues</b>			
General property taxes	\$ 9,968,113	\$ 1,441,229	\$ 2,423,510
Tax increment collections	-	-	-
Miscellaneous taxes	3,668	-	-
Licenses and permits	966,071	-	-
Intergovernmental	2,342,079	241,769	-
Special assessments	-	-	926,911
Charges for services	1,405,128	2,333,224	82,215
Fines and forfeitures	85,710	-	-
Investment income	(285)	(15,680)	(81,369)
Contributions and donations	10,867	4,120	-
Miscellaneous	29,669	-	-
Total revenues	<u>14,811,020</u>	<u>4,004,662</u>	<u>3,351,267</u>
<b>Expenditures</b>			
Current			
General government	3,217,280	-	-
Public safety	6,511,233	4,456,607	-
Public works	1,846,612	-	-
Health and sanitation	50,726	-	-
Culture and recreation	204,282	-	-
Economic development	-	-	-
Debt service			
Principal	97,671	-	2,915,000
Interest and fiscal charges	-	-	458,968
Capital outlay			
General government	440,314	-	-
Public safety	251,035	152,215	-
Public works	545,958	-	-
Culture and recreation	12,475	-	-
Total expenditures	<u>13,177,586</u>	<u>4,608,822</u>	<u>3,373,968</u>
Excess of revenues over (under) expenditures	1,633,434	(604,160)	(22,701)
<b>Other Financing Sources (Uses)</b>			
Proceeds from sale of capital asset	65,538	34,584	-
Bonds issued	-	-	-
Premium on bonds issued	-	-	-
Proceeds from leases	191,375	-	-
Transfers in	510,962	-	218,817
Transfers out	(1,231,100)	(85,394)	-
Total other financing sources (uses)	<u>(463,225)</u>	<u>(50,810)</u>	<u>218,817</u>
Net change in fund balances	1,170,209	(654,970)	196,116
<b>Fund Balances</b>			
Beginning of year	<u>9,378,520</u>	<u>1,329,535</u>	<u>5,800,275</u>
End of year	<u>\$ 10,548,729</u>	<u>\$ 674,565</u>	<u>\$ 5,996,391</u>

Statement 5

Capital Project		
Road		
Improvement Construction (470-483)	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 2,268,374	\$ 16,101,226
-	48,796	48,796
-	-	3,668
-	-	966,071
-	-	2,583,848
-	-	926,911
-	1,324,234	5,144,801
-	626	86,336
-	(229,927)	(327,261)
-	29,148	44,135
-	622,960	652,629
-	4,064,211	26,231,160
-	-	3,217,280
-	2,420	10,970,260
60,316	-	1,906,928
-	-	50,726
-	3,643,853	3,848,135
-	66,819	66,819
-	-	3,012,671
79,946	14,497	553,411
-	-	440,314
-	-	403,250
3,121,427	1,625,233	5,292,618
-	263,430	275,905
3,261,689	5,616,252	30,038,317
(3,261,689)	(1,552,041)	(3,807,157)
-	12,582	112,704
3,135,000	975,000	4,110,000
235,230	73,244	308,474
-	-	191,375
-	879,527	1,609,306
-	(488,626)	(1,805,120)
3,370,230	1,451,727	4,526,739
108,541	(100,314)	719,582
(632,012)	5,036,934	20,913,252
\$ (523,471)	\$ 4,936,620	\$ 21,632,834

**City of Hastings**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances to**  
**the Statement of Activities - Governmental Funds**  
**Year Ended December 31, 2022**

**Statement 6**

Net change in fund balances - governmental funds \$ 719,582

Amounts reported for governmental activities in the Statement of Activities are different because:

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	6,280,126
Depreciation/amortization expense	(5,366,100)
Disposal of capital assets	(55,126)

Governmental funds recognize pension contributions as expenditures at the time of payment in the funds whereas the Statement of Activities factors in items related to pensions on a full accrual perspective.

Pension expense	(314,869)
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Principal payments on long-term debt are recognized as expenditures in the governmental funds but have no impact on net position in the Statement of Activities.

Bonds and Leases payable	3,012,671
--------------------------	-----------

Governmental funds report the effects of bond premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

(165,195)
-----------

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and, thus, requires 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.

(72,296)
----------

Proceeds from long-term debt are recognized as an other financing source in the governmental funds but have no impact on net assets in the Statement of Activities.

(4,301,375)
-------------

Certain receivables will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.

Taxes and assessments	255,109
Grants, state shared tax, and other	331,167

Internal Service Funds are used by management to charge the costs of insurance and capital equipment to individual funds. The net revenue of certain activities of Internal Service Funds is reported with governmental activities in the government-wide financial statements.

633,969
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Change in net position - governmental activities	\$ 957,663
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**City of Hastings**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - General Fund**  
**Year Ended December 31, 2022**

**Statement 7**

	2022			Variance with Final Budget - Over (Under)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>Revenues</b>				
General property taxes	\$ 9,655,471	\$ 9,655,471	\$ 9,968,113	\$ 312,642
Lodging taxes	3,255	3,255	3,668	413
Special assessments	1,000	1,000	-	(1,000)
Licenses and permits	492,750	492,750	966,071	473,321
Intergovernmental revenues	5,208,853	6,099,953	2,342,079	(3,757,874)
Charges for services	903,079	903,079	1,405,128	502,049
Fines and forfeitures	100,500	100,500	85,710	(14,790)
Investment income	49,500	49,500	(285)	(49,785)
Contributions and donations	-	10,867	10,867	-
Other revenues	68,000	69,400	29,669	(39,731)
Total revenues	<u>16,482,408</u>	<u>17,385,775</u>	<u>14,811,020</u>	<u>(2,574,755)</u>
<b>Expenditures</b>				
General Government	3,508,058	3,723,033	3,314,951	(408,082)
Public safety	6,389,484	6,499,719	6,511,233	11,514
Public works	1,776,985	1,962,985	1,846,612	(116,373)
Health and sanitation	45,050	45,050	50,726	5,676
Culture and recreation	158,072	158,072	204,282	46,210
Capital outlay	3,880,391	4,822,066	1,249,782	(3,572,284)
Total expenditures	<u>15,758,040</u>	<u>17,210,925</u>	<u>13,177,586</u>	<u>(4,033,339)</u>
Excess of revenues over expenditures	724,368	174,850	1,633,434	1,458,584
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	-	-	65,538	65,538
Proceeds from leases	-	-	191,375	191,375
Transfers in	532,260	544,735	524,068	(20,667)
Transfers out	(1,231,731)	(1,244,206)	(1,244,206)	-
Total other financing sources (uses)	<u>(699,471)</u>	<u>(699,471)</u>	<u>(463,225)</u>	<u>236,246</u>
Net change in fund balances	<u>\$ 24,897</u>	<u>\$ (524,621)</u>	<u>1,170,209</u>	<u>\$ 1,694,830</u>
<b>Fund Balances</b>				
Beginning of year			<u>9,378,520</u>	
End of year			<u>\$ 10,548,729</u>	

**City of Hastings**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Fire and Ambulance Special Revenue Fund**  
**Year Ended December 31, 2022**

**Statement 8**

	2022			Variance with Final Budget - Over (Under)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 1,430,645	\$ 1,430,645	\$ 1,441,229	\$ 10,584
Intergovernmental	178,000	178,000	241,769	63,769
Charges for services	2,964,530	2,964,530	2,333,224	(631,306)
Investment income	2,000	2,000	(15,680)	(17,680)
Contributions and donations	-	4,120	4,120	-
Total revenues	<u>4,575,175</u>	<u>4,579,295</u>	<u>4,004,662</u>	<u>(574,633)</u>
<b>Expenditures</b>				
Current				
Public safety	4,333,796	4,355,914	4,456,607	100,693
Capital outlay				
Public safety	155,985	195,137	152,215	(42,922)
Total expenditures	<u>4,489,781</u>	<u>4,551,051</u>	<u>4,608,822</u>	<u>57,771</u>
Excess of revenues over (under) expenditures	85,394	28,244	(604,160)	(632,404)
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital asset	-	28,782	34,584	5,802
Transfers out	(85,394)	(85,394)	(85,394)	-
Total other financing sources (uses)	<u>(85,394)</u>	<u>(56,612)</u>	<u>(50,810)</u>	<u>5,802</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (28,368)</u>	(654,970)	<u>\$ (626,602)</u>
<b>Fund Balance</b>				
Beginning of year			<u>1,329,535</u>	
End of year			<u>\$ 674,565</u>	



**City of Hastings**  
**Statement of Net Position - Proprietary Funds**  
**December 31, 2022**

**Statement 9**

	Business-Type Activities Enterprise Funds					Governmental Activities - Internal Service Funds
	Water (600)	Sewer (601)	Storm (603)	Hydro (620)	Total	
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	\$ 5,061,827	\$ 3,457,030	\$ 1,096,267	\$ 284,427	\$ 9,899,551	\$ 1,782,572
Taxes receivable	-	-	-	-	-	33,533
Interest receivable	9,141	4,690	2,255	565	16,651	3,042
Accounts receivable - net	497,683	705,922	217,772	69,515	1,490,892	-
Special assessments receivable						
Deferred	149,166	13,527	-	-	162,693	-
Prepaid items	889	138,324	53	7	139,273	-
Total current assets	<u>5,718,706</u>	<u>4,319,493</u>	<u>1,316,347</u>	<u>354,514</u>	<u>11,709,060</u>	<u>1,819,147</u>
<b>Noncurrent assets</b>						
<b>Capital assets, not being depreciated</b>						
Land	349,300	-	-	-	349,300	-
Construction in progress	-	2,420	-	-	2,420	-
<b>Capital assets, being depreciated</b>						
Buildings	8,046,482	144,798	-	6,831,566	15,022,846	-
Infrastructure	23,596,352	20,403,336	357,927	-	44,357,615	-
Right to use	32,437	33,455	-	-	65,892	-
Machinery and equipment	3,019,451	898,488	508,798	3,806,459	8,233,196	2,283,660
Improvements other than buildings	4,918,084	-	157,659	-	5,075,743	-
Total capital assets	<u>39,962,106</u>	<u>21,482,497</u>	<u>1,024,384</u>	<u>10,638,025</u>	<u>73,107,012</u>	<u>2,283,660</u>
Less: accumulated depreciation/amortization	<u>(20,882,724)</u>	<u>(11,926,911)</u>	<u>(123,897)</u>	<u>(8,317,950)</u>	<u>(41,251,482)</u>	<u>(429,261)</u>
Net capital assets	<u>19,079,382</u>	<u>9,555,586</u>	<u>900,487</u>	<u>2,320,075</u>	<u>31,855,530</u>	<u>1,854,399</u>
Total noncurrent assets	<u>19,079,382</u>	<u>9,555,586</u>	<u>900,487</u>	<u>2,320,075</u>	<u>31,855,530</u>	<u>1,854,399</u>
Total assets	<u>24,798,088</u>	<u>13,875,079</u>	<u>2,216,834</u>	<u>2,674,589</u>	<u>43,564,590</u>	<u>3,673,546</u>
<b>Deferred Outflows of Resources</b>						
Deferred outflows of resources related to pensions	131,308	80,095	77,574	11,397	300,374	-
Deferred outflows of resources related to OPEB	53,064	37,145	34,492	5,306	130,007	1,172,738
Total deferred outflows of resources	<u>184,372</u>	<u>117,240</u>	<u>112,066</u>	<u>16,703</u>	<u>430,381</u>	<u>1,172,738</u>
Total assets and deferred outflows of resources	<u>\$ 24,982,460</u>	<u>\$ 13,992,319</u>	<u>\$ 2,328,900</u>	<u>\$ 2,691,292</u>	<u>\$ 43,994,971</u>	<u>\$ 4,846,284</u>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Accounts payable	\$ 135,990	\$ 23,013	\$ 6,394	\$ 11,562	\$ 176,959	\$ 2,137
Due to other governments	16,045	-	-	4	16,049	-
Interest payable	82,739	23,131	-	-	105,870	-
Salaries payable	22,272	16,181	14,724	2,105	55,282	-
Compensated absences	9,677	6,288	7,715	882	24,562	166,389
Unearned revenue	-	-	-	5,415	5,415	3,498
Lease payable - current portion	7,264	6,885	-	-	14,149	-
Bonds payable - current portion	510,000	120,000	-	-	630,000	-
Total current liabilities	<u>783,987</u>	<u>195,498</u>	<u>28,833</u>	<u>19,968</u>	<u>1,028,286</u>	<u>172,024</u>
<b>Noncurrent liabilities</b>						
Compensated absences	99,765	67,611	64,492	7,778	239,646	1,881,777
Bonds payable, net	5,544,656	1,669,010	-	-	7,213,666	-
Lease payable	29,214	27,689	-	-	56,903	-
Total OPEB liability	179,715	125,802	116,814	17,972	440,303	3,971,708
Net pension liability	443,614	270,595	262,077	38,504	1,014,790	-
Less amount due within one year	<u>(526,941)</u>	<u>(133,173)</u>	<u>(7,715)</u>	<u>(882)</u>	<u>(668,711)</u>	<u>(166,389)</u>
Total noncurrent liabilities	<u>5,770,023</u>	<u>2,027,534</u>	<u>435,668</u>	<u>63,372</u>	<u>8,296,597</u>	<u>5,687,096</u>
Total liabilities	<u>6,554,010</u>	<u>2,223,032</u>	<u>464,501</u>	<u>83,340</u>	<u>9,324,883</u>	<u>5,859,120</u>
<b>Deferred Inflows of Resources</b>						
Deferred inflows of resources related to pensions	9,509	5,800	5,618	825	21,752	-
Deferred inflows of resources related to OPEB	1,623	1,136	1,055	161	3,975	35,865
Total deferred inflows of resources	<u>11,132</u>	<u>6,936</u>	<u>6,673</u>	<u>986</u>	<u>25,727</u>	<u>35,865</u>
<b>Net Position</b>						
Net investment in capital assets	13,505,512	7,858,887	900,487	2,320,075	24,584,961	1,854,399
Unrestricted	4,911,806	3,903,464	957,239	286,891	10,059,400	(2,903,100)
Total net position	<u>18,417,318</u>	<u>11,762,351</u>	<u>1,857,726</u>	<u>2,606,966</u>	<u>34,644,361</u>	<u>(1,048,701)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 24,982,460</u>	<u>\$ 13,992,319</u>	<u>\$ 2,328,900</u>	<u>\$ 2,691,292</u>	<u>\$ 43,994,971</u>	<u>\$ 4,846,284</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				94,786		
Total business-type activities net position				<u>\$ 34,739,147</u>		

See notes to basic financial statements.

**City of Hastings**  
**Statement of Revenues, Expenses, and Changes**  
**in Fund Net Position - Proprietary Funds**  
**Year Ended December 31, 2022**

	Business-Type Activities Enterprise Funds			
	Water (600)	Sewer (601)	Storm (603)	Hydro (620)
Operating revenues				
Charges for services	\$ 3,130,205	\$ 2,850,263	\$ 802,509	\$ 726,439
Other income	3,862	169,373	-	129,830
Total operating revenues	<u>3,134,067</u>	<u>3,019,636</u>	<u>802,509</u>	<u>856,269</u>
Operating expenses				
Personnel services	633,889	383,932	362,258	46,641
Supplies	107,713	6,201	5,134	649
Professional services	516,488	182,409	84,596	372,829
Metro waste control charge	-	1,595,532	-	-
Depreciation	943,576	493,793	42,872	179,787
Repairs and maintenance	-	1,600	-	-
Total operating expenses	<u>2,201,666</u>	<u>2,663,467</u>	<u>494,860</u>	<u>599,906</u>
Operating income (loss)	932,401	356,169	307,649	256,363
Nonoperating revenues (expenses)				
Investment income	(70,710)	(44,484)	(31,805)	(3,795)
Special assessments	59,148	-	-	-
Intergovernmental	-	-	-	-
Miscellaneous	-	(291)	-	-
Gain (loss) on disposal of capital assets	9,082	-	(49,568)	-
Property taxes	-	-	-	-
Interest expense	(159,845)	(58,955)	-	-
Total nonoperating revenues (expenses)	<u>(162,325)</u>	<u>(103,730)</u>	<u>(81,373)</u>	<u>(3,795)</u>
Income (loss) before transfers	770,076	252,439	226,276	252,568
Capital contributions from developers	402,154	339,292	-	-
Transfers in	-	18,333	-	-
Transfers out	<u>(38,877)</u>	<u>(37,293)</u>	<u>(8,655)</u>	<u>(268,794)</u>
Change in net position	1,133,353	572,771	217,621	(16,226)
Net position				
Beginning of year	<u>17,283,965</u>	<u>11,189,580</u>	<u>1,640,105</u>	<u>2,623,192</u>
End of year	<u>\$ 18,417,318</u>	<u>\$ 11,762,351</u>	<u>\$ 1,857,726</u>	<u>\$ 2,606,966</u>

Amounts reported for business-type activities in the statement of activities are different because:  
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds

Change in net position- business-type activities

Statement 10

Business-Type Activities Enterprise Funds	Governmental Activities - Internal Service Funds
<u>Total</u>	<u>Funds</u>
\$ 7,509,416	\$ 1,206,127
303,065	-
<u>7,812,481</u>	<u>1,206,127</u>
1,426,720	444,366
119,697	-
1,156,322	752,023
1,595,532	-
1,660,028	193,970
1,600	-
<u>5,959,899</u>	<u>1,390,359</u>
1,852,582	(184,232)
(150,794)	(27,449)
59,148	-
-	7,261
(291)	337
(40,486)	-
-	337,334
<u>(218,800)</u>	<u>-</u>
<u>(351,223)</u>	<u>317,483</u>
1,501,359	133,251
741,446	-
18,333	531,100
<u>(353,619)</u>	<u>-</u>
1,907,519	664,351
	<u>(1,713,052)</u>
	<u>\$ (1,048,701)</u>
<u>30,424</u>	
<u>\$ 1,937,943</u>	

**City of Hastings**  
**Statement of Cash Flows - Proprietary Funds**  
**Year Ended December 31, 2022**

	Business-Type Activities - Enterprise Funds			
	Water (600)	Sewer (601)	Storm (603)	Hydro (620)
<b>Cash Flows - Operating Activities</b>				
Receipts from customers	\$ 3,169,954	\$ 2,849,421	\$ 796,174	\$ 718,324
Interfund services provided and used	-	-	-	-
Payments to suppliers for goods and services	(540,781)	(1,853,913)	(84,212)	(429,513)
Payments to employees for services	(587,345)	(397,576)	(373,579)	(53,309)
Other operating revenues	3,862	169,373	-	129,830
Net cash flows - operating activities	<u>2,045,690</u>	<u>767,305</u>	<u>338,383</u>	<u>365,332</u>
<b>Cash Flows - Noncapital Financing Activities</b>				
Property taxes	-	-	-	-
Special assessments	-	1,831	302	-
Miscellaneous	-	(291)	-	-
Intergovernmental receipts	-	-	-	-
Transfer to other funds	(38,877)	(37,293)	(8,655)	(268,794)
Transfer from other funds	-	18,333	-	-
Net cash flows - noncapital financing activities	<u>(38,877)</u>	<u>(17,420)</u>	<u>(8,353)</u>	<u>(268,794)</u>
<b>Cash Flows - Capital and Related Financing Activities</b>				
Principal paid on debt	(410,786)	(47,311)	-	-
Interest paid on debt	(171,186)	(65,905)	-	-
Special assessments	56,820	-	-	-
Bond proceeds	1,420,000	285,000	-	-
Bond premium issued	107,170	21,108	-	-
Acquisition of capital assets	(1,602,776)	(725,444)	(319,884)	-
Proceeds from disposal of capital assets	9,082	-	44,999	-
Net cash flows - capital and related financial activities	<u>(591,676)</u>	<u>(532,552)</u>	<u>(274,885)</u>	<u>-</u>
<b>Cash Flows - Investing Activities</b>				
Investment income	(74,967)	(46,061)	(32,576)	(4,082)
Net change in cash and cash equivalents	1,340,170	171,272	22,569	92,456
<b>Cash and Cash Equivalents</b>				
January 1	<u>3,721,657</u>	<u>3,285,758</u>	<u>1,073,698</u>	<u>191,971</u>
December 31	<u>\$ 5,061,827</u>	<u>\$ 3,457,030</u>	<u>\$ 1,096,267</u>	<u>\$ 284,427</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows - Operating Activities</b>				
Operating income (loss)	\$ 932,401	\$ 356,169	\$ 307,649	\$ 256,363
Adjustments to reconcile operating income (loss) to net cash flows - operating activities				
Depreciation	943,576	493,793	42,872	179,787
Pension expense	62,200	(6,371)	(6,171)	(907)
Accounts receivable	39,749	(842)	(6,335)	(8,315)
Prepaid items	11,582	(5,332)	98	8
Accounts payable	73,927	(62,839)	5,420	(61,141)
Salaries payable	3,589	2,864	2,435	253
Due to other governments	(2,089)	-	-	(317)
Unearned revenue	-	-	-	-
OPEB expense	(9,335)	(4,185)	(7,243)	(599)
Compensated absences payable	(9,910)	(5,952)	(342)	(5,415)
Total adjustments	<u>1,113,289</u>	<u>411,136</u>	<u>30,734</u>	<u>108,969</u>
Net cash flows - operating activities	<u>\$ 2,045,690</u>	<u>\$ 767,305</u>	<u>\$ 338,383</u>	<u>\$ 365,332</u>
<b>Noncash Capital and Related Financing Activities</b>				
Capital contributions	<u>\$ 402,154</u>	<u>\$ 339,292</u>	<u>\$ -</u>	<u>\$ -</u>

Statement 11

Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
Total		Funds
\$ 7,533,873	\$ -	
-	1,206,117	
(2,908,419)	(911,936)	
(1,411,809)	(289,481)	
303,065	-	
<u>3,516,710</u>	<u>4,700</u>	
-	332,340	
2,133	-	
(291)	337	
-	7,261	
(353,619)	-	
18,333	531,100	
<u>(333,444)</u>	<u>871,038</u>	
(458,097)	-	
(237,091)	-	
56,820	-	
1,705,000	-	
128,278	-	
(2,648,104)	(367,880)	
54,081	-	
<u>(1,399,113)</u>	<u>(367,880)</u>	
<u>(157,686)</u>	<u>(29,166)</u>	
1,626,467	478,692	
8,273,084	1,303,880	
<u>\$ 9,899,551</u>	<u>\$ 1,782,572</u>	
\$ 1,852,582	\$ (184,232)	
1,660,028	193,970	
48,751	-	
24,257	10	
6,356	10,000	
(44,633)	(47,828)	
9,141	-	
(2,406)	-	
-	(20)	
(21,362)	(122,085)	
(21,619)	154,885	
<u>1,664,128</u>	<u>188,932</u>	
<u>\$ 3,516,710</u>	<u>\$ 4,700</u>	
<u>\$ 741,446</u>	<u>\$ -</u>	

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## **TRUST FUNDS**

**City of Hastings  
Statement of Fiduciary Net Position  
December 31, 2022**

**Statement 12**

Library  
Private-Purpose  
Trust Fund

**Assets**

Cash and investments  
Interest receivable

\$ 89,976  
186

Total assets

\$ 90,162

**Net Position**

Held in trust for library

\$ 90,162



**City of Hastings**  
**Statement of Changes in Fiduciary Net Position**  
**Year Ended December 31, 2022**

**Statement 13**

Library  
Private-  
Purpose  
Trust Fund

<b>Additions</b>		
Investment earnings		<u>\$ (2,661)</u>
<b>Deductions</b>		
Other services and charges		<u>1,000</u>
Change in net position		(3,661)
Beginning net position		<u>93,823</u>
Ending net position		<u><u>\$ 90,162</u></u>

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**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Hastings is a municipal corporation formed under the Home Rule Charter of the City and operates under a Mayor-Council form of government. The seven-member Council and Mayor are elected on rotating terms in each odd-numbered year. The accompanying basic financial statements present the City and its component unit for which the City is considered to be financially accountable. The Hastings Economic Development and Redevelopment Authority (HEDRA), a discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

Discretely Presented Component Unit. The City's HEDRA with Housing and Redevelopment Authority (HRA) powers is a component unit that operates for the purpose of providing economic development and redevelopment services to the City of Hastings. The governing body consists of a seven-member board of commissioners appointed by the Hastings City Council. The HEDRA Board has the power to levy taxes, issue debt and enter into contracts and agreements. The Hastings City Council can impose its will upon the HEDRA board and has the ability to veto, overrule, or modify decisions made by the HEDRA board. The HEDRA does not prepare separate financial statements.

**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 nonfiduciary activities of the City and its component unit. For the most part, the effect of interfund activity was removed from these statements. 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. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially responsible.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, service 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 that are properly not included in program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. 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 fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

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, claims and judgments, are recorded only when payment is due.

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.

**Description of Funds:**

Major Governmental Funds:

General Fund – This fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Fire and Ambulance – Special Revenue Fund accounts for resources and payments related to the operations of the City's firefighting and ambulance services. Revenue sources are fire and ambulance services, state aid, interest and tax levy.

Debt Service Fund – This fund accounts for resources accumulated and payments for principal and interest on long term general obligation debt and general obligation special assessment debt.

Road Improvement Construction Fund – This fund accounts for the activities related to street construction and improvements.

Proprietary Funds:

Water Fund – This fund accounts for the activities related to the operation of a water distribution system.

Sewer Fund – This fund accounts for resources and payments related to the operation of a sanitary collection system.

**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

**Description of Funds: (Continued)**

Proprietary Funds:(Continued)

Storm Fund – This fund accounts for resources and payments related to the operation of the storm water system.

Hydro Fund – This fund accounts for the funds generated by the hydroelectric plant. These funds are used to finance the hydroelectric operating expenses.

The City also reports the following fund types:

Internal Service Funds – This fund accounts for the retiree health insurance expenses and the related liability, work comp insurance and related liability, the expenses for the compensated absences paid out upon termination or retirement as well as, expenses for vehicle revolving services provided to other departments, on a cost reimbursement basis.

Trust Fund – This fund accounts for a trust created for the Dakota County Library. Ruth Doffing donated money to the City for the sole purpose of funding materials for the Dakota County Library.

Permanent Fund – This fund accounts for the trusts of the Simmons family for the LeDuc Historic Estate that was transferred over to the City in 2005. The income of these trust is used for the operations at the LeDuc Historic Estate as a historical museum.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's utility functions 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 a proprietary fund's principal ongoing operations. The principal operating revenue of the City's enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service 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.

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

**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, and Net Position or Equity**

**1. Deposits and Investments**

Cash and investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. Earnings from the pooled investments are allocated to the individual funds based on the average of month-end cash and investment balances.

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

*Minnesota Statutes* 118A outlines authorized investments for the City, including obligations of the U.S. Treasury, agencies and instrumentalities, shares of investment companies whose only investments are in the aforementioned securities, obligations of the State of Minnesota or its municipalities, bankers' acceptances, future contracts, repurchase and reverse repurchase agreements, and commercial paper of the highest quality with a maturity of no longer than 270 days and in the Minnesota Municipal Investment Pool.

Certain investments for the City as well as for its component unit are reported at fair value as disclosed in Note 3. 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.

In accordance with GASB Statement No. 79, the Minnesota Municipal Investment Pool securities are 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.

**2. Receivables**

All trade and property tax receivables are shown at a gross amount since both are assessable to the property taxes and are collectible upon the sale of the property. The City levies its property tax for the subsequent year during the month of December. December 28 is the last day the City can certify a tax levy to the County Auditor for collection the following year.

**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, and Net Position or Equity (Continued)**

**2. Receivables (Continued)**

Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. The property tax is recorded as revenue when it becomes measurable and available. Dakota County is the collecting agency for the levy and remit the collections to the City three times a year. The tax levy notice is mailed in March with the first half of the payment due on May 15 and the second half due on October 15. Taxes not collected as of December 31 each year are shown as delinquent taxes receivable.

The County Auditor prepares the tax list for all taxable property in the City, applying the applicable tax rate to the tax capacity of individual properties, to arrive at the actual tax for each property. The County Auditor also collects all special assessments, except for certain prepayments paid directly to the City.

The County Auditor submits the list of taxes and special assessments to be collected on each parcel of property to the County Treasurer in January of each year.

All trade and accounts receivable are shown net of allowance for uncollectible accounts which is determined by analysis of historical collection trends. The allowance for ambulance receivable is equal to 75% of outstanding receivables at year end.

**3. Prepaid Items and Inventories**

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 using the consumption method. Materials and supplies, if material, are recorded at cost using first in first out (FIFO) method and reported under the consumption method in the Governmental Funds and Activities.

**4. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position and balance sheet 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 presents deferred outflows on the Statements of Net Position for deferred outflows of resources relating to pensions and OPEB for various estimate differences that will be amortized and recognized over future years.

In addition to liabilities, the statement of financial position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisitions of net assets that applies to a future period(s) and so will note recognized as an inflow of resources (revenue) until that time.

**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, and Net Position or Equity (Continued)**

**4. Deferred Outflows/Inflows of Resources (Continued)**

The city has three items that qualify for reporting in this category. The city presents deferred inflows of resources on the Government Fund Balance Sheet as unavailable revenue and advanced appropriations. The governmental funds report unavailable revenues from four sources, taxes and assessments, grants and other credits. The governmental funds report advanced appropriations for state shared tax. These amounts are deferred and recognized as an inflow in the period that amounts become available. The City also presents deferred inflows of resources on the Statements of Net Position related to pensions and OPEB for various estimate differences that will be amortized and recognized over future years. Deferred inflows of resources related to lease receivable is reported in both the government-wide Statement of Net Position and the Governmental Funds Balance Sheet.

**5. Capital Assets**

Capital assets, which include property, plant, equipment, intangible, 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 initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the government chose to include all such items regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through back trending (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 government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. In the case of donations, the government values these capital assets at the acquisition value of the item at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the asset constructed.

Pursuant to GASB Statement 51, in the case of initial capitalization of intangible assets, the City chose not to retroactively report permanent easements. The City had already accounted for temporary easements and computer software at historical cost and therefore retroactive reporting was not necessary. The amounts of these assets are not material to the financial statements and therefore, have not been reported separately from other capital assets. The City acquired no intangible assets for the year ending December 31, 2022, other than right to use assets resulting from the implementation of GASB Statement Number 87 that are reported separately in Note 4.



**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, and Net Position or Equity (Continued)**

**5. Capital Assets (Continued)**

Capital assets of the City and its component unit are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	15-50
Furniture and fixtures	5-20
Motor vehicles	5
Heavy equipment	10
Fire trucks	10
Park trails	25-30
Streets and public infrastructure	20
Utility distribution systems	40
Sirens	10
Bridges	45
Improvements other than buildings	10-20

**6. Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation, compensatory time, and sick pay benefits. Under the City's personnel policy and union contracts, City employees are granted vacation and sick leave in varying amounts based upon length of service. Certain City employees are also granted compensatory time. Unused accumulated vacation leave, compensatory time and vested sick leave is paid to employees upon termination. Unvested sick leave is available to employees in the event of illness-related absences and is not paid to employees at termination. The liabilities for the compensated absences are paid for by the fund that incurs the charge, the liability is shown in the internal service fund, Enterprise Funds and Government-wide Statement of Net Position.

**7. Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term debt reported as liabilities in the applicable governmental activities, business-type activities, and proprietary fund type Statement of Net Position. Bond premiums and discounts, are deferred and amortized evenly over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize 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.

**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, and Net Position or Equity (Continued)**

**7. Long-Term Obligations(Continued)**

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.

**8. 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 the fire relief association and additions to/deductions from PERA's and the fire relief association's fiduciary net position are determined on the same basis as they are reported by PERA and the fire relief association except that PERA's fiscal year end is June 30th. 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.

**9. Fund Balance**

In the fund financial statements, governmental funds report fund balances in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

- Nonspendable – Portions of fund balance related to prepays, inventories, long-term receivables, and corpus on any permanent fund which are not in spendable form.
- Restricted – These funds are constrained by external parties (statute, grantors, bond agreements, etc.).
- Committed – These fund constraints are established and modified by a resolution approved by the City Council prior to year-end.
- Assigned – These funds consists of internally imposed constraints. These constraints are established by City Council and/or management. The City Council also delegates the authority to assign fund balance to the Finance Manager or his/her designee.
- Unassigned – This is the residual classification for the General Fund and also reflects negative residual amounts in other funds.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the City's policy to use restricted first, then unrestricted fund balance. When an expenditure is incurred for purposes for which committed, assigned, and unassigned amounts are available, it is the City's policy to use committed first, then assigned, and finally unassigned amounts.

**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, and Net Position or Equity (Continued)**

**9. Fund Balance (Continued)**

The City formally adopted a fund balance policy for the governmental funds. The policy establishes a fund balance range of 35% - 45% of the subsequent year's budgeted expenditures. Any unassigned surplus exceeding 45% upon the completion of the previous year's audit, will be available for the City Council to transfer to a capital project fund, or other special reservation made for those funds.

**10. Net Position**

Net position represents the difference between assets and deferred outflows of resources; and liabilities and deferred inflows of resources in the government-wide financial statements. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statement when there are limitations on use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

**E. Use of Estimates**

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenditures/expense during the reporting period. Actual results could differ from those estimates.

**F. Endowment**

On April 27, 1987, the City was a recipient of a \$200,000 endowment for the LeDuc Historic Estate. The net appreciation on the endowment as of December 31, 2022, was \$875,872. Both the initial endowment of \$200,000 and the net appreciation of \$875,872 are classified as restricted in the Statement of Net Position. The net appreciation is allowed to be spent for the preservation, repair, and operating needs of the LeDuc Historic Estate.

**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 all governmental funds except the Drug Awareness Special Revenue Fund, Budget Stabilization and the Road Improvement Capital Projects Funds, which adopt project-length budgets, Guardian Angels TIF, NAPA TIF, Downtown Redevelopment TIF, Hudson Sprayers TIF, Schoolhouse Square Tax Increment Financing, Public Works Cold Storage Building, Escrow, Capital Project Funds, and the Permanent Fund, which are not budgeted. All annual appropriations lapse at fiscal year-end.

**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**A. Budgetary Information (Continued)**

On or before mid-June of each year, all departments and agencies of the City submit requests for appropriations to the City Administrator so that a budget may be prepared. Before September 15th, the proposed budget is presented to the City Council for review and approval. By September 15th, the proposed budget and tax levy must be submitted to the county auditor. The Council holds public hearings, and a final budget and tax levy must be prepared, adopted, and submitted to the county auditor, no later than December 28th.

The appropriated budget is prepared by fund and department. The City's department heads may request transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Council. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is at the department level. The Council made several supplementary budgetary appropriations for the general fund and various special revenue funds in 2022. Several of the budgets changed in total as a result of the Council-approved appropriations.

**B. Deficit Fund Equity**

The Road Improvement Construction had deficit of \$523,823. This fund's deficit is expected to be covered from future grants. The NAPA TIF had a deficit of \$7,048. The Schoolhouse Square Tax Increment Financing had a deficit of \$1,889 The Downtown Redevelopment TIF had a deficit of \$1,282,026. These fund's deficits are expected to be covered from future tax increment revenues.

**NOTE 3 – DEPOSITS AND INVESTMENTS**

**A. Deposits**

In accordance with *Minnesota Statutes*, the City maintains deposits at those depository banks authorized by the City Council, all of which are members of the Federal Reserve System. *Minnesota Statutes* require that all City deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds. *Minnesota Statutes* require that securities pledged as collateral be held in safekeeping by the City Treasurer or in a financial institution other than that furnishing the collateral. As of December 31, 2022, the City was not exposed to custodial credit risk because deposits were fully insured and collateralized. As of December 31, 2022, the City has the following deposits:

Checking	\$ 3,384,573
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**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments**

As of December 31, 2022, the City had the following investments and maturities:

Investment Type	GASB 72 level	Rating (Moody/S&P)	Fair Value	Investment Maturities		
				Less than One Year	1-5 Years	6-10 Years
<b>Pooled Investments</b>						
Taxable Municipals	2	Aa2/AA	\$ 7,299,968	\$ 353,753	\$ 4,817,412	\$ 2,128,802
Brokered Certificates of Deposit	1	NR	5,591,602	923,745	4,461,802	206,055
External Investment Pool - 4M Fund	N/A	NR	13,855,802	13,855,802	-	-
Money Market	N/A	NR	5,030,126	5,030,126	-	-
Total Pooled Investments			<u>31,777,498</u>	<u>20,163,426</u>	<u>9,279,214</u>	<u>2,334,857</u>
<b>Non-Pooled Investments</b>						
Brokered Cash	N/A	N/A	5,928	5,928	-	-
Equity	1	N/A	406,602	406,602	-	-
Fixed Income Securities	2	N/A	273,672	273,672	-	-
Real Estate	2	N/A	44,751	44,751	-	-
Total Non-Pooled Investments			<u>730,953</u>	<u>730,953</u>	<u>-</u>	<u>-</u>
Total			<u>\$ 32,508,451</u>	<u>\$ 20,894,379</u>	<u>\$ 9,279,214</u>	<u>\$ 2,334,857</u>

The City has the following recurring fair value measurements as of December 31, 2022:

- \$5,998,204 of \$32,508,451 are valued using a quoted market prices (Level 1 inputs)
- \$7,618,391 of \$32,508,451 are valued using a matrix pricing model (Level 2 inputs)

**Interest Rate Risk** – The City's investment policy requires the City to diversify its investment portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific maturity. The policy also states that investments should be purchased to match expected cash flow needs, minimizing the market risk associated with the early sale of investments.

**Credit Risk** – The City's investment policy is silent with regards to Credit Risk. Investments are rated as noted above.

**Concentration of Credit Risk** – The City's investments in PGIM Total Return Bond, Ishares Core, Ishares Core Msci Emerging Markets, and Ishares Core US Aggregate Bond exceeds 5% of the City's nonpooled investment portfolio.

**Custodial Credit Risk** – For investments in securities, custodial credit risk is the risk that in the event of a failure of the counterparty, the City will not be able to recover the value of its investment securities that are in possession of an outside party. Investments in investment pools and money markets are not evidenced by securities that exist in physical or book entry form, and therefore are not subject to custodial credit risk disclosures. The City's investment policy requires that when securities are held in safekeeping by a broker/dealer, that they must provide asset protection through SIPC and at least another \$10,000,000 supplemental insurance protection.

**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

Summary of cash deposits and investments as of December 31, 2022, were as follows:

Deposits (Note 3.A.)	\$ 3,384,573
Investments (Note 3.B.)	32,508,451
Petty cash	<u>1,525</u>
Total deposits and investments	<u><u>\$ 35,894,549</u></u>

Deposits and investments are presented in the December 31, 2022, basic financial statements as follows:

Statement of Net Position	
Cash and investments - City	\$ 33,876,094
Cash and investments - HEDRA	1,088,654
Cash with fiscal agent	730,953
Restricted cash	108,872
Statement of Fiduciary Net Position	
Cash and investments	<u>89,976</u>
Total deposits and investments	<u><u>\$ 35,894,549</u></u>

**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 4 – CAPITAL ASSETS**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets not being depreciated/amortized				
Land	\$ 3,690,736	\$ 2,475	\$ -	\$ 3,693,211
Construction in progress	775,829	3,397,642	(3,886,219)	287,252
Total capital assets not being depreciated	<u>4,466,565</u>	<u>3,400,117</u>	<u>(3,886,219)</u>	<u>3,980,463</u>
Capital assets being depreciated/amortized				
Buildings	21,060,495	1,625,234	-	22,685,729
Machinery and equipment	12,042,184	1,600,652	(1,050,839)	12,591,997
Improvements other than buildings	5,073,218	111,836	-	5,185,054
Leased equipment	244,913	224,766	-	469,679
Infrastructure	111,909,120	3,571,620	(1,504,079)	113,976,661
Total capital assets being depreciated	<u>150,329,930</u>	<u>7,134,108</u>	<u>(2,554,918)</u>	<u>154,909,120</u>
Less accumulated depreciation/amortization for				
Buildings	(12,741,242)	(486,033)	-	(13,227,275)
Machinery and equipment	(9,261,019)	(744,903)	1,047,776	(8,958,146)
Improvements other than buildings	(1,967,738)	(233,414)	-	(2,201,152)
Leased equipment	-	(101,107)	-	(101,107)
Infrastructure	(70,838,470)	(3,994,613)	1,452,016	(73,381,067)
Total accumulated depreciation/amortization	<u>(94,808,469)</u>	<u>(5,560,070)</u>	<u>2,499,792</u>	<u>(97,868,747)</u>
Total capital assets being depreciated/amortized, net	<u>55,521,461</u>	<u>1,574,038</u>	<u>(55,126)</u>	<u>57,040,373</u>
Governmental activities capital position, net	<u>\$ 59,988,026</u>	<u>\$ 4,974,155</u>	<u>\$ (3,941,345)</u>	<u>\$ 61,020,836</u>

**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 4 – CAPITAL ASSETS (CONTINUED)**

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets not being depreciated/amortized				
Land	\$ 349,300	\$ -	\$ -	\$ 349,300
Construction in progress	-	2,420	-	2,420
Total capital assets not being depreciated/amortized	<u>349,300</u>	<u>2,420</u>	<u>-</u>	<u>351,720</u>
Capital assets being depreciated/amortized				
Buildings	15,022,846	-	-	15,022,846
Machinery and equipment	7,984,813	508,649	(260,266)	8,233,196
Leased equipment	-	65,892	-	65,892
Improvements other than buildings	4,199,943	875,800	-	5,075,743
Infrastructure	42,467,504	1,936,789	(46,678)	44,357,615
Total capital assets being depreciated/amortized	<u>69,675,106</u>	<u>3,387,130</u>	<u>(306,944)</u>	<u>72,755,292</u>
Less accumulated depreciation/amortized for				
Buildings	(9,101,316)	(415,149)	-	(9,516,465)
Machinery and equipment	(5,330,938)	(232,402)	165,700	(5,397,640)
Leased equipment	-	(3,935)	-	(3,935)
Improvements other than buildings	(2,423,589)	(136,080)	-	(2,559,669)
Infrastructure	(22,947,989)	(872,462)	46,678	(23,773,773)
Total accumulated depreciation/amortized	<u>(39,803,832)</u>	<u>(1,660,028)</u>	<u>212,378</u>	<u>(41,251,482)</u>
Total capital assets being depreciated/amortized, net	<u>29,871,274</u>	<u>1,727,102</u>	<u>(94,566)</u>	<u>31,503,810</u>
Business-type activities capital assets, net	<u>\$ 30,220,574</u>	<u>\$ 1,729,522</u>	<u>\$ (94,566)</u>	<u>\$ 31,855,530</u>

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

Governmental activities	
General government	\$ 177,847
Public safety	516,923
Public works	4,082,592
Cultural and recreation	588,738
Internal service funds	<u>193,970</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 5,560,070</u>
Business-type activities	
Water	\$ 943,576
Sewer	493,793
Storm	42,872
Hydro	<u>179,787</u>
Total depreciation/amortization expense - business-type activities	<u>\$ 1,660,028</u>



**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 4 – CAPITAL ASSETS (CONTINUED)**

**Discretely Presented Component Unit**

Activity for the HEDRA for the year ended December 31, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets being depreciated				
Buildings and Structures	\$ 744,195	\$ -	\$ (267,305)	\$ 476,890
Less accumulated depreciated for				
Buildings and Structures	(650,696)	(5,500)	267,305	(388,891)
Total capital assets being depreciated, net	93,499	(5,500)	-	87,999
Component unit capital assets, net	<u>\$ 93,499</u>	<u>\$ (5,500)</u>	<u>\$ -</u>	<u>\$ 87,999</u>

**NOTE 5 – INTERFUND ASSETS/LIABILITIES**

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

Receivable Fund	Payable Fund	Amount
Debt Service	Road Improvement Construction	\$ 339,258
Other Governmental Funds	Other Governmental Funds	30,224
Total		<u>\$ 369,482</u>
Advances To/From Other Funds		
Receivable Fund	Payable Fund	Amount
General Fund	Other Governmental Funds	<u>\$ 1,260,739</u>

The due from/due to other funds balances represent borrowing to resolves deficit cash balances.

The \$1,260,739 from the General Fund was money to make the Bond principal and interest payments for the Downtown Redevelopment TIF District due to delays in development and collection of tax increment revenue. The advance will be paid back when the District starts producing sufficient tax increment revenue.

**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 6 – INTERFUND TRANSFERS**

Transfers Out	Transfers In					Total
	General	Debt Service	Non-major Governmental Funds	Internal Service	Sewer	
General	\$ -	\$ -	\$ 700,000	\$ 531,100	\$ -	\$ 1,231,100
Fire and ambulance	85,394	-	-	-	-	85,394
Non-major governmental funds	90,282	218,817	179,527	-	-	488,626
Water	38,877	-	-	-	-	38,877
Sewer	37,293	-	-	-	-	37,293
Storm	8,655	-	-	-	-	8,655
Hydro	250,461	-	-	-	18,333	268,794
<b>Total</b>	<b>\$ 510,962</b>	<b>218,817</b>	<b>\$ 879,527</b>	<b>\$ 531,100</b>	<b>\$ 18,333</b>	<b>\$ 2,158,739</b>

Inter-fund transfers allow the City to allocate financial resources to the funds that receive benefit from services provided by another fund. The transfers from the Enterprise funds, Fire and ambulance and Non-major governmental funds to the General fund fall under that category. The transfers to the Non Major Funds were for contributions to capital projects. The transfer to the Internal Service Funds was budgeted to contribute for retiree health insurance, compensated absences, and vehicle replacement costs.

**NOTE 7 – LONG-TERM DEBT**

The City issues general obligation bonds to provide for financing of major facilities+, street improvements, and certain city equipment. Debt service for some of the major facilities is covered in part through agreements with the Hastings' School District with the difference paid from general tax levies. Street improvements are covered by special assessments against benefited properties with any shortfalls being paid from general tax levies. The Equipment Certificates are covered completely by general tax levies.

**A. G.O. Improvement Bonds**

Bonds generally are issued as 12-year serial bonds with equal debt service payments each year. The original amount of general obligation bonds for the issues listed below is \$18,935,000. The G.O. Improvement Bonds currently outstanding are as follows:

	Issue Date	Interest Rates	Original Issue	Final Maturity	Balance End of Year	Due Within One Year
G.O. Improvement Bonds, Series 2012A	10/17/12	2.00%-3.00%	1,700,000	02/01/23	\$ 180,000	\$ 180,000
G.O. Improvement Bonds, Series 2013B	11/20/13	0.40%-2.45%	1,265,000	02/01/24	260,000	130,000
G.O. Improvement Bonds, Series 2014A	11/25/14	0.65%-2.50%	2,345,000	02/01/25	795,000	260,000
G.O. Improvement Bonds, Series 2015A	09/03/15	2.00%-2.20%	360,000	02/01/26	150,000	35,000
G.O. Improvement Bonds, Series 2016B	11/03/16	2.00%	995,000	02/01/27	525,000	100,000
G.O. Improvement Bonds, Series 2017A	11/02/17	2.75%-2.875%	1,015,000	02/01/28	630,000	100,000
G.O. Improvement Bonds, Series 2018A	07/18/18	3.00%- 4.00%	1,580,000	02/01/29	1,140,000	150,000
G.O. Improvement Bonds, Series 2019A	08/08/19	5.00%	2,595,000	02/01/30	2,225,000	235,000
G.O. Improvement Bonds, Series 2020A	10/01/20	2.00%-4.00%	2,045,000	02/01/31	1,895,000	180,000
G.O. Improvement Bonds, Series 2021A	08/02/21	1.00%-3.00%	925,000	02/01/32	925,000	75,000
G.O. Improvement Bonds, Series 2022A	06/01/22	3.00%-5.00%	4,110,000	02/01/33	4,110,000	-
<b>Total</b>					<b>\$ 12,835,000</b>	<b>\$ 1,445,000</b>

**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 7 – LONG-TERM DEBT (CONTINUED)**

**A. G.O. Improvement Bonds (Continued)**

Annual debt service requirements to maturity for G.O. Improvement Bonds are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2023	\$ 1,445,000	\$ 482,196	\$ 1,927,196
2024	1,645,000	399,561	2,044,561
2025	1,560,000	340,494	1,900,494
2026	1,335,000	284,491	1,619,491
2027	1,345,000	229,964	1,574,964
2028-2032	5,015,000	431,665	5,446,665
2033	490,000	7,350	497,350
Total	<u>\$ 12,835,000</u>	<u>\$ 2,175,721</u>	<u>\$ 15,010,721</u>

**B. Equipment Certificates**

Equipment Certificates are general obligations of the city and generally are issued as three-to-five-year serial bonds with equal debt service payments each year. They have been used sparingly as a means to purchase certain equipment for the City. The original amount of these certificates for the issues listed below is \$1,410,000. The equipment certificates currently outstanding are as follows:

	Issue Date	Interest Rates	Original Issue	Final Maturity	Balance End of Year	Due Within One Year
Certificate of Participation, Series 2013B	11/20/13	0.40%-2.45%	\$ 1,410,000	02/01/24	\$ 190,000	<u>\$ 95,000</u>

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

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2023	\$ 95,000	\$ 3,420	\$ 98,420
2024	95,000	1,164	96,164
Total	<u>\$ 190,000</u>	<u>\$ 4,584</u>	<u>\$ 194,584</u>

**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 7 – LONG-TERM DEBT (CONTINUED)**

**C. G.O. Revenue Bonds**

The City also issues bonds where the city pledges income derived from certain enterprise fund activities to pay debt service. These bonds also are backed by the full faith and credit of the government (general obligation). Bonds generally are issued as 12-year serial bonds with equal debt service payments each year. The original amount of general obligation revenue bonds for the issues listed below is \$8,485,000.

The general obligation revenue bonds currently outstanding are as follows:

	Issue Date	Interest Rates	Original Issue	Final Maturity	Balance End of Year	Due Within One Year
G.O. Refunding Bonds, Series 2013A	02/21/13	2.00%	\$ 2,565,000	02/01/27	\$ 1,340,000	\$ 265,000
G.O. Improvement Bonds, Series 2018A	07/18/18	3.00%-4.00%	1,260,000	02/01/29	925,000	115,000
G.O. Improvement Bonds, Series 2019A	08/08/19	5.00%	675,000	02/01/30	575,000	60,000
G.O. Improvement Bonds, Series 2020A	10/01/20	2.00-4.00%	1,135,000	02/01/31	1,050,000	100,000
G.O. Improvement Bonds, Series 2021A	08/02/21	1.00-3.00%	1,145,000	02/01/32	1,145,000	90,000
G.O. Improvement Bonds, Series 2022A	06/01/22	3.00%-5.00%	1,705,000	02/01/33	1,705,000	-
Total					<u>\$ 6,740,000</u>	<u>\$ 630,000</u>

Future revenue pledged for the payment of long-term debt is as follows:

	Use of Proceeds	Revenue Pledged			Remaining Principal and Interest	Current Year	
		Type	Percent of Total Debt Service	Term of Pledge		Principal and Interest paid	Pledged Revenue Received
G.O. Refunding Bonds, Series 2013A	Utility Infrastructure	Utility Charges	100%	2014-2027	\$ 1,407,500	\$ 284,350	\$ 3,130,205
G.O. Improvement Bonds, Series 2018A	Utility Infrastructure	Utility Charges	100%	2019-2029	\$ 1,036,475	\$ 150,050	\$ 5,980,468
G.O. Improvement Bonds, Series 2019A	Utility Infrastructure	Utility Charges	100%	2019-2030	\$ 697,125	\$ 90,250	\$ 3,130,205
G.O. Improvement Bonds, Series 2020A	Utility Infrastructure	Utility Charges	100%	2020-2031	\$ 1,204,000	\$ 122,300	\$ 5,980,468
G.O. Improvement Bonds, Series 2021A	Utility Infrastructure	Utility Charges	100%	2021-2032	\$ 1,264,619	\$ 25,276	\$ 5,980,468
G.O. Improvement Bonds, Series 2022A	Utility Infrastructure	Utility Charges	100%	2022-2033	\$ 2,061,675	\$ -	\$ 5,980,468

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

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2023	\$ 630,000	\$ 226,954	\$ 856,954
2024	805,000	190,963	995,963
2025	815,000	163,357	978,357
2026	850,000	134,968	984,968
2027	875,000	105,488	980,488
2028-2032	2,560,000	192,281	2,752,281
2033	205,000	3,074	208,074
Total	<u>\$ 6,740,000</u>	<u>\$ 1,017,085</u>	<u>\$ 7,757,085</u>

**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 7 – LONG-TERM DEBT (CONTINUED)**

**D. Charter Bonds**

The City also issues bonds that use its power under the City Charter to issue debt. These bonds are backed by the full faith and credit of the government (general obligation). Bonds generally are issued as 12-year serial bonds with equal debt service payments each year. The original amount of general obligation bonds for the issues listed below is \$5,735,000. The general obligation charter bonds currently outstanding are as follows:

	Issue Date	Interest Rates	Original Issue	Final Maturity	Balance End of Year	Due Within One Year
G.O. Improvement Bond, Series 2014A - Charter	11/25/14	0.65%-2.50%	\$ 650,000	02/01/25	\$ 220,000	\$ 70,000
G.O. Improvement Bond, Series 2015A - Charter	09/03/15	2.00%-2.20%	2,100,000	02/01/26	895,000	220,000
G.O. Improvement Bond, Series 2016B - Charter	11/03/16	2.00%	2,005,000	02/01/27	1,125,000	215,000
G.O. Improvement Bond, Series 2018A - Charter	07/18/18	3.00%-4.00%	980,000	02/01/29	725,000	90,000
Total					<u>\$ 2,965,000</u>	<u>\$ 595,000</u>

Annual debt service requirements to maturity for general obligation charter bonds are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2023	\$ 595,000	\$ 78,935	\$ 673,935
2024	610,000	64,985	674,985
2025	625,000	50,723	675,723
2026	565,000	36,047	601,047
2027	345,000	21,680	366,680
2028-2029	225,000	17,575	242,575
Total	<u>\$ 2,965,000</u>	<u>\$ 269,945</u>	<u>\$ 3,234,945</u>

**E. General Obligation Tax Increment Revenue Bonds**

In August 2016, the City issued \$2,265,000 GO Tax Increment Revenue bonds. The bonds are backed by the full faith and credit of the City of Hastings. Tax increment revenue from District 7 is pledged to repay the bonds.

	Issue Date	Interest Rates	Original Issue	Final Maturity	Balance End of Year	Due Within One Year
G.O. Tax Increment Bonds, Series 2016A	01/21/16	2.00%-2.75%	\$ 2,265,000	02/01/29	<u>\$ 1,260,000</u>	<u>\$ 175,000</u>

**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 7 – LONG-TERM DEBT (CONTINUED)**

**E. General Obligation Tax Increment Revenue Bonds (Continued)**

Annual debt service requirements to maturity for general obligation tax increment revenue bonds are as follows:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 175,000	\$ 28,000	\$ 203,000
2024	175,000	24,500	199,500
2025	180,000	20,950	200,950
2026	185,000	16,838	201,838
2027	185,000	12,213	197,213
2028-2029	<u>360,000</u>	<u>9,487</u>	<u>369,487</u>
Total	<u>\$ 1,260,000</u>	<u>\$ 111,988</u>	<u>\$ 1,371,988</u>

**F. Lease Obligations**

The City entered into multiple lease agreements shown per schedules below. These leases have varying start dates, monthly lease payment amounts, and end dates.

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>			<u>Business Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 108,161	\$ 15,818	\$ 123,979	\$ 14,149	\$ 2,524	\$ 16,673
2024	110,030	10,405	120,435	14,873	1,800	16,673
2025	67,671	4,920	72,591	15,633	1,039	16,672
2026	44,648	1,506	46,154	12,248	257	12,505
2027	<u>8,106</u>	<u>97</u>	<u>8,203</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 338,616</u>	<u>\$ 32,746</u>	<u>\$ 371,362</u>	<u>\$ 56,903</u>	<u>\$ 5,620</u>	<u>\$ 62,523</u>

**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 7 – LONG-TERM DEBT (CONTINUED)**

**G. Changes in Long-Term Liabilities**

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental activities					
Bonds payable					
General obligation debt	\$ 180,000	\$ -	\$ (180,000)	\$ -	\$ -
GO improvement debt	10,550,000	4,110,000	(1,825,000)	12,835,000	1,445,000
Equipment certificates	340,000	-	(150,000)	190,000	95,000
City charter bonds	3,550,000	-	(585,000)	2,965,000	595,000
Tax increment bonds	1,435,000	-	(175,000)	1,260,000	175,000
Lease obligations	244,913	191,375	(97,672)	338,616	108,161
Plus (less) deferred amounts for premium and discount	971,168	308,474	(143,279)	1,136,363	-
Total bonds payable	<u>17,271,081</u>	<u>4,609,849</u>	<u>(3,155,951)</u>	<u>18,724,979</u>	<u>2,418,161</u>
Compensated absences	<u>1,726,892</u>	<u>956,261</u>	<u>(801,376)</u>	<u>1,881,777</u>	<u>166,389</u>
Total governmental activities	<u>\$ 18,997,973</u>	<u>\$ 5,566,110</u>	<u>\$ (3,957,327)</u>	<u>\$ 20,606,756</u>	<u>\$ 2,584,550</u>
	Ending Balance	Additions	Retirements	Ending Balance	Due Within One Year
Business-type activities					
Bonds payable					
G.O. revenue bonds	\$ 5,550,000	\$ 1,705,000	\$ (515,000)	\$ 6,740,000	\$ 630,000
Lease obligations	-	60,582	(3,679)	56,903	14,149
Plus (less) deferred amounts for premium or discount	402,281	128,278	(56,893)	473,666	-
Total bonds payable	<u>5,952,281</u>	<u>1,893,860</u>	<u>(575,572)</u>	<u>7,270,569</u>	<u>644,149</u>
Compensated absences payable	<u>261,265</u>	<u>58,064</u>	<u>(79,683)</u>	<u>239,646</u>	<u>24,562</u>
Total business-type activities	<u>\$ 6,213,546</u>	<u>\$ 1,951,924</u>	<u>\$ (655,255)</u>	<u>\$ 7,510,215</u>	<u>\$ 668,711</u>

The governmental activities, compensated absences, pensions, and other post-employment benefit obligations are generally liquidated by the general, special revenue, and internal service funds.

**NOTE 8 – RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and the destruction of assets; errors and omissions; injuries to employees and natural disasters. The City participates in the League of Minnesota Cities Insurance Trust (LMCIT), a public entity risk pool for its general property and casualty, workers' compensation, and other miscellaneous insurance coverage. The LMCIT operates as a common risk management and insurance program for approximately 1,200 members. The city pays an annual premium to the LMCIT for insurance coverage. The LMCIT agreement provides that the Trust will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain limits. The major reinsurance points are generally \$1,000,000 per occurrence for property loss or damage and \$500,000 per occurrence for workers' compensation. The City also carries commercial insurance for certain other risks of loss, including employee health insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There were no significant reductions in insurance from the prior year.

**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 9 – PENSION PLANS**

The City participates in various pension plans. Total pension expense for the year ended December 31, 2022, was \$1,917,243, the discretely presented component unit's portion of this expense is \$36,512. The components of pension expense are noted in the following plan summaries.

The General fund, HEDRA, Water, Sewer, Storm and Hydro Funds typically liquidate the liability related to pensions.

**Public Employees' Retirement Association**

**A. Plan Description**

The City of Hastings participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with *Minnesota Statutes*, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401 (a) of the Internal Revenue Code.

**General Employees Retirement Plan**

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

**Public Employees Police and Fire Plan**

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

**B. Benefits Provided**

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

**General Employees Plan Benefits**

General Employees Plan benefits are based on a member's highest average salary for any 5 successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for a Coordinated members is 1.2% for each of the first 10 years of service and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.



**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 9 – PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**B. Benefits Provided (Continued)**

General Employees Plan Benefits (Continued)

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

Police and Fire Plan Benefits

Benefits for the Police and Fire Plan members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50% after five years up to 100% after 10 years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014, vest on a prorated basis from 50% after 10 years up to 100% after 20 years of credited service. The annuity accrual rate is 3% of average salary for each year of service. For Police and Fire Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

Benefit increases are provided to benefit recipients each January. The postretirement increase is fixed at 1%. 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* Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Employees Plan Contributions

Coordinated Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2022 and the City was required to contribute 7.5% for Coordinated Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2022, were \$411,531 of this amount, the discretely presented component unit contributed \$17,989. The City's contributions were equal to the required contributions as set by state statute.

**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 9 – PENSION PLANS (CONTINUED)**

**Public Employees’ Retirement Association (Continued)**

**C. Contributions (Continued)**

Police and Fire Plan Contributions

Police and Fire Plan members were required to contribute 11.8% of their annual covered salary in fiscal year 2022 and the City was required to contribute 17.7% for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the year ended December 31, 2022, were \$906,616. The City's contributions were equal to the required contributions as set by state statute.

**D. Pension Costs**

General Employees Fund Pension Costs

At December 31, 2022, the City reported a liability of \$5,504,423 for its proportionate share of the General Employees Fund’s net pension liability, of this amount, the discretely presented component unit was allocated \$240,616. 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 \$161,514. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City’s contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2021, through June 30, 2022, relative to the total employer contributions received from all of PERA’s participating employers. The City’s proportionate share was 0.0695% at the end of the measurement period and 0.0698% for the beginning of the period.

City's proportionate share of the net pension liability	\$ 5,504,423
State of Minnesota's proportionate share of the net pension liability associated with the City	161,514
Total	\$ 5,665,937

For the year ended December 31, 2022, the City recognized pension expense of \$745,493 for its proportionate share of General Employees Plan’s pension expense of this amount, the discretely presented component unit was allocated \$36,512. Included in the amount, the City recognized \$24,134 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, of this amount, the discretely presented component unit was allocated \$1,055.

**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 9 – PENSION PLANS (CONTINUED)**

**Public Employees’ Retirement Association (Continued)**

**D. Pension Costs (Continued)**

General Employees Fund Pension Costs (Continued)

At December 31, 2022, the City reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources, of these amounts, the discretely presented component unit was allocated \$71,221 of deferred outflows of resources and \$5,298 of deferred inflows of resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 45,977	\$ 59,145
Changes in actuarial assumptions	1,250,966	22,871
Net collective difference between projected and actual investment earnings	90,647	-
Change in proportion	35,937	39,175
Contributions paid to PERA subsequent to the measurement date	205,765	-
Total	\$ 1,629,292	\$ 121,191

The \$205,765 reported as deferred outflows of resources related to pensions resulting from City of Hastings contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023, of this amount the discretely presented component unit contributed \$8,995 subsequent to year end. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December	Pension Expense
2023	\$ 496,786
2024	482,995
2025	(175,237)
2026	497,792
Total	\$ 1,302,336

**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 9 – PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**D. Pension Costs (Continued)**

Police and Fire Fund Pension Costs

At December 31, 2022, the City reported a liability of \$17,680,571 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2021, through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.4063%, at the end of the measurement period and 0.3830% for the beginning of the period.

The State of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2022. The contribution consisted of \$9 million in direct state aid that does meet the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state aid was paid on October 1, 2021. 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% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later.

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer (pension allocation schedules) for the \$9 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2022, the City recognized pension expense of \$1,622,679 for its proportionate share of the Police and Fire Plan's pension expense. Included in this amount, the City recognized \$149,841 as pension expense (and 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 \$9 million in supplemental state aid. The City also recognized \$36,567 for the year ended December 31, 2022, as revenue and an offsetting reduction of the net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 9 – PENSION PLANS (CONTINUED)**

**Public Employees’ Retirement Association (Continued)**

**D. Pension Costs (Continued)**

Police and Fire Fund Pension Costs (Continued)

At December 31, 2022, the City reported its proportionate share of the Police and Fire Plan’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,053,732	\$ -
Changes in actuarial assumptions	10,196,270	99,383
Net collective difference between projected and actual investment earnings	485,470	-
Change in proportion	280,000	127,246
Contributions paid to PERA subsequent to the measurement date	453,308	-
Total	\$ 12,468,780	\$ 226,629

The \$453,308 reported as deferred outflows of resources related to pensions resulting from City of Hastings contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2023	\$ 2,278,472
2024	2,319,687
2025	2,062,896
2026	3,626,758
2027	1,501,030
Total	\$ 11,788,843

**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 9 – PENSION PLANS (CONTINUED)**

**Public Employees’ Retirement Association (Continued)**

**E. Long-Term Expected Return on Investment**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term</u>
Domestic equity	33.5 %	5.10 %
International equity	16.5	5.30
Fixed income	25.0	0.75
Private markets	25.0	5.90
	<hr/>	
Total	<u>100.0 %</u>	

**F. Actuarial Assumptions**

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

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

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service. In the Police and Fire Plan, salary growth assumptions range 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 most recent four-year experience study for the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020, actuarial valuation.

**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 9 – PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**F. Actuarial Methods and Assumptions (Continued)**

The most recent four-year experience study for the Police and Fire Plan was completed in 2020 and was adopted by the Board and became effective with the July 1, 2021, actuarial valuation.

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

General Employees Fund

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the previous valuation.

Police and Fire Fund

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from MP-2020 to MP-2021.
- The single discount rates were changed from 6.5% to 5.4%.

Changes in Plan Provisions

- There have been no changes since the previous valuation.

**G. Discount Rate**

The discount rate for the General Employees Plan used to measure the total pension liability in 2022 was 6.5%. 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 positions of the General Employees Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In the Police and Fire Fund, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through June 30, 2060. Beginning in the fiscal year ended June 30, 2061, projected benefit payments exceed the fund's projected fiduciary net position. Benefit payments projected after were discounted at the municipal bond rate of 3.69% (based on the weekly rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The resulting equivalent single discount rate of 5.4% for the Police and Fire Fund was determined to give approximately the same present value of projected benefits when applied to all years of projected benefits as the present value of projected benefits using 6.5% applied to all years of projected benefits through the point of asset depletion and 3.69% thereafter.

**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 9 – PENSION PLANS (CONTINUED)**

**Public Employees’ Retirement Association (Continued)**

**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 1 percentage point lower or 1 percentage point higher than the current discount rate:

<u>City of Hastings proportionate share of</u>	<u>1% Decrease in Discount Rate (5.5%)</u>	<u>Current Discount Rate (6.5%)</u>	<u>1% Increase in Discount Rate (7.5%)</u>
General Employees Retirement Fund net pension liability	\$ 8,311,965	\$ 5,263,807	\$ 2,772,525
Discretely presented component unit	382,559	240,616	115,522
	<u>1% Decrease in Discount rate (4.4%)</u>	<u>Current Discount Rate (5.4%)</u>	<u>1% Increase in Discount Rate (6.4%)</u>
<u>City of Hastings proportionate share of</u>			
Police and Fire Fighters net pension liability	\$ 26,757,277	\$ 17,680,571	\$ 10,342,598

**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](http://www.mnpera.org).

At December 31, 2022, the City reported its total proportionate share of Net Pension Liability (Asset), Deferred Outflows of Resources, and Deferred Inflows of Resources, related to pensions from the following sources:

	<u>Net Pension Liability (Asset)</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
General Employees	\$ 5,504,423	\$ 1,629,292	\$ 121,191
Police and Fire	<u>17,680,571</u>	<u>12,468,780</u>	<u>226,629</u>
Total	<u>\$ 23,184,994</u>	<u>\$ 14,098,072</u>	<u>\$ 347,820</u>



**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 9 – PENSION PLANS (CONTINUED)**

**Single Employer Defined Benefit Pension Plan - Volunteer Fire Relief Association**

**A. Plan Description**

Firefighters of the City of Hastings are members of the Hastings Firefighters Relief Association. The Association is the administrator of the single employer defined benefit pension plan available to firefighters. The association is governed by a board of six officers and trustees elected by the members of the Association for three-year terms. The Mayor, City Clerk, and Fire Chief are ex-officio members of the Board of Trustees. The plan is administered pursuant to *Minnesota Statutes* Chapter 69, Chapter 424A, and the Association's by-laws. As of January 1, 2021, membership includes 34 active members and 16 deferred or inactive members entitled to benefit but not yet receiving them. The plan issues a stand-alone financial statement as it is not a component unit of the City of Hastings.

The Association issues a publicly available financial report that includes financial statements and required supplementary information for the Hastings Firefighters' Relief Association. That report may be obtained by writing to the Hastings Firefighters' Relief Association, 115 West 5<sup>th</sup> Street, Hastings, MN 55033.

**B. Benefits Provided**

Authority for payment of pension benefits is established in *Minnesota Statutes* § 69.77 and may be amended only by the Minnesota State Legislature. Each member who is at least 50 years of age, has retired from the Fire Department, has served at least 20 years of active service with such department before retirement shall be entitled to a lump sum service pension in the amount of \$7,000 for each year of active Fire Department service.

*Minnesota Statutes* § 424A.10 provides for the payment of a supplemental benefit equal to 10% of a regular lump sum distribution up to a maximum of \$1,000. The supplemental benefit is in lieu of state income tax exclusion for lump sum distributions and will no longer be available if state tax law is modified to exclude lump sum distributions from state income tax. The Association qualifies for these benefits.

The Association provides retirement benefits as well as disability benefits to members and benefits to survivors upon death of eligible members. Benefits are established by the Association with approval by the Hastings City Council under the applicable state statutes. The defined retirement benefits are based on members' years of service. Vesting begins after the 5th year of service with a 40% benefit increasing by 4% per year to 100% after the 20th year of service.

Pursuant to *Minnesota Statutes* § 424A.02, Subd. 2 and 4, members who retire with five years of service and reached the age of 50 years are eligible for a retirement benefit. Members who retire before full retirement age and years of service requirements are eligible for a reduced benefit, based on the vesting schedule as set forth in *Minnesota Statutes* § 424A.02, Subd. 2(c). During the time a member is on early vested pension, they will not be eligible for disability benefits.

If a member of the Association shall become permanently or totally disabled, the amount to be determined in accordance with the 20-year cumulated table contained in *Minnesota Statutes* § 69.772, for each year of service prior to disability as a firefighter in the Fire Department of the City of Hastings. A death benefit is also available, which is payable to a survivor.

**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 9 – PENSION PLANS (CONTINUED)**

**Single Employer Defined Benefit Pension Plan - Volunteer Fire Relief Association (Continued)**

**B. Benefits Provided (Continued)**

A member of the Association, who has completed five or more years of active service with the Fire Department prior to reaching age 50, has the right to retire from the Department without forfeiting the right to a service pension. The member shall be placed on the deferred pension roll. Upon reaching age 50, and provided that at that time the individual has been a member of the Association for at least five years, the member may apply for the standard service pension as described above. The Association shall pay interest on the deferred service pension during the period of deferral. The interest rate will be compounded annually, at the rate actually earned on the assets of the Pension Fund, not to exceed 5% per year.

A member of the Association who becomes sick or temporarily disabled to the extent that he/she is unable to perform their regular occupation for a period of seven consecutive days or more, and who is under the care of a physician, is entitled to a sick benefit of \$4 per day, not to exceed \$225 in one calendar year.

The benefit provisions stated in the previous paragraphs of this section are current provisions which apply to active plan participants. Vested, terminated firefighters, who are entitled to benefits and are not receiving them yet, are bound by the provisions in effect at the time they choose to start their benefit.

**C. Contributions**

*Minnesota Statutes* Chapter 424A.092 specifies minimum support rates required on an annual basis. The minimum support rates from the municipality and from State aids are determined as the amount required to meet the normal cost plus amortizing any existing prior service costs over a ten year period. The City's obligation is the financial requirement for the year less state aids. Any additional payments by the City shall be used to amortize the unfunded liability of the relief association. The Association is comprised of volunteers: therefore, there are no payroll expenditures (i.e. there are no covered payroll percentage calculations). During the year, the City recognized as revenue and as an expenditure an on behalf payment of \$219,587 made by the State of Minnesota for the Relief Association.

**D. Pension Costs**

At December 31, 2022, the City reported an asset of \$2,860,203 for the Association's net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2021.

**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 9 – PENSION PLANS (CONTINUED)**

**Single Employer Defined Benefit Pension Plan - Volunteer Fire Relief Association (Continued)**

**D. Pension Costs (Continued)**

For the year ended December 31, 2022, the City recognized pension expense of (\$457,801). At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual liability	\$ -	\$ 153,113
Changes in actuarial assumptions	5,451	74,566
Net difference between projected and actual earnings on pension plan investments	-	477,313
City contributions subsequent to the measurement date	219,587	-
Total	\$ 225,038	\$ 704,992

\$219,587 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, 2023.

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

Year Ended December	Pension Expense
2023	\$ (160,139)
2024	(250,708)
2025	(146,891)
2026	(89,067)
2027	(42,387)
Thereafter	(10,349)
Total	\$ (699,541)

**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 9 – PENSION PLANS (CONTINUED)**

**Single Employer Defined Benefit Pension Plan - Volunteer Fire Relief Association (Continued)**

**E. Actuarial Assumptions**

The actuarial total pension liability was determined as of December 31, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	January 1, 2021
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar Closed
Actuarial assumptions:	
Discount rate	5.75 %
Investment rate of return	5.75
Salary increases	2.50

The value of death benefits is similar to the value of the retirement pension. Because of low retirement ages, the plan assumes no pre-retirement mortality. Post retirement mortality does not apply as the benefit structure and form of payment do not reflect lifetime benefits.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These asset class estimates are combined to produce the portfolio long-term expected rate of return by weighting the expected future real rates of return by weighting the expected future real rates of return by the current asset allocation percentage (or target allocation, if available) and by adding expected inflation.

The best-estimate of expected future real rates of return were developed by aggregating data from several published capital market assumption surveys and deriving a single best-estimate based on the average survey values. These capital market assumptions reflect both historical market experience as well as diverse views regarding anticipated future returns. The expected inflation assumption was developed based on an analysis of historical experience blended with forward-looking expectations available in market data.

**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 9 – PENSION PLANS (CONTINUED)**

**Single Employer Defined Benefit Pension Plan - Volunteer Fire Relief Association (Continued)**

**E. Actuarial Assumptions (Continued)**

Best estimates of geometric real and nominal rates of return for each major asset class included in the pension plan's asset allocation as of December 31, 2021, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	3.00 %	1.80 %
Other	1.00	6.00
Fixed income	29.00	3.00
Equities	<u>67.00</u>	7.10
	<u>100.00 %</u>	

**F. Discount Rate**

The discount rate used to measure the total pension liability was 5.75%. Assets were projected using expected benefit payments and expected asset returns. Expected benefit payments were discounted by year using expected assets return assumption for years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the municipal bond rate of return. The equivalent single rate is the discount rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

**G. Pension Liability Sensitivity**

The following presents the City of 100% proportionate share of the net pension asset of the Association, calculated using the discount rate of 5.75%, as well as what the Association's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (4.75%) or one percentage point higher (6.75%) than the current rate:

<u></u>	<u>1% Decrease in Discount Rate (4.75%)</u>	<u>Current Discount Rate (5.75%)</u>	<u>1% Increase in Discount Rate (6.75%)</u>
Net pension liability	\$ (2,719,013)	\$ (2,860,203)	\$ (2,992,147)

**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 9 – PENSION PLANS (CONTINUED)**

**Single Employer Defined Benefit Pension Plan - Volunteer Fire Relief Association (Continued)**

**H. Plan's Fiduciary Net Position**

Information about the Plan's fiduciary net position is as follows:

	2022
Total Pension Liability	
Service cost	\$ 103,489
Interest	132,832
Benefit payments, including member contribution refunds	(348,567)
Net Change in Total Pension Liability	(112,246)
Total Pension Liability - Beginning	2,380,921
Total Pension Liability - Ending (a)	2,268,675
Plan Fiduciary Net Position	
State contributions	215,715
Net investment income	270,175
Gain or loss	233,367
Benefit payments	(348,567)
Administrative expenses	(13,862)
Net Change in Fiduciary Net Position	356,828
Fiduciary Net Position - Beginning	4,772,050
Fiduciary Net Position - Ending (b)	5,128,878
Association's Net Pension Liability (Asset) - Ending (a) - (b)	\$ (2,860,203)

**NOTE 10 - RETIREE HEALTH INSURANCE**

**A. Plan Description**

The City provides a single-employer defined benefit OPEB dependent health care plan to retirees after (ten) years of service, that were hired prior to 1993. The benefit commences upon retirement or age 55 (whichever is later) and terminates after ten years or upon reaching Medicare age, whichever comes first. The expenditures for this benefit are accounted for within the internal service fund. The Other Post Employment Benefit (OPEB) plan is administered by the City. The authority to provide these benefits is established in *Minnesota Statutes* § 471.61 Subd. 2a, and 299A.465. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and collective bargaining agreements with employee groups. The Plan is not accounted for as a trust fund, and no funds are accumulated in a trust as a trust fund has not been established to account for the plan. The Plan does not issue a separate report.

**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 10 - RETIREE HEALTH INSURANCE (CONTINUED)**

**B. Benefits Provided**

**Retirees**

In addition to the benefits described above, The City is required by State Statute to allow retirees to continue participation in the City's group health insurance plan if the individual terminates service with the City through service retirement or disability retirement. Eligibility for continuing group health and dental insurance for City retirees is defined as follows:

- 1) Retirees who are at least 55 years of age and are PERA Basic, PERA Coordinated, or PERA Defined Contribution eligible; or
- 2) Retirees who are members of the PERA Police and Fire Fund who are at least 50 years of age and are PERA Police and Fire Pension eligible; or
- 3) Former employees approved for disability retirement by PERA.

Employees may obtain spouse coverage at retirement or add spouse coverage at the beginning of an enrollment year. Covered spouses may continue coverage after the retiree's death.

All health care coverage is provided through the City's group health insurance plans. The retiree is required to pay 100% of their premium cost for the City-sponsored group health insurance plan in which they participate. The premium is a blended rate determined on the entire active and retiree population. Since the projected claims costs for retirees exceed the blended premium paid by retirees, the retirees are receiving an implicit rate subsidy (benefit). The coverage levels are the same as those afforded to active employees. Retirees and spouses are eligible to remain in the City-sponsored group health insurance plan until death or the obtainment of Medicare, provided the applicable premiums are paid.

**Disabled police and firefighter**

In accordance with *Minnesota Statute 299A.465*, the City is responsible to continue payment of the City's contribution toward health coverage for police officers or the firefighters disabled in the line of duty; or a surviving spouse and/or dependents of a police officer or the firefighters killed in the line of duty. The contribution continues until the police officer, firefighters or surviving spouse reaches age 65 or the dependent is no longer eligible under the contract.

**C. Contributions**

Contribution requirements are established by the City. The required contributions are based on projected pay-as-you-go financing requirements. For year 2022, the City contributed \$481,242 to the plan, of this amount the discretely presented component unit was allocated \$8,807. As of December 31, 2022, there were 27 retirees receiving health benefits from the City's health plan.

**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 10 - RETIREE HEALTH INSURANCE (CONTINUED)**

**D. Members**

As of January 1, 2022, the following were covered by the benefit terms:

Retirees or beneficiaries currently receiving benefits	27
Active employees	102
	129
Total	129

**E. Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of January 1, 2022, with a measurement date of January 1, 2022. Using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Key Methods and Assumptions Used in Valuation of Total OPEB Liability

Investment rate of return	2.00%, net of investment expense
Salary increases	Service graded table
Inflation	2.00%
Healthcare cost trend increases	6.50% in 2022, decreasing over six years to rate of 5.00% and then 4.00% over 48 years
Mortality assumption	Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2021 Generational Improvement Scale

The actuarial assumptions used in the January 1, 2022, valuation were based on the results of an actuarial experience study for the period January 1, 2021 – January 1, 2022.

The discount rate used to measure the total OPEB liability was 2.00% based on 20 year municipal bond index.

**F. Total OPEB Liability**

The City's total OPEB liability of \$4,492,883 was measured as of January 1, 2022, and was determined by an actuarial valuation as of January 1, 2022, of this amount the discretely presented component unit was allocated \$80,872.



**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 10 - RETIREE HEALTH INSURANCE (CONTINUED)**

**F. Total OPEB Liability (Continued)**

Changes in the total OPEB liability are as follows:

	Total OPEB Liability
Balances at January 1, 2021	\$ 4,478,476
Changes for the year	
Service cost	101,368
Interest	87,994
Differences between expected and actual economic experience	159,560
Assumption changes	27,580
Benefit payments	(362,095)
Net changes	14,407
Balances at January 1, 2022	\$ 4,492,883

Changes of assumptions and other inputs reflect an update to the healthcare trend rates, mortality tables, salary increase rates, and retirement and withdrawal rates. The inflation rate was also changed from 2.50% to 2.00%.

**G. OPEB Liability Sensitivity**

The following presents the City's total OPEB liability calculated using the discount rate of 2.00% as well as the liability measured using 1% lower and 1% higher than the current discount rate.

	Total OPEB Liability (Asset)		
	1% Decrease in Discount Rate (1.00%)	Current Discount Rate (2.00%)	1% Increase in Discount Rate (3.00%)
	Primary government	\$ 4,806,177	\$ 4,412,011
Discretely presented component unit	88,097	80,872	74,748

**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 10 - RETIREE HEALTH INSURANCE (CONTINUED)**

**G. OPEB Liability Sensitivity (Continued)**

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower and 1% higher than the current healthcare cost trend rates.

	Total OPEB Liability/(Asset)		
	1% decrease in Discount Rate (5.50% decreasing to 3.0%)	Current Discount Rate (6.50% decreasing to 4.0%)	1% increase in Discount Rate (7.50% decreasing to 5.0%)
Primary government	\$ 4,054,335	\$ 4,412,011	\$ 4,836,081
Discretely presented component unit	74,316	80,872	88,645

**H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2022, the City recognized OPEB expense of \$331,747, of this amount \$5,971 was allocated to the discretely presented component unit. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources of these amounts, the discretely presented component unit was allocated \$23,879 of deferred outflows of resources and \$730 of deferred inflows of resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Assumption Changes	\$ 414,816	\$ 40,570
Liability Losses	430,568	-
Subsequent contributions	481,240	-
 Total	 \$ 1,326,624	 \$ 40,570

**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 10 - RETIREE HEALTH INSURANCE (CONTINUED)**

**H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources  
 Related to OPEB (Continued)**

The \$481,240 reported as deferred outflows of resources related to OPEB resulting from City of Hastings contributions subsequent to the measurement date will be recognized as a reduction of the Total OPEB liability in the year ended December 31, 2023, of this amount the discretely presented component unit contributed \$8,662 subsequent to year end. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December	Pension Expense
2023	\$ 142,385
2024	142,385
2025	142,385
2026	142,390
2027	152,526
Thereafter	82,743
Total	\$ 804,814

**NOTE 11 – CONTINGENCIES**

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

**NOTE 12 – TAX INCREMENT FINANCING**

There are two pay-as-you-go Tax Increment Districts in the City of Hastings. *Minnesota Statute* 469.174 to 469.1794 provide authority for Tax Increment Districts. The City agreed to rebate real estate taxes based on the increased property value from improvements on the owned property. The amount rebated is equal to 90% of the tax increment received until the earlier of a maximum dollar value or 2027 tax year. For the year ended December 31, 2022, the City generated \$48,796 in tax increment revenue and made \$66,819 in payments to developers. No other commitments were made by the City as part of these agreements.

**City of Hastings**  
**Notes to Basic Financial Statements**

**NOTE 13 – COMMITMENTS**

**A. Construction Commitments**

Fund	Project	Remaining Commitment Amount
General Fund	City Hall	\$ 41,865
Nonmajor Capital Project - Park Projects	Lake Isabel Redevelopment	491,663
Nonmajor Capital Project - Road Construction	2022 Neighborhood Improvements	151,440
Water	Water Meter Replacement	<u>166,000</u>
Total		<u><u>\$ 850,968</u></u>

**NOTE 14 – LEASE RECEIVABLE**

The City has implemented GASB 87 effective December 31, 2022, and has recognized a Lease Receivable of \$3,912,346 and Deferred Inflow of Resources of \$3,801,774. Leases included in the lease receivable is the leased space above the water towers to several communication companies.

**NOTE 15 – NEW STANDARDS ISSUED BUT NOT YET IMPLEMENTED**

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* establishes that a Subscription-Based Information Technology Arrangement (SBITA) results in a right-to-use subscription asset and a corresponding liability. Under this statement, a governmental entity generally should recognize a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability. This statement will be effective for the year ending December 31, 2023.

**REQUIRED SUPPLEMENTARY INFORMATION  
OTHER THAN MD&A**

**City of Hastings**  
**Schedule of Changes in Total OPEB Liability**  
**and Related Ratios**

**Schedule 1**

	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022
Total OPEB Liability					
Service cost	\$ 79,277	\$ 74,791	\$ 89,043	\$ 106,253	\$ 101,368
Interest	129,783	125,673	136,813	122,960	87,994
Difference between expected and actual experience	-	-	465,526	-	159,560
Changes of assumptions	-	(81,147)	279,831	287,722	27,580
Benefit payments	(329,263)	(328,960)	(354,697)	(341,958)	(362,095)
Net change in total OPEB liability	<u>(120,203)</u>	<u>(209,643)</u>	<u>616,516</u>	<u>174,977</u>	<u>14,407</u>
Beginning of year	<u>4,016,829</u>	<u>3,896,626</u>	<u>3,686,983</u>	<u>4,303,499</u>	<u>4,478,476</u>
Net OPEB liability	<u>\$ 3,896,626</u>	<u>\$ 3,686,983</u>	<u>\$ 4,303,499</u>	<u>\$ 4,478,476</u>	<u>\$ 4,492,883</u>
Covered-employee payroll	\$ 7,919,006	\$ 8,156,576	\$ 8,548,373	\$ 8,804,824	\$ 8,799,920
Net OPEB liability as a percentage of covered-employee payroll	49.21%	45.20%	50.34%	50.86%	51.06%

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

**City of Hastings**  
**Schedule of City's Proportionate Share**  
**of Net Pension Liability**  
**General Employees Retirement Fund**  
**Last Ten Years**

**Schedule 2**

For Fiscal Year Ended June 30,	City's Proportionate Share (Percentage) of the Net Pension Liability (Asset)	City's Proportionate Share (Amount) of the Net Pension Liability (Asset)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with the City	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.0723%	\$ 3,746,961	-	\$ 3,746,961	\$ 4,181,240	89.6%	78.19%
2016	0.0671%	5,448,187	71,180	5,519,367	4,164,467	130.8%	68.91%
2017	0.0706%	4,507,057	56,664	4,563,721	4,547,520	99.1%	75.90%
2018	0.0697%	3,866,670	126,858	3,993,528	4,686,667	82.5%	79.53%
2019	0.0684%	3,781,683	117,495	3,899,178	4,839,880	78.1%	80.23%
2020	0.0710%	4,256,774	131,283	4,388,057	5,062,387	84.1%	79.06%
2021	0.0698%	2,980,773	91,113	3,071,886	5,026,427	59.3%	87.00%
2022	0.0695%	5,504,423	161,514	5,665,937	5,207,533	105.7%	76.67%

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

**Schedule of City's Proportionate Share**  
**of Net Pension Liability**  
**Public Employees Police and Fire Retirement Fund**  
**Last Ten Years**

For Fiscal Year Ended June 30,	City's Proportion of the Net Pension Liability (Asset)	City's Proportionate Share of the Net Pension Liability (Asset)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with the City	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.3670%	\$ 4,169,979	N/A	\$ 4,169,979	\$ 3,267,043	127.64%	86.61%
2016	0.3900%	15,651,932	N/A	15,651,952	3,757,019	416.61%	63.88%
2017	0.3880%	5,203,542	N/A	5,203,542	3,980,438	130.73%	85.43%
2018	0.3693%	3,903,121	N/A	3,903,121	4,120,810	94.72%	88.84%
2019	0.3943%	4,144,492	N/A	4,144,492	4,066,897	101.91%	89.26%
2020	0.3783%	4,952,352	\$ 117,467	5,069,819	4,178,463	118.52%	87.19%
2021	0.3830%	2,921,884	132,903	3,054,787	4,526,390	64.55%	93.66%
2022	0.4063%	17,680,571	772,477	18,453,048	4,935,944	358.20%	70.53%

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

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**City of Hastings  
Schedule of City Contributions -  
General Employees Retirement Fund  
Last Ten Years**

**Schedule 3**

Fiscal Year Ending December 31,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 306,216	\$ 306,216	\$ -	\$ 4,223,670	7.25%
2015	323,987	323,987	-	4,319,887	7.50%
2016	322,594	322,594	-	4,302,155	7.50%
2017	332,019	332,019	-	4,426,920	7.50%
2018	362,596	362,596	-	4,834,613	7.50%
2019	333,441	333,441	-	4,445,880	7.50%
2020	363,873	363,873	-	4,851,640	7.50%
2021	381,065	381,065	-	5,080,867	7.50%
2022	411,531	411,531	-	5,487,080	7.50%

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

**Schedule of City Contributions -  
Public Employees Police and Fire Retirement Fund  
Last Ten Years**

Fiscal Year Ending December 31,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 514,007	\$ 514,007	\$ -	\$ 3,359,522	15.30%
2015	593,750	593,750	-	3,665,120	16.20%
2016	626,529	626,529	-	3,867,466	16.20%
2017	644,831	644,831	-	3,980,438	16.20%
2018	658,441	658,441	-	4,064,451	16.20%
2019	753,093	753,093	-	4,443,027	16.95%
2020	761,102	761,102	-	4,300,011	17.70%
2021	837,964	837,964	-	4,734,260	17.70%
2022	906,616	906,616	-	5,122,124	17.70%

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

**City of Hastings**  
**Schedule of Changes in Net Pension Liability**  
**and Related Ratios - Hastings Firefighters' Benefit Association**

	Measurement Date			
	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017
Total pension liability (TPL)				
Service cost	\$ 71,430	\$ 77,609	\$ 75,046	\$ 90,905
Interest	158,649	143,266	157,420	150,634
Gain or loss	-	-	-	-
Changes of assumptions	-	-	21,819	-
Changes of benefit terms	-	-	-	408,102
Benefit payments, including refunds or member contributions	(539,157)	(120,042)	(21,445)	(505,314)
Net change in total pension liability	(309,078)	100,833	232,840	144,327
Beginning of year	2,756,871	2,447,793	2,548,626	2,781,466
End of year	\$ 2,447,793	\$ 2,548,626	\$ 2,781,466	\$ 2,925,793
Plan fiduciary net pension (FNP)				
State contributions	\$ 168,589	\$ 176,928	\$ 177,612	\$ 182,415
Net investment income	168,892	(29,966)	231,494	504,320
Gain or loss	-	-	-	-
Benefit payments, including refunds of member contributions	(492,023)	(120,042)	(31,037)	(505,314)
Administrative expense	(5,963)	(5,354)	(5,329)	(5,329)
Other	1,612	1,464	(1,790)	-
Net change in plan fiduciary net position	(158,893)	23,030	370,950	176,092
Beginning of year	3,909,740	3,750,847	3,773,877	4,144,827
End of year	\$ 3,750,847	\$ 3,773,877	\$ 4,144,827	\$ 4,320,919
Net pension liability (NPL)	\$ (1,303,054)	\$ (1,225,251)	\$ (1,363,361)	\$ (1,395,126)
Plan fiduciary net position as a percentage of the total pension liability	153.2%	148.1%	149.0%	147.7%

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

Measurement Date			
December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
\$ 111,448	\$ 100,316	\$ 107,881	\$ 103,489
165,333	141,474	137,263	132,832
(154,138)	-	(82,834)	-
(134,222)	-	-	-
-	100,388	131,954	-
<u>(323,775)</u>	<u>(460,667)</u>	<u>(385,293)</u>	<u>(348,567)</u>
<u>(335,354)</u>	<u>(118,489)</u>	<u>(91,029)</u>	<u>(112,246)</u>
<u>2,925,793</u>	<u>2,590,439</u>	<u>2,471,950</u>	<u>2,380,921</u>
<u>\$ 2,590,439</u>	<u>\$ 2,471,950</u>	<u>\$ 2,380,921</u>	<u>\$ 2,268,675</u>
\$ 187,040	\$ 192,649	\$ 205,703	\$ 215,715
244,368	220,150	248,986	270,175
(452,848)	519,294	289,121	233,367
(323,775)	(460,667)	(385,293)	(348,567)
(5,329)	(15,351)	(12,917)	(13,862)
-	-	-	-
<u>(350,544)</u>	<u>456,075</u>	<u>345,600</u>	<u>356,828</u>
<u>4,320,919</u>	<u>3,970,375</u>	<u>4,426,450</u>	<u>4,772,050</u>
<u>\$ 3,970,375</u>	<u>\$ 4,426,450</u>	<u>\$ 4,772,050</u>	<u>\$ 5,128,878</u>
<u>\$ (1,379,936)</u>	<u>\$ (1,954,500)</u>	<u>\$ (2,391,129)</u>	<u>\$ (2,860,203)</u>
153.3%	179.1%	200.4%	226.1%

**City of Hastings**  
**Schedule of City and Non-Employer Entity Contributions -**  
**Hastings Firefighters' Benefit Association**

	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018
Employer					
Statutorily determined contribution (SDC)	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution in relation to the SDC	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Non-employer					
2% state aid	<u>\$ 163,589</u>	<u>\$ 174,928</u>	<u>\$ 177,612</u>	<u>\$ 180,415</u>	<u>\$ 185,040</u>

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

Schedule 5

December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022
\$ -	\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 190,649</u>	<u>\$ 202,703</u>	<u>\$ 212,715</u>	<u>\$ 219,587</u>

**City of Hastings**  
**Notes to Required Supplementary Information**

**General Employees Fund**

**2022 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2021 Changes**

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.5% to 6.5% for financial reporting purposes.
- The mortality improvement scale was changed from scale MP-2019 to scale MP-2020.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2020 Changes**

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.5% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.0%.
- 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 and Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint and Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

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

**City of Hastings**  
**Notes to Required Supplementary Information**

**General Employees Fund (Continued)**

**2019 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

**2018 Changes**

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.0% per year through 2044 and 2.5% per year thereafter to 1.25% per year.

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.00% per year with a provision to increase to 2.50% upon attainment of 90.00% funding ratio to 50.00% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 1.50%, 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 Changes**

Changes in Actuarial Assumptions

- The CSA loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15% for vested deferred member liability and 3% for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

Changes in Plan Provisions

- 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.

**City of Hastings**  
**Notes to Required Supplementary Information**

**General Employees Fund (Continued)**

**2016 Changes**

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, the inflation was decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2015 Changes**

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2035 and 2.5% per year thereafter.

Changes in Plan Provisions

- 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; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.



**City of Hastings**  
**Notes to Required Supplementary Information**

**Police and Fire Fund**

**2022 Changes**

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from scale MP-2020 to scale MP-2021.
- The single discount rate was changed from 6.5% to 5.4%.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2021 Changes**

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.5% to 6.5% for financial reporting purposes.
- The inflation assumption was changed from 2.5% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.0%.
- 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 MP-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 resulted 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 resulted in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates resulted in more projected disabilities.
- Assumed percent married for active female members was changed from 60% to 70%. Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2020 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2019 Changes**

Changes in Actuarial Assumptions

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

**City of Hastings**  
**Notes to Required Supplementary Information**

**Police and Fire Fund (Continued)**

**2019 Changes (Continued)**

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2018 Changes**

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2016 to MP-2017.

Changes in Plan Provisions

- Postretirement benefit increases were changed to 1.00% for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100% funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80% to 11.30% of pay, effective January 1, 2019 and 11.80% of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20% to 16.95% of pay, effective January 1, 2019 and 17.70% of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, 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 Changes**

Changes in Actuarial Assumptions

- Assumed salary increases were changed as recommended in the June 30, 2016, experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The CSA load was 30% for vested and non-vested deferred members. The CSA has been changed to 33% for vested members and 2% 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% 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% to 60%.

**City of Hastings**  
**Notes to Required Supplementary Information**

**Police and Fire Fund (Continued)**

**2017 Changes (Continued)**

Changes in Actuarial Assumptions (Continued)

- 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% for all years to 1% per year through 2064 and 2.5% thereafter.
- The single discount rate was changed from 5.6% per annum to 7.5% per annum.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2016 Changes**

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2037 and 2.5% thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 5.6%.
- The single discount rate changed from 7.90% to 5.60%.
- The assumed future salary increases, payroll growth, and inflation was decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2015 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- The post-retirement benefit increase to be paid after attainment of the 90% funding threshold was changed, from inflation up to 2.5%, to a fixed rate of 2.5%.

**City of Hastings**  
**Notes to Required Supplementary Information**

**Hastings Fire Relief Association**

**2020 Changes**

Changes in Actuarial Assumptions

- There have been no changes since the prior valuation

Changes in Plan Provisions

- A benefit level increase from \$6,400 to \$7,000 was reflected in the liability

**Post-Employment Health Care Plan**

- There are no assets accumulated in a trust related to other post-employment benefits

**2022 Changes**

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2019 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2021 Generational Improvement Scale.
- The salary increase rates were updated to reflect the latest experience study.
- The retirement and withdrawal rates were updated to reflect the latest experience study.
- The inflation rate was changed from 2.50% to 2.00%.

**2021 Changes**

- The discount rate was changed from 2.90% to 2.00%.

**2020 Changes**

- The health care trend rates, mortality tables, and salary scale assumptions were updated.
- The discount rate was changed from 3.80% to 2.90%.

**2019 Changes**

- The discount rate was changed from 3.30% to 3.8%.

**SUPPLEMENTARY INFORMATION**

**City of Hastings**  
**Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - General Fund**  
**Year Ended December 31, 2022**

**Statement 14**

	2022			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
<b>Revenues</b>				
General property taxes	\$ 9,655,471	\$ 9,655,471	\$ 9,968,113	\$ 312,642
Lodging taxes	3,255	3,255	3,668	413
Special assessments	1,000	1,000	-	(1,000)
Licenses and permits	492,750	492,750	966,071	473,321
Intergovernmental revenues				
State - police aid	250,000	250,000	297,989	47,989
State-MSA-street construction and maintenance	600,000	600,000	556,835	(43,165)
State- local government aid	903,259	903,259	903,259	-
State - market value credit	-	-	1,010	1,010
Federal grants and aids	687,994	1,564,994	309,046	(1,255,948)
Other grants and aids	2,767,600	2,781,700	273,940	(2,507,760)
Total intergovernmental revenues	<u>5,208,853</u>	<u>6,099,953</u>	<u>2,342,079</u>	<u>(3,757,874)</u>
Charges for services				
General government	30,084	30,084	352,268	322,184
Public safety	166,495	166,495	494,481	327,986
Public works	704,000	704,000	517,420	(186,580)
Health and sanitation	2,500	2,500	40,959	38,459
Total charges for services	<u>903,079</u>	<u>903,079</u>	<u>1,405,128</u>	<u>502,049</u>
Fines and forfeitures	100,500	100,500	85,710	(14,790)
Investment income	49,500	49,500	(285)	(49,785)
Contributions and donations	-	10,867	10,867	-
Other revenues	68,000	69,400	29,669	(39,731)
Total miscellaneous	<u>117,500</u>	<u>129,767</u>	<u>40,251</u>	<u>(89,516)</u>
Total revenues	<u>16,482,408</u>	<u>17,385,775</u>	<u>14,811,020</u>	<u>(2,574,755)</u>
<b>Expenditures</b>				
General Government				
Legal	249,500	249,500	228,874	(20,626)
Mayor, legislative, city administration	366,754	445,653	417,674	(27,979)
Finance and accounting	620,765	636,765	673,001	36,236
City clerk and elections	593,097	638,097	555,200	(82,897)
Planning and economic development	164,460	144,460	149,325	4,865
I.T.	726,593	733,793	655,584	(78,209)
Building maintenance	360,133	448,009	450,528	2,519
Miscellaneous	426,756	426,756	184,765	(241,991)
Capital outlay	2,728,365	3,657,565	440,314	(3,217,251)
Public safety				
Police	5,738,621	5,751,263	5,745,612	(5,651)
Building safety and code enforcement	640,793	738,386	760,947	22,561
Emergency management services	5,570	5,570	3,254	(2,316)
Animal control	4,500	4,500	1,420	(3,080)
Capital outlay	289,726	289,726	251,035	(38,691)
Public works				
Engineering	585,833	585,833	522,059	(63,774)
Street maintenance	974,352	1,160,352	1,065,926	(94,426)
Street lights	216,800	216,800	258,627	41,827
Capital outlay	862,300	862,300	545,958	(316,342)
Health and sanitation				
Reforestation	21,000	21,000	34,415	13,415
Recycling	24,050	24,050	16,311	(7,739)
Culture and recreation				
Senior center	81,900	81,900	132,706	50,806
LeDuc historic estate	76,172	76,172	71,576	(4,596)
Capital outlay	-	12,475	12,475	-
Total expenditures	<u>15,758,040</u>	<u>17,210,925</u>	<u>13,177,586</u>	<u>(4,033,339)</u>
Excess of revenues over (under) expenditures	724,368	174,850	1,633,434	1,458,584
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	-	-	65,538	65,538
Proceeds from leases	-	-	191,375	191,375
Transfers in	532,260	544,735	524,068	(20,667)
Transfers out	(1,231,731)	(1,244,206)	(1,244,206)	-
Total other financing sources (uses)	<u>(699,471)</u>	<u>(699,471)</u>	<u>(463,225)</u>	<u>236,246</u>
Net change in fund balances	24,897	(524,621)	1,170,209	1,694,830
<b>Fund Balances</b>				
Beginning of year	<u>9,378,520</u>	<u>9,378,520</u>	<u>9,378,520</u>	<u>-</u>
End of year	<u>\$ 9,403,417</u>	<u>\$ 8,853,899</u>	<u>\$ 10,548,729</u>	<u>\$ 1,694,830</u>

**City of Hastings**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual -**  
**Debt Service Fund**  
**Year Ended December 31, 2022**

**Statement 15**

	2022			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
<b>Revenues</b>				
General property taxes	\$ 2,394,681	\$ 2,394,681	\$ 2,423,510	\$ 28,829
Special assessments	424,723	424,723	926,911	502,188
Charges for services	1,223,606	1,223,606	82,215	(1,141,391)
Investment income	-	-	(81,773)	(81,773)
Total revenues	4,043,010	4,043,010	3,350,863	(692,147)
<b>Expenditures</b>				
Debt service				
Principal	3,430,000	3,430,000	2,915,000	(515,000)
Interest and fiscal agent	613,010	613,010	458,968	(154,042)
Total expenditures	4,043,010	4,043,010	3,373,968	(669,042)
Excess of revenues over (under) expenditures	-	-	(23,105)	(23,105)
<b>Other Financing Sources</b>				
Transfers in	-	-	219,221	219,221
Net change in fund balance	\$ -	\$ -	196,116	\$ 196,116
<b>Fund Balance</b>				
Beginning of year			5,800,275	
End of year			\$ 5,996,391	

**City of Hastings  
Combining Balance Sheet -  
Nonmajor Governmental Funds  
December 31, 2022**

**Statement 16**

	Special Revenue	Capital Projects	Permanent	Total Nonmajor Governmental Funds
<b>Assets</b>				
Cash and investments	\$ 2,986,680	\$ 2,621,021	\$ 214,296	\$ 5,821,997
Cash with fiscal agent	-	-	730,953	730,953
Interest receivable	6,677	3,576	443	10,696
Due from other governments	71,891	-	-	71,891
Accounts receivable	195,796	-	10,563	206,359
Property taxes receivable	224,463	-	-	224,463
Inventory	6,451	-	-	6,451
Prepaid items	2,075	352	-	2,427
	<u>\$ 3,494,033</u>	<u>\$ 2,655,173</u>	<u>\$ 956,255</u>	<u>\$ 7,105,461</u>
<b>Liabilities</b>				
Accounts payable	\$ 160,199	\$ 216,722	\$ -	\$ 376,921
Due to other governments	2,367	-	-	2,367
Deposits payable	-	609,908	-	609,908
Salaries and benefits payable	48,107	-	-	48,107
Unearned revenue	1,955	-	-	1,955
Due to other funds	-	369,482	-	369,482
Advances to other funds	-	1,260,739	-	1,260,739
Total liabilities	<u>212,628</u>	<u>2,456,851</u>	<u>-</u>	<u>2,669,479</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - taxes and assessments	<u>22,833</u>	<u>-</u>	<u>-</u>	<u>22,833</u>
<b>Fund Balances</b>				
Nonspendable				
Prepays	2,075	352	-	2,427
Inventories	6,451	-	-	6,451
Permanent Endowment	-	-	200,000	200,000
Restricted				
Police Activities	49,972	-	-	49,972
Tax increment financing	-	21,990	-	21,990
Capital Projects	-	1,015,753	-	1,015,753
Leduc Historic Estate	-	-	756,255	756,255
Escrow	-	4,497	-	4,497
Committed				
Park maintenance	2,014,442	-	-	2,014,442
Aquatic operations	407,090	-	-	407,090
Cable TV activities	145,741	-	-	145,741
Heritage preservation activities	120,476	-	-	120,476
Arena activities	512,325	-	-	512,325
Assigned				
Capital	-	970,516	-	970,516
Unassigned				
	-	(1,814,786)	-	(1,814,786)
Total fund balances	<u>3,258,572</u>	<u>198,322</u>	<u>956,255</u>	<u>4,413,149</u>
Total liabilities and fund balances	<u>\$ 3,494,033</u>	<u>\$ 2,655,173</u>	<u>\$ 956,255</u>	<u>\$ 7,105,461</u>



**City of Hastings**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Nonmajor Governmental Funds**  
**Year Ended December 31, 2022**

**Statement 17**

	Special Revenue	Capital Projects	Permanent	Total Nonmajor Governmental Funds
<b>Revenues</b>				
General property taxes	\$ 2,267,614	\$ 760	\$ -	\$ 2,268,374
Tax increment collections	-	48,796	-	48,796
Charges for services	1,318,833	5,401	-	1,324,234
Fines and forfeitures	626	-	-	626
Investment income	(65,742)	(12,327)	(151,858)	(229,927)
Contributions and donations	24,878	4,270	-	29,148
Miscellaneous	592,376	30,584	-	622,960
Total revenues	4,138,585	77,484	(151,858)	4,064,211
<b>Expenditures</b>				
Current				
Public safety	2,420	-	-	2,420
Public works	-	-	-	-
Culture and recreation	3,585,888	37,751	20,214	3,643,853
Economic development	-	66,819	-	66,819
Debt service				
Interest and other charges	-	14,497	-	14,497
Capital outlay				
Public works	-	1,625,233	-	1,625,233
Culture and recreation	126,833	136,597	-	263,430
Total expenditures	3,715,141	1,880,897	20,214	5,616,252
Excess of revenues over (under) expenditures	423,444	(1,803,413)	(172,072)	(1,552,041)
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	12,582	-	-	12,582
Bonds issued	-	975,000	-	975,000
Premium on debt issued	-	73,244	-	73,244
Transfers in	82,550	796,977	-	879,527
Transfers out	(60,349)	(386,027)	(42,250)	(488,626)
Total other financing sources (uses)	34,783	1,459,194	(42,250)	1,451,727
Net change in fund balances	458,227	(344,219)	(214,322)	(100,314)
<b>Fund Balances</b>				
Beginning of year	2,800,345	1,066,012	1,170,577	5,036,934
End of year	\$ 3,258,572	\$ 721,793	\$ 956,255	\$ 4,936,620

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**City of Hastings**  
**Non-Major Governmental Funds**  
**Special Revenue Funds**

Special revenue funds account for specific revenues that are legally restricted or committed to expenditures for particular purposes.

Parks and Recreation Fund – This fund is used to account for the operations, maintenance and minor improvements of the City's parks.

Cable Television Fund – This fund is used to account for the grant revenues, franchise fees, and access fees used in the operation of the Local Access Cable Television Channel.

Heritage Preservation Fund - The Heritage Preservation fund accounts for activities of the Heritage Preservation Commission.

Ice Arena Fund – This fund accounts for the various sales and charges which finance the operating activity of the civic ice arena.

DUI Enforcement/Equipment Fund - This fund accounts for the seizure of DUI equipment.

Drug Awareness Fund – This fund accounts for the operations and maintenance of the Drug Awareness program.

Aquatic Center Fund – This fund accounts for the operations and the charges which finance the operating activity of the City's outdoor aquatic facility.

**City of Hastings**  
**Combining Balance Sheet -**  
**Nonmajor Special Revenue Funds**  
**December 31, 2022**

	Special Revenue			
	Parks and Rec (200)	Cable Television (205-206)	Heritage Preservation (210)	Ice Arena (615)
<b>Assets</b>				
Cash and investments	\$ 1,883,273	\$ 142,313	\$ 117,430	\$ 408,841
Interest receivable	4,141	374	246	984
Due from other governments	33,437	-	-	38,454
Accounts receivable	290	89,424	-	106,082
Property taxes receivable	184,651	-	4,248	9,134
Inventory	6,451	-	-	-
Prepaid items	937	2	4	1,132
	<u>2,113,180</u>	<u>232,113</u>	<u>121,928</u>	<u>564,627</u>
<b>Total assets</b>	<b>\$ 2,113,180</b>	<b>\$ 232,113</b>	<b>\$ 121,928</b>	<b>\$ 564,627</b>
<b>Liabilities</b>				
Accounts payable	\$ 39,073	\$ 85,700	\$ 3	\$ 35,075
Due to other governments	-	-	-	2,367
Salaries payable	33,693	670	1,043	12,701
Unearned revenue	-	-	-	-
	<u>72,766</u>	<u>86,370</u>	<u>1,046</u>	<u>50,143</u>
<b>Total liabilities</b>	<b>\$ 72,766</b>	<b>\$ 86,370</b>	<b>\$ 1,046</b>	<b>\$ 50,143</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - taxes and assessments	18,584	-	402	1,027
	<u>18,584</u>	<u>-</u>	<u>402</u>	<u>1,027</u>
<b>Fund Balances</b>				
Nonspendable				
Prepays	937	2	4	1,132
Inventories	6,451	-	-	-
Restricted				
Police activities	-	-	-	-
Committed				
Park maintenance	2,014,442	-	-	-
Aquatic operations	-	-	-	-
Cable TV activities	-	145,741	-	-
Heritage preservation activities	-	-	120,476	-
Arena activities	-	-	-	512,325
	<u>2,021,830</u>	<u>145,743</u>	<u>120,480</u>	<u>513,457</u>
<b>Total fund balances</b>	<b>\$ 2,021,830</b>	<b>\$ 145,743</b>	<b>\$ 120,480</b>	<b>\$ 513,457</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 2,113,180</b>	<b>\$ 232,113</b>	<b>\$ 121,928</b>	<b>\$ 564,627</b>

Special Revenue		
DUI Enforcement/ Equipment (222)	Aquatic Center (201)	Total
\$ 49,743	\$ 385,080	\$ 2,986,680
103	829	6,677
-	-	71,891
-	-	195,796
142	26,288	224,463
-	-	6,451
-	-	2,075
<u>\$ 49,988</u>	<u>\$ 412,197</u>	<u>\$ 3,494,033</u>
\$ -	\$ 348	\$ 160,199
-	-	2,367
-	-	48,107
-	1,955	1,955
-	2,303	212,628
<u>16</u>	<u>2,804</u>	<u>22,833</u>
-	-	2,075
-	-	6,451
49,972	-	49,972
-	-	2,014,442
-	407,090	407,090
-	-	145,741
-	-	120,476
-	-	512,325
<u>49,972</u>	<u>407,090</u>	<u>3,258,572</u>
<u>\$ 49,988</u>	<u>\$ 412,197</u>	<u>\$ 3,494,033</u>

**City of Hastings**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Nonmajor Special Revenue Funds**  
**Year Ended December 31, 2022**

	Special Revenue			
	Parks and Rec (200)	Cable Television (205-206)	Heritage Preservation (210)	Ice Arena (615)
<b>Revenues</b>				
General property taxes	\$ 1,870,563	\$ -	\$ 40,924	\$ 91,005
Charges for services	125,959	358,292	-	514,253
Fines and forfeitures	-	-	-	-
Investment income	(32,076)	(3,805)	(2,057)	(15,440)
Contributions and donations	24,615	-	263	-
Miscellaneous	418,000	-	877	173,365
Total revenues	<u>2,407,061</u>	<u>354,487</u>	<u>40,007</u>	<u>763,183</u>
<b>Expenditures</b>				
Current				
Public Safety	-	-	-	-
Culture and recreation	1,912,347	361,589	34,546	732,054
Capital outlay				
Culture and recreation	111,331	-	-	-
Total expenditures	<u>2,023,678</u>	<u>361,589</u>	<u>34,546</u>	<u>732,054</u>
Excess of revenues over (under) expenditures	383,383	(7,102)	5,461	31,129
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	667	-	-	-
Transfers in	82,550	-	-	-
Transfers out	(28,569)	(381)	(517)	(10,263)
Total other financing sources (uses)	<u>54,648</u>	<u>(381)</u>	<u>(517)</u>	<u>(10,263)</u>
Net change in fund balances	438,031	(7,483)	4,944	20,866
<b>Fund Balances</b>				
Beginning of year	<u>1,583,799</u>	<u>153,226</u>	<u>115,536</u>	<u>492,591</u>
End of year	<u>\$ 2,021,830</u>	<u>\$ 145,743</u>	<u>\$ 120,480</u>	<u>\$ 513,457</u>

Statement 19

Special Revenue			
DUI Enforcement/ Equipment (222)	Drug Awareness (224)	Aquatic Center (201)	Total
\$ 1,410	\$ -	\$ 263,712	\$ 2,267,614
-	-	320,329	1,318,833
626	-	-	626
(1,156)	-	(11,208)	(65,742)
-	-	-	24,878
-	-	134	592,376
<u>880</u>	<u>-</u>	<u>572,967</u>	<u>4,138,585</u>
2,420	-	-	2,420
-	-	545,352	3,585,888
-	-	15,502	126,833
<u>2,420</u>	<u>-</u>	<u>560,854</u>	<u>3,715,141</u>
(1,540)	-	12,113	423,444
11,915	-	-	12,582
-	-	-	82,550
<u>-</u>	<u>(12,317)</u>	<u>(8,302)</u>	<u>(60,349)</u>
<u>11,915</u>	<u>(12,317)</u>	<u>(8,302)</u>	<u>34,783</u>
10,375	(12,317)	3,811	458,227
<u>39,597</u>	<u>12,317</u>	<u>403,279</u>	<u>2,800,345</u>
<u>\$ 49,972</u>	<u>\$ -</u>	<u>\$ 407,090</u>	<u>\$ 3,258,572</u>

**City of Hastings**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual -**  
**Parks and Recreation Special Revenue Fund**  
**Year Ended December 31, 2022**

**Statement 20**

	2022			Variance with Final Budget - Over (Under)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 1,857,435	\$ 1,857,435	\$ 1,870,563	\$ 13,128
Charges for services	97,500	97,500	125,959	28,459
Investment income	10,000	10,000	(32,076)	(42,076)
Contributions and donations	8,200	32,815	24,615	(8,200)
Miscellaneous	-	-	418,000	418,000
Total revenues	<u>1,973,135</u>	<u>1,997,750</u>	<u>2,407,061</u>	<u>409,311</u>
<b>Expenditures</b>				
Current				
Culture and recreation	1,762,666	1,880,376	1,912,347	31,971
Capital outlay				
Culture and recreation	181,900	255,037	111,331	(143,706)
Total expenditures	<u>1,944,566</u>	<u>2,135,413</u>	<u>2,023,678</u>	<u>(111,735)</u>
Excess of revenues over (under) expenditures	28,569	(137,663)	383,383	521,046
<b>Other Financing Sources (Uses)</b>				
Sale of City Property	-	-	667	667
Transfers in	-	-	82,550	82,550
Transfers out	(28,569)	(28,569)	(28,569)	-
Total other financing sources (uses)	<u>(28,569)</u>	<u>(28,569)</u>	<u>54,648</u>	<u>82,550</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (166,232)</u>	438,031	<u>\$ 603,596</u>
<b>Fund Balance</b>				
Beginning of year			<u>1,583,799</u>	
End of year			<u>\$ 2,021,830</u>	



**City of Hastings**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual -**  
**Cable Television Special Revenue Fund**  
**Year Ended December 31, 2022**

**Statement 21**

	2022			Variance with Final Budget - Over (Under)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>Revenues</b>				
Charges for services	\$ 350,000	\$ 350,000	\$ 358,292	\$ 8,292
Investment income	2,338	2,338	(3,805)	(6,143)
Total revenues	352,338	352,338	354,487	2,149
<b>Expenditures</b>				
Current				
Culture and recreation	353,552	353,552	361,589	8,037
Excess of revenues under expenditures	(1,214)	(1,214)	(7,102)	(5,888)
<b>Other Financing Uses</b>				
Transfers out	(381)	(381)	(381)	-
Net change in fund balance	\$ (1,595)	\$ (1,595)	(7,483)	\$ (5,888)
<b>Fund Balance</b>				
Beginning of year			153,226	
End of year			\$ 145,743	

**City of Hastings**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual -**  
**Heritage Preservation Special Revenue Fund**  
**Year Ended December 31, 2022**

**Statement 22**

	2022			Variance with Final Budget - Over (Under)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 40,696	\$ 40,696	\$ 40,924	\$ 228
Investment income	1,200	1,200	(2,057)	(3,257)
Contributions and donations	-	-	263	263
Miscellaneous	400	400	877	477
Total revenues	<u>42,296</u>	<u>42,296</u>	<u>40,007</u>	<u>(2,289)</u>
<b>Expenditures</b>				
Current				
Culture and recreation	<u>41,779</u>	<u>43,566</u>	<u>34,546</u>	<u>(9,020)</u>
Excess of revenues over (under) expenditures	517	(1,270)	5,461	6,731
<b>Other Financing Uses</b>				
Transfer out	<u>(517)</u>	<u>(517)</u>	<u>(517)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (1,787)</u>	4,944	<u>\$ 6,731</u>
<b>Fund Balance</b>				
Beginning of year			<u>115,536</u>	
End of year			<u>\$ 120,480</u>	

**City of Hastings**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual -**  
**Ice Arena Special Revenue Fund**  
**Year Ended December 31, 2022**

**Statement 23**

	2022			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 89,863	\$ 89,863	\$ 91,005	\$ 1,142
Charges for services	497,991	497,991	514,253	16,262
Investment income	5,000	5,000	(15,440)	(20,440)
Miscellaneous	-	-	173,365	173,365
Total revenues	<u>592,854</u>	<u>592,854</u>	<u>763,183</u>	<u>170,329</u>
<b>Expenditures</b>				
Current				
Culture and recreation	<u>582,591</u>	<u>582,591</u>	<u>732,054</u>	<u>149,463</u>
Excess of revenues over expenditures	10,263	10,263	31,129	20,866
<b>Other Financing Uses</b>				
Transfers Out	<u>(10,263)</u>	<u>(10,263)</u>	<u>(10,263)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	20,866	<u>\$ 20,866</u>
<b>Fund Balance</b>				
Beginning of year			<u>492,591</u>	
End of year			<u>\$ 513,457</u>	

**City of Hastings**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual -**  
**DUI Enforcement/Equipment Special Revenue Fund**  
**Year Ended December 31, 2022**

**Statement 24**

	2022			Variance with Final Budget - Over (Under)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 1,400	\$ 1,400	\$ 1,410	\$ 10
Fines and Forfeitures	-	-	626	626
Investment income	200	200	(1,156)	(1,356)
Total revenues	1,600	1,600	880	(720)
<b>Expenditures</b>				
Current				
Public Safety	1,600	1,600	2,420	820
Excess of revenues over (under) expenditures	-	-	(1,540)	(1,540)
<b>Other Financing Sources</b>				
Proceeds from sale of capital assets	-	-	11,915	11,915
Net change in fund balances	\$ -	\$ -	10,375	\$ 10,375
<b>Fund Balance</b>				
Beginning of year			39,597	
End of year			\$ 49,972	

**City of Hastings**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual -**  
**Aquatic Center Special Revenue Fund**  
**Year Ended December 31, 2022**

**Statement 25**

	2022			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 261,469	\$ 261,469	\$ 263,712	\$ 2,243
Charges for services	256,300	256,300	320,329	64,029
Investment income	1,500	1,500	(11,208)	(12,708)
Miscellaneous	-	-	134	134
Total revenues	<u>519,269</u>	<u>519,269</u>	<u>572,967</u>	<u>53,698</u>
<b>Expenditures</b>				
Current				
Culture and recreation	490,967	608,211	545,352	(62,859)
Capital outlay				
Culture and recreation	20,000	20,000	15,502	(4,498)
Total expenditures	<u>510,967</u>	<u>628,211</u>	<u>560,854</u>	<u>(67,357)</u>
Excess of revenues over (under) expenditures	8,302	(108,942)	12,113	121,055
<b>Other Financing Uses</b>				
Transfers out	<u>(8,302)</u>	<u>(8,302)</u>	<u>(8,302)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (117,244)</u>	3,811	<u>\$ 121,055</u>
<b>Fund Balance</b>				
Beginning of year			<u>403,279</u>	
End of year			<u>\$ 407,090</u>	

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**City of Hastings**  
**Non-Major Governmental Funds**  
**Capital Projects Funds**

Budget Stabilization Fund – This fund is used to account for the departmental purchases of major capital outlays and other significant expenditures.

Guardian Angels Tax Increment Financing (TIF) Fund – This fund accounts for the activities of the Hastings Guardian Angels Tax Increment District.

NAPA Tax Increment Financing (TIF) Fund – This fund accounts for the activities of the NAPA property Tax Increment District.

Schoolhouse Square Tax Increment Financing (TIF) Fund – This fund accounts for the activities of the School House Square Tax Increment District.

Public Works Cold Storage Building Fund - This fund accounts for the activities of the Public Works Cold Storage Building.

Escrow Fund – This fund accounts for the various escrows held by the City.

Hudson Sprayers Tax Increment Financing – This fund accounts for the activities of the Hudson Sprayers Tax Increment District.

Parks Projects Capital Projects Fund – This fund accounts for revenues and expenditures related to the construction, development, and improvements to the City's parks.

Downtown Redevelopment Tax Increment Financing Capital Projects Fund – This fund accounts for the activities the Downtown Redevelopment Tax Increment Financing District.

**Permanent Fund**

C. Simmons Trust – This fund accounts for the C. Simmons endowments fund. The principal amount of \$200,000 cannot be spent. Only the interest earned can be spent. This fund also accounts for the C. Simmons funds that are held in a trust. These funds can be spent during the year on capital and programming. Programming for the Leduc Historical Estate is provided by the Dakota County Historical Society

**City of Hastings**  
**Combining Balance Sheet -**  
**Nonmajor Capital Projects Funds**  
**December 31, 2022**

	Capital Projects			
	Budget Stabilization (403)	Guardian Angels Tax Increment Financing (405)	NAPA Tax Increment Financing (408)	Schoolhouse Square Tax Increment Financing (412)
<b>Assets</b>				
Cash and investments	\$ 959,260	\$ -	\$ -	\$ -
Interest receivable	718	42	-	-
Total assets	\$ 959,978	\$ 20,188	\$ -	\$ -
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 11,676	\$ -	\$ -
Due to other funds	-	-	7,048	1,889
Advances from other funds	-	-	-	-
Deposits payable	-	-	-	-
Total liabilities	-	11,676	7,048	1,889
<b>Fund Balances</b>				
Restricted				
Tax increment financing	-	8,512	-	-
Escrow	-	-	-	-
Capital Projects	-	-	-	-
Assigned				
Capital	959,978	-	-	-
Unassigned	-	-	(7,048)	(1,889)
Total fund balances	959,978	8,512	(7,048)	(1,889)
Total liabilities and fund balances	\$ 959,978	\$ 20,188	\$ -	\$ -



Capital Projects					
Public Works Cold Storage Building (416)	Escrow (807)	Hudson Sprayers Tax Increment Financing (411)	Park Projects (401)	Downtown Redevelopment Tax Increment Financing (409)	Total
\$ 17,570	\$ 622,358	\$ 3,400	\$ 1,018,433	\$ -	\$ 2,621,021
-	1,295	-	1,521	-	3,576
<u>\$ 17,570</u>	<u>\$ 623,653</u>	<u>\$ 13,478</u>	<u>\$ 1,019,954</u>	<u>\$ -</u>	<u>\$ 2,654,821</u>
\$ 7,032	\$ 9,248	\$ -	\$ 4,201	\$ -	\$ 32,157
-	-	-	-	21,287	30,224
-	-	-	-	1,260,739	1,260,739
-	609,908	-	-	-	609,908
<u>7,032</u>	<u>619,156</u>	<u>-</u>	<u>4,201</u>	<u>1,282,026</u>	<u>1,933,028</u>
-	-	13,478	-	-	21,990
-	4,497	-	-	-	4,497
-	-	-	1,015,753	-	1,015,753
10,538	-	-	-	-	970,516
-	-	-	-	(1,282,026)	(1,290,963)
<u>10,538</u>	<u>4,497</u>	<u>13,478</u>	<u>1,015,753</u>	<u>(1,282,026)</u>	<u>721,793</u>
<u>\$ 17,570</u>	<u>\$ 623,653</u>	<u>\$ 13,478</u>	<u>\$ 1,019,954</u>	<u>\$ -</u>	<u>\$ 2,654,821</u>

**City of Hastings**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Nonmajor Capital Projects Funds**  
**Year Ended December 31, 2022**

	Capital Projects		
	Budget Stabilization (403)	Guardian Angels Tax Increment Financing (405)	NAPA Tax Increment Financing (408)
<b>Revenues</b>			
General property taxes	\$ -	\$ -	\$ -
Tax increment collections	-	26,268	17,873
Charges for services	-	-	-
Investment income	(9,632)	(728)	-
Contributions and donations	-	-	-
Miscellaneous	-	19,584	-
Total revenues	(9,632)	45,124	17,873
<b>Expenditures</b>			
Current			
Public works	-	-	-
Economic development	-	24,641	39,178
Culture and recreation	-	-	-
Debt service			
Interest and other charges	-	658	629
Capital outlay			
Culture and recreation	-	-	-
Public works	-	-	-
Total expenditures	-	25,299	39,807
Excess of revenues over (under) expenditures	(9,632)	19,825	(21,934)
<b>Other Financing Sources (Uses)</b>			
Issuance of debt	-	-	-
Premium on debt issued	-	-	-
Transfers in	100,000	-	-
Transfers out	(96,977)	-	-
Total other financing sources (uses)	3,023	-	-
Net change in fund balances	(6,609)	19,825	(21,934)
<b>Fund Balances</b>			
Beginning of year	966,587	(11,313)	14,886
End of year	\$ 959,978	\$ 8,512	\$ (7,048)

## Capital Projects

Schoolhouse Square Tax Increment Financing (412)	Public Works Cold Storage Building (416)	Escrow (807)	Hudson Sprayers Tax Increment Financing (411)	Park Projects (401)	Downtown Redevelopment Tax Increment Financing (409)	Total
\$ -	\$ -	\$ -	\$ -	\$ 760	\$ -	\$ 760
111	-	-	4,544	-	-	48,796
-	5,401	-	-	-	-	5,401
-	-	(11,737)	54	9,716	-	(12,327)
-	-	-	-	4,270	-	4,270
-	-	-	-	11,000	-	30,584
<u>111</u>	<u>5,401</u>	<u>(11,737)</u>	<u>4,598</u>	<u>25,746</u>	<u>-</u>	<u>77,484</u>
2,000	-	-	1,000	-	-	66,819
-	-	-	-	37,751	-	37,751
-	12,465	-	-	-	745	14,497
-	-	-	-	136,597	-	136,597
-	1,625,233	-	-	-	-	1,625,233
<u>2,000</u>	<u>1,637,698</u>	<u>-</u>	<u>1,000</u>	<u>174,348</u>	<u>745</u>	<u>1,880,897</u>
(1,889)	(1,632,297)	(11,737)	3,598	(148,602)	(745)	(1,803,413)
-	975,000	-	-	-	-	975,000
-	73,244	-	-	-	-	73,244
-	600,000	-	-	96,977	-	796,977
-	-	-	-	(82,550)	(206,500)	(386,027)
-	<u>1,648,244</u>	<u>-</u>	<u>-</u>	<u>14,427</u>	<u>(206,500)</u>	<u>1,459,194</u>
(1,889)	15,947	(11,737)	3,598	(134,175)	(207,245)	(344,219)
-	(5,409)	16,234	9,880	1,149,928	(1,074,781)	1,066,012
<u>\$ (1,889)</u>	<u>\$ 10,538</u>	<u>\$ 4,497</u>	<u>\$ 13,478</u>	<u>\$ 1,015,753</u>	<u>\$ (1,282,026)</u>	<u>\$ 721,793</u>

**City of Hastings**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual -**  
**Park Projects Capital Projects Fund**  
**Year Ended December 31, 2022**

**Statement 28**

	2022			Variance with Final Budget - Over (Under)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>Revenues</b>				
General property taxes	\$ -	\$ -	\$ 760	\$ 760
Intergovernmental	-	240,000	-	(240,000)
Miscellaneous revenues	-	-	11,000	11,000
Investment income	-	-	9,716	9,716
Contributions and donations	-	40,638	4,270	(36,368)
Total revenues	<u>-</u>	<u>280,638</u>	<u>25,746</u>	<u>(265,892)</u>
<b>Expenditures</b>				
<b>Current</b>				
Culture and recreation	-	285,207	37,751	(247,456)
<b>Capital outlay</b>				
Cultural and recreation	-	778,159	136,597	(641,562)
Total expenditures	<u>-</u>	<u>1,063,366</u>	<u>174,348</u>	<u>(889,018)</u>
Excess of revenues over (under) expenditures	-	(782,728)	(148,602)	623,126
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	96,977	96,977	-
Transfers out	-	-	(82,550)	(82,550)
Total other financing sources (uses)	<u>-</u>	<u>96,977</u>	<u>14,427</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (685,751)</u>	<u>(134,175)</u>	<u>\$ 623,126</u>
<b>Fund Balance</b>				
Beginning of year			<u>1,149,928</u>	
End of year			<u>\$ 1,015,753</u>	

**City of Hastings  
Combining Balance Sheet -  
Nonmajor Permanent Fund  
December 31, 2022**

**Statement 29**

C. Simmons  
Trust (850)

**Assets**

Cash and investments  
Cash with fiscal agent  
Accounts receivable  
Interest receivable

\$ 214,296  
730,953  
10,563  
443

Total assets

\$ 956,255

**Fund Balances**

Nonspendable  
    Endowment  
Restricted  
    Leduc Historic Estate

200,000

756,255

Total fund balances

\$ 956,255

**City of Hastings  
Combining Statement of Revenues,  
Expenditures, and Changes in Fund Balances -  
Nonmajor Permanent Fund  
Year Ended December 31, 2022**

**Statement 30**

C. Simmons  
Trust (850)

**Revenues**

Investment income

\$ (151,858)

**Expenditures**

Current

Cultural and recreation

20,214

Excess of revenues under expenditures

(172,072)

**Other Financing Uses**

Transfers out

(42,250)

Net change in fund balances

(214,322)

**Fund Balances**

Beginning of year

1,170,577

End of year

\$ 956,255

**City of Hastings**  
**Internal Service Funds**

Internal Service Funds account for the financing of goods or services provided by one department or division to other departments or divisions of the city and to other governmental units, on a cost reimbursement basis.

Compensated Absences Fund – This fund accounts for the liability of all compensated absences due upon separation from the City.

Retiree Health Insurance Fund – This fund accounts for the liability and annual expenses to the City for health insurance premiums for current retirees and certain employees eligible for this benefit.

Vehicle Revolving Fund - This fund accounts for the replacement of the City's vehicles.

Insurance Fund - This fund accounts for the liability and work comp insurance.

**City of Hastings**  
**Statement of Net Position - Internal Service Funds**  
**December 31, 2022**

**Statement 31**

	Compensated Absences (702)	Retiree Health Insurance (701)	Vehicle Revolving Fund (703)	Insurance Fund (705)	Total
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	\$ 88,342	\$ 273,764	\$ 529,778	\$ 890,688	\$ 1,782,572
Taxes receivable	-	-	33,533	-	33,533
Interest receivable	133	415	1,177	1,317	3,042
Total current assets	<u>88,475</u>	<u>274,179</u>	<u>564,488</u>	<u>892,005</u>	<u>1,819,147</u>
<b>Noncurrent assets</b>					
Capital assets, being depreciated					
Equipment	-	-	2,232,758	50,902	2,283,660
Less accumulated depreciation	-	-	(421,202)	(8,059)	(429,261)
Net capital assets	<u>-</u>	<u>-</u>	<u>1,811,556</u>	<u>42,843</u>	<u>1,854,399</u>
Total assets	<u>88,475</u>	<u>274,179</u>	<u>2,376,044</u>	<u>934,848</u>	<u>3,673,546</u>
<b>Deferred Outflows of Resources</b>					
Deferred outflows related to OPEB	<u>-</u>	<u>1,172,738</u>	<u>-</u>	<u>-</u>	<u>1,172,738</u>
Total assets and deferred outflows of resources	<u>\$ 88,475</u>	<u>\$ 1,446,917</u>	<u>\$ 2,376,044</u>	<u>\$ 934,848</u>	<u>\$ 4,846,284</u>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 2,137	\$ 2,137
Unearned revenue	-	-	3,498	-	3,498
Compensated absences	166,389	-	-	-	166,389
Total current liabilities	<u>166,389</u>	<u>-</u>	<u>3,498</u>	<u>2,137</u>	<u>172,024</u>
<b>Noncurrent liabilities</b>					
Compensated absences	1,881,777	-	-	-	1,881,777
Total OPEB liability	<u>-</u>	<u>3,971,708</u>	<u>-</u>	<u>-</u>	<u>3,971,708</u>
Total noncurrent liabilities	<u>1,715,388</u>	<u>3,971,708</u>	<u>-</u>	<u>-</u>	<u>5,687,096</u>
Total liabilities	<u>1,881,777</u>	<u>3,971,708</u>	<u>3,498</u>	<u>2,137</u>	<u>5,859,120</u>
<b>Deferred Inflows of Resources</b>					
Deferred inflows of resources related to OPEB	<u>-</u>	<u>35,865</u>	<u>-</u>	<u>-</u>	<u>35,865</u>
<b>Net Position</b>					
Net investment in capital assets	-	-	1,811,556	42,843	1,854,399
Unrestricted	<u>(1,793,302)</u>	<u>(2,560,656)</u>	<u>560,990</u>	<u>889,868</u>	<u>(2,903,100)</u>
Total net position	<u>(1,793,302)</u>	<u>(2,560,656)</u>	<u>2,372,546</u>	<u>932,711</u>	<u>(1,048,701)</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 88,475</u>	<u>\$ 1,446,917</u>	<u>\$ 2,376,044</u>	<u>\$ 934,848</u>	<u>\$ 4,846,284</u>



**City of Hastings**  
**Statement of Revenues, Expenses, and Changes**  
**in Fund Net Position - Internal Service Funds**  
**Year Ended December 31, 2022**

**Statement 32**

	Compensated Absences (702)	Retiree Health Insurance (701)	Vehicle Revolving Fund (703)	Insurance Fund (705)	Total
Operating revenues					
Charges for services	\$ -	\$ -	\$ 142,054	\$ 1,064,073	\$ 1,206,127
Operating expenses					
Personnel services	233,726	210,640	-	-	444,366
Professional services	-	-	-	752,023	752,023
Depreciation	-	-	191,425	2,545	193,970
Total operating expenses	<u>233,726</u>	<u>210,640</u>	<u>191,425</u>	<u>754,568</u>	<u>1,390,359</u>
Operating income (loss)	(233,726)	(210,640)	(49,371)	309,505	(184,232)
Nonoperating revenues					
Investment income	(2,123)	(4,635)	(10,562)	(10,129)	(27,449)
Intergovernmental	-	7,261	-	-	7,261
Miscellaneous	-	-	337	-	337
Property Taxes	-	-	337,334	-	337,334
Total nonoperating revenues	<u>(2,123)</u>	<u>2,626</u>	<u>327,109</u>	<u>(10,129)</u>	<u>317,483</u>
Income (loss) before transfers	(235,849)	(208,014)	277,738	299,376	133,251
Transfers in	<u>100,000</u>	<u>350,000</u>	<u>81,100</u>	<u>-</u>	<u>531,100</u>
Change in net position	(135,849)	141,986	358,838	299,376	664,351
Net position					
Beginning of year	<u>(1,657,453)</u>	<u>(2,702,642)</u>	<u>2,013,708</u>	<u>633,335</u>	<u>(1,713,052)</u>
End of year	<u>\$ (1,793,302)</u>	<u>\$ (2,560,656)</u>	<u>\$ 2,372,546</u>	<u>\$ 932,711</u>	<u>\$ (1,048,701)</u>

**City of Hastings**  
**Statement of Cash Flows - Internal Service Funds**  
**Year Ended December 31, 2022**

	Internal Service Funds		
	Compensated Absences (702)	Retiree Health Insurance (701)	Vehicle Revolving Fund (703)
<b>Cash Flows - Operating Activities</b>			
Interfund services provided and used	\$ -	\$ -	\$ 142,044
Payments to suppliers for goods and services	-	(122,085)	(39,774)
Payments to employees for services	(78,841)	(210,640)	-
Net cash flows - operating activities	<u>(78,841)</u>	<u>(332,725)</u>	<u>102,270</u>
<b>Cash Flows - Noncapital Financing Activities</b>			
Miscellaneous non operating receipts	-	-	337
Intergovernmental receipts	-	7,261	-
Property taxes	-	-	332,340
Transfer in	100,000	350,000	81,100
Net cash flows - noncapital financing activities	<u>100,000</u>	<u>357,261</u>	<u>413,777</u>
<b>Cash Flows - Capital and Related Financing Activities</b>			
Acquisition of capital assets	-	-	(367,880)
<b>Cash Flows - Investing Activities</b>			
Investment income	(2,109)	(4,792)	(11,278)
Net cash flows - investing activities	<u>(2,109)</u>	<u>(4,792)</u>	<u>(11,278)</u>
Net change in cash and cash equivalents	19,050	19,744	136,889
<b>Cash and Cash Equivalents</b>			
Beginning of year	<u>69,292</u>	<u>254,020</u>	<u>392,889</u>
End of year	<u>\$ 88,342</u>	<u>\$ 273,764</u>	<u>\$ 529,778</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows - Operating Activities</b>			
Operating income (loss)	\$ (233,726)	\$ (210,640)	\$ (49,371)
Adjustments to reconcile operating income (loss) to net cash flows - operating activities			
Depreciation	-	-	191,425
Accounts receivable	-	-	10
Prepaid items	-	-	-
OPEB expense	-	(122,085)	-
Accounts payable	-	-	(39,774)
Unearned revenue	-	-	(20)
Compensated absences payable	154,885	-	-
Total adjustments	<u>154,885</u>	<u>(122,085)</u>	<u>151,641</u>
Net cash flows - operating activities	<u>\$ (78,841)</u>	<u>\$ (332,725)</u>	<u>\$ 102,270</u>

Internal Service Funds

Insurance Fund (705)	Total
\$ 1,064,073	\$ 1,206,117
(750,077)	(911,936)
-	(289,481)
<u>313,996</u>	<u>4,700</u>
-	337
-	7,261
-	332,340
-	531,100
<u>-</u>	<u>871,038</u>
-	(367,880)
<u>(10,987)</u>	<u>(29,166)</u>
<u>(10,987)</u>	<u>(29,166)</u>
303,009	478,692
<u>587,679</u>	<u>1,303,880</u>
<u>\$ 890,688</u>	<u>\$ 1,782,572</u>
\$ 309,505	\$ (184,232)
2,545	193,970
-	10
10,000	10,000
-	(122,085)
(8,054)	(47,828)
-	(20)
-	154,885
<u>4,491</u>	<u>188,932</u>
<u>\$ 313,996</u>	<u>\$ 4,700</u>

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## **COMPONENT UNIT**

**City of Hastings**  
**Component Unit Hastings Economic Development and Redevelopment Authority**  
**Balance Sheet**  
**December 31, 2022**

**Statement 34**

**Assets**

Cash and investments	\$ 1,088,654
Accounts receivable	2,458
Interest receivable	2,353
Due from other governments	1,510,739
Property taxes receivable	43,618
Loan receivable	227,295
Land Held for Resale	3,069,490
Prepaid items	<u>227</u>
Total assets	<u><u>\$ 5,944,834</u></u>

**Liabilities**

Accounts payable	\$ 2,057
Due to other governments	1,260,739
Salaries and benefits payable	8,768
Deposits payable	<u>16,700</u>
Total liabilities	<u><u>1,288,264</u></u>

**Deferred Inflows of Resources**

Unavailable revenue - taxes	3,076
Unavailable revenue - grants	<u>250,000</u>
Total deferred inflows of resources	<u><u>253,076</u></u>

**Fund Balances**

Nonspendable	
Prepaid items	227
Loan receivables	227,295
Unassigned	<u>4,175,972</u>
Total fund balances	<u><u>4,403,494</u></u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 5,944,834</u></u>

**City of Hastings**  
**Hastings Economic Development And Redevelopment Authority**  
**Reconciliation of The Balance Sheet to The Statement of Net Position**  
**December 31, 2022**

**Statement 35**

Total fund balances - governmental funds	\$ 4,403,494
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.	87,999
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.	
OPEB Liability	(80,872)
Net pension liability	(240,616)
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	253,076
Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to pensions that are not recognized in the governmental funds.	
Deferred inflows of resources related to city pensions	(5,298)
Deferred outflows of resources related to city pensions	71,221
Deferred inflows of resources related to OPEB	(730)
Deferred outflows of resources related to OPEB	23,879
	23,879
Total net position - governmental activities	\$ 4,173,537

**City of Hastings**  
**Hastings Economic and Redevelopment Authority**  
**Statement of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual**  
**Year Ended December 31, 2022**

**Statement 36**

	2022			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 413,820	\$ 413,820	\$ 417,036	\$ 3,216
Charges for services	54,300	54,300	27,162	(27,138)
Investment income	20,000	20,000	(14,153)	(34,153)
Miscellaneous	-	-	44,120	44,120
Total revenues	488,120	488,120	474,165	(13,955)
<b>Expenditures</b>				
Current				
Economic development				
Personnel services	255,496	255,496	263,092	7,596
Services and charges	126,100	126,100	94,283	(31,817)
Miscellaneous	294,976	294,976	63,022	(231,954)
Payment to primary government	39,220	39,220	43,317	4,097
Capital outlay				
Economic development	100,000	190,000	174,200	(15,800)
Total expenditures	815,792	905,792	637,914	(267,878)
Net change in fund balance	\$ (327,672)	\$ (417,672)	(163,749)	\$ 253,923
<b>Fund Balance</b>				
Beginning of year			4,567,243	
End of year			\$ 4,403,494	



**City of Hastings**  
**Hastings Economic Development and Redevelopment Authority**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended December 31, 2022**

**Statement 37**

Net change in fund balances \$ (163,749)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities of the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense (5,500)

Property taxes collected for prior years and grant revenue for future periods 860

OPEB are not reported as expenditures in the governmental funds because they do not require the use of current financial resources; instead, they are expense in the Statement of Activities. 6,047

Governmental funds recognize pension contributions as expenditures at the time of payment in the funds whereas the Statement of Activities factors in items related to pensions on a full accrual perspective.

Pension expense (17,468)

Change in net position - governmental activities \$ (179,810)

**City of Hastings  
Subcombining Balance Sheet  
Debt Service Fund  
December 31, 2022**

	G.O. Tax Increment Bonds 2016A (516)	G.O. Improvement Bonds, 2014A Charter (574)	G.O. Improvement Bonds 2015A Charter (575)	G.O. Improvement Bonds 2016B Charter (576)
<b>Assets</b>				
Cash and investments	\$ 237,643	\$ 263,692	\$ 260,784	\$ 342,488
Interest receivable	496	544	538	707
Due from other funds	-	-	-	-
Property taxes receivable	21,076	30,259	26,729	30,257
Special assessments receivable				
Delinquent	-	2,805	90	-
Deferred	-	43,256	5,471	29,856
Prepaid items	-	458	366	416
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 259,215</u>	<u>\$ 341,014</u>	<u>\$ 293,978</u>	<u>\$ 403,724</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - taxes and assessments	<u>2,367</u>	<u>46,932</u>	<u>8,459</u>	<u>33,136</u>
<b>Fund Balances</b>				
Nonspendable	-	458	366	416
Restricted				
Debt service	<u>256,848</u>	<u>293,624</u>	<u>285,153</u>	<u>370,172</u>
Total fund balances	<u>256,848</u>	<u>294,082</u>	<u>285,519</u>	<u>370,588</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 259,215</u>	<u>\$ 341,014</u>	<u>\$ 293,978</u>	<u>\$ 403,724</u>

Schedule 6

G.O. Improvement Bonds 2018A Charter (578)	G.O. Public Facility Refunding bonds, Series 2010A (370)	Certificate of Participation 2016 (316)	G.O. Improvement Bonds 2010B (570)	G.O. Improvement Bonds 2011A (571)	G.O. Improvement Bonds 2012 (572)
\$ 113,516	\$ 215,345	\$ 70,406	\$ 116,432	\$ 129,337	\$ 160,976
234	444	145	240	267	332
-	-	-	-	-	-
25,215	-	6,178	9,011	29,156	14,023
2,155	-	-	21	559	1,727
149,434	-	-	-	-	-
-	-	-	-	-	416
<u>\$ 290,554</u>	<u>\$ 215,789</u>	<u>\$ 76,729</u>	<u>\$ 125,704</u>	<u>\$ 159,319</u>	<u>\$ 177,474</u>
154,322	-	664	21	3,133	3,089
-	-	-	-	-	416
136,232	215,789	76,065	125,683	156,186	173,969
<u>136,232</u>	<u>215,789</u>	<u>76,065</u>	<u>125,683</u>	<u>156,186</u>	<u>174,385</u>
<u>\$ 290,554</u>	<u>\$ 215,789</u>	<u>\$ 76,729</u>	<u>\$ 125,704</u>	<u>\$ 159,319</u>	<u>\$ 177,474</u>

**City of Hastings**  
**Subcombining Balance Sheet**  
**Debt Service Fund**  
**December 31, 2022**

	G.O. Improvement Bonds 2013B (573)	G.O. Improvement Bonds 2017A (577)	Certificates of Participation 2013B (398)	Debt Redemption Fund (500)
<b>Assets</b>				
Cash and investments	\$ 90,832	\$ 128,092	\$ 120,990	\$ 655,824
Interest receivable	187	258	250	2,053
Due from other funds	-	-	-	339,258
Property taxes receivable	9,077	8,069	9,720	718
Special assessments receivable				
Delinquent	-	17	-	117
Deferred	12,466	73,306	-	44,166
Prepaid items	649	416	-	-
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
Total assets	<u>\$ 113,211</u>	<u>\$ 210,158</u>	<u>\$ 130,960</u>	<u>\$ 1,042,136</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - taxes and assessments	13,449	74,179	1,061	44,810
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
<b>Fund Balances</b>				
Nonspendable	649	416	-	-
Restricted				
Debt service	99,113	135,563	129,899	997,326
Total fund balances	<u>99,762</u>	<u>135,979</u>	<u>129,899</u>	<u>997,326</u>
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 113,211</u>	<u>\$ 210,158</u>	<u>\$ 130,960</u>	<u>\$ 1,042,136</u>

Schedule 6

G.O. Improvement Bonds 2019A (579)	G.O. Improvement Bonds 2020A (580)	G.O. Improvement Bonds 2021A (581)	G.O. Improvement Bonds 2022A (582)	Total
\$ 998,620	\$ 565,928	\$ 345,006	\$ 573,272	\$ 5,389,183
2,059	1,166	710	-	10,630
-	-	-	-	339,258
16,503	22,828	2,994	-	261,813
-	4,333	876	14,550	27,250
457,467	353,425	241,178	555,164	1,965,189
592	374	290	-	3,977
<u>\$ 1,475,241</u>	<u>\$ 948,054</u>	<u>\$ 591,054</u>	<u>\$ 1,142,986</u>	<u>\$ 7,997,300</u>
<u>459,219</u>	<u>359,528</u>	<u>241,376</u>	<u>555,164</u>	<u>2,000,909</u>
592	374	290	-	3,977
<u>1,015,430</u>	<u>588,152</u>	<u>349,388</u>	<u>587,822</u>	<u>5,992,414</u>
<u>1,016,022</u>	<u>588,526</u>	<u>349,678</u>	<u>587,822</u>	<u>5,996,391</u>
<u>\$ 1,475,241</u>	<u>\$ 948,054</u>	<u>\$ 591,054</u>	<u>\$ 1,142,986</u>	<u>\$ 7,997,300</u>

**City of Hastings**  
**Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Debt Service Fund**  
**Year Ended December 31, 2022**

	G.O. Tax Increment Bonds 2016A (516)	G.O. Improvement Bonds, 2014A Charter (574)	G.O. Improvement Bonds 2015A- Charter (575)	G.O. Improvement Bonds 2016B- Charter (576)
<b>Revenues</b>				
General property taxes	\$ -	\$ 301,083	\$ 267,723	\$ 302,133
Special assessments	-	28,466	2,098	11,156
Charges for services	-	-	-	-
Investment income	(1,934)	1,115	(789)	(2,280)
Total revenues	<u>(1,934)</u>	<u>330,664</u>	<u>269,032</u>	<u>311,009</u>
<b>Expenditures</b>				
Debt service				
Principal	175,000	330,000	250,000	310,000
Interest and other charges	31,950	30,289	24,499	36,659
Total expenditures	<u>206,950</u>	<u>360,289</u>	<u>274,499</u>	<u>346,659</u>
Excess of revenues over (under) expenditures	(208,884)	(29,625)	(5,467)	(35,650)
<b>Other Financing Sources (Uses)</b>				
Transfers in	206,500	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>206,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(2,384)	(29,625)	(5,467)	(35,650)
<b>Fund Balances</b>				
Beginning of year	<u>259,232</u>	<u>323,707</u>	<u>290,986</u>	<u>406,238</u>
End of year	<u>\$ 256,848</u>	<u>\$ 294,082</u>	<u>\$ 285,519</u>	<u>\$ 370,588</u>

**Schedule 7**  
(Continued)

G.O. Improvement Bonds 2018A - Charter (578)	G.O. Public Facility Refunding bonds, Series 2010A (370)	City Revenue Refunding Bonds 2013A (350)	Certificate of Participation 2014 (399)	Certificate of Participation 2015 (315)	Certificate of Participation 2016 (316)	G.O. Improvement Bonds 2009A (529)
\$ 250,759	\$ -	\$ -	\$ -	\$ -	\$ 61,826	\$ -
34,659	-	-	-	-	-	-
-	82,215	-	-	-	-	-
311	(6,632)	-	-	(137)	(422)	(275)
<u>285,729</u>	<u>75,583</u>	<u>-</u>	<u>-</u>	<u>(137)</u>	<u>61,404</u>	<u>(275)</u>
240,000	180,000	-	-	-	60,000	-
71,981	2,700	-	-	-	600	-
<u>311,981</u>	<u>182,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,600</u>	<u>-</u>
(26,252)	(107,117)	-	-	(137)	804	(275)
-	-	-	-	-	-	-
-	-	(16,396)	(16,432)	(6,832)	-	(13,747)
-	-	<u>(16,396)</u>	<u>(16,432)</u>	<u>(6,832)</u>	<u>-</u>	<u>(13,747)</u>
(26,252)	(107,117)	(16,396)	(16,432)	(6,969)	804	(14,022)
<u>162,484</u>	<u>322,906</u>	<u>16,396</u>	<u>16,432</u>	<u>6,969</u>	<u>75,261</u>	<u>14,022</u>
<u>\$ 136,232</u>	<u>\$ 215,789</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,065</u>	<u>\$ -</u>

**City of Hastings**  
**Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Debt Service Fund**  
**Year Ended December 31, 2022**

	G.O. Improvement Bonds 2010B (570)	G.O. Improvement Bonds 2011A (571)	G.O. Improvement Bonds 2012 (572)	G.O. Improvement Bonds 2013B (573)
<b>Revenues</b>				
General property taxes	\$ 104,479	\$ 301,263	\$ 138,624	\$ 91,149
Special assessments	7	1,159	15,939	13,302
Charges for services	-	-	-	-
Investment income	(738)	(151)	(770)	(135)
Total revenues	<u>103,748</u>	<u>302,271</u>	<u>153,793</u>	<u>104,316</u>
<b>Expenditures</b>				
Debt service				
Principal	120,000	385,000	180,000	125,000
Interest and other charges	2,503	5,092	6,121	8,389
Total expenditures	<u>122,503</u>	<u>390,092</u>	<u>186,121</u>	<u>133,389</u>
Excess of revenues over (under) expenditures	(18,755)	(87,821)	(32,328)	(29,073)
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(18,755)	(87,821)	(32,328)	(29,073)
<b>Fund Balances</b>				
Beginning of year	<u>144,438</u>	<u>244,007</u>	<u>206,713</u>	<u>128,835</u>
End of year	<u>\$ 125,683</u>	<u>\$ 156,186</u>	<u>\$ 174,385</u>	<u>\$ 99,762</u>



**Schedule 7**  
(Continued)

G.O. Improvement Bonds 2017A (577)	Certificates of Participation 2013B (398)	Debt Redemption Fund (500)	G.O. Improvement Bonds 2019A (579)
\$ 82,229	\$ 96,303	\$ 4,239	\$ 165,516
25,855	-	197	98,406
-	-	-	-
(1,337)	(1,045)	(27,210)	(23,573)
<u>106,747</u>	<u>95,258</u>	<u>(22,774)</u>	<u>240,349</u>
100,000	90,000	-	220,000
25,484	5,480	-	117,608
<u>125,484</u>	<u>95,480</u>	<u>-</u>	<u>337,608</u>
(18,737)	(222)	(22,774)	(97,259)
-	-	65,724	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>65,724</u>	<u>-</u>
(18,737)	(222)	42,950	(97,259)
<u>154,716</u>	<u>130,121</u>	<u>954,376</u>	<u>1,113,281</u>
<u>\$ 135,979</u>	<u>\$ 129,899</u>	<u>\$ 997,326</u>	<u>\$ 1,016,022</u>

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**City of Hastings**  
**Subcombining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Debt Service Fund**  
**Year Ended December 31, 2022**

Schedule 7  
(Continued)

	G.O. Improvement Bonds 2020A (580)	G.O. Improvement Bonds 2021A (581)	G.O. Improvement Bonds 2022A (582)	Total
<b>Revenues</b>				
General property taxes	\$ 224,223	\$ 31,961	\$ -	\$ 2,423,510
Special assessments	54,664	55,296	585,707	926,911
Charges for services	-	-	-	82,215
Investment income	(9,589)	(7,893)	2,115	(81,369)
Total revenues	<u>269,298</u>	<u>79,364</u>	<u>587,822</u>	<u>3,351,267</u>
<b>Expenditures</b>				
Debt service				
Principal	150,000	-	-	2,915,000
Interest and other charges	68,253	21,360	-	458,968
Total expenditures	<u>218,253</u>	<u>21,360</u>	<u>-</u>	<u>3,373,968</u>
Excess of revenues over (under) expenditures	51,045	58,004	587,822	(22,701)
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	272,224
Transfers out	-	-	-	(53,407)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>218,817</u>
Net change in fund balances	51,045	58,004	587,822	196,116
<b>Fund Balances</b>				
Beginning of year	<u>537,481</u>	<u>291,674</u>	<u>-</u>	<u>5,800,275</u>
End of year	<u>\$ 588,526</u>	<u>\$ 349,678</u>	<u>\$ 587,822</u>	<u>\$ 5,996,391</u>

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**City of Hastings  
Statistical Section (Unaudited)**

This part of the City of Hastings' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

**Financial Trends**

*These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.*

- Table 1 – Net Position by Component
- Table 2 – Changes in Net Position
- Table 3 – Fund Balances, Governmental Funds
- Table 4 – Changes in Fund Balances, Governmental Funds

**Revenue Capacity**

*These schedules contain information to help the reader assess the government's most significant local revenue source, property taxes.*

- Table 5 – Tax Capacity Value and Estimated Market Value of Taxable Property
- Table 6 – Direct and Overlapping Property Tax Rates
- Table 7 – Principal Property Taxpayers
- Table 8 – Property Tax Levies and Collections

**Debt Capacity**

*These schedules present information to help the reader assess the affordability of the government's current level of outstanding debt and the government's ability to issue additional debt in the future.*

- Table 9 – Ratio of Outstanding Debt by Type
- Table 10 – Ratio of Net General Obligation Bonded Debt to Assessed Value  
and Net General Obligation Debt Per Capita
- Table 11 – Direct and Overlapping Governmental Activities Debt
- Table 12 – Legal Debt Margin Information
- Table 13 – Pledge Revenue Coverage

**Demographic and Economic Information**

*These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.*

- Table 14 – Demographic and Economic Statistics
- Table 15 – Principal Employers

**Operating Information**

*These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and activities it performs.*

- Table 16 – Full-time Equivalent City Government Employees by Function/Program
- Table 17 – Operating Indicators by Function/Program
- Table 18 – Capital Asset Statistics by Function/Program

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**City of Hastings**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**  
**Unaudited**

	Fiscal Year			
	2013	2014	2015	2016
Governmental activities:				
Net investment in capital assets	\$ 42,404,518	\$ 43,801,240	\$ 43,540,896	\$ 42,444,675
Restricted for:				
Police activities	13,898	29,908	29,796	34,462
Tax increment	-	-	-	-
Debt service	9,292,124	8,228,781	6,790,580	6,814,431
Capital projects	677,082	617,851	605,667	547,257
Escrow	-	-	-	-
Net pension asset	-	-	-	1,225,251
LeDuc Historic Estate	1,138,006	1,107,821	1,369,956	1,374,830
Unrestricted	3,306,265	3,863,787	(1,019,362)	(3,501,336)
Total governmental activities net position	<u>\$ 56,831,893</u>	<u>\$ 57,649,388</u>	<u>\$ 51,317,533</u>	<u>\$ 48,939,570</u>
Business-type activities:				
Net investment in capital assets	\$ 25,478,576	\$ 25,016,342	\$ 25,317,479	\$ 25,219,313
Restricted for:				
Debt service	551,253	376,498	251,499	187,146
Unrestricted	6,176,039	4,917,605	4,348,513	3,868,707
Total business-type activities net position	<u>\$ 32,205,868</u>	<u>\$ 30,310,445</u>	<u>\$ 29,917,491</u>	<u>\$ 29,275,166</u>
Primary government:				
Net investment in capital assets	\$ 67,883,094	\$ 68,817,582	\$ 68,858,375	\$ 68,858,375
Restricted for:				
Police activities	13,898	29,908	29,796	34,462
Tax increment	-	-	-	-
Debt service	9,843,377	8,605,279	7,042,079	7,001,577
Capital projects	677,082	617,851	605,667	547,257
Escrow	-	-	-	-
LeDuc Historic Estate	1,138,006	1,107,821	1,369,956	1,374,830
Unrestricted	9,482,304	8,781,392	3,329,151	367,371
Total primary government net position	<u>\$ 89,037,761</u>	<u>\$ 87,959,833</u>	<u>\$ 81,235,024</u>	<u>\$ 78,183,872</u>

Table 1

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 43,485,383	\$ 43,158,263	\$ 42,069,591	\$ 42,768,215	\$ 44,179,337	\$ 43,579,389
42,568	54,842	40,432	59,697	113,606	82,112
2,695	4,924	5,681	7,157	24,766	21,990
6,721,124	6,897,969	8,169,524	7,182,012	7,346,220	7,725,877
488,132	494,432	509,082	630,709	1,149,928	1,015,753
-	-	11,467	17,240	16,234	4,497
-	-	-	-	-	-
1,489,982	1,270,770	1,246,991	1,282,730	1,324,652	1,075,872
<u>(3,910,559)</u>	<u>(4,077,486)</u>	<u>(2,309,522)</u>	<u>324,570</u>	<u>3,196,284</u>	<u>4,803,200</u>
<u>\$ 48,319,325</u>	<u>\$ 47,803,714</u>	<u>\$ 49,743,246</u>	<u>\$ 52,272,330</u>	<u>\$ 57,351,027</u>	<u>\$ 58,308,690</u>
\$ 25,631,750	\$ 24,353,284	\$ 24,164,942	\$ 23,964,003	\$ 24,268,293	\$ 24,584,961
-	-	-	-	-	-
<u>3,301,265</u>	<u>5,080,114</u>	<u>5,859,676</u>	<u>7,007,095</u>	<u>8,532,954</u>	<u>10,154,186</u>
<u>\$ 28,933,015</u>	<u>\$ 29,433,398</u>	<u>\$ 30,024,618</u>	<u>\$ 30,971,098</u>	<u>\$ 32,801,247</u>	<u>\$ 34,739,147</u>
\$ 69,117,133	\$ 67,511,547	\$ 66,234,533	\$ 66,732,218	\$ 68,447,630	\$ 68,164,350
42,568	54,842	40,432	59,697	113,606	82,112
2,695	4,924	5,681	7,157	24,766	21,990
6,721,124	6,897,969	8,169,524	7,182,012	7,346,220	7,725,877
488,132	494,432	509,082	630,709	1,149,928	1,015,753
-	-	11,467	17,240	16,234	4,497
1,489,982	1,270,770	1,246,991	1,282,730	1,324,652	1,075,872
<u>(609,294)</u>	<u>1,002,628</u>	<u>3,550,154</u>	<u>7,331,665</u>	<u>11,729,238</u>	<u>14,957,386</u>
<u>\$ 77,252,340</u>	<u>\$ 77,237,112</u>	<u>\$ 79,767,864</u>	<u>\$ 83,243,428</u>	<u>\$ 90,152,274</u>	<u>\$ 93,047,837</u>

**City of Hastings**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**  
**Unaudited**

	Fiscal Year			
	2013	2014	2015	2016
<b>Expenses</b>				
Governmental activities				
General government	\$ 2,368,033	\$ 2,912,989	\$ 2,742,065	\$ 2,935,743
Public safety	8,022,727	8,265,264	8,354,120	11,060,875
Public works	5,059,797	4,825,511	5,213,874	6,345,402
Culture and recreation	2,844,498	2,948,893	3,087,460	3,396,349
Economic development	34,119	135,010	47,129	2,311,500
Health and sanitation	19,447	15,775	21,890	19,301
Interest on long-term debt	647,902	466,445	453,391	464,205
Total governmental activities expenses	<u>18,996,523</u>	<u>19,569,887</u>	<u>19,919,929</u>	<u>26,533,375</u>
Business-type activities				
Water	2,181,086	2,065,409	1,963,670	2,120,683
Sewer	1,867,680	1,940,624	1,958,792	2,118,877
Storm	346,846	380,251	393,535	422,730
Hydro	941,730	738,402	633,196	593,610
Total business-type activities expenses	<u>5,337,342</u>	<u>5,124,686</u>	<u>4,949,193</u>	<u>5,255,900</u>
Total primary government expenses	<u>\$ 24,333,865</u>	<u>\$ 24,694,573</u>	<u>\$ 24,869,122</u>	<u>\$ 31,789,275</u>
<b>Program revenues</b>				
Governmental activities				
Charges for services				
General Government	\$ -	\$ -	\$ -	\$ -
Public safety	2,925,521	2,726,275	2,849,915	3,362,113
Public works	35,134	51,342	119,702	271,785
Culture and recreation	1,156,963	1,147,412	1,202,465	1,237,031
Other activities	537,106	470,886	537,114	602,296
Operating grants and contributions	820,431	776,970	649,612	1,560,903
Capital grants and contributions	4,648,382	815,568	1,113,376	3,212,984
Total governmental activities program revenues	<u>10,123,537</u>	<u>5,988,453</u>	<u>6,472,184</u>	<u>10,247,112</u>
Business-type activities				
Charges for services				
Water	2,071,576	1,873,918	1,797,562	1,875,712
Sewer	1,915,861	1,938,692	1,882,901	1,867,425
Storm	430,074	429,957	425,643	435,310
Hydro	963,174	921,052	1,073,234	787,238
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>5,380,685</u>	<u>5,163,619</u>	<u>5,179,340</u>	<u>4,965,685</u>
Total primary government program revenues	<u>\$ 15,504,222</u>	<u>\$ 11,152,072</u>	<u>\$ 11,651,524</u>	<u>\$ 15,212,797</u>
<b>Net (expense) revenue</b>				
Governmental activities	\$ (8,872,986)	\$ (13,581,434)	\$ (13,447,745)	\$ (16,286,263)
Business-type activities	43,343	38,933	230,147	(290,215)
Total primary government net (expense) revenue	<u>(8,829,643)</u>	<u>(13,542,501)</u>	<u>(13,217,598)</u>	<u>(16,576,478)</u>



**Table 2**  
**Page 1 of 2**  
Continued

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 3,129,500	\$ 3,322,254	\$ 3,547,503	\$ 4,271,705	\$ 3,093,577	\$ 3,560,823
9,386,823	10,167,543	9,382,761	9,580,764	9,459,405	12,044,540
5,638,414	5,438,158	5,885,948	5,355,622	6,667,995	6,017,835
3,398,198	3,588,701	3,506,415	2,944,205	3,810,177	4,695,960
51,101	40,656	41,369	28,806	48,930	66,819
30,849	34,158	37,731	28,794	59,362	50,726
449,979	428,156	486,826	415,814	396,991	482,428
<u>22,084,864</u>	<u>23,019,626</u>	<u>22,888,553</u>	<u>22,625,710</u>	<u>23,536,437</u>	<u>26,919,131</u>
1,866,451	2,053,704	2,197,954	1,975,443	2,413,301	2,356,748
2,213,573	2,160,226	2,305,382	2,314,153	2,567,037	2,716,736
403,183	424,791	529,092	404,163	401,155	491,006
838,181	620,320	578,351	832,937	521,731	599,007
<u>5,321,388</u>	<u>5,259,041</u>	<u>5,610,779</u>	<u>5,526,696</u>	<u>5,903,224</u>	<u>6,163,497</u>
<u>\$ 27,406,252</u>	<u>\$ 28,278,667</u>	<u>\$ 28,499,332</u>	<u>\$ 28,152,406</u>	<u>\$ 29,439,661</u>	<u>\$ 33,082,628</u>
\$ -	\$ -	\$ 513,591	\$ 522,460	\$ 459,130	\$ 258,649
3,745,444	3,507,476	3,848,715	3,420,090	3,581,897	4,043,048
276,721	312,004	438,990	778,863	485,869	954,701
1,191,970	1,358,186	1,162,764	779,387	1,307,896	1,534,431
521,818	496,151	93,705	85,185	91,995	82,251
539,343	1,521,330	1,117,166	918,951	1,314,781	1,125,789
1,234,808	622,219	1,553,631	1,098,098	4,831,331	2,185,950
<u>7,510,104</u>	<u>7,817,366</u>	<u>8,728,562</u>	<u>7,603,034</u>	<u>12,072,899</u>	<u>10,184,819</u>
1,897,865	2,284,680	2,259,917	2,445,497	2,744,525	3,139,177
1,972,116	2,490,514	2,642,559	2,615,539	2,757,731	3,025,373
507,721	633,583	718,097	729,711	763,339	806,607
784,887	701,729	672,763	578,006	738,075	857,224
-	-	-	1,888	-	-
-	150,542	49,281	102,567	788,199	800,611
<u>5,162,589</u>	<u>6,261,048</u>	<u>6,342,617</u>	<u>6,473,208</u>	<u>7,791,869</u>	<u>8,628,992</u>
<u>\$ 12,672,693</u>	<u>\$ 14,078,414</u>	<u>\$ 15,071,179</u>	<u>\$ 14,076,242</u>	<u>\$ 19,864,768</u>	<u>\$ 18,813,811</u>
\$ (14,574,760)	\$ (15,202,260)	\$ (14,159,991)	\$ (15,022,676)	\$ (11,463,538)	\$ (16,734,312)
(158,799)	1,002,007	731,838	946,512	1,888,645	2,465,495
<u>(14,733,559)</u>	<u>(14,200,253)</u>	<u>(13,428,153)</u>	<u>(14,076,164)</u>	<u>(9,574,893)</u>	<u>(14,268,817)</u>

**City of Hastings**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**  
**Unaudited**

	Fiscal Year			
	2013	2014	2015	2016
<b>General revenues and other changes in net position</b>				
Governmental activities				
Taxes:				
Property taxes, levied for general purposes	\$ 8,545,583	\$ 8,719,458	\$ 9,231,748	\$ 9,837,164
Property taxes, levied for debt service	3,191,407	2,643,067	2,650,000	2,650,000
Unrestricted grants and contributions	15,067	593,875	591,572	617,477
Gain (Loss) on disposal of capital assets	20,072	-	29,098	111,069
Investment earnings (loss)	(25,107)	315,388	77,472	211,760
Contribution of capital assets	-	-	-	-
Insurance recoveries	-	-	-	-
Transfers	677,600	2,127,141	(193,998)	480,830
Total governmental activities	<u>12,424,622</u>	<u>14,398,929</u>	<u>12,385,892</u>	<u>13,908,300</u>
Business-type activities				
Property taxes, levied for general purposes	-	-	-	-
Gain (Loss) on disposal of capital assets	-	-	-	-
Investment earnings	(57,568)	192,785	67,811	128,720
Transfers	(677,600)	(2,127,141)	193,998	(480,830)
Total business-type activities	<u>(735,168)</u>	<u>(1,934,356)</u>	<u>261,809</u>	<u>(352,110)</u>
Total primary government	<u>\$ 11,689,454</u>	<u>\$ 12,464,573</u>	<u>\$ 12,647,701</u>	<u>\$ 13,556,190</u>
<b>Change in net position</b>				
Governmental activities	\$ 3,551,636	\$ 817,495	\$ (1,061,853)	\$ (2,377,963)
Business-type activities	<u>(691,825)</u>	<u>(1,895,423)</u>	<u>491,956</u>	<u>(642,325)</u>
Total primary government	<u>\$ 2,859,811</u>	<u>\$ (1,077,928)</u>	<u>\$ (569,897)</u>	<u>\$ (3,020,288)</u>

**Table 2**  
**Page 2 of 2**

		Fiscal Year									
		2017	2018	2019	2020	2021	2022				
\$	10,271,077	\$	10,170,181	\$	11,120,775	\$	11,455,276	\$	13,269,481	\$	14,064,238
	2,650,000		3,424,475		3,126,903		2,310,976		2,195,103		2,423,510
	639,043		1,106,153		933,079		1,915,198		920,451		1,165,045
	23,272		170,917		7,951		33,702		32,417		57,578
	215,284		146,410		590,271		454,753		74,696		(353,682)
	-		-		-		-		-		-
	24,299		-		-		-		-		-
	(132,690)		439,358		320,378		99,378		50,087		335,286
	<u>13,690,285</u>		<u>15,457,494</u>		<u>16,099,357</u>		<u>16,269,283</u>		<u>16,542,235</u>		<u>17,691,975</u>
	-		-		11,376		97		-		-
	-		-		-		-		-		(40,486)
	4,188		49,772		168,384		99,249		(8,409)		(151,823)
	<u>132,690</u>		<u>(439,358)</u>		<u>(320,378)</u>		<u>(99,378)</u>		<u>(50,087)</u>		<u>(335,286)</u>
	<u>136,878</u>		<u>(389,586)</u>		<u>(140,618)</u>		<u>(32)</u>		<u>(58,496)</u>		<u>(527,595)</u>
\$	<u>13,827,163</u>	\$	<u>15,067,908</u>	\$	<u>15,958,739</u>	\$	<u>16,269,251</u>	\$	<u>16,483,739</u>	\$	<u>17,164,380</u>
\$	(884,475)	\$	255,234	\$	1,939,366	\$	2,407,557	\$	5,078,697	\$	957,663
	<u>(21,921)</u>		<u>612,421</u>		<u>591,220</u>		<u>946,480</u>		<u>1,830,149</u>		<u>1,937,900</u>
\$	<u>(906,396)</u>	\$	<u>867,655</u>	\$	<u>2,530,586</u>	\$	<u>3,354,037</u>	\$	<u>6,908,846</u>	\$	<u>2,895,563</u>

**City of Hastings**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**  
**Unaudited**

	Fiscal Year			
	2013	2014	2015	2016
General Fund				
Nonspendable				
Prepaid items	\$ 41,660	\$ 58,131	\$ 72,786	\$ 119,342
Inventories	58,634	26,008	50,734	35,471
Restricted:				
Leduc Historical Estate	-	-	349,321	346,557
Restricted				
Police Activities	-	-	-	-
Unassigned	3,486,430	3,446,128	3,621,455	4,403,883
Total general fund	<u>\$ 3,586,724</u>	<u>\$ 3,530,267</u>	<u>\$ 4,094,296</u>	<u>\$ 4,905,253</u>
All other governmental funds				
Unreserved, reported in	\$ 5,408,639	\$ -	\$ -	\$ -
Nonspendable				
Prepaid	70,585	81,494	83,691	105,237
Inventories	6,268	3,322	4,365	4,368
Permanent endowment-Leduc Historical Estate	200,000	200,000	200,000	200,000
Restricted				
Police activities	13,898	29,626	29,773	34,444
Debt service	7,692,475	5,427,274	4,500,299	4,820,295
Tax Increment Financing	-	-	-	-
Capital projects	676,672	1,009,983	605,667	546,622
Permanent endowment-Leduc Historical Estate	938,006	907,821	820,635	828,273
Escrow	-	-	-	-
Committed				
Park maintenance	705,537	700,601	816,485	870,352
Aquatic operations	118,588	120,179	143,507	184,955
Cable TV activities	222,044	232,035	238,133	245,822
Heritage preservation activities	86,697	93,499	95,860	96,148
Fire & ambulance activities	2,372,686	1,596,429	1,362,693	1,111,458
Arena activities	590,646	490,657	500,676	388,065
Assigned				
Capital	1,394,711	869,337	1,013,965	1,131,904
Unassigned				
Capital	<u>(312,971)</u>	<u>(252,583)</u>	<u>(899,034)</u>	<u>(416,152)</u>
Total all other governmental funds	<u>\$ 20,184,481</u>	<u>\$ 11,509,674</u>	<u>\$ 9,516,715</u>	<u>\$ 10,151,791</u>

Table 3

		Fiscal Year									
		2017	2018	2019	2020	2021	2022				
\$	135,921	\$	92,918	\$	86,310	\$	108,555	\$	75,454	\$	171,170
	24,517		15,183		34,446		64,084		54,113		25,611
	397,985		301,201		193,592		178,173		154,075		119,617
	-		-		-		13,384		61,676		32,124
	4,576,829		5,047,671		5,596,357		7,940,056		9,033,202		10,200,207
\$	5,135,252	\$	5,456,973	\$	5,910,705	\$	8,304,252	\$	9,378,520	\$	10,548,729
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
	114,968		81,016		77,361		24,265		58,618		37,616
	3,223		2,318		2,964		3,754		4,812		6,451
	200,000		200,000		200,000		200,000		200,000		200,000
	42,547		54,825		40,406		46,285		51,914		49,972
	4,888,739		5,200,767		5,909,532		6,020,783		5,795,241		5,992,414
	2,695		4,924		5,681		7,157		24,766		21,990
	487,678		494,432		509,082		629,046		1,149,928		1,015,753
	891,997		769,569		853,399		904,557		970,577		756,255
	-		-		11,467		17,240		16,234		4,497
	1,020,571		1,084,583		1,144,271		1,357,981		1,573,272		2,014,442
	188,258		185,144		232,573		406,776		402,511		407,090
	243,756		238,553		238,892		156,073		153,208		145,741
	97,564		100,481		104,264		108,400		115,531		120,476
	1,251,486		992,209		1,280,178		1,465,860		1,283,020		643,353
	463,992		462,313		497,359		550,064		492,028		512,325
	1,172,982		1,249,299		1,325,392		1,326,089		966,587		970,516
	(300,491)		(217,088)		(190,670)		(910,431)		(1,723,515)		(1,814,786)
\$	10,769,965	\$	10,903,345	\$	12,242,151	\$	12,313,899	\$	11,534,732	\$	11,084,105

**City of Hastings**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**Unaudited**

	Fiscal Year			
	2013	2014	2015	2016
Revenues				
Taxes	\$ 11,793,014	\$ 11,410,130	\$ 11,877,613	\$ 12,431,059
Special assessments	1,112,853	1,011,262	695,211	599,399
Licenses and permits	394,821	412,782	449,444	423,861
Fines and forfeitures	95,103	126,565	121,259	95,313
Intergovernmental	4,631,888	1,628,541	1,950,871	4,132,072
Charges for services	3,873,062	3,561,470	3,765,494	4,650,190
Investment earnings	(15,617)	290,628	70,516	199,685
Miscellaneous	70,404	28,537	273,537	1,499,899
Total revenues	<u>21,955,528</u>	<u>18,469,915</u>	<u>19,203,945</u>	<u>24,031,478</u>
Expenditures				
Current				
General government	2,070,522	2,411,990	2,290,140	2,498,078
Public safety	7,609,462	7,814,296	8,011,113	8,668,178
Public works	1,670,868	1,873,216	1,588,976	1,956,027
Health and sanitation	19,447	15,775	21,890	19,301
Cultural and recreation	2,316,009	2,429,476	2,537,383	2,714,594
Economic development	34,119	135,010	44,157	2,303,885
Capital outlay	5,788,889	6,589,320	5,032,472	6,642,508
Debt service				
Principal retirement	4,501,750	4,094,500	3,874,500	3,234,500
Interest	731,640	607,807	525,037	549,640
Total expenditures	<u>24,742,706</u>	<u>25,971,390</u>	<u>23,925,668</u>	<u>28,586,711</u>
Revenues over (under) expenditures	<u>(2,787,178)</u>	<u>(7,501,475)</u>	<u>(4,721,723)</u>	<u>(4,555,233)</u>
Other financing sources (uses)				
Bonds issued	\$ 5,710,000	\$ 3,200,000	\$ 2,755,000	\$ 5,560,000
Bond premiums	110,125	88,207	47,405	172,612
Lease proceeds	-	-	-	-
Payment to refunded bond paying agent	(1,595,000)	(1,470,000)	-	-
Transfers in	1,769,270	4,062,792	1,616,841	1,447,564
Transfers out	(1,123,580)	(1,723,002)	(1,176,571)	(1,316,732)
Insurance recoveries	20,082	20,852	21,020	27,814
Proceeds on sale of capital assets	21,652	-	29,098	111,069
Total other financing sources (uses)	<u>4,912,549</u>	<u>4,178,849</u>	<u>3,292,793</u>	<u>6,002,327</u>
Net change in fund balance	<u>\$ 2,125,371</u>	<u>\$ (3,322,626)</u>	<u>\$ (1,428,930)</u>	<u>\$ 1,447,094</u>
Debt service as a percentage of noncapital expenditures	27.6%	24.3%	23.3%	17.2%

Table 4

Fiscal Year						
2017	2018	2019	2020	2021	2022	
\$ 12,981,670	\$ 13,607,851	\$ 13,892,707	\$ 14,589,044	\$ 15,245,720	\$ 16,153,690	
501,495	649,146	1,206,298	1,025,473	972,786	926,911	
496,101	585,364	574,169	468,688	635,721	966,071	
128,266	107,512	111,358	72,396	83,206	86,336	
2,417,114	2,831,355	2,113,639	4,139,988	4,091,910	2,583,848	
4,690,844	4,522,330	4,999,575	4,704,978	4,766,410	5,144,801	
207,058	133,040	552,103	429,840	77,176	(327,261)	
37,386	129,348	155,164	75,282	601,550	696,764	
<u>21,459,934</u>	<u>22,565,946</u>	<u>23,605,013</u>	<u>25,505,689</u>	<u>26,474,479</u>	<u>26,231,160</u>	
2,540,993	2,800,943	2,663,257	2,971,879	2,891,454	3,217,280	
8,709,899	9,091,243	9,366,019	9,521,712	10,140,823	10,970,260	
1,711,758	1,784,833	1,633,317	1,520,193	1,703,709	1,906,928	
30,849	34,158	37,731	28,794	59,362	50,726	
2,755,083	2,956,232	3,122,497	2,716,887	3,101,694	3,848,135	
38,752	40,656	41,369	28,806	48,930	66,819	
2,241,646	4,612,845	4,210,424	4,668,577	4,794,873	6,412,087	
3,369,500	3,295,000	3,300,000	3,100,000	2,955,000	3,012,671	
531,468	501,518	549,030	562,345	561,770	553,411	
<u>21,929,948</u>	<u>25,117,428</u>	<u>24,923,644</u>	<u>25,119,193</u>	<u>26,257,615</u>	<u>30,038,317</u>	
<u>(470,014)</u>	<u>(2,551,482)</u>	<u>(1,318,631)</u>	<u>386,496</u>	<u>216,864</u>	<u>(3,807,157)</u>	
\$ 1,015,000	\$ 2,560,000	\$ 2,595,000	\$ 2,045,000	\$ 925,000	\$ 4,110,000	
57,387	138,815	506,618	302,018	68,037	308,474	
-	-	-	-	-	191,375	
-	-	-	-	-	-	
775,477	970,501	786,899	625,485	2,280,173	1,609,306	
(522,308)	(866,143)	(796,521)	(926,107)	(3,223,837)	(1,805,120)	
24,299	8,150	7,715	1,843	-	-	
23,272	195,260	11,292	30,560	28,864	112,704	
<u>1,373,127</u>	<u>3,006,583</u>	<u>3,006,583</u>	<u>3,111,003</u>	<u>78,237</u>	<u>4,526,739</u>	
<u>\$ 903,113</u>	<u>\$ 455,101</u>	<u>\$ 1,687,952</u>	<u>\$ 3,497,499</u>	<u>\$ 295,101</u>	<u>\$ 719,582</u>	
19.8%	18.5%	18.6%	17.9%	15.6%	15.0%	

**City of Hastings**  
**Tax Capacity Value and Estimated Market Value of Taxable Property**  
**Last Ten Fiscal Years**  
**Unaudited**

**Table 5**

Fiscal Year Ended December 31,	Residential Property	Commercial/ Industrial Property	All Other	Total Tax Capacity	Adjustment For Fiscal Disparities	Adjusted Tax Capacity Value	Total Direct Tax Rate	Taxable Market Value	Tax Capacity as a Percent of EMV
2013	\$ 13,726,993	\$ 4,192,840	\$ 309,906	\$ 18,229,738	\$ 2,093,112	\$ 20,322,850	68.547%	\$ 1,328,846,744	1.37%
2014	11,684,807	3,569,065	263,800	15,517,672	2,075,825	17,593,497	66.246%	1,317,650,624	1.18%
2015	12,814,189	3,826,869	349,834	16,990,892	2,069,204	19,060,096	62.581%	1,475,321,176	1.15%
2016	13,501,866	3,852,417	363,149	17,717,432	2,017,091	19,734,523	63.577%	1,544,471,503	1.15%
2017	12,882,237	3,969,456	1,533,473	18,385,166	2,280,954	20,666,120	62.519%	1,604,693,527	1.15%
2018	13,968,781	3,827,760	1,522,837	19,319,378	2,362,509	22,078,920	60.864%	1,733,193,014	1.11%
2019	15,289,744	3,963,729	1,999,997	21,253,470	2,534,898	23,788,368	59.612%	1,883,303,111	1.13%
2020	16,703,875	4,006,572	2,006,179	22,716,626	2,730,219	25,446,845	57.391%	2,025,844,477	1.12%
2021	17,293,128	4,224,392	2,268,066	23,785,586	2,652,233	26,437,819	57.351%	2,115,943,511	1.12%
2022	18,123,278	4,241,358	2,225,707	24,590,343	2,911,140	27,501,483	58.807%	2,201,073,873	1.12%



**City of Hastings**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
**Unaudited**

**Table 6**

Fiscal Year	City Direct Rate	City Debt Rate	Total City Rate	Overlapping Rates*			Total
				School District	Other Districts	County	
2013	50.496	18.051	68.547	23.932	5.854	33.421	131.754
2014	50.841	15.405	66.246	23.052	5.774	31.827	126.899
2015	48.831	13.750	62.581	20.965	5.120	26.902	115.568
2016	48.154	15.423	63.577	20.938	5.353	28.570	118.438
2017	46.360	16.159	62.519	20.305	5.192	28.004	116.020
2018	45.429	15.435	60.864	20.545	4.657	26.580	112.646
2019	46.462	13.150	59.612	19.079	4.436	25.386	108.513
2020	47.594	9.797	57.391	17.924	3.936	24.133	103.384
2021	48.389	8.962	57.351	16.757	3.866	22.716	100.690
2022	50.744	8.063	58.807	16.214	3.903	21.630	100.554

\*Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all City property owners; for example, although the county property tax rates apply to all City property owners, Other Districts' rates apply only to the approximately one-third of City property owners whose property is located within that District's geographic boundaries.

Note: The City's basic property tax rate may be increased only by a majority vote of the City's residents. Rates for debt service are set based on each year's requirements.

\*Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all City property owners; for example, although the county property tax rates apply to all City property owners, Other Districts rates apply only to the approximately one-third of City property owners whose property is located within that District's geographic boundaries.

Source: Dakota County Treasurer - Auditor's Office and City Documents

**City of Hastings  
Principal Property Taxpayers  
Current Year and Nine Years Ago  
Unaudited**

**Table 7**

Taxpayer	2022			2013		
	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value
VMA 1000LLC	\$ 235,516	1	0.96%	\$ 100,000	8	0.57%
Hastings MarketPlace Sation LLC	216,812	2	0.88%			
Wal-Mart	216,214	3	0.88%	256,856	2	1.46%
Voyageur Estates LLC	184,866	4	0.75%			
Casey Capital V LLC	158,043	5	0.64%			
Regina Medical Complex	153,368	6	0.62%	546,995	1	3.12%
Gasparre Hidden Valley LLC	149,892	7	0.61%			
Siewart Brothers Investment LLC	144,175	8	0.59%			
Hastings Medical Office Bldg LLC	144,116	9	0.59%			
Centerpoint - Minegasco	<u>132,540</u>	10	<u>0.54%</u>			
Xcel Energy (NSP Company)				211,638	3	1.20%
Inch III Hastings LLC				185,504	4	1.05%
Camegaran LLC				100,929	7	0.57%
Three Rivers Partnership				140,862	5	0.80%
KCP Hastings LLC				95,684	9	0.54%
Smead Manufacturing				93,562	10	0.53%
Target Corporation				<u>117,250</u>	6	<u>0.67%</u>
Total	<u>\$ 1,500,026</u>		<u>6.10%</u>	<u>\$ 1,749,280</u>		<u>9.94%</u>
Total all property	<u>\$ 22,667,641</u>			<u>\$ 18,194,684</u>		

Source: Dakota County Taxation Department

**City of Hastings  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
Unaudited**

**Table 8**

Fiscal Year Ended December 31,	Taxes Levied For The Fiscal Year*	Collected Within The Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 11,980,920	\$ 11,855,934	98.96%	\$ 88,191	\$ 11,944,125	99.69%
2014	11,610,920	11,525,607	99.27%	84,292	11,609,899	99.99%
2015	12,060,920	11,955,607	99.13%	87,959	12,043,566	99.86%
2016	12,499,621	12,350,917	98.81%	106,463	12,457,380	99.66%
2017	12,960,919	12,810,057	98.84%	92,862	12,902,919	99.55%
2018	13,503,307	13,446,160	99.58%	20,098	13,466,258	99.73%
2019	14,233,201	14,029,829	98.57%	189,678	14,219,507	99.90%
2020	14,788,179	14,675,806	99.24%	112,373	14,788,179	100.00%
2021	15,312,300	15,255,416	99.63%	56,884	15,312,300	100.00%
2022	16,294,085	16,264,750	99.82%	N/A	16,264,750	99.82%

\* The net levy excludes state aid for property tax relief, if applicable.

*Source: Dakota County and City Records  
Numbers presented are the most recent available*

**City of Hastings**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**Unaudited**

Fiscal Year	Governmental Activities				Total Governmental Activities	Percentage of Tax Capacity
	General Obligation Bonds	Improvement Bonds	Certificates of Indebtedness	Lease Obligations		
2013	\$ 3,313,451	\$ 18,735,004	\$ 2,377,616	\$ -	\$ 24,426,071	\$ 1
2014	2,607,830	17,225,271	2,256,550	-	22,089,651	142.35%
2015	4,489,041	14,348,154	2,108,107	-	20,945,302	123.27%
2016	8,574,136	12,730,607	2,047,183	-	23,351,926	131.80%
2017	7,913,453	12,870,925	1,642,184	-	22,426,562	121.98%
2018	8,115,812	10,992,085	1,215,257	-	20,323,154	105.20%
2019	7,163,738	12,012,237	846,240	-	20,022,215	94.21%
2020	6,231,661	12,312,054	597,223	-	19,140,938	84.26%
2021	5,274,586	11,413,376	338,206	-	17,026,168	71.58%
2022	3,227,402	13,875,430	-	338,616	17,441,448	70.93%

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

**Table 9**

Business-Type Activities						
Sewer/ Water/ Hydro Bonds	Total Business-Type Activities	Per Customer	Total Primary Government	Per Capita	Percentage of Income	
\$ 6,507,957	\$ 6,507,957	\$ 866	\$ 30,934,028	\$ 1,385	504.95%	
6,013,905	6,013,905	800	28,103,556	1,249	444.92%	
5,718,774	5,718,774	759	26,664,076	1,181	411.32%	
5,408,639	5,408,639	716	28,760,565	1,268	441.38%	
2,828,650	2,828,650	375	25,255,212	1,127	389.14%	
3,700,024	3,700,024	489	24,023,178	1,054	349.95%	
4,243,999	4,243,999	560	24,266,214	1,064	288.49%	
5,166,185	5,166,185	716	24,307,123	1,070	270.81%	
5,952,281	5,952,281	785	22,978,449	992	233.78%	
7,213,667	7,213,667	947	24,655,115	1,063	218.54%	

**City of Hastings**  
**Ratio of Net General Obligation Bonded Debt to Assessed Value**  
**and Net General Obligation Debt Per Capita**  
**Last Ten Fiscal Years**  
**Unaudited**

**Table 10**

Fiscal Year	Governmental Activities			Estimated Market Value	Per Capita
	Gross Governmental Debt	Less Debt Service Fund Balance	Net Governmental Debt		
2013	\$ 24,426,071	\$ 7,692,475	\$ 16,733,596	1.3%	\$ 749
2014	22,089,651	5,430,602	16,659,049	1.3%	741
2015	20,945,302	4,503,176	16,442,126	1.1%	728
2016	23,351,926	4,821,409	18,530,517	1.2%	817
2017	22,426,562	4,888,739	17,537,823	1.1%	783
2018	20,323,154	5,200,767	15,122,387	0.9%	663
2019	20,022,215	5,909,532	14,112,683	0.7%	619
2020	19,140,938	6,023,684	13,117,254	0.6%	577
2021	17,026,168	5,800,275	11,225,893	0.5%	485
2022	18,379,765	4,999,066	13,380,699	0.6%	577

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

**City of Hastings**  
**Direct and Overlapping Governmental Activities Debt**  
**December 31, 2022**  
**Unaudited**

**Table 11**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
School Districts:			
Hastings School District #200	\$ 65,377,571	64.09%	\$ 41,900,485
Counties			
Dakota County	-	0.00%	-
Washington County	98,060,000	0.01%	9,806
Other			
Met Council	4,535,000	0.63%	28,571
Metropolitan Transit District	213,985,000	0.72%	1,540,692
Subtotal - overlapping debt			43,479,554
City direct debt		100.00%	18,379,765
Total direct and overlapping debt			<u>\$ 61,859,319</u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

\*For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Equalization and Assessment. Northland Securities

**City of Hastings  
Legal Debt Margin Information  
Last Ten Fiscal Years  
Unaudited**

**Legal Debt Margin Calculation for Fiscal Year 2022**

Estimated Market value	\$ 2,320,059,000
Debt limit (3% of market value)	<u>69,601,770</u>
Debt applicable to limit:	
General obligation bonds	4,130,000
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	<u>4,130,000</u>
Legal debt margin	<u>\$ 65,471,770</u>

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt limit	\$ 39,865,402	\$ 43,998,825	\$ 48,291,162	\$ 46,420,722
Total net debt applicable to limit	<u>3,230,000</u>	<u>4,773,500</u>	<u>6,474,000</u>	<u>8,285,000</u>
Legal debt margin	<u>\$ 36,635,402</u>	<u>\$ 39,225,325</u>	<u>\$ 41,817,162</u>	<u>\$ 38,135,722</u>

Amount of Debt Applicable to Debt Limit:

Total net debt applicable to the limit as a percentage of debt limit	8.10%	10.85%	13.41%	17.85%
-------------------------------------------------------------------------	-------	--------	--------	--------

Note: Under state finance law, the City's outstanding general obligation debt should not exceed 15 percent of total assessed property value. However, the City has established a more conservative internal limit of no more than 5 percent. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.



**Table 12**

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 48,229,996	\$ 56,499,093	\$ 60,356,121	\$ 64,373,922	\$ 67,016,532	\$ 69,601,770
<u>7,290,000</u>	<u>7,140,000</u>	<u>6,245,000</u>	<u>6,231,661</u>	<u>5,274,587</u>	<u>4,130,000</u>
<u>\$ 40,939,996</u>	<u>\$ 49,359,093</u>	<u>\$ 54,111,121</u>	<u>\$ 58,142,261</u>	<u>\$ 61,741,945</u>	<u>\$ 65,471,770</u>
15.12%	12.64%	10.35%	9.68%	7.87%	5.93%

**City of Hastings  
Pledged-Revenue Coverage  
Last Ten Fiscal Years  
Unaudited**

Fiscal Year	Water Revenue Bonds					Coverage	Sewer Revenue Bonds
	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service			Utility Service Charges
				Principal	Interest		
2013	\$ 2,033,128	\$ 1,951,525	\$ 81,603	\$ 268,250	\$ 186,899	0.18	-
2014	1,867,409	1,897,229	(29,820)	445,000	209,922	(0.05)	-
2015	1,780,393	1,804,015	(23,622)	285,500	173,274	(0.05)	-
2016	1,875,074	1,969,781	(94,707)	300,500	164,159	(0.20)	-
2017	1,897,865	1,866,451	31,414	265,000	53,995	0.10	-
2018	2,265,956	1,990,126	275,830	235,000	48,950	0.97	2,490,076
2019	2,235,565	2,200,016	35,549	245,000	74,871	0.11	2,638,103
2020	2,468,528	2,010,727	457,801	310,000	100,644	1.11	2,612,847
2021	2,732,572	2,309,562	423,010	360,000	77,242	0.97	2,754,704
2022	3,134,067	2,201,666	932,401	440,000	149,905	1.58	3,019,636

Note 1: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Table 13

Sewer Revenue Bonds								
Less Operating Expenses	Net Available Revenue	Debt Service		Coverage	Special Assessment Collections	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
-	-	-	-	-	\$ 1,112,853	\$ 3,425,000	\$ 665,837	0.27
-	-	-	-	-	1,011,262	3,895,000	454,013	0.23
-	-	-	-	-	693,963	3,180,000	380,019	0.19
-	-	-	-	-	599,228	2,285,000	331,602	0.23
-	-	-	-	-	501,495	2,285,000	288,171	0.19
2,149,571	340,505	-	-	-	648,355	2,115,000	130,738	0.29
2,297,779	340,324	40,000	17,095	5.96	1,206,298	2,025,000	266,100	0.53
2,292,753	320,094	40,000	15,700	5.75	373,979	1,955,000	334,725	0.16
2,570,487	184,217	40,000	27,558	2.73	1,087,455	1,775,000	343,680	0.51
2,663,467	356,169	75,000	45,718	2.95	986,370	1,825,000	324,344	0.46

**City of Hastings  
Demographic and Economic Statistics  
Last Ten Fiscal Years  
Unaudited**

**Table 14**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2013	22,339	\$ 1,080,604,447	\$ 48,373 *	4.00%
2014	22,492	1,116,705,308	49,649 *	3.30%
2015	22,572	1,149,411,384	50,922 *	3.20%
2016	22,687	1,200,301,109	52,907	3.40%
2017	22,400	1,290,934,400	57,631	2.70%
2018	22,800	1,324,098,600	58,075	2.70%
2019	22,800	1,582,411,200	69,404	2.90%
2020	22,722	1,606,013,682	70,681	4.30%
2021	23,168	1,687,325,440	72,830	4.30%
2022	23,192	1,850,953,520	79,810	2.70%

\* Information for these years obtained from Springsted

*Sources: Population, Personal Income and Per Capita Income provided by the Minnesota State Demographic Center. Unemployment rate provided by the Minnesota Department of Employment and Economic Assistance.*

**City of Hastings  
Principal Employers  
Current Year and Nine Years Ago  
Unaudited**

**Table 15**

Employer	2022			2013		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Dakota County	700	1	9.11%	1,800	1	21.95%
Independent School District # 200	558	2	7.26%	719	2	8.77%
Regina Medical Center/Allina Clinic	370	3	4.81%	650	3	7.92%
Wal-Mart	300	4	3.90%	300	5	3.66%
Intek Plastics, Inc	221	5	2.88%	160	7	1.95%
Quality Once Woodwork	157	6	2.04%			
City of Hastings	136	7	1.77%	108	10	1.32%
Fleet Farm	135	8	1.76%			
Augustana Health Care center	130	9	1.69%	160	7	1.95%
Ardent Mills/Con-Agra	<u>126</u>	10	<u>1.64%</u>	117	9	1.43%
Smead Manufacturing Co.				300	4	3.66%
Allina Medical Clinic				<u>250</u>	6	<u>3.05%</u>
Total	<u>2,833</u>		<u>36.86%</u>	<u>4,564</u>		<u>55.66%</u>

Source: Hastings Community Development Department, Northland Securities & Springsted Inc.

**City of Hastings**  
**Full-Time Equivalent City Government Employees by Function/Program**  
**Last Ten Fiscal Years**  
**Unaudited**

Function/Program	Full-Time Equivalent Employees as of December 31st					
	2013	2014	2015	2016	2017	2018
General government						
Administration	1.00	1.00	1.00	1.00	1.00	1.00
City Clerk	3.15	2.35	2.45	2.50	2.60	3.40
Finance	5.00	5.60	5.60	5.60	6.40	6.40
Building Maintenance	2.00	2.00	2.00	2.00	2.00	2.00
Planning	1.25	1.25	1.25	1.25	1.25	1.25
Information Technology	3.00	3.00	3.00	3.00	3.00	3.00
Public Safety						
Police	33.50	33.00	35.15	35.35	35.35	35.35
Building Inspections	3.60	3.70	3.70	3.80	3.90	3.90
Code Enforcement	0.80	1.00	1.00	1.00	1.00	1.00
Public Works						
Engineering	7.80	7.80	7.80	7.80	6.80	6.90
Streets	4.80	5.54	5.54	5.54	5.54	5.54
Culture and Recreation:						
Parks	8.63	8.63	8.60	12.20	13.80	13.80
Aquatic Center	7.50	7.40	7.40	10.00	8.70	8.70
Cable Television	0.15	0.20	0.20	0.20	0.20	0.20
Heritage Preservation	0.25	0.25	0.25	0.25	0.25	0.25
Fire and Ambulance	15.60	15.60	19.60	19.6	18.80	18.80
Civic Arena	2.00	4.80	4.80	5.10	4.80	4.80
Economic Development	0.38	0.38	0.63	0.63	0.63	1.75
Housing and Redevelopment	0.37	0.37	0.37	0.37	0.37	0.25
Water	5.80	5.10	5.10	5.10	5.20	5.20
Wastewater	3.55	3.70	3.70	3.70	3.80	3.90
Stormwater	3.50	3.40	3.40	3.40	3.40	3.50
Hydro Electric	5.60	5.60	5.60	7.00	6.20	6.30
<b>Total</b>	<b>119.23</b>	<b>121.67</b>	<b>128.14</b>	<b>116.79</b>	<b>134.99</b>	<b>137.19</b>

Source: City Budget

**Table 16**

2019	2020	2021	2022
1.00	1.00	1.00	1.00
3.70	3.85	3.85	4.00
6.40	6.40	6.40	6.10
2.00	2.00	2.00	2.00
1.25	1.25	1.25	1.25
3.00	3.00	3.00	3.00
35.35	36.35	35.00	35.00
4.00	4.00	4.00	4.00
1.00	1.00	1.00	1.00
6.90	6.90	5.90	5.90
5.54	5.54	5.54	5.54
13.80	13.80	12.50	13.50
8.70	8.70	8.70	8.70
0.30	0.15	0.15	0.15
0.25	0.25	0.25	0.25
18.80	18.80	18.80	19.80
4.70	4.70	4.70	4.70
1.75	1.75	1.75	1.75
0.25	0.25	0.25	0.25
5.20	5.20	5.20	5.20
3.90	3.90	3.90	3.90
3.50	3.50	3.50	3.50
6.30	6.30	6.30	6.30
<u>137.59</u>	<u>138.59</u>	<u>134.94</u>	<u>136.79</u>

**City of Hastings**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**  
**Unaudited**

Function/Program	Fiscal Year				
	2013	2014	2015	2016	2017
<b>Police</b>					
Physical arrests	337	427	360	407	470
Parking violations	368	466	293	442	225
Traffic violations	1,561	1,754	1,309	1,153	1,455
Felony offenses	*	157	175	177	170
Gross misdemeanor offenses	*	110	139	176	203
Minor miscellaneous offenses	*	718	405	596	656
Calls for service	20,665	24,553	20,216	24,497	26,147
Part 1 Crimes	557	664	631	693	732
Part 2 Crimes	668	720	707	641	750
<b>Fire</b>					
Emergency responses	3,201	3,184	3,495	3,249	3,735
Fires extinguished	42	49	74	53	38
Inspections	334	468	480	580	750
<b>Building inspection</b>					
Permits issued					
Residential	1,549	1,773	1,340	1,507	1,527
Commercial	81	49	165	106	106
<b>Culture and recreation</b>					
Students participating in swim lessons	569	606	640	622	732
Ice rental hours	2,185	2,422	2,400	2,375	2,470
Turf rental hours	303	335	216	325	366
Recreational skaters	4,089	1,189	2,400	1,950	1,890
<b>Water</b>					
New connections	-	-	-	-	-
Water mains breaks	-	-	-	-	-
Average daily consumption (thousands of gallons)	2,554	2,465	2,325	2,345	2,296
Peak daily consumption (thousands of gallons)	6,310	5,520	4,945	5,100	

Note: Indicators are not available for the general government function.

The City began tracking indicators for culture and recreation in 2013

\* Police department has changed reporting system and no longer have this data available.

Sources: Various City departments.



**Table 17**

Fiscal Year				
2018	2019	2020	2021	2022
389	554	402	467	403
473	582	347	242	191
1,269	1,220	1,095	723	620
134	151	159	156	162
164	236	155	255	239
562	486	351	288	460
24,097	23,268	22,888	23,924	23,038
469	504	434	960	859
875	857	742	493	426
3,681	2,991	3,352	4,149	3,766
85	55	97	68	85
426	569	426	314	423
1,638	1,538	2,486	3,221	2,571
103	106	154	119	75
763	840	-	924	889
2,388	2,377	1,755	1,864	2,316
397	352	17	157	310
2,278	2,570	1,708	3,126	3,012
-	-	-	27	33
-	-	-	3	5
2,195	2,026	2,280	2,449	2,355
4,725	3,965	4,130	6,465	5,175

**City of Hastings**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**  
**Unaudited**

Function/Program	Fiscal Year					
	2013	2014	2015	2016	2017	2018
Police						
Stations	1	1	1	1	1	1
Fire stations	1	1	1	1	1	1
Refuse collection						
Collection trucks						
Other public works						
Streets (miles)	102.1	105.0	105.0	105.0	105.3	105.5
Culture and recreation						
Acreage	640	640	640	640	640	640
Playgrounds	21	21	22	22	22	22
Baseball/softball diamonds	21	21	21	21	21	21
Soccer/football fields	10	10	10	21	21	21
Water						
Water mains (miles)	105	105	105	105	105.2	105.2
Fire hydrants	1,334	1,334	1,094	1,095	1,099	1,099
Storage capacity (thousands of gallons)	2,750	2,750	2,750	2,750	2,750	2,750
Wastewater						
Sanitary sewers (miles)	89	89	89	89	89.1	89.3
Storm sewers (miles)	73	74	74	74	74.1	74.2

Note: No capital asset indicators are available for the general government function.

Sources: Various City departments.

**Table 18**

Fiscal Year			
2019	2020	2021	2022
1	1	1	1
1	1	1	1
105.5	105.5	105.5	105.5
640	640	640	700
22	22	22	22
21	21	21	21
21	21	21	21
110.0	107.0	107.6	107.6
1,101	1,102	1,102	1,102
2,750	2,750	2,750	2,750
89.5	90.0	90.6	90.6
74.5	76.0	76.6	76.6