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# City of Hastings, MN Annual Comprehensive Financial Report

For the fiscal year ended December 31, 2023



Photo by Nick Egger

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

**For the Fiscal Year Ended  
December 31, 2023**

**Prepared by the City's Finance Department**

**City of Hastings  
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## INTRODUCTORY SECTION







June 17, 2024

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, 2023.

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 BerganKDV, 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, 2023. 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, 2023, 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 22,634 in 2023. 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 30<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.

We experienced a decrease in the number of permits and the overall value of work done from the prior year. While these numbers declined from 2022, They still represent the second highest value of permits in the City's recent history. Below is a chart that gives a brief building permit history.

Permits	2023	2022	2021	2020	2019	2018
New Residential	25	33	34	56	14	15
New Commercial	2	5	3	2	2	3
Residential remodel	88	100	77	71	77	65
Commercial remodel	76	68	55	81	48	54
All other permits	2,357	2,438	3,265	2,430	1,503	1,604
<b>TOTAL</b>	<b>2,548</b>	<b>2,644</b>	<b>3,434</b>	<b>2,640</b>	<b>1,644</b>	<b>1,741</b>
Dollar value of Permits (in millions)	\$ 75.5	\$ 87.0	\$ 47.9	\$ 45.4	\$ 41.7	\$ 39.8

## **Major Initiatives**

In 2023 the City issued permits to construct 207 new residential units and 78 permits for commercial and industrial expansion and development. Development included completion of one apartment building with two additional apartments scheduled for completion in mid-2024. The Confluence hotel was also completed adding 70 hotel rooms, banquet facility, restaurant, and residential units.

The City received a total allocation of \$2.5 million allocation through the federal government's ARPA grant to respond to the COVID-19 public health emergency. The remainder of these funds will be spent toward repairing and preserving the historic City Hall Dome, as well as a new finance system. The finance system is scheduled for completion in 2024 and will upgrade the City's cybersecurity, as well as bolster its financial management capabilities. The City Hall renovation is well underway, with the goal being completed in 2025.

## **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 Financial Resilience, Operational Effectiveness, Responsive Community Development, Infrastructure Sustainability, and Strategic Communication.

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.

Beginning in 2021/2022, the City developed a five-year model to use as part of its budget planning process. The City also conducts periodic rate studies to analyze water, sanitary sewer, and storm sewer budgets, last done in September 2023.

## **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	2023 Year End
a.) Total annual debt service for G.O. debt obligations per legal debt limit to not exceed 25% of total budgeted expenditures.	8.50%
b.) Net bonded debt outstanding will not exceed 3.5% of Assessor's market value of taxable property.	.55%
c.) Gross bonded debt will not exceed \$1,800 per capita.	\$645

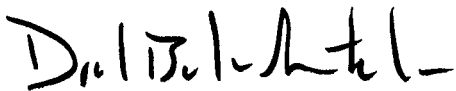
### Awards and Acknowledgements

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 Annual Comprehensive Financial Report (ACFR) for the year ended December 31, 2022. This was the 25<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, 2023**

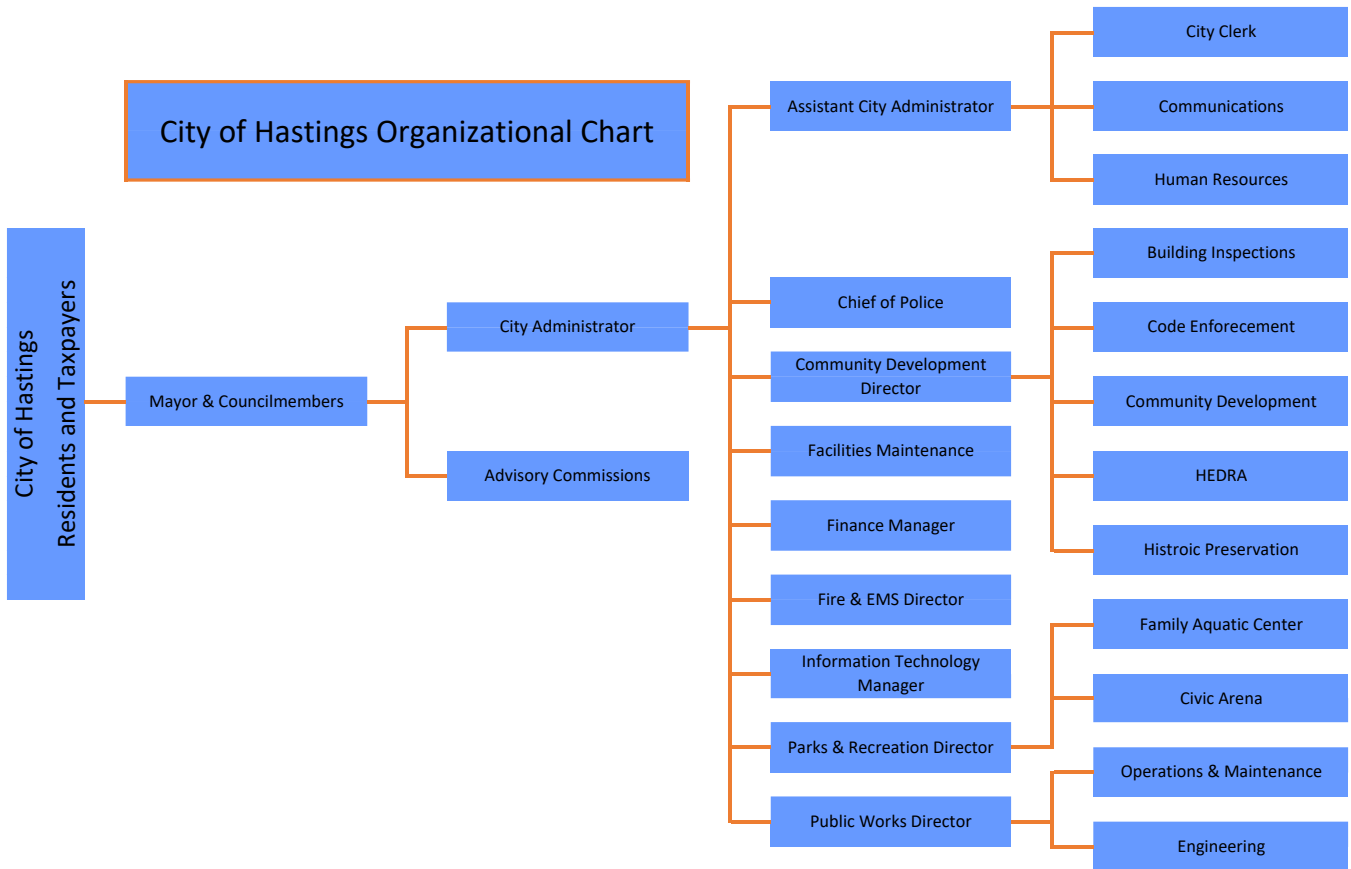
Elected Officials	Position	Term Expires
Mary Fasbender	Mayor	December 31, 2026
DawnMarie Vihrachoff	1st Ward	December 31, 2024
Jen Fox	2nd Ward	December 31, 2024
Lisa Leifeld	3rd Ward	December 31, 2024
Tim Lawrence	4th Ward	December 31, 2024
Angie Haus	At-Large	December 31, 2026
Dave Pemble	At-Large	December 31, 2026

**Administration**

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Dan Wietecha	City Administrator
Kelly Murtaugh	Assistant City Administrator
Lonell Johnson	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, 2023**



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, 2022

*Christopher P. Morill*

Executive Director/CEO



## FINANCIAL SECTION





## 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, 2023, 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, the 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, 2023, 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.

#### **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.

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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Governmental Accounting Standards Board (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. 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 June 5, 2024, 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. 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.

*Bergan KDV, Ltd*

Minneapolis, Minnesota  
June 5, 2024



**City of Hastings  
Management's Discussion and Analysis  
December 31, 2023**

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, 2023. 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, 2023) by \$96,933,265 (*net position*). Of this amount, \$13,923,757 (*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 \$3,885,428. Of this total, \$2.5 million was due to revenue increases in charges for services, state aid, and property taxes.
- ◆ As of the close of the 2023 fiscal year, the City of Hastings governmental funds ending fund balances were \$20,089,427. Approximately 40.88% 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 2.31% of the fund balance is non-spendable. Approximately 14.01% 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 1.81% of the fund balance, the remaining 40.99% 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 \$9,743,773 or 66.3% 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, 2023**

**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, 2023**

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

**Governmental funds (Continued).** The City maintains 21 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 51-94 of this report.

**City of Hastings  
Management's Discussion and Analysis  
December 31, 2023**

**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 112-155 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 \$96,933,265 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (73.39%) 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 2023	Governmental Activities 2022	Business-Type Activities 2023	Business-Type Activities 2022	Total 2023	Total 2022
Current and other assets	\$ 37,038,069	\$ 38,289,056	\$ 13,305,011	\$ 11,804,063	\$ 50,343,080	\$ 50,093,119
Capital assets	65,252,467	61,020,836	31,981,375	31,855,530	97,233,842	92,876,366
Total assets	<u>102,290,536</u>	<u>99,309,892</u>	<u>45,286,386</u>	<u>43,659,593</u>	<u>147,576,922</u>	<u>142,969,485</u>
Total deferred outflows	<u>13,100,441</u>	<u>15,124,253</u>	<u>310,031</u>	<u>430,381</u>	<u>13,410,472</u>	<u>15,554,634</u>
Long-term liabilities outstanding	31,737,672	43,923,502	7,950,556	8,296,597	39,688,228	52,220,099
Other liabilities	7,951,274	7,339,143	1,565,774	1,028,503	9,517,048	8,367,646
Total liabilities	<u>39,688,946</u>	<u>51,262,645</u>	<u>9,516,330</u>	<u>9,325,100</u>	<u>49,205,276</u>	<u>60,587,745</u>
Total deferred inflows	<u>14,569,168</u>	<u>4,862,810</u>	<u>279,685</u>	<u>25,727</u>	<u>14,848,853</u>	<u>4,888,537</u>
<b>Net Position</b>						
Net Investment in capital assets	46,775,856	43,579,389	24,367,726	24,584,961	71,143,582	68,164,350
Restricted						
Police activities	226,081	82,112	-	-	226,081	82,112
Tax Increment	53,131	21,990	-	-	53,131	21,990
Debt service	7,192,363	7,725,877	-	-	7,192,363	7,725,877
Capital projects	1,395,686	1,015,753	-	-	1,395,686	1,015,753
Escrow	26,832	4,497	-	-	26,832	4,497
Permanent endowment						
LeDuc Historic Estate	1,121,238	1,075,872	-	-	1,121,238	1,075,872
Fire relief pension	1,850,595	-	-	-	1,850,595	-
Unrestricted	<u>2,491,081</u>	<u>4,803,200</u>	<u>11,432,676</u>	<u>10,154,186</u>	<u>13,923,757</u>	<u>14,957,386</u>
Total net position	<u>\$ 61,132,863</u>	<u>\$ 58,308,690</u>	<u>\$ 35,800,402</u>	<u>\$ 34,739,147</u>	<u>\$ 96,933,265</u>	<u>\$ 93,047,837</u>

**City of Hastings  
Management's Discussion and Analysis  
December 31, 2023**

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

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

At the end of 2023, 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 \$2,823,173. The key elements of this increase were in revenues. Investment earnings saw an increase of \$1,604,649 due to better market conditions, while Culture and Recreation saw an increase of \$656,639 in program revenues related to increase programs. Property taxes increased just over \$1 million due to an increase in the levy, while unrestricted state aid increased \$256,109.

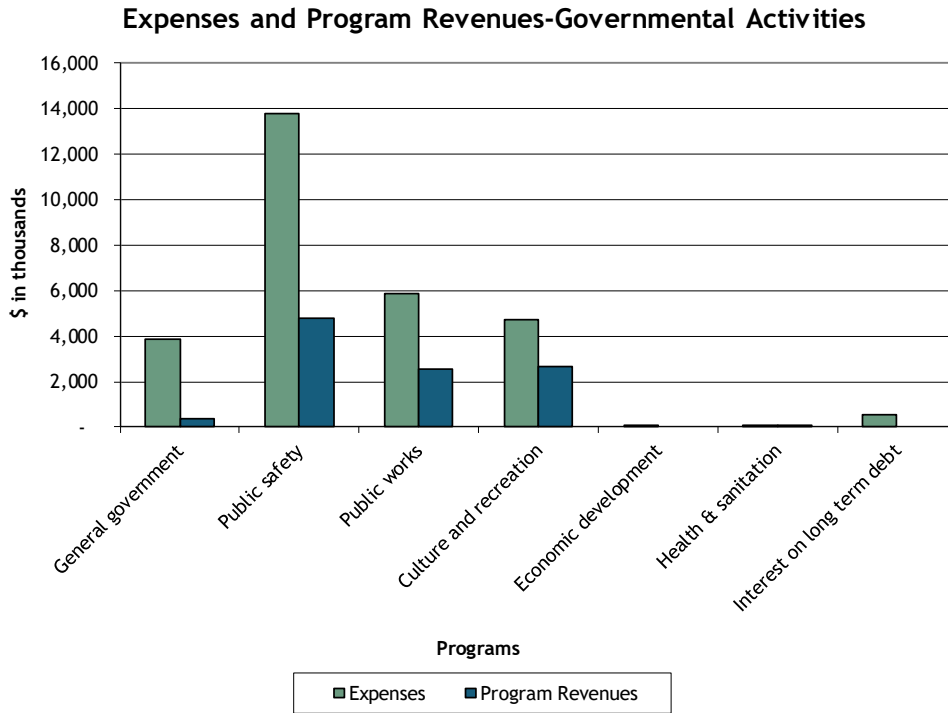
**City of Hastings' Changes in Net Position**

	Governmental Activities 2023	Governmental Activities 2022	Business-type Activities 2023	Business-type Activities 2022	Total 2023	Total 2022
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 5,917,560	\$ 6,873,080	\$ 7,399,941	\$ 7,828,381	\$ 13,317,501	\$ 14,701,461
Operating grants & contributions	878,421	1,125,789	30,461	-	908,882	1,125,789
Capital grants & contributions	3,649,123	2,185,950	69,086	800,611	3,718,209	2,986,561
General revenues:						
Property taxes	17,505,561	16,487,748	-	-	17,505,561	16,487,748
State aid	1,421,154	1,165,045	-	-	1,421,154	1,165,045
Other income (loss)	1,930,075	(296,104)	436,207	(192,309)	2,366,282	(488,413)
Total Revenues	<u>31,301,894</u>	<u>27,541,508</u>	<u>7,935,695</u>	<u>8,436,683</u>	<u>39,237,589</u>	<u>35,978,191</u>
<b>Expenses</b>						
General government	3,846,332	3,560,823	-	-	3,846,332	3,560,823
Public safety	13,790,683	12,044,540	-	-	13,790,683	12,044,540
Public works	5,841,383	6,017,835	-	-	5,841,383	6,017,835
Culture & recreation	4,700,209	4,695,960	-	-	4,700,209	4,695,960
Economic development	34,090	66,819	-	-	34,090	66,819
Health & sanitation	69,481	50,726	-	-	69,481	50,726
Interest on long-term debt	536,545	482,428	-	-	536,545	482,428
Water	-	-	2,504,603	2,356,748	2,504,603	2,356,748
Sewer	-	-	2,815,475	2,716,736	2,815,475	2,716,736
Storm	-	-	609,981	491,006	609,981	491,006
Hydro	-	-	603,379	599,007	603,379	599,007
Total Expenses	<u>28,818,723</u>	<u>26,919,131</u>	<u>6,533,438</u>	<u>6,163,497</u>	<u>35,352,161</u>	<u>33,082,628</u>
Change in net position before transfers and contributions	2,483,171	622,377	1,402,257	2,273,186	3,885,428	2,895,563
Transfers and contributions	341,002	335,286	(341,002)	(335,286)	-	-
Change in net position	2,824,173	957,663	1,061,255	1,937,900	3,885,428	2,895,563
Net position-January 1	<u>58,308,690</u>	<u>57,351,027</u>	<u>34,739,147</u>	<u>32,801,247</u>	<u>93,047,837</u>	<u>90,152,274</u>
Net position-December 31	<u>\$ 61,132,863</u>	<u>\$ 58,308,690</u>	<u>\$ 35,800,402</u>	<u>\$ 34,739,147</u>	<u>\$ 96,933,265</u>	<u>\$ 93,047,837</u>

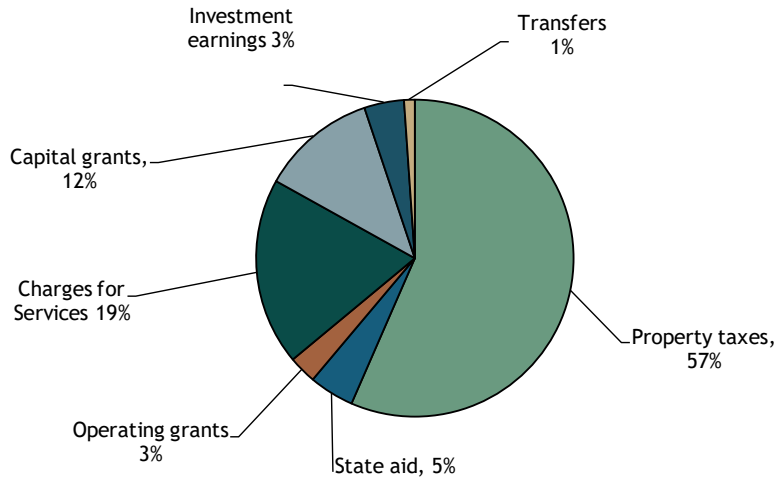
On the following page are specific graphs, which provide comparisons of the governmental activities revenues and expenses.

**City of Hastings  
Management's Discussion and Analysis  
December 31, 2023**

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



**Revenue Sources-Governmental Activities**

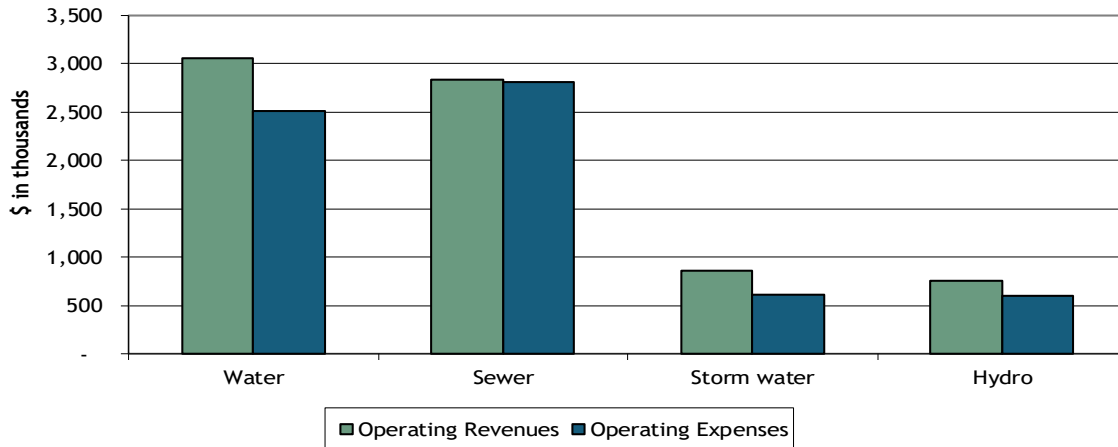


**Business-type activities.** On the following page are graphs showing the business-type activities revenue and expense comparisons.

**City of Hastings  
Management's Discussion and Analysis  
December 31, 2023**

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

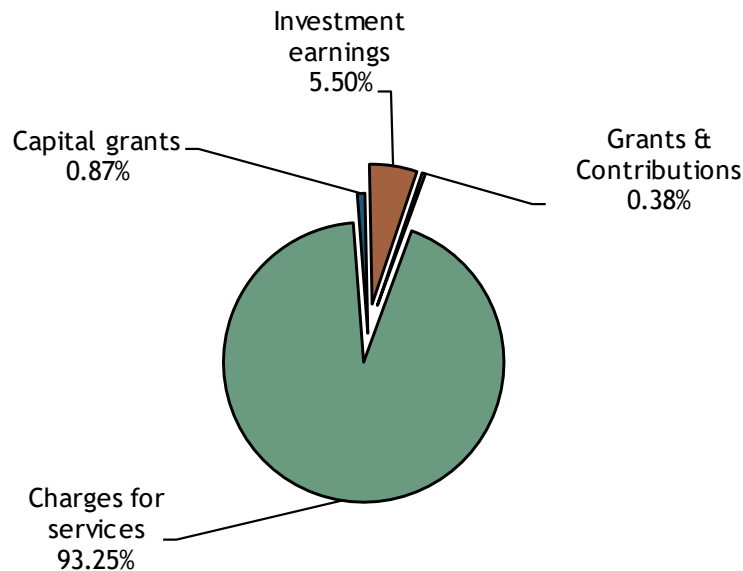
**Operating Expenses and Operating Revenues - Business Type Activities**



**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 \$20,089,427. Approximately 40.99% of this total amount or \$8,235,229 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 decrease of \$1,543,407. The fund balance change is primarily due to the effect of the following factors:

- ◆ The General fund balance decreased by \$306,071. The largest change was a decrease of \$915,589 in cash and investments. Much of this decrease was for one-time capital projects funded by fund equity. In fact, capital outlay increased by \$664,993 from 2022. Additional reserves were spent on projects funded by the City's ARPA allocation. Another significant change was in lease proceeds, which decreased by \$145,030. This recognition is mandated by the GASB 87 lease reporting standard. The net decrease was reduced due to increased revenues.
- ◆ Fire and Ambulance fund's activity resulted in an increase of \$465,795. This is a result of a one-time revenue from a sale of equipment. There remains a significant challenge in charges for ambulance service revenue. The City switched billing services to improve collections in mid-2023.
- ◆ Debt Service funds had a fund balance decrease of \$403,636 due to transfers in moving principal and interest payments from the Downtown Redevelopment Tax Increment Financing fund to the debt service fund (\$203,000), and planned use of cash reserves to fund debt payments.
- ◆ Road Improvement Construction fund had a fund balance increase of \$735,960 due to the timing of capital projects and related debt issuances.
- ◆ The Downtown Redevelopment Tax Increment Financing fund had a fund balance decrease of \$203,000 due to continued payments on interfund loans.
- ◆ The Park Projects fund had a fund balance increase of \$167,798 due to transfers from other funds exceeding expenditures.
- ◆ Other Governmental Funds such as the Aquatic, Cable TV, Heritage Preservation, LeDuc, and Arena had a cumulative decrease of \$2,000,253. The Parks Special Revenue fund had a decrease of \$1,153,306, due to transferring approximately \$279,000 of fund balance to parks capital and planned capital expenditures. Arena had a decrease of \$393,730. Capital expenditures exceeded budget by \$495,514, but this was planned. It was the beginning of a large renovation project that will be reimbursed in 2024 from bond proceeds.

**City of Hastings  
Management's Discussion and Analysis  
December 31, 2023**

**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	\$ 3,766,514
Sewer	3,656,642
Storm	922,063
Hydro	123,330

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 most recent utility rate study in 2023 to maintain cash reserves to help meet capital equipment needs. The Hydro Plant had a decrease to net position of \$103,450. The largest factor in this was depreciation expense of \$179,787.

**General Fund Budgetary Highlights**

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

- ◆ The Building and Inspections department was \$221,430 below budget due to timing in hiring.
- ◆ The Finance system project was delayed until 2024, resulting in \$362,755 less spending than planned.
- ◆ These savings were largely offset by the Public Works department street division, which was \$506,054 over budget. Most of this was in street maintenance.

Actual revenues were higher than the amended revenue budget by \$340,794. The difference from the final budget amounts is primarily due to the following:

- ◆ Police had a positive revenue variance of \$212,716. This was due to \$123,311 from intergovernmental revenues, \$19,703 charges for services and \$67,608 in Police Relief Aid exceeding budget. The Police Relief Aid is offset by a matching expense.
- ◆ Building permit revenues decreased from 2022, but 2023 was still the second highest year ever, and \$114,119 above budget.

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

- ◆ Increased spending authority for City Hall Renovation - \$365,000.
- ◆ 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, 2023, amounts to \$97,233,842 (net of accumulated depreciation) an increase of \$4,357,476. 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, 2023**

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

	2023 Governmental Activities	2022 Governmental Activities	2023 Business- Type Activities	2022 Business- Type Activities	2023 Total	2022 Total
Land	\$ 3,801,111	\$ 3,693,211	\$ 349,300	\$ 349,300	\$ 4,150,411	\$ 4,042,511
Construction in progress	3,951,545	287,252	77,400	2,420	4,028,945	289,672
Buildings	8,972,542	9,458,454	5,091,232	5,506,381	14,063,774	14,964,835
Improvement other than buildings	3,535,543	2,983,902	2,357,485	2,516,074	5,893,028	5,499,976
Machinery and equipment	4,130,254	3,633,851	2,970,195	2,835,556	7,100,449	6,469,407
Leased equipment	292,080	368,572	45,484	61,957	337,564	430,529
Infrastructure	40,569,392	40,595,594	21,090,279	20,583,842	61,659,671	61,179,436
<b>Total assets</b>	<u>\$ 65,252,467</u>	<u>\$ 61,020,836</u>	<u>\$ 31,981,375</u>	<u>\$ 31,855,530</u>	<u>\$ 97,233,842</u>	<u>\$ 92,876,366</u>

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 \$6,775,000 comprises debt backed by the full faith and credit of the government and \$14,515,000 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 67-72.

**Economic Factors**

In 2023, the City experienced decreased levels all areas other than commercial remodels than 2022. Still, the overall increase in taxable market value of residential and commercial new construction was \$75.5 million which is the second-highest total ever after 2022. The City experienced a significant increase of tax capacity of \$4,773,974 between pay year 2022 and pay year 2023.

**Next Year's Budget**

The 2024 budget included a levy increase of \$1,276,525, or 7.348%. Of this, \$523,375 was due to tax capacity growth and the remainder of \$753,150 was derived from the property tax rate, increased by 1.862%. The City anticipates receiving \$1,277,478 of Local Government Aid from the State of Minnesota, which is dedicated to funding one-time expenditures. Cost of Living and health insurance increases and Capital projects and Capital equipment purchases made up the increase from 2023-2024.

**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

**City of Hastings**  
**Statement of Net Position**  
**December 31, 2023**

**Statement 1**

Hastings  
Economic  
Development  
and  
Redevelopment  
Authority

	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and investments (including cash equivalents)	\$ 22,341,725	\$ 11,337,719	\$ 33,679,444	\$ 775,044
Cash with fiscal agent	795,795	-	795,795	-
Restricted cash	92,366	-	92,366	-
Receivables				
Accounts receivable	1,754,088	1,631,210	3,385,298	3,520
Interest receivable	143,209	27,563	170,772	2,553
Taxes receivable	1,480,092	3,518	1,483,610	40,774
Special assessments receivable	1,903,943	155,655	2,059,598	-
Loan receivable	-	-	-	187,973
Lease receivable	2,669,722	-	2,669,722	-
Net pension asset	1,850,595	-	1,850,595	-
Due from other governments	3,741,470	-	3,741,470	1,478,739
Inventories	68,346	-	68,346	-
Prepaid items	196,718	149,346	346,064	33
Assets held for resale	-	-	-	3,410,690
Capital assets not being depreciated				
Land	3,801,111	349,300	4,150,411	-
Construction in progress	3,951,545	77,400	4,028,945	-
Capital assets net of accumulated depreciation/amortization				
Buildings and structures	8,972,542	5,091,230	14,063,772	82,499
Machinery and equipment	4,130,254	2,977,348	7,107,602	-
Leased equipment	292,080	45,484	337,564	-
Improvements other than buildings Infrastructure	3,535,543	2,350,324	5,885,867	-
	40,569,392	21,090,289	61,659,681	-
<b>Total assets</b>	<b>\$ 102,290,536</b>	<b>\$ 45,286,386</b>	<b>\$ 147,576,922</b>	<b>\$ 5,981,825</b>
<b>Deferred Outflows of Resources</b>				
Deferred outflows of resources related to fire relief pensions	578,135	-	578,135	-
Deferred outflows of resources related to City pensions	11,470,776	196,224	11,667,000	44,548
Deferred outflows of resources related to OPEB	1,051,530	113,807	1,165,337	20,153
<b>Total deferred outflows of resources</b>	<b>13,100,441</b>	<b>310,031</b>	<b>13,410,472</b>	<b>64,701</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 115,390,977</b>	<b>\$ 45,596,417</b>	<b>\$ 160,987,394</b>	<b>\$ 6,046,526</b>

**City of Hastings**  
**Statement of Net Position**  
**December 31, 2023**

**Statement 1 (Continued)**

	Governmental Activities	Business-type Activities	Total	Hastings Economic Development and Redevelopment Authority
<b>Liabilities</b>				
Accounts and contracts payable	\$ 1,666,588	\$ 393,660	\$ 2,060,248	\$ 7,505
Interest payable	287,457	108,387	395,844	-
Salaries and benefits payable	545,728	62,225	607,953	8,840
Due to other governments	51,663	26,257	77,920	1,463,739
Deposits payable	212,221	-	212,221	16,700
Unearned revenue	1,986,638	-	1,986,638	-
Bonds payable, net				
Payable within one year	2,525,000	900,000	3,425,000	-
Payable after one year	16,782,478	6,670,896	23,453,374	-
Lease payable				
Payable within one year	123,332	14,872	138,204	-
Payable after one year	150,473	27,881	178,354	-
Compensated absences payable				
Payable within one year	139,622	15,671	155,293	-
Payable after one year	1,869,603	250,311	2,119,914	-
Payable after one year				
Net pension liability	10,151,741	700,224	10,851,965	158,971
Total other post employment benefits (OPEB) liability				
Payable within one year	413,025	44,702	457,727	61,261
Payable after one year	2,783,377	301,244	3,084,621	-
Total liabilities	<u>39,688,946</u>	<u>9,516,330</u>	<u>49,205,276</u>	<u>1,717,016</u>
<b>Deferred Inflows of Resources</b>				
Deferred inflows of resources related to fire relief pensions	498,677	-	498,677	-
Deferred inflows of resources related to City pensions	11,133,114	228,873	11,361,987	51,961
Deferred inflows of resources related to leases	2,467,883	-	2,467,883	-
Deferred inflows of resources related to OPEB	469,494	50,812	520,306	8,998
Total deferred inflows of resources	<u>14,569,168</u>	<u>279,685</u>	<u>14,848,853</u>	<u>60,959</u>
<b>Net Position</b>				
Net investment in capital assets	46,775,856	24,367,726	71,143,582	82,499
Restricted for				
Debt service	7,192,363	-	7,192,363	-
Tax increment	53,131	-	53,131	-
Capital projects	1,395,686	-	1,395,686	-
Escrow	26,832	-	26,832	-
Police activities	226,081	-	226,081	-
LeDuc Historic Estate - unexpendable	200,000	-	200,000	-
LeDuc Historic Estate - expendable	921,238	-	921,238	-
Fire relief pension	1,850,595	-	1,850,595	-
Unrestricted	2,491,081	11,432,676	13,923,757	4,186,052
Total net position	<u>61,132,863</u>	<u>35,800,402</u>	<u>96,933,265</u>	<u>4,268,551</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 115,390,977</u>	<u>\$ 45,596,417</u>	<u>\$ 160,987,394</u>	<u>\$ 6,046,526</u>

These highlighted cells are needed for the indebtedness tab of the OSA annual audit report.

**City of Hastings  
Statement of Activities  
Year Ended December 31, 2023**

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities</b>				
General government	\$ 3,846,332	\$ 373,304	\$ -	\$ -
Public safety	13,790,683	3,411,939	485,046	900,000
Public works	5,841,383	811,485	297,837	1,442,472
Health and sanitation	69,481	6,300	36,599	-
Culture and recreation	4,700,209	1,314,532	58,939	1,306,651
Economic development	34,090	-	-	-
Interest and fiscal charges	536,545	-	-	-
<b>Total governmental activities</b>	<b>28,818,723</b>	<b>5,917,560</b>	<b>878,421</b>	<b>3,649,123</b>
<b>Business-type activities</b>				
Water	2,504,603	2,951,876	30,461	69,060
Sewer	2,815,475	2,829,255	-	26
Storm	609,981	864,150	-	-
Hydro	603,379	754,660	-	-
<b>Total business-type activities</b>	<b>6,533,438</b>	<b>7,399,941</b>	<b>30,461</b>	<b>69,086</b>
<b>Total governmental and business-type activities</b>	<b>\$ 35,352,161</b>	<b>\$ 13,317,501</b>	<b>\$ 908,882</b>	<b>\$ 3,718,209</b>
<b>Component unit</b>				
Hastings Economic Development and Redevelopment Authority	\$ 555,462	\$ 71,130	\$ -	\$ -
General revenues				
Property taxes				
Lodging taxes				
Unrestricted state aid				
Unrestricted investment earnings				
Insurance recoveries				
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
\$ (3,473,028)	\$ -	\$ (3,473,028)	\$ -
(8,993,698)	-	(8,993,698)	-
(3,289,589)	-	(3,289,589)	-
(26,582)	-	(26,582)	-
(2,020,087)	-	(2,020,087)	-
(34,090)	-	(34,090)	-
(536,545)	-	(536,545)	-
<u>(18,373,619)</u>	<u>-</u>	<u>(18,373,619)</u>	<u>-</u>
-	546,794	546,794	-
-	13,806	13,806	-
-	254,169	254,169	-
-	151,281	151,281	-
<u>-</u>	<u>966,050</u>	<u>966,050</u>	<u>-</u>
<u>\$ (18,373,619)</u>	<u>\$ 966,050</u>	<u>\$ (17,407,569)</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (484,332)
17,501,787	-	17,501,787	197,626
3,774	-	3,774	-
1,421,154	-	1,421,154	-
1,250,967	436,207	1,687,174	43,104
17,153	-	17,153	-
661,955	-	661,955	-
341,002	(341,002)	-	-
<u>21,197,792</u>	<u>95,205</u>	<u>21,292,997</u>	<u>240,730</u>
2,824,173	1,061,255	3,885,428	(243,602)
<u>58,308,690</u>	<u>34,739,147</u>	<u>93,047,837</u>	<u>4,512,153</u>
<u>\$ 61,132,863</u>	<u>\$ 35,800,402</u>	<u>\$ 96,933,265</u>	<u>\$ 4,268,551</u>

City of Hastings  
Balance Sheet - Governmental Funds  
December 31, 2023

	General Fund (101, 220, 221, 223)	Special Revenue  Fire and Ambulance (213)	Debt Service  Debt Service
<b>Assets</b>			
Cash and investments	\$ 9,885,581	\$ -	\$ 5,391,966
Cash with fiscal agent	-	-	-
Restricted cash	92,366	-	-
Interest receivable	106,220	-	16,533
Due from other governments	2,462,574	21,335	-
Accounts receivable	400,698	1,203,740	-
Due from other funds	102,324	-	-
Property taxes receivable	873,830	183,914	206,039
Lease receivable	2,669,722	-	-
Special assessments receivable	42,027	-	1,861,916
Advances to other funds	1,463,739	-	-
Inventory	65,404	-	-
Prepaid items	164,700	26,417	3,366
<b>Total assets</b>	<b>\$ 18,329,185</b>	<b>\$ 1,435,406</b>	<b>\$ 7,479,820</b>
<b>Liabilities</b>			
Accounts payable	\$ 658,027	\$ 64,124	\$ -
Due to other governments	42,549	6,207	-
Deposits payable	-	-	-
Salaries and benefits payable	341,414	146,829	-
Due to other funds	-	58,913	-
Advances from other funds	-	-	-
Unearned revenues	1,981,095	-	-
<b>Total liabilities</b>	<b>3,023,085</b>	<b>276,073</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - taxes and assessments	143,667	18,973	1,887,065
Advanced appropriations - state shared taxes	2,373,420	-	-
Unavailable revenue - leases	2,467,883	-	-
Unavailable revenue - grants	78,472	-	-
<b>Total deferred inflows of resources</b>	<b>5,063,442</b>	<b>18,973</b>	<b>1,887,065</b>
<b>Fund Balances</b>			
<b>Nonspendable</b>			
Prepaid items	164,700	26,417	3,366
Inventory	65,404	-	-
Permanent endowment-Leduc Historic Estate	-	-	-
<b>Restricted</b>			
Police activities	170,762	-	-
Debt service	-	-	5,589,389
Capital projects	-	-	-
Tax increment financing	-	-	-
Leduc Historic Estate	98,019	-	-
Escrow	-	-	-
<b>Committed</b>			
Park maintenance	-	-	-
Aquatic operations	-	-	-
Cable TV activities	-	-	-
Heritage preservation activities	-	-	-
Fire and ambulance activities	-	1,113,943	-
Arena activities	-	-	-
<b>Assigned</b>			
Capital	-	-	-
<b>Unassigned</b>			
	9,743,773	-	-
<b>Total fund balances</b>	<b>10,242,658</b>	<b>1,140,360</b>	<b>5,592,755</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 18,329,185</b>	<b>\$ 1,435,406</b>	<b>\$ 7,479,820</b>

Capital Projects				
Road Improvement Construction (470-484)	Downtown Redevelopment Tax Increment Financing (409)	Park Projects (401)	Other Governmental Funds	Total Governmental Funds
\$ 322,243	\$ -	\$ 1,364,675	\$ 2,937,431	\$ 19,901,896
-	-	-	795,795	795,795
-	-	-	-	92,366
568	-	3,533	9,629	136,483
-	-	1,223,115	34,446	3,741,470
-	-	16,885	132,765	1,754,088
-	-	-	-	102,324
-	-	-	187,738	1,451,521
-	-	-	-	2,669,722
-	-	-	-	1,903,943
-	-	-	-	1,463,739
-	-	-	2,942	68,346
354	-	-	1,881	196,718
<u>\$ 323,165</u>	<u>\$ -</u>	<u>\$ 2,608,208</u>	<u>\$ 4,102,627</u>	<u>\$ 34,278,411</u>
\$ 110,676	\$ -	\$ 201,542	\$ 580,587	\$ 1,614,956
-	-	-	2,907	51,663
-	-	-	212,221	212,221
-	-	-	57,485	545,728
-	21,287	-	22,124	102,324
-	1,463,739	-	-	1,463,739
-	-	-	2,144	1,983,239
<u>110,676</u>	<u>1,485,026</u>	<u>201,542</u>	<u>877,468</u>	<u>5,973,870</u>
-	-	-	22,519	2,072,224
-	-	-	-	2,373,420
-	-	-	-	2,467,883
-	-	1,223,115	-	1,301,587
-	-	<u>1,223,115</u>	<u>22,519</u>	<u>8,215,114</u>
354	-	-	1,881	196,718
-	-	-	2,942	68,346
-	-	-	200,000	200,000
-	-	-	55,305	226,067
-	-	-	-	5,589,389
212,135	-	1,183,551	-	1,395,686
-	-	-	53,131	53,131
-	-	-	823,219	921,238
-	-	-	26,832	26,832
-	-	-	864,613	864,613
-	-	-	441,485	441,485
-	-	-	148,631	148,631
-	-	-	124,960	124,960
-	-	-	-	1,113,943
-	-	-	118,885	118,885
-	-	-	364,274	364,274
-	(1,485,026)	-	(23,518)	8,235,229
<u>212,489</u>	<u>(1,485,026)</u>	<u>1,183,551</u>	<u>3,202,640</u>	<u>20,089,427</u>
<u>\$ 323,165</u>	<u>\$ -</u>	<u>\$ 2,608,208</u>	<u>\$ 4,102,627</u>	<u>\$ 34,278,411</u>





**City of Hastings**  
**Reconciliation of the Balance Sheet to**  
**the Statement of Net Position - Governmental Funds**  
**December 31, 2023**

**Statement 4**

Total fund balances - governmental funds	\$ 20,089,427
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	163,318,631
Less accumulated depreciation/amortization	(99,799,692)
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	(18,065,000)
Unamortized bond premium and discount	(1,242,478)
Lease payable	(273,805)
Net pension liability	(10,151,741)
Revenues in the Statement of Activities that do not provide current financial resources are deferred in the funds.	
Taxes and special assessments	2,072,224
Grants, state shared tax, and other	3,675,007
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	(498,677)
Deferred inflows of resources related to city pensions	(11,133,114)
Deferred outflows of resources related to fire relief pensions	578,135
Deferred outflows of resources related to city pensions	11,470,776
The Fire Relief Association net pension asset created through contributions to a defined benefit pension plan which is not recognized in the governmental funds.	
	1,850,595
Governmental funds do not report a liability for accrued interest due and payable.	
	(287,457)
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>(469,968)</u>
Total net position - governmental activities	<u>\$ 61,132,863</u>

**City of Hastings**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Governmental Funds**  
**Year Ended December 31, 2023**

	General Fund (101, 220, 221, 223)	Special Revenue  Fire and Ambulance (213)	Debt Service
<b>Revenues</b>			
General property taxes	\$ 10,520,825	\$ 2,193,997	\$ 2,190,331
Tax increment collections	-	-	-
Miscellaneous taxes	3,774	-	-
Licenses and permits	809,581	-	-
Intergovernmental	2,434,239	918,614	-
Special assessments	-	-	618,412
Charges for services	1,260,323	2,284,860	-
Fines and forfeitures	86,689	-	-
Investment income	545,466	78	233,879
Contributions and donations	100	2,024	-
Miscellaneous	35,745	-	-
Total revenues	<u>15,696,742</u>	<u>5,399,573</u>	<u>3,042,622</u>
<b>Expenditures</b>			
Current			
General government	3,511,124	-	-
Public safety	7,169,692	4,535,216	-
Public works	1,747,659	-	-
Health and sanitation	69,481	-	-
Culture and recreation	164,604	-	-
Economic development	-	-	-
Debt service			
Principal	111,156	-	2,310,000
Interest and fiscal charges	-	-	600,703
Capital outlay			
General government	632,376	-	-
Public safety	207,093	2,233,510	-
Public works	1,075,246	-	-
Culture and recreation	-	-	-
Total expenditures	<u>14,688,431</u>	<u>6,768,726</u>	<u>2,910,703</u>
Excess of revenues over (under) expenditures	1,008,311	(1,369,153)	131,919
<b>Other Financing Sources (Uses)</b>			
Proceeds from sale of capital assets	27,821	758,224	-
Proceeds from bonds issued	-	-	-
Premium on bonds issued	-	-	-
Proceeds from leases issued	46,345	-	-
Insurance recovery	12,509	4,644	-
Transfers in	531,556	1,160,862	203,000
Transfers out	(1,932,613)	(88,782)	(738,555)
Total other financing sources (uses)	<u>(1,314,382)</u>	<u>1,834,948</u>	<u>(535,555)</u>
Net change in fund balances	(306,071)	465,795	(403,636)
<b>Fund Balances</b>			
Beginning of year	10,548,729	674,565	5,996,391
End of year	<u>\$ 10,242,658</u>	<u>\$ 1,140,360</u>	<u>\$ 5,592,755</u>

See notes to basic financial statements.

Capital Projects				
Road Improvement Construction (470-484)	Downtown Redevelopment Tax Increment Financing (409)	Park Projects (401)	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 2,206,955	\$ 17,112,108
-	-	-	54,809	54,809
-	-	-	-	3,774
-	-	-	-	809,581
-	-	16,884	-	3,369,737
-	-	-	-	618,412
-	-	-	1,300,370	4,845,553
-	-	-	-	86,689
31,338	-	49,948	291,519	1,152,228
-	-	-	28,165	30,289
-	-	31,242	41,418	108,405
<u>31,338</u>	<u>-</u>	<u>98,074</u>	<u>3,923,236</u>	<u>28,191,585</u>
-	-	-	-	3,511,124
-	-	-	7,288	11,712,196
-	-	-	-	1,747,659
-	-	-	-	69,481
-	-	2,945	3,605,890	3,773,439
-	-	-	34,090	34,090
-	-	-	-	2,421,156
77,240	-	-	16,357	694,300
-	-	-	-	632,376
-	-	-	-	2,440,603
3,260,097	-	-	-	4,335,343
-	-	465,858	1,780,349	2,246,207
<u>3,337,337</u>	<u>-</u>	<u>468,803</u>	<u>5,443,974</u>	<u>33,617,974</u>
(3,305,999)	-	(370,729)	(1,520,738)	(5,426,389)
-	-	-	8,633	794,678
3,125,000	-	-	-	3,125,000
279,904	-	-	-	279,904
-	-	-	-	46,345
-	-	-	-	17,153
637,055	-	538,527	642,633	3,713,633
-	(203,000)	-	(1,130,781)	(4,093,731)
<u>4,041,959</u>	<u>(203,000)</u>	<u>538,527</u>	<u>(479,515)</u>	<u>3,882,982</u>
735,960	(203,000)	167,798	(2,000,253)	(1,543,407)
(523,471)	(1,282,026)	1,015,753	5,202,893	21,632,834
<u>\$ 212,489</u>	<u>\$ (1,485,026)</u>	<u>\$ 1,183,551</u>	<u>\$ 3,202,640</u>	<u>\$ 20,089,427</u>

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, 2023

Statement 6

Net change in fund balances - governmental funds \$ (1,543,407)

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	9,657,744
Depreciation/amortization expense	(5,172,519)
Disposal of capital assets	(132,723)

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	(1,740,985)
-----------------	-------------

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	2,421,156
--------------------------	-----------

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.

(106,115)

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.

(16,034)

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.

(3,171,345)

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	(71,177)
Grants, state shared tax, and other	2,026,059

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.

673,519

Change in net position - governmental activities \$ 2,824,173

**City of Hastings**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - General Fund**  
**Year Ended December 31, 2023**

Statement 7

	2023			Variance with Final Budget - Over (Under)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>Revenues</b>				
General property taxes	\$ 10,231,988	\$ 10,231,988	\$ 10,520,825	\$ 288,837
Lodging taxes	3,255	3,255	3,774	519
Special assessments	1,000	1,000	-	(1,000)
Licenses and permits	707,683	707,683	809,581	101,898
Intergovernmental revenues	3,449,604	3,449,604	2,434,239	(1,015,365)
Charges for services	940,896	940,896	1,260,323	319,427
Fines and forfeitures	100,500	100,500	86,689	(13,811)
Investment income	49,500	49,500	545,466	495,966
Contributions and donations	-	-	100	100
Other revenues	2,000	2,000	35,745	33,745
Total revenues	<u>15,486,426</u>	<u>15,486,426</u>	<u>15,696,742</u>	<u>210,316</u>
<b>Expenditures</b>				
General Government	3,531,110	3,531,110	3,622,280	91,170
Public safety	7,269,732	7,269,732	7,169,692	(100,040)
Public works	1,854,431	1,854,431	1,747,659	(106,772)
Health and sanitation	47,589	47,589	69,481	21,892
Culture and recreation	161,482	161,482	164,604	3,122
Capital outlay	1,240,261	1,240,261	1,914,715	674,454
Total expenditures	<u>14,104,605</u>	<u>14,104,605</u>	<u>14,688,431</u>	<u>583,826</u>
Excess of revenues over (under) expenditures	1,381,821	1,381,821	1,008,311	(373,510)
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	-	-	27,821	27,821
Insurance recoveries	-	-	12,509	12,509
Proceeds from leases	-	-	46,345	46,345
Transfers in	532,260	542,910	532,187	(10,723)
Transfers out	(1,958,244)	(1,958,244)	(1,933,244)	25,000
Total other financing sources (uses)	<u>(1,425,984)</u>	<u>(1,415,334)</u>	<u>(1,314,382)</u>	<u>100,952</u>
Net change in fund balances	<u>\$ (44,163)</u>	<u>\$ (33,513)</u>	<u>(306,071)</u>	<u>\$ (272,558)</u>
<b>Fund Balances</b>				
Beginning of year			<u>10,548,729</u>	
End of year			<u>\$ 10,242,658</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, 2023**

**Statement 8**

	2023			Variance with Final Budget - Over (Under)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 2,209,918	\$ 2,209,918	\$ 2,193,997	\$ (15,921)
Intergovernmental	178,000	178,000	918,614	740,614
Charges for services	2,981,030	2,981,030	2,284,860	(696,170)
Investment income	2,000	2,000	78	(1,922)
Contributions and donations	-	-	2,024	2,024
Total revenues	<u>5,370,948</u>	<u>5,370,948</u>	<u>5,399,573</u>	<u>28,625</u>
<b>Expenditures</b>				
Current				
Public safety	5,092,244	5,092,244	4,535,216	(557,028)
Capital outlay				
Public safety	695,000	695,000	2,233,510	1,538,510
Total expenditures	<u>5,787,244</u>	<u>5,787,244</u>	<u>6,768,726</u>	<u>981,482</u>
Excess of revenues under expenditures	(416,296)	(416,296)	(1,369,153)	(952,857)
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital asset	-	-	758,224	758,224
Insurance recoveries	-	-	4,644	4,644
Transfers in	505,078	505,078	1,160,862	655,784
Transfers out	(88,782)	(88,782)	(88,782)	-
Total other financing sources (uses)	<u>416,296</u>	<u>416,296</u>	<u>1,834,948</u>	<u>1,414,008</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	465,795	<u>\$ 461,151</u>
<b>Fund Balance</b>				
Beginning of year			<u>674,565</u>	
End of year			<u>\$ 1,140,360</u>	

**City of Hastings**  
**Statement of Net Position - Proprietary Funds**  
**December 31, 2023**

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	\$ 5,764,355	\$ 3,624,669	\$ 1,464,965	\$ 370,122	\$ 11,224,111	\$ 2,553,437
Taxes receivable	3,518	-	-	-	3,518	28,571
Interest receivable	14,181	7,142	4,761	1,208	27,292	6,997
Accounts receivable - net	572,659	750,026	235,477	73,048	1,631,210	-
Special assessments receivable						
Deferred	144,952	10,703	-	-	155,655	-
Prepaid items	480	148,803	56	7	149,346	-
Total current assets	<u>6,500,145</u>	<u>4,541,343</u>	<u>1,705,259</u>	<u>444,385</u>	<u>13,191,132</u>	<u>2,589,005</u>
<b>Noncurrent assets</b>						
<b>Capital assets, not being depreciated</b>						
Land	349,300	-	-	-	349,300	-
Construction in progress	2,927	74,473	-	-	77,400	50,992
<b>Capital assets, being depreciated</b>						
Buildings	8,046,482	144,798	-	6,831,566	15,022,846	-
Infrastructure	24,198,401	21,146,171	357,927	-	45,702,499	-
Right to use	32,437	33,455	-	-	65,892	-
Machinery and equipment	2,922,900	860,985	508,798	3,806,459	8,099,142	2,426,796
Improvements other than buildings	4,918,084	-	183,442	-	5,101,526	-
Total capital assets	40,470,531	22,259,882	1,050,167	10,638,025	74,418,605	2,477,788
Less: accumulated depreciation/amortization	(21,447,495)	(12,293,242)	(198,757)	(8,497,736)	(42,437,230)	(744,260)
Net capital assets	19,023,036	9,966,640	851,410	2,140,289	31,981,375	1,733,528
Total noncurrent assets	19,023,036	9,966,640	851,410	2,140,289	31,981,375	1,733,528
Total assets	<u>25,523,181</u>	<u>14,507,983</u>	<u>2,556,669</u>	<u>2,584,674</u>	<u>45,172,507</u>	<u>4,322,533</u>
<b>Deferred Outflows of Resources</b>						
Deferred outflows of resources related to pensions	71,772	58,959	57,103	8,390	196,224	-
Deferred outflows of resources related to OPEB	47,420	32,009	29,637	4,741	113,807	1,051,530
Total deferred outflows of resources	<u>119,192</u>	<u>90,968</u>	<u>86,740</u>	<u>13,131</u>	<u>310,031</u>	<u>1,051,530</u>
Total assets and deferred outflows of resources	<u>\$ 25,642,373</u>	<u>\$ 14,598,951</u>	<u>\$ 2,643,409</u>	<u>\$ 2,597,805</u>	<u>\$ 45,482,538</u>	<u>\$ 5,374,063</u>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Accounts payable	\$ 88,409	\$ 272,713	\$ 5,678	\$ 26,860	\$ 393,660	\$ 51,632
Due to other governments	22,655	-	3,600	2	26,257	-
Interest payable	80,497	27,890	-	-	108,387	-
Salaries payable	25,004	18,222	16,805	2,194	62,225	-
Compensated absences - current portion	6,513	4,667	3,934	557	15,671	139,622
Unearned revenue	-	-	-	-	-	3,399
Lease payable - current portion	7,635	7,237	-	-	14,872	-
Total OPEB liability - current portion	18,626	12,572	11,641	1,863	44,702	413,025
Bonds payable - current portion	705,000	195,000	-	-	900,000	-
Total current liabilities	<u>954,339</u>	<u>538,301</u>	<u>41,658</u>	<u>31,476</u>	<u>1,565,774</u>	<u>607,678</u>
<b>Noncurrent liabilities</b>						
Compensated absences	111,147	74,664	71,193	8,978	265,982	2,009,225
Bonds payable, net	5,647,243	1,923,653	-	-	7,570,896	-
Lease payable	21,949	20,804	-	-	42,753	-
Total OPEB liability	144,144	97,299	90,089	14,414	345,946	3,196,402
Net pension liability	256,119	210,395	203,772	29,938	700,224	-
Less amount due within one year	(737,774)	(219,476)	(15,575)	(2,420)	(975,245)	(552,647)
Total noncurrent liabilities	<u>5,442,828</u>	<u>2,107,339</u>	<u>349,479</u>	<u>50,910</u>	<u>7,950,556</u>	<u>4,652,980</u>
Total liabilities	<u>6,397,167</u>	<u>2,645,640</u>	<u>391,137</u>	<u>82,386</u>	<u>9,516,330</u>	<u>5,260,658</u>
<b>Deferred Inflows of Resources</b>						
Deferred inflows of resources related to pensions	83,714	68,769	66,604	9,786	228,873	-
Deferred inflows of resources related to OPEB	21,171	14,291	13,233	2,117	50,812	469,494
Total deferred inflows of resources	<u>104,885</u>	<u>83,060</u>	<u>79,837</u>	<u>11,903</u>	<u>279,685</u>	<u>469,494</u>
<b>Net Position</b>						
Net investment in capital assets	13,353,844	8,022,183	851,410	2,140,289	24,367,726	1,733,528
Unrestricted	5,786,477	3,848,068	1,321,025	363,227	11,318,797	(2,089,617)
Total net position	<u>19,140,321</u>	<u>11,870,251</u>	<u>2,172,435</u>	<u>2,503,516</u>	<u>35,686,523</u>	<u>(356,089)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 25,642,373</u>	<u>\$ 14,598,951</u>	<u>\$ 2,643,409</u>	<u>\$ 2,597,805</u>	<u>\$ 45,482,538</u>	<u>\$ 5,374,063</u>
Total net position - enterprise funds					35,686,523	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					<u>113,879</u>	
Total business-type activities net position					<u>\$ 35,800,402</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, 2023**

	Business-Type Activities Enterprise Funds			
	Water (600)	Sewer (601)	Storm (603)	Hydro (620)
<b>Operating Revenues</b>				
Charges for services	\$ 2,931,841	\$ 2,810,176	\$ 835,063	\$ 743,322
Other income	19,282	18,541	-	11,197
Total operating revenues	<u>2,951,123</u>	<u>2,828,717</u>	<u>835,063</u>	<u>754,519</u>
<b>Operating Expenses</b>				
Personnel services	580,940	445,897	420,696	58,388
Supplies	107,712	5,452	4,269	73
Professional services	617,176	141,505	113,293	365,863
Metro waste control charge	-	1,660,172	-	-
Depreciation	1,020,725	518,842	74,860	179,786
Total operating expenses	<u>2,326,553</u>	<u>2,771,868</u>	<u>613,118</u>	<u>604,110</u>
Operating income (loss)	624,570	56,849	221,945	150,409
<b>Nonoperating Revenues (Expenses)</b>				
Investment income	221,708	120,439	73,369	16,408
Special assessments	69,060	(327)	-	-
Intergovernmental	30,461	-	28,483	-
Gain (loss) on disposal of capital assets	-	(1,254)	-	-
Property taxes	-	-	-	-
Interest expense	(181,974)	(46,982)	-	-
Total nonoperating revenues (expenses)	<u>139,255</u>	<u>71,876</u>	<u>101,852</u>	<u>16,408</u>
Income (loss) before transfers	763,825	128,725	323,797	166,817
Transfers in	-	18,333	-	-
Transfers out	(40,822)	(39,158)	(9,088)	(270,267)
Change in net position	723,003	107,900	314,709	(103,450)
<b>Net Position</b>				
Beginning of year	<u>18,417,318</u>	<u>11,762,351</u>	<u>1,857,726</u>	<u>2,606,966</u>
End of year	<u>\$ 19,140,321</u>	<u>\$ 11,870,251</u>	<u>\$ 2,172,435</u>	<u>\$ 2,503,516</u>

Net change in net position - enterprise funds

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 <hr/> Total	Governmental Activities - Internal Service Funds
\$ 7,320,402	\$ 1,161,826
49,020	-
<hr/> 7,369,422	<hr/> 1,161,826
1,505,921	443,323
117,506	-
1,237,837	871,612
1,660,172	-
1,794,213	314,999
<hr/> 6,315,649	<hr/> 1,629,934
1,053,773	(468,108)
431,924	103,023
68,733	-
58,944	-
(1,254)	-
-	336,597
(228,956)	-
<hr/> 329,391	<hr/> 439,620
1,383,164	(28,488)
18,333	721,100
<hr/> (359,335)	<hr/> -
1,042,162	692,612
34,644,361	(1,048,701)
35,686,523	<u>\$ (356,089)</u>
1,042,162	
<hr/> 19,093	
<hr/> <u>\$ 1,061,255</u>	

**City of Hastings**  
**Statement of Cash Flows - Proprietary Funds**  
**Year Ended December 31, 2023**

	Business-Type Activities - Enterprise Funds			
	Water (600)	Sewer (601)	Storm (603)	Hydro (620)
<b>Cash Flows - Operating Activities</b>				
Receipts from customers	\$ 2,856,865	\$ 2,766,072	\$ 817,358	\$ 739,789
Interfund services provided and used	-	-	-	-
Payments to suppliers for goods and services	(765,450)	(1,567,908)	(114,681)	(356,055)
Payments to employees for services	(630,959)	(423,110)	(398,454)	(54,734)
Other operating revenues	19,282	18,541	-	11,197
Net cash flows - operating activities	<u>1,479,738</u>	<u>793,595</u>	<u>304,223</u>	<u>340,197</u>
<b>Cash Flows - Noncapital Financing Activities</b>				
Property taxes	-	-	-	-
Transfer to other funds	(40,822)	(39,158)	(9,088)	(270,267)
Transfer from other funds	-	18,333	-	-
Net cash flows - noncapital financing activities	<u>(40,822)</u>	<u>(20,825)</u>	<u>(9,088)</u>	<u>(270,267)</u>
<b>Cash Flows - Capital and Related Financing Activities</b>				
Principal paid on debt	(517,265)	(126,885)	-	-
Interest paid on debt	(233,416)	(58,329)	-	-
Special assessments	69,756	2,497	-	-
Intergovernmental receipts	30,461	-	28,483	-
Bond proceeds	610,000	360,000	-	-
Bond premium issued	51,787	30,749	-	-
Acquisition of capital assets	(964,379)	(933,569)	(25,783)	-
Proceeds from disposal of capital assets	-	2,419	-	-
Net cash flows - capital and related financial activities	<u>(953,056)</u>	<u>(723,118)</u>	<u>2,700</u>	<u>-</u>
<b>Cash Flows - Investing Activities</b>				
Investment income	<u>216,668</u>	<u>117,987</u>	<u>70,863</u>	<u>15,765</u>
Net change in cash and cash equivalents	702,528	167,639	368,698	85,695
<b>Cash and Cash Equivalents</b>				
January 1	<u>5,061,827</u>	<u>3,457,030</u>	<u>1,096,267</u>	<u>284,427</u>
December 31	<u>\$ 5,764,355</u>	<u>\$ 3,624,669</u>	<u>\$ 1,464,965</u>	<u>\$ 370,122</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows - Operating Activities</b>				
Operating income (loss)	\$ 624,570	\$ 56,849	\$ 221,945	\$ 150,409
Adjustments to reconcile operating income (loss) to net cash flows - operating activities				
Depreciation	1,020,725	518,842	74,860	179,786
Pension expense	(53,754)	23,905	23,152	3,402
Accounts receivable	(74,976)	(44,104)	(17,705)	(3,533)
Prepaid items	409	(10,479)	(3)	-
Accounts payable	(47,581)	249,700	(716)	15,298
Salaries payable	2,732	2,041	2,081	89
Due to other governments	6,610	-	3,600	(2)
Deposits	-	-	-	(5,415)
Unearned revenue	-	-	-	-
OPEB expense	(10,379)	(10,212)	(9,692)	(1,037)
Compensated absences payable	11,382	7,053	6,701	1,200
Total adjustments	<u>855,168</u>	<u>736,746</u>	<u>82,278</u>	<u>189,788</u>
Net cash flows - operating activities	<u>\$ 1,479,738</u>	<u>\$ 793,595</u>	<u>\$ 304,223</u>	<u>\$ 340,197</u>

Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
Total		Funds
\$ 7,180,084	\$ -	
-	1,161,727	
(2,804,094)	(1,094,218)	
(1,507,257)	(315,875)	
49,020	-	
<u>2,917,753</u>	<u>(248,366)</u>	
-	341,559	
(359,335)	-	
18,333	721,100	
<u>(341,002)</u>	<u>1,062,659</u>	
(644,150)	-	
(291,745)	-	
72,253	-	
58,944	-	
970,000	-	
82,536	-	
(1,923,731)	(142,496)	
2,419	-	
<u>(1,673,474)</u>	<u>(142,496)</u>	
421,283	99,068	
1,324,560	770,865	
9,899,551	1,782,572	
<u>\$ 11,224,111</u>	<u>\$ 2,553,437</u>	
\$ 1,053,773	\$ (468,108)	
1,794,213	314,999	
(3,295)	-	
(140,318)	-	
(10,073)	-	
216,701	(2,137)	
6,943	-	
10,208	-	
(5,415)	-	
-	(99)	
(31,320)	(220,469)	
26,336	127,448	
<u>1,863,980</u>	<u>219,742</u>	
<u>\$ 2,917,753</u>	<u>\$ (248,366)</u>	



## TRUST FUNDS

**City of Hastings**  
**Statement of Fiduciary Net Position**  
**December 31, 2023**

**Statement 12**

Library  
 Private-  
 Trust Fund

<b>Assets</b>	
Cash and investments	\$ 92,889
Interest receivable	297
	\$ 93,186
Total assets	\$ 93,186
<b>Net Position</b>	
Held in trust for library	\$ 93,186

**City of Hastings**  
**Statement of Changes in Fiduciary Net Position**  
**Year Ended December 31, 2023**

**Statement 13**

Library  
Private-  
Purpose  
Trust Fund

<b>Additions</b>		
Investment earnings		\$ 5,024
<b>Deductions</b>		
Other services and charges		2,000
Change in net position		3,024
Beginning net position		90,162
Ending net position		\$ 93,186





**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.

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.

**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)**

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.

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

**Proprietary Funds:**

Water Fund - This fund accounts for the activities related to the operation of a water distribution 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)**

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

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.

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, Deferred Outflows/Inflows of Resources, 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.

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.

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

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

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity  
(Continued)**

**2. Receivables (Continued)**

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.

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.

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

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

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity  
(Continued)**

**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, 2023, other than right to use assets resulting from the implementation of GASB Statements Number 87 and 96 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, Deferred Outflows/Inflows of Resources, 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.

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

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

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity  
(Continued)**

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

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. 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, Deferred Outflows/Inflows of Resources, 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, 2023, was \$958,219. Both the initial endowment of \$200,000 and the net appreciation of \$958,219 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 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, TIF 9 Block 28 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 2023. Several of the budgets changed in total as a result of the Council-approved appropriations.

**B. Deficit Fund Equity**

The Downtown Redevelopment TIF had a deficit of \$1,485,026. The TIF 9 Block 28 had a deficit of \$23,518. These fund's deficits are expected to be covered from future tax increment revenues. The Compensated Absences internal service fund had a deficit of \$1,794,572. The Retiree health insurance internal service fund had a deficit of \$2,344,248. These fund's deficits are expected to be covered from future transfers in from other funds.

**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, 2023, the City was not exposed to custodial credit risk because deposits were fully insured and collateralized. As of December 31, 2023, the City has the following deposits:

Checking	<u>\$ 2,660,079</u>
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**City of Hastings**  
**Notes to Basic Financial Statements**

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

**B. Investments**

As of December 31, 2023, 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	Greater than 10 Years
<b>Pooled Investments</b>							
Federal National Mortgage Association	2	AAA	\$ 314,421	\$ -	\$ -	\$ 314,421	\$ -
U.S. Treasury	2	N/A	495,115	495,115	-	-	-
Taxable Municipals	2	Aa2/AA	8,317,932	277,376	4,786,823	3,253,733	-
Brokered Certificates of Deposit	1	NR	5,992,283	1,879,763	3,656,155	456,365	-
External Investment Pool - 4M Fund	N/A	NR	12,967,699	12,967,699	-	-	-
Money Market	N/A	NR	3,890,589	3,890,589	-	-	-
Total Pooled Investments			<u>31,978,039</u>	<u>19,510,542</u>	<u>8,442,978</u>	<u>4,024,519</u>	<u>-</u>
<b>Non-Pooled Investments</b>							
Brokered Cash	N/A	N/A	12,077	12,077	-	-	-
Equity	1	N/A	499,730	499,730	-	-	-
Fixed Income Securities	2	N/A	261,373	261,373	-	-	-
Real Estate	2	N/A	22,615	22,615	-	-	-
Total Non-Pooled Investments			<u>795,795</u>	<u>795,795</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total			<u>\$ 32,773,834</u>	<u>\$ 20,306,337</u>	<u>\$ 8,442,978</u>	<u>\$ 4,024,519</u>	<u>\$ -</u>

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

- ◆ \$6,492,013 of \$32,773,834 are valued using a quoted market prices (Level 1 inputs)
- ◆ \$9,411,456 of \$32,773,834 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** - Investments in Securities and Custodial Credit: This 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, 2023, were as follows:

Deposits (Note 3.A.)	\$ 2,660,079
Investments (Note 3.B.)	32,773,834
Petty cash	1,625
	<u>1,625</u>
Total deposits and investments	<u>\$ 35,435,538</u>

Deposits and investments are presented in the December 31, 2023, basic financial statements as follows:

Statement of Net Position	
Cash and investments - City	\$ 33,679,444
Cash and investments - HEDRA	775,044
Cash with fiscal agent	795,795
Restricted cash	92,366
Statement of Fiduciary Net Position	
Cash and investments	92,889
	<u>92,889</u>
Total deposits and investments	<u>\$ 35,435,538</u>

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

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated/amortized				
Land	\$ 3,693,211	\$ 107,900	\$ -	\$ 3,801,111
Construction in progress	287,252	6,959,338	(3,295,045)	3,951,545
Total capital assets not being depreciated	<u>3,980,463</u>	<u>7,067,238</u>	<u>(3,295,045)</u>	<u>7,752,656</u>
Capital assets being depreciated/amortized				
Buildings	22,635,737	82,272	-	22,718,009
Machinery and equipment	12,660,620	1,228,955	(2,419,003)	11,470,572
Improvements other than buildings	5,166,423	782,402	-	5,948,825
Leased equipment	469,679	49,630	-	519,309
Infrastructure	113,976,661	3,936,419	(526,032)	117,387,048
Total capital assets being depreciated	<u>154,909,120</u>	<u>6,079,678</u>	<u>(2,945,035)</u>	<u>158,043,763</u>
Less accumulated depreciation/ amortization for				
Buildings	(13,227,275)	(518,192)	-	(13,745,467)
Machinery and equipment	(8,958,146)	(668,453)	2,286,281	(7,340,318)
Improvements other than buildings	(2,201,152)	(212,130)	-	(2,413,282)
Leased equipment	(101,107)	(126,122)	-	(227,229)
Infrastructure	(73,381,067)	(3,962,621)	526,032	(76,817,656)
Total accumulated depreciation/amortization	<u>(97,868,747)</u>	<u>(5,487,518)</u>	<u>2,812,313</u>	<u>(100,543,952)</u>
Total capital assets being depreciated/amortized, net	<u>57,040,373</u>	<u>592,160</u>	<u>(132,722)</u>	<u>57,499,811</u>
Governmental activities capital position, net	<u>\$ 61,020,836</u>	<u>\$ 7,659,398</u>	<u>\$ (3,427,767)</u>	<u>\$ 65,252,467</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	77,400	(2,420)	77,400
Total capital assets not being depreciated/amortized	<u>351,720</u>	<u>77,400</u>	<u>(2,420)</u>	<u>426,700</u>
Capital assets being depreciated/amortized				
Buildings	15,022,846	-	-	15,022,846
Machinery and equipment	8,278,652	397,183	(576,693)	8,099,142
Leased equipment	65,892	-	-	65,892
Improvements other than buildings Infrastructure	5,075,743	25,783	-	5,101,526
Total capital assets being depreciated/amortized	<u>44,357,615</u>	<u>1,423,366</u>	<u>(78,482)</u>	<u>45,702,499</u>
Total capital assets being depreciated/amortized	<u>72,800,748</u>	<u>1,846,332</u>	<u>(655,175)</u>	<u>73,991,905</u>
Less accumulated depreciation/ amortized for				
Buildings	(9,516,465)	(415,149)	-	(9,931,614)
Machinery and equipment	(5,443,096)	(261,290)	575,439	(5,128,947)
Leased equipment	(3,935)	(16,473)	-	(20,408)
Improvements other than buildings Infrastructure	(2,559,669)	(184,372)	-	(2,744,041)
Total accumulated depreciation/amortized	<u>(23,773,773)</u>	<u>(916,929)</u>	<u>78,482</u>	<u>(24,612,220)</u>
Total accumulated depreciation/amortized	<u>(41,296,938)</u>	<u>(1,794,213)</u>	<u>653,921</u>	<u>(42,437,230)</u>
Total capital assets being depreciated/amortized, net	<u>31,503,810</u>	<u>52,119</u>	<u>(1,254)</u>	<u>31,554,675</u>
Business-type activities capital assets, net	<u>\$ 31,855,530</u>	<u>\$ 129,519</u>	<u>\$ (3,674)</u>	<u>\$ 31,981,375</u>

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

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

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

Governmental activities	
General government	\$ 165,298
Public safety	345,778
Public works	4,091,873
Cultural and recreation	569,570
Internal service funds	<u>314,999</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 5,487,518</u>
Business-type activities	
Water	\$ 1,020,725
Sewer	518,842
Storm	74,860
Hydro	<u>179,786</u>
Total depreciation/amortization expense - business-type activities	<u>\$ 1,794,213</u>

**Discretely Presented Component Unit**

Activity for the HEDRA for the year ended December 31, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets being depreciated				
Buildings and Structures	<u>\$ 476,890</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 476,890</u>
Less accumulated depreciated for				
Buildings and Structures	<u>(388,891)</u>	<u>(5,500)</u>	<u>-</u>	<u>(394,391)</u>
Total capital assets being depreciated, net	<u>87,999</u>	<u>(5,500)</u>	<u>-</u>	<u>82,499</u>
Component unit capital assets, net	<u>\$ 87,999</u>	<u>\$ (5,500)</u>	<u>\$ -</u>	<u>\$ 82,499</u>

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

**NOTE 5 - INTERFUND ASSETS/LIABILITIES**

The composition of interfund balances as of December 31, 2023, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Fire and Ambulance	\$ 58,913
General Fund	Downtown Redevelopment TIF	21,287
General Fund	Other Government Funds	22,124
Total		<u>\$ 102,324</u>

Advances To/From Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Downtown Redevelopment TIF	<u>\$ 1,463,739</u>

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

The \$1,463,739 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.

**NOTE 6 - INTERFUND TRANSFERS**

Transfers Out	Transfers In								Total
	General	Fire and Ambulance	Debt Service	Road Improvement Construction	Park Projects	Non-major Governmental Funds	Internal Service	Sewer	
General	\$ -	\$ 480,078	\$ -	\$ -	\$ 259,050	\$ 472,385	\$ 721,100	\$ -	\$ 1,932,613
Debt service	-	101,500	-	637,055	-	-	-	-	738,555
Fire and ambulance	88,782	-	-	-	-	-	-	-	88,782
Downtown Redevelopment TIF	-	-	203,000	-	-	-	-	-	203,000
Non-major governmental funds	101,772	579,284	-	-	279,477	170,248	-	-	1,130,781
Water	40,822	-	-	-	-	-	-	-	40,822
Sewer	39,158	-	-	-	-	-	-	-	39,158
Storm	9,088	-	-	-	-	-	-	-	9,088
Hydro	251,934	-	-	-	-	-	-	18,333	270,267
Total	<u>\$ 531,556</u>	<u>\$ 1,160,862</u>	<u>203,000</u>	<u>637,055</u>	<u>538,527</u>	<u>\$ 642,633</u>	<u>\$ 721,100</u>	<u>\$ 18,333</u>	<u>\$ 4,453,066</u>

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 Road Improvement Construction, Park Projects and 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. The transfer to the debt service fund were transfer of tax increment for debt service costs.



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

**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 \$20,360,000. 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 2013B	11/20/13	0.40%-2.45%	\$ 1,265,000	02/01/24	\$ 130,000	\$ 130,000
G.O. Improvement Bonds, Series 2014A	11/25/14	0.65%-2.50%	2,345,000	02/01/25	535,000	265,000
G.O. Improvement Bonds, Series 2015A	09/03/15	2.00%-2.20%	360,000	02/01/26	115,000	35,000
G.O. Improvement Bonds, Series 2016B	11/03/16	2.00%	995,000	02/01/27	425,000	105,000
G.O. Improvement Bonds, Series 2017A	11/02/17	2.75%-2.875%	1,015,000	02/01/28	530,000	105,000
G.O. Improvement Bonds, Series 2018A	07/18/18	3.00%- 4.00%	1,580,000	02/01/29	990,000	155,000
G.O. Improvement Bonds, Series 2019A	08/08/19	5.00%	2,595,000	02/01/30	1,990,000	245,000
G.O. Improvement Bonds, Series 2020A	10/01/20	2.00%-4.00%	2,045,000	02/01/31	1,715,000	190,000
G.O. Improvement Bonds, Series 2021A	08/02/21	1.00%-3.00%	925,000	02/01/32	850,000	85,000
G.O. Improvement Bonds, Series 2022A	06/01/22	3.00%-5.00%	4,110,000	02/01/33	4,110,000	330,000
G.O. Improvement Bonds, Series 2022A	06/29/23	4.00%-5.00%	3,125,000	02/01/34	3,125,000	-
Total					<u>\$ 14,515,000</u>	<u>\$ 1,645,000</u>

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

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 1,645,000	\$ 605,708	\$ 2,250,708
2025	1,810,000	518,994	2,328,994
2026	1,595,000	446,241	2,041,241
2027	1,620,000	374,214	1,994,214
2028	1,580,000	301,064	1,881,064
2029-2033	5,885,000	588,026	6,473,026
2034	380,000	7,600	387,600
Total	<u>\$ 14,515,000</u>	<u>\$ 2,841,847</u>	<u>\$ 17,356,847</u>

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

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

**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	\$ 95,000	\$ 95,000

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

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 95,000	\$ 1,164	\$ 96,164

**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 \$9,455,000.

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	\$ 1,075,000	\$ 265,000
G.O. Improvement Bonds, Series 2018A	07/18/18	3.00%-4.00%	1,260,000	02/01/29	810,000	125,000
G.O. Improvement Bonds, Series 2019A	08/08/19	5.00%	675,000	02/01/30	515,000	65,000
G.O. Improvement Bonds, Series 2020A	10/01/20	2.00-4.00%	1,135,000	02/01/31	950,000	105,000
G.O. Improvement Bonds, Series 2021A	08/02/21	1.00-3.00%	1,145,000	02/01/32	1,055,000	105,000
G.O. Improvement Bonds, Series 2022A	06/01/22	3.00%-5.00%	1,705,000	02/01/33	1,705,000	140,000
G.O. Improvement Bonds, Series 2023A	06/29/23	4.00%-5.00%	970,000	02/01/33	970,000	95,000
Total					\$ 7,080,000	\$ 900,000

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

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

**C. G.O. Revenue Bonds (Continued)**

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	\$ 1,118,350	\$ 573,500	\$ 2,931,841
G.O. Improvement Bonds, Series 2018A	Utility Infrastructure	Utility Charges	100%	2019-2029	\$ 891,025	\$ 295,500	\$ 5,742,017
G.O. Improvement Bonds, Series 2019A	Utility Infrastructure	Utility Charges	100%	2019-2030	\$ 609,875	\$ 177,500	\$ 2,931,841
G.O. Improvement Bonds, Series 2020A	Utility Infrastructure	Utility Charges	100%	2020-2031	\$ 1,070,400	\$ 255,900	\$ 5,742,017
G.O. Improvement Bonds, Series 2021A	Utility Infrastructure	Utility Charges	100%	2021-2032	\$ 1,148,806	\$ 141,089	\$ 5,742,017
G.O. Improvement Bonds, Series 2022A	Utility Infrastructure	Utility Charges	100%	2022-2033	\$ 2,061,675	\$ 85,692	\$ 5,742,017
G.O. Improvement Bonds, Series 2023A	Utility Infrastructure	Utility Charges	100%	2023-2033	\$ 1,211,357	\$ -	\$ 5,742,017

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

Year Ending December 31,	Business-Type Activities		
	Principal	Interest	Total
2024	\$ 900,000	\$ 238,894	\$ 1,138,894
2025	895,000	202,838	1,097,838
2026	930,000	170,387	1,100,387
2027	960,000	136,813	1,096,813
2028	710,000	105,462	815,462
2029-2033	2,685,000	177,094	2,862,094
<b>Total</b>	<b>\$ 7,080,000</b>	<b>\$ 1,031,488</b>	<b>\$ 8,111,488</b>

**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	\$ 150,000	\$ 75,000
G.O. Improvement Bond, Series 2015A - Charter	09/03/15	2.00%-2.20%	2,100,000	02/01/26	675,000	220,000
G.O. Improvement Bond, Series 2016B - Charter	11/03/16	2.00%	2,005,000	02/01/27	910,000	220,000
G.O. Improvement Bond, Series 2018A - Charter	07/18/18	3.00%-4.00%	980,000	02/01/29	<u>635,000</u>	<u>95,000</u>
Total					<u>\$ 2,370,000</u>	<u>\$ 610,000</u>

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

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 610,000	\$ 50,723	\$ 660,723
2025	625,000	36,047	661,047
2026	565,000	21,680	586,680
2027	345,000	10,750	355,750
2028	110,000	5,100	115,100
2029	115,000	1,725	116,725
Total	<u>\$ 2,370,000</u>	<u>\$ 126,025</u>	<u>\$ 2,496,025</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>\$ 1,085,000</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:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 175,000	\$ 24,500	\$ 199,500
2025	180,000	20,950	200,950
2026	185,000	16,838	201,838
2027	185,000	12,212	197,212
2028	195,000	7,219	202,219
2029	165,000	2,269	167,269
Total	<u>\$ 1,085,000</u>	<u>\$ 83,988</u>	<u>\$ 1,168,988</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.

Year Ending December 31,	Governmental Activities			Business Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 123,332	\$ 12,158	\$ 135,490	\$ 14,873	\$ 1,800	\$ 16,673
2025	75,862	6,111	81,973	15,633	1,039	16,672
2026	52,678	2,343	55,021	12,248	257	12,505
2027	16,507	565	17,072	-	-	-
2028	5,426	99	5,525	-	-	-
Total	<u>\$ 273,805</u>	<u>\$ 21,276</u>	<u>\$ 295,081</u>	<u>\$ 42,754</u>	<u>\$ 3,096</u>	<u>\$ 45,850</u>

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

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

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

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
Bonds payable					
GO improvement debt	\$ 12,835,000	\$ 3,125,000	\$ (1,445,000)	\$ 14,515,000	\$ 1,645,000
Equipment certificates	190,000	-	(95,000)	95,000	95,000
City charter bonds	2,965,000	-	(595,000)	2,370,000	610,000
Tax increment bonds	1,260,000	-	(175,000)	1,085,000	175,000
Lease obligations	338,616	46,345	(111,156)	273,805	123,332
Total OPEB liability	3,971,708	-	(775,306)	3,196,402	413,025
Net pension liability	21,929,588	-	(11,777,847)	10,151,741	-
Plus (less) deferred amounts for premium and discount	1,136,363	279,904	(173,789)	1,242,478	-
Total bonds payable	44,626,275	3,451,249	(15,148,098)	32,929,426	3,061,357
Compensated absences	1,881,177	956,215	(828,167)	2,009,225	139,622
Total governmental activities	<u>\$ 46,507,452</u>	<u>\$ 4,407,464</u>	<u>\$ (15,976,265)</u>	<u>\$ 34,938,651</u>	<u>\$ 3,200,979</u>
	Ending Balance	Additions	Deductions	Ending Balance	Due Within One Year
Business-type activities					
Bonds payable					
G.O. revenue bonds	\$ 6,740,000	\$ 970,000	\$ (630,000)	\$ 7,080,000	\$ 900,000
Lease obligations	56,903	-	(14,150)	42,753	14,872
Total OPEB liability	440,303	-	(94,357)	345,946	44,702
Net pension liability	1,014,790	-	(314,566)	700,224	-
Plus (less) deferred amounts for premium or discount	473,666	82,537	(65,307)	490,896	-
Total bonds payable	8,725,662	1,052,537	(1,118,380)	8,659,819	959,574
Compensated absences payable	239,646	143,763	(117,427)	265,982	15,671
Total business-type activities	<u>\$ 8,965,308</u>	<u>\$ 1,196,300</u>	<u>\$ (1,235,807)</u>	<u>\$ 8,925,801</u>	<u>\$ 975,245</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.

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

**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.

**NOTE 9 - PENSION PLANS**

The City participates in various pension plans. Total pension expense for the year ended December 31, 2023, was \$3,203,999, the discretely presented component unit's portion of this expense is \$8,938. 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.

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

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

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

**B. Benefits Provided**

Public Employees Police and Fire Plan (Continued)

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.

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. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

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. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.



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

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

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

**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 2023 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, 2023, were \$442,776 of this amount, the discretely presented component unit contributed \$17,507. The City's contributions were equal to the required contributions as set by state statute.

**Police and Fire Plan Contributions**

Police and Fire Plan members were required to contribute 11.8% of their annual covered salary in fiscal year 2023 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, 2023, were \$987,969. 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, 2023, the City reported a liability of \$4,020,567 for its proportionate share of the General Employees Fund's net pension liability, of this amount, the discretely presented component unit was allocated \$158,971. 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 \$110,860.

The net pension liability was measured as of June 30, 2023, 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, 2022, through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0719% at the end of the measurement period and 0.0695% for the beginning of the period.

City's proportionate share of the net pension liability	\$ 4,020,567
State of Minnesota's proportionate share of the net pension liability associated with the City	110,860
Total	\$ 4,131,427

**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)

For the year ended December 31, 2023, the City recognized pension expense of \$654,985 for its proportionate share of General Employees Plan's pension expense of this amount, the discretely presented component unit was allocated \$8,938. Included in the amount, the City recognized \$498 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 \$20.

At December 31, 2023, 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 \$44,548 of deferred outflows of resources and \$51,961 of deferred inflows of resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 130,978	\$ 26,888
Changes in actuarial assumptions	631,755	1,102,004
Net difference between projected and actual investment earnings	-	160,863
Change in proportion	142,560	24,392
Contributions paid to PERA subsequent to the measurement date	221,388	-
Total	\$ 1,126,681	\$ 1,314,147

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

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

**D. Pension Costs (Continued)**

General Employees Fund Pension Costs (Continued)

The \$221,388 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, 2024, of this amount the discretely presented component unit contributed \$17,507 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
2024	\$ 109,402
2025	(555,238)
2026	124,202
2027	(87,220)
Total	\$ (408,854)

Police and Fire Fund Pension Costs

At December 31, 2023, the City reported a liability of \$6,990,370 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2023, 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, 2022, through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.4048%, at the end of the measurement period and 0.4063% for the beginning of the period.

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

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

**D. Pension Costs (Continued)**

Police and Fire Fund Pension Costs (Continued)

The State of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2023. The contribution consisted of \$9 million in direct state aid that meets 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, 2022. 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's proportionate share of the net pension liability associated with the City totaled \$281,573.

City's Proportionate share of the net pension liability	\$ 6,990,370
State of Minnesota's proportionate share of the net pension liability associated with the City	281,573
Total	\$ 7,271,943

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, 2023, the City recognized pension expense of \$2,074,326 for its proportionate share of the Police and Fire Plan's pension expense. Included in this amount, the City recognized (\$16,959) 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 \$36,432 for the year ended December 31, 2023, 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, 2023, 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	\$ 1,912,387	\$ -
Changes in actuarial assumptions	7,983,208	9,826,018
Difference between projected and actual investment earnings	-	162,610
Change in proportion	195,287	111,173
Contributions paid to PERA subsequent to the measurement date	493,985	-
Total	\$ 10,584,867	\$ 10,099,801

The \$493,985 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, 2024. 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
2024	\$ 376,161
2025	119,406
2026	1,683,225
2027	(442,470)
2028	(1,745,241)
Total	\$ (8,919)

**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 Expected Real Rate of Return</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
Total	<u>100.0 %</u>	

**F. Actuarial Assumptions**

The total pension liability in the June 30, 2023, 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 7.0%. 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 7.0% 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 and 1% for the Police and Fire Plan

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service. In the Police and Fire Plan, salary growth assumptions range 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 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023, actuarial valuation. 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.

**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 following changes in actuarial assumptions and plan provisions occurred in 2023:

**General Employees Fund**

**Changes in Actuarial Assumptions**

- ◆ The investment return assumption and single discount rate were changed from 6.5% to 7.0%.

**Changes in Plan Provisions**

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

**Police and Fire Fund**

**Changes in Actuarial Assumptions**

- ◆ The investment return assumption and single discount rate were changed from 6.5% to 7.0%.
- ◆ The single discount rate changed from 5.4% to 7.0%.

**Changes in Plan Provisions**

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

**G. Discount Rate**

The discount rate used to measure the total pension liability in 2023 was 7.0%. 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 and Police and Fire Plans were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**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:

City of Hastings proportionate share of	1% Decrease in Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
General Employees Retirement Fund net pension liability	\$ 6,828,199	\$ 3,861,596	\$ 1,418,078
Discretely presented component unit	284,508	158,971	59,087
City of Hastings proportionate share of	1% Decrease in Discount rate (6.00%)	Current Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
Police and Fire Fighters net pension liability	\$ 13,869,727	\$ 6,990,370	\$ 1,334,618

**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, 2023, 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:

	Net Pension Liability (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources
General Employees	\$ 4,020,567	\$ 1,126,681	\$ 1,314,147
Police and Fire	6,990,370	10,584,867	10,099,801
Total	<u>\$ 11,010,937</u>	<u>\$ 11,711,548</u>	<u>\$ 11,413,948</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, 2023, membership includes 35 active members and 19 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).

**D. Pension Costs**

At December 31, 2023, the City reported an asset of \$1,850,595 for the Association's net pension asset. The net pension asset was measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2023.

**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, 2023, the City recognized pension expense of \$474,688. At December 31, 2023, 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	\$ -	\$ 255,846
Changes in actuarial assumptions	2,723	242,831
Net difference between projected and actual earnings on pension plan investments	331,333	-
City contributions subsequent to the measurement date	244,079	-
Total	\$ 578,135	\$ 498,677

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
2024	\$ (117,504)
2025	(13,687)
2026	44,137
2027	90,817
2028	(49,859)
Thereafter	(118,525)
Total	\$ (164,621)

**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, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	January 1, 2023
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar Closed
Actuarial assumptions	
Discount rate	7.75 %
Investment rate of return	7.75
Age of service retirement	50.00

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, 2023, are summarized in the following table:

<u>Asset Class</u>	<u>Allocation at December 31, 2023</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities	<u>100.00 %</u>	<u>7.75 %</u>

**F. Discount Rate**

The discount rate used to measure the total pension liability was 7.75%. 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 7.75%, 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 (6.75%) or one percentage point higher (8.75%) than the current rate:

	<u>1% Decrease in Discount Rate (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase in Discount Rate (8.75%)</u>
Net pension liability (asset)	\$ (1,724,359)	\$ (1,850,595)	\$ (1,969,601)

**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:

	2023
<b>Total Pension Liability</b>	
Service cost	\$ 106,076
Interest	135,835
Plan changes	766,193
Changes of assumptions	(206,077)
Gain or loss	(149,508)
Benefit payments, including member contribution refunds	(24,800)
Net Change in Total Pension Liability	627,719
 Total Pension Liability - Beginning	 2,268,675
 Total Pension Liability - Ending (a)	 2,896,394
 <b>Plan Fiduciary Net Position</b>	
State contributions	220,587
Net investment income	300,130
Gain or loss	(863,570)
Benefit payments	(24,800)
Administrative expenses	(14,236)
	(381,889)
 Net Change in Fiduciary Net Position	 (381,889)
 Fiduciary Net Position - Beginning	 5,128,878
 Fiduciary Net Position - Ending (b)	 4,746,989
 Association's Net Pension Liability (Asset) - Ending (a) - (b)	 \$ (1,850,595)

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

**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.

**B. Benefits Provided**

**1. 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:

- a. Retirees who are at least 55 years of age and are PERA Basic, PERA Coordinated, or PERA Defined Contribution eligible; or
- b. 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
- c. 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.

**2. 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.

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

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

**C. Contributions**

Contribution requirements are established by the City. The required contributions are based on projected pay-as-you-go financing requirements. For year 2023, the City contributed \$492,635 to the plan, of this amount the discretely presented component unit was allocated \$8,375. As of December 31, 2023, there were 27 retirees receiving health benefits from the City's health plan.

**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
	102
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, 2023. 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	4.00%, net of investment expense
Salary increases	Service graded table
Inflation	2.50%
Healthcare cost trend increases	6.25% in 2023, decreasing over five 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 through January 1, 2022.

The discount rate used to measure the total OPEB liability was 4.00% based on 20 year municipal bond index.

**F. Total OPEB Liability**

The City's total OPEB liability of \$3,603,609 was measured as of January 1, 2023, and was determined by an actuarial valuation as of January 1, 2022, of this amount the discretely presented component unit was allocated \$61,261.



**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, 2022	\$ 4,492,883
Changes for the year	
Service cost	75,533
Interest	86,580
Assumption changes	(570,147)
Benefit payments	(481,240)
Net changes	(889,274)
Balances at January 1, 2023	\$ 3,603,609

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 discount rate was changed from 2.00% to 4.00%. 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 (3.00%)	Current Discount Rate (4.00%)	1% Increase in Discount Rate (5.00%)
Primary government	\$ 3,814,421	\$ 3,542,348	\$ 3,307,150
Discretely presented component unit	65,967	61,261	57,194

**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	\$ 3,257,426	\$ 3,542,348	\$ 3,876,212
Discretely presented component unit	56,334	61,261	67,035

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

For the year ended December 31, 2023, the City recognized OPEB expense of \$233,229, of this amount \$3,965 was allocated to the discretely presented component unit. At December 31, 2023, 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 \$20,153 of deferred outflows of resources and \$8,998 of deferred inflows of resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Assumption Changes	\$ 340,423	\$ 529,304
Liability Losses	352,432	-
Subsequent contributions	492,635	-
 Total	 \$ 1,185,490	 \$ 529,304

**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 \$492,635 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, 2024, of this amount the discretely presented component unit contributed \$8,375 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
2024	\$ 71,116
2025	71,116
2026	71,121
2027	81,257
2028	(11,916)
Thereafter	(119,144)
Total	\$ 163,550

**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, 2023, the City generated \$54,809 in tax increment revenue and made \$34,090 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	\$ 4,431,450
Nonmajor Capital Project		
- Arena	Arena Refrigeration	4,920,848
- Park Projects	Lake Isabel Redevelopment	624,662
Nonmajor Capital Project		
- Road Construction	2023 Neighborhood Improvements	61,904
Water	Water Meter Replacement	50,000
Sewer	2023 Sanitary Sewer Lining	208,544
		<u>208,544</u>
Total		<u>\$ 10,297,408</u>

**NOTE 14 - LEASE RECEIVABLE**

The City has implemented GASB 87 effective December 31, 2022, and has recognized a Lease Receivable of \$2,669,722 and Deferred Inflow of Resources of \$2,467,883. Leases included in the lease receivable is the leased space above the water towers to several communication companies.

**NOTE 15 - SUBSEQUENT EVENT**

On April 17, 2024, the City issued \$9,330,000 of General Obligation Charter Bonds, Series 2024A for capital improvements.

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

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

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

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

Schedule 1

December 31, 2022	December 31, 2023
\$ 101,368	\$ 75,533
87,994	86,580
159,560	-
27,580	(570,147)
<u>(362,095)</u>	<u>(481,240)</u>
<u>14,407</u>	<u>(889,274)</u>
<u>4,478,476</u>	<u>4,492,883</u>
<u>\$ 4,492,883</u>	<u>\$ 3,603,609</u>
\$ 8,799,920	\$ 9,063,918
51.06%	39.76%

**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%
2023	0.0719%	4,020,567	110,860	4,131,427	5,715,507	70.3%	83.10%

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%
2023	0.4048%	6,990,370	281,573	7,271,943	5,315,768	131.50%	86.50%

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



**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%
2023	428,663	428,663	-	5,715,507	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%
2023	940,891	940,891	-	5,315,768	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
<b>Total Pension Liability (TPL)</b>				
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	<u>(309,078)</u>	<u>100,833</u>	<u>232,840</u>	<u>144,327</u>
Beginning of year	<u>2,756,871</u>	<u>2,447,793</u>	<u>2,548,626</u>	<u>2,781,466</u>
End of year	<u>\$ 2,447,793</u>	<u>\$ 2,548,626</u>	<u>\$ 2,781,466</u>	<u>\$ 2,925,793</u>
<b>Plan Fiduciary Net Pension (FNP)</b>				
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	<u>(158,893)</u>	<u>23,030</u>	<u>370,950</u>	<u>176,092</u>
Beginning of year	<u>3,909,740</u>	<u>3,750,847</u>	<u>3,773,877</u>	<u>4,144,827</u>
End of year	<u>\$ 3,750,847</u>	<u>\$ 3,773,877</u>	<u>\$ 4,144,827</u>	<u>\$ 4,320,919</u>
Net pension liability (NPL)	<u>\$ (1,303,054)</u>	<u>\$ (1,225,251)</u>	<u>\$ (1,363,361)</u>	<u>\$ (1,395,126)</u>
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

## Schedule 4

		Measurement Date				
		December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022
\$	111,448	\$ 100,316	\$ 107,881	\$ 103,489	\$ 106,076	
	165,333	141,474	137,263	132,832	135,835	
	(154,138)	-	(82,834)	-	(149,508)	
	(134,222)	-	-	-	(206,077)	
	-	100,388	131,954	-	766,193	
	(323,775)	(460,667)	(385,293)	(348,567)	(24,800)	
	(335,354)	(118,489)	(91,029)	(112,246)	627,719	
	2,925,793	2,590,439	2,471,950	2,380,921	2,268,675	
\$	2,590,439	\$ 2,471,950	\$ 2,380,921	\$ 2,268,675	\$ 2,896,394	
\$	187,040	\$ 192,649	\$ 205,703	\$ 215,715	\$ 220,587	
	244,368	220,150	248,986	270,175	300,130	
	(452,848)	519,294	289,121	233,367	(863,570)	
	(323,775)	(460,667)	(385,293)	(348,567)	(24,800)	
	(5,329)	(15,351)	(12,917)	(13,862)	(14,236)	
	-	-	-	-	-	
	(350,544)	456,075	345,600	356,828	(381,889)	
	4,320,919	3,970,375	4,426,450	4,772,050	5,128,878	
\$	3,970,375	\$ 4,426,450	\$ 4,772,050	\$ 5,128,878	\$ 4,746,989	
\$	(1,379,936)	\$ (1,954,500)	\$ (2,391,129)	\$ (2,860,203)	\$ (1,850,595)	
	153.3%	179.1%	200.4%	226.1%	163.9%	

**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
<b>Employer</b>				
Statutorily determined contribution (SDC)	\$ -	\$ -	\$ -	\$ -
Contribution in relation to the SDC	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Non-employer</b>				
2% state aid	<u>\$ 163,589</u>	<u>\$ 174,928</u>	<u>\$ 177,612</u>	<u>\$ 180,415</u>

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

Schedule 5

<u>December 31, 2018</u>	<u>December 31, 2019</u>	<u>December 31, 2020</u>	<u>December 31, 2021</u>	<u>December 31, 2022</u>	<u>December 31, 2023</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 185,040</u>	<u>\$ 190,649</u>	<u>\$ 202,703</u>	<u>\$ 212,715</u>	<u>\$ 219,587</u>	<u>\$ 244,079</u>

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

**General Employees Fund**

**2023 Changes**

Changes in Actuarial Assumptions

- ◆ The investment return assumption and single discount rate were changed from 6.5% to 7.0%.

Changes in Plan Provisions

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

**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.

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

**General Employees Fund (Continued)**

**2020 Changes (Continued)**

Changes in Actuarial Assumptions (Continued)

- ◆ 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.

**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.
- ◆ Annual 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.

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

**General Employees Fund (Continued)**

**2017 Changes (Continued)**

Changes in Actuarial Assumptions (Continued)

- ◆ The assumed annual 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.

**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**

**2023 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

**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.

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

**Police and Fire Fund (Continued)**

**2021 Changes (Continued)**

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.

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

- ◆ Annual 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.

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

**Police and Fire Fund (Continued)**

**2017 Changes (Continued)**

Changes in Actuarial Assumptions (Continued)

- ◆ 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%.
- ◆ 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**

**2022 Changes**

Changes in Actuarial Assumptions

- ◆ The discount rate changed from 5.75% to 7.75%.

Changes in Plan Provisions

- ◆ A benefit level increase from \$7,000 to \$11,000 was reflected in the liability.

**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

**2023 Changes**

- ◆ The discount rate was changed from 2.00% to 4.00%.
- ◆ The inflation rate was changed from 2.50% to 2.00%.

**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, 2023

Statement 14

	2023			Variance with Final Budget - Over (Under)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>Revenues</b>				
General property taxes	\$ 10,231,988	\$ 10,231,988	\$ 10,520,825	\$ 288,837
Lodging taxes	3,255	3,255	3,774	519
Special assessments	1,000	1,000	-	(1,000)
Licenses and permits	707,683	707,683	809,581	101,898
Intergovernmental revenues				
State - police aid	250,000	250,000	317,608	67,608
State-MSA-street construction and maintenance	600,000	600,000	434,039	(165,961)
State- local government aid	904,501	904,501	904,501	-
State - market value credit	-	-	1,131	1,131
Federal grants and aids	1,011,836	1,011,836	495,447	(516,389)
Other grants and aids	683,267	683,267	281,513	(401,754)
Total intergovernmental revenues	<u>3,449,604</u>	<u>3,449,604</u>	<u>2,434,239</u>	<u>(1,015,365)</u>
Charges for services				
General government	30,084	30,084	411,949	381,865
Public safety	204,312	204,312	263,118	58,806
Public works	704,000	704,000	575,080	(128,920)
Health and sanitation	2,500	2,500	10,176	7,676
Total charges for services	<u>940,896</u>	<u>940,896</u>	<u>1,260,323</u>	<u>319,427</u>
Fines and forfeitures	100,500	100,500	86,689	(13,811)
Investment income	49,500	49,500	545,466	495,966
Contributions and donations	-	-	100	100
Other revenues	2,000	2,000	35,745	33,745
Total miscellaneous	<u>51,500</u>	<u>51,500</u>	<u>581,311</u>	<u>529,811</u>
Total revenues	<u>15,486,426</u>	<u>15,486,426</u>	<u>15,696,742</u>	<u>210,316</u>
<b>Expenditures</b>				
General Government				
Legal	267,500	267,500	218,277	(49,223)
Mayor, legislative, city administration	405,444	405,444	466,681	61,237
Finance and accounting	727,445	727,445	699,486	(27,959)
City clerk and elections	572,370	572,370	558,091	(14,279)
Planning and economic development	222,555	222,555	160,546	(62,009)
I.T.	806,720	806,720	709,728	(96,992)
Building maintenance	379,282	379,282	419,462	40,180
Miscellaneous	149,794	149,794	390,009	240,215
Capital outlay	154,300	154,300	632,376	478,076
Public safety				
Police	6,192,945	6,192,945	6,320,982	128,037
Building safety and code enforcement	1,066,717	1,066,717	845,288	(221,429)
Emergency management services	5,570	5,570	1,620	(3,950)
Animal control	4,500	4,500	1,802	(2,698)
Capital outlay	162,138	162,138	207,093	44,955
Public works				
Engineering	595,307	595,307	539,499	(55,808)
Street maintenance	1,034,824	1,034,824	978,322	(56,502)
Street lights	224,300	224,300	229,838	5,538
Capital outlay	923,823	923,823	1,075,246	151,423
Health and sanitation				
Reforestation	21,000	21,000	57,613	36,613
Recycling	26,589	26,589	11,868	(14,721)
Culture and recreation				
Senior center	81,900	81,900	84,249	2,349
LeDuc historic estate	79,582	79,582	80,355	773
Total expenditures	<u>14,104,605</u>	<u>14,104,605</u>	<u>14,688,431</u>	<u>583,826</u>
Excess of revenues over (under) expenditures	1,381,821	1,381,821	1,008,311	(373,510)
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	-	-	27,821	27,821
Proceeds from leases	-	-	46,345	46,345
Transfers in	532,260	542,910	532,187	(10,723)
Transfers out	(1,958,244)	(1,958,244)	(1,933,244)	25,000
Total other financing sources (uses)	<u>(1,425,984)</u>	<u>(1,415,334)</u>	<u>(1,314,382)</u>	<u>100,952</u>
Net change in fund balances	(44,163)	(33,513)	(306,071)	(272,558)
<b>Fund Balances</b>				
Beginning of year	10,548,729	10,548,729	10,548,729	-
End of year	<u>\$ 10,504,566</u>	<u>\$ 10,515,216</u>	<u>\$ 10,242,658</u>	<u>\$ (272,558)</u>

**City of Hastings**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual -**  
**Debt Service Fund**  
**Year Ended December 31, 2023**

**Statement 15**

	2023			Variance with Final Budget - Over (Under)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>Revenues</b>				
General property taxes	\$ 2,381,918	\$ 2,381,918	\$ 2,190,331	\$ (191,587)
Special assessments	246,167	246,167	618,412	372,245
Charges for services	856,954	856,954	-	(856,954)
Investment income	-	-	233,879	233,879
Total revenues	<u>3,485,039</u>	<u>3,485,039</u>	<u>3,042,622</u>	<u>(442,417)</u>
<b>Expenditures</b>				
Debt service				
Principal	2,940,000	2,940,000	2,310,000	(630,000)
Interest and fiscal agent	820,176	820,176	600,703	(219,473)
Total expenditures	<u>3,760,176</u>	<u>3,760,176</u>	<u>2,910,703</u>	<u>(849,473)</u>
Excess of revenues over (under) expenditures	(275,137)	(275,137)	131,919	407,056
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	203,000	203,000
Transfers out	-	-	(738,555)	(738,555)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(535,555)</u>	<u>(535,555)</u>
Net change in fund balance	<u>\$ (275,137)</u>	<u>\$ (275,137)</u>	(403,636)	<u>\$ (128,499)</u>
<b>Fund Balance</b>				
Beginning of year			<u>5,996,391</u>	
End of year			<u>\$ 5,592,755</u>	

City of Hastings  
Combining Balance Sheet -  
Nonmajor Governmental Funds  
December 31, 2023

Statement 16

	Special Revenue	Capital Projects	Permanent	Total Nonmajor Governmental Funds
<b>Assets</b>				
Cash and investments	\$ 1,990,647	\$ 720,086	\$ 226,698	\$ 2,937,431
Cash with fiscal agent	-	-	795,795	795,795
Interest receivable	7,739	1,164	726	9,629
Due from other governments	34,446	-	-	34,446
Accounts receivable	132,765	-	-	132,765
Property taxes receivable	187,738	-	-	187,738
Inventory	2,942	-	-	2,942
Prepaid items	1,881	-	-	1,881
	<u>1,881</u>	<u>-</u>	<u>-</u>	<u>1,881</u>
Total assets	<u>\$ 2,358,158</u>	<u>\$ 721,250</u>	<u>\$ 1,023,219</u>	<u>\$ 4,102,627</u>
<b>Liabilities</b>				
Accounts payable	\$ 514,401	\$ 66,186	\$ -	\$ 580,587
Due to other governments	2,907	-	-	2,907
Deposits payable	-	212,221	-	212,221
Salaries and benefits payable	57,485	-	-	57,485
Unearned revenue	2,144	-	-	2,144
Due to other funds	-	22,124	-	22,124
Total liabilities	<u>576,937</u>	<u>300,531</u>	<u>-</u>	<u>877,468</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - taxes and assessments	<u>22,519</u>	<u>-</u>	<u>-</u>	<u>22,519</u>
<b>Fund Balances</b>				
Nonspendable				
Prepays	1,881	-	-	1,881
Inventories	2,942	-	-	2,942
Permanent endowment	-	-	200,000	200,000
Restricted				
Police activities	55,305	-	-	55,305
Tax increment financing	-	53,131	-	53,131
Leduc historic estate	-	-	823,219	823,219
Escrow	-	26,832	-	26,832
Committed				
Park maintenance	864,613	-	-	864,613
Aquatic operations	441,485	-	-	441,485
Cable TV activities	148,631	-	-	148,631
Heritage preservation activities	124,960	-	-	124,960
Arena activities	118,885	-	-	118,885
Assigned				
Capital	-	364,274	-	364,274
Unassigned				
-	-	(23,518)	-	(23,518)
Total fund balances	<u>1,758,702</u>	<u>420,719</u>	<u>1,023,219</u>	<u>3,202,640</u>
Total liabilities and fund balances	<u>\$ 2,358,158</u>	<u>\$ 721,250</u>	<u>\$ 1,023,219</u>	<u>\$ 4,102,627</u>



**City of Hastings**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Nonmajor Governmental Funds**  
**Year Ended December 31, 2023**

Statement 17

	Special Revenue	Capital Projects	Permanent	Total Nonmajor Governmental Funds
<b>Revenues</b>				
General property taxes	\$ 2,206,955	\$ -	\$ -	\$ 2,206,955
Tax increment collections	-	54,809	-	54,809
Charges for services	1,300,370	-	-	1,300,370
Investment income	135,351	35,175	120,993	291,519
Contributions and donations	28,165	-	-	28,165
Miscellaneous	41,418	-	-	41,418
Total revenues	<u>3,712,259</u>	<u>89,984</u>	<u>120,993</u>	<u>3,923,236</u>
<b>Expenditures</b>				
Current				
Public safety	7,288	-	-	7,288
Culture and recreation	3,593,142	-	12,748	3,605,890
Economic development	-	34,090	-	34,090
Debt service				
Interest and other charges	-	16,357	-	16,357
Capital outlay				
Culture and recreation	1,780,349	-	-	1,780,349
Total expenditures	<u>5,380,779</u>	<u>50,447</u>	<u>12,748</u>	<u>5,443,974</u>
Excess of revenues over (under) expenditures	(1,668,520)	39,537	108,245	(1,520,738)
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	8,633	-	-	8,633
Transfers in	515,309	127,324	-	642,633
Transfers out	(355,292)	(734,208)	(41,281)	(1,130,781)
Total other financing sources (uses)	<u>168,650</u>	<u>(606,884)</u>	<u>(41,281)</u>	<u>(479,515)</u>
Net change in fund balances	(1,499,870)	(567,347)	66,964	(2,000,253)
<b>Fund Balances</b>				
Beginning of year	<u>3,258,572</u>	<u>988,066</u>	<u>956,255</u>	<u>5,202,893</u>
End of year	<u>\$ 1,758,702</u>	<u>\$ 420,719</u>	<u>\$ 1,023,219</u>	<u>\$ 3,202,640</u>



**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.

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, 2023**

	Special Revenue			
	Parks and Rec (200)	Cable Television (205-206)	Heritage Preservation (210)	Ice Arena (615)
<b>Assets</b>				
Cash and investments	\$ 959,531	\$ 145,583	\$ 122,967	\$ 277,515
Interest receivable	4,358	469	399	938
Due from other governments	11,949	-	-	22,497
Accounts receivable	1,320	80,175	-	51,270
Property taxes receivable	146,807	-	3,333	13,716
Inventory	2,942	-	-	-
Prepaid items	969	3	67	842
	<u>969</u>	<u>3</u>	<u>67</u>	<u>842</u>
Total assets	<u>\$ 1,127,876</u>	<u>\$ 226,230</u>	<u>\$ 126,766</u>	<u>\$ 366,778</u>
<b>Liabilities</b>				
Accounts payable	\$ 201,187	\$ 76,826	\$ 154	\$ 227,433
Due to other governments	670	-	4	2,233
Salaries payable	39,482	770	1,193	16,040
Unearned revenue	-	-	-	-
Total liabilities	<u>241,339</u>	<u>77,596</u>	<u>1,351</u>	<u>245,706</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - taxes and assessments	<u>18,013</u>	<u>-</u>	<u>388</u>	<u>1,345</u>
<b>Fund Balances</b>				
Nonspendable				
Prepays	969	3	67	842
Inventories	2,942	-	-	-
Restricted				
Police activities	-	-	-	-
Committed				
Park maintenance	864,613	-	-	-
Aquatic operations	-	-	-	-
Cable TV activities	-	148,631	-	-
Heritage preservation activities	-	-	124,960	-
Arena activities	-	-	-	118,885
Total fund balances	<u>868,524</u>	<u>148,634</u>	<u>125,027</u>	<u>119,727</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,127,876</u>	<u>\$ 226,230</u>	<u>\$ 126,766</u>	<u>\$ 366,778</u>

Special Revenue		
DUI Enforcement/ Equipment (222)	Aquatic Center (201)	Total
\$ 56,389	\$ 428,662	\$ 1,990,647
168	1,407	7,739
-	-	34,446
-	-	132,765
119	23,763	187,738
-	-	2,942
-	-	1,881
<u>\$ 56,676</u>	<u>\$ 453,832</u>	<u>\$ 2,358,158</u>
\$ 1,357	\$ 7,444	\$ 514,401
-	-	2,907
-	-	57,485
-	2,144	2,144
<u>1,357</u>	<u>9,588</u>	<u>576,937</u>
14	2,759	22,519
-	-	1,881
-	-	2,942
55,305	-	55,305
-	-	864,613
-	441,485	441,485
-	-	148,631
-	-	124,960
-	-	118,885
<u>55,305</u>	<u>441,485</u>	<u>1,758,702</u>
<u>\$ 56,676</u>	<u>\$ 453,832</u>	<u>\$ 2,358,158</u>

**City of Hastings**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Nonmajor Special Revenue Funds**  
**Year Ended December 31, 2023**

	Special Revenue			
	Parks and Rec (200)	Cable Television (205-206)	Heritage Preservation (210)	Ice Arena (615)
<b>Revenues</b>				
General property taxes	\$ 1,724,444	\$ -	\$ 36,623	\$ 163,879
Charges for services	81,077	332,720	-	541,052
Investment income	73,124	8,558	6,103	22,920
Contributions and donations	27,697	-	468	-
Miscellaneous	37,900	-	542	2,976
Total revenues	<u>1,944,242</u>	<u>341,278</u>	<u>43,736</u>	<u>730,827</u>
<b>Expenditures</b>				
Current				
Public safety	-	-	-	-
Culture and recreation	2,023,282	338,006	38,672	649,212
Capital outlay				
Culture and recreation	1,176,355	-	-	542,723
Total expenditures	<u>3,199,637</u>	<u>338,006</u>	<u>38,672</u>	<u>1,191,935</u>
Excess of revenues over (under) expenditures	(1,255,395)	3,272	5,064	(461,108)
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	250	-	-	-
Transfers in	437,209	-	-	78,100
Transfers out	(335,370)	(381)	(517)	(10,722)
Total other financing sources (uses)	<u>102,089</u>	<u>(381)</u>	<u>(517)</u>	<u>67,378</u>
Net change in fund balances	(1,153,306)	2,891	4,547	(393,730)
<b>Fund Balances</b>				
Beginning of year	<u>2,021,830</u>	<u>145,743</u>	<u>120,480</u>	<u>513,457</u>
End of year	<u>\$ 868,524</u>	<u>\$ 148,634</u>	<u>\$ 125,027</u>	<u>\$ 119,727</u>

Special Revenue		
DUI Enforcement/ Equipment (222)	Aquatic Center (201)	Total
\$ 1,407	\$ 280,602	\$ 2,206,955
-	345,521	1,300,370
2,831	21,815	135,351
-	-	28,165
-	-	41,418
<u>4,238</u>	<u>647,938</u>	<u>3,712,259</u>
7,288	-	7,288
-	543,970	3,593,142
-	61,271	1,780,349
<u>7,288</u>	<u>605,241</u>	<u>5,380,779</u>
(3,050)	42,697	(1,668,520)
8,383	-	8,633
-	-	515,309
-	(8,302)	(355,292)
<u>8,383</u>	<u>(8,302)</u>	<u>168,650</u>
5,333	34,395	(1,499,870)
<u>49,972</u>	<u>407,090</u>	<u>3,258,572</u>
<u>\$ 55,305</u>	<u>\$ 441,485</u>	<u>\$ 1,758,702</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, 2023**

Statement 20

	2023			Variance with Final Budget - Over (Under)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 1,725,709	\$ 1,725,709	\$ 1,724,444	\$ (1,265)
Charges for services	97,500	97,500	81,077	(16,423)
Investment income	10,000	10,000	73,124	63,124
Contributions and donations	8,200	8,200	27,697	19,497
Miscellaneous	-	-	37,900	37,900
Total revenues	<u>1,841,409</u>	<u>1,841,409</u>	<u>1,944,242</u>	<u>102,833</u>
<b>Expenditures</b>				
Current				
Culture and recreation	1,812,840	1,812,840	2,023,282	210,442
Capital outlay				
Culture and recreation	715,535	715,535	1,176,355	460,820
Total expenditures	<u>2,528,375</u>	<u>2,528,375</u>	<u>3,199,637</u>	<u>671,262</u>
Excess of revenues under expenditures	(686,966)	(686,966)	(1,255,395)	(568,429)
<b>Other Financing Sources (Uses)</b>				
Sale of city property	-	-	250	250
Transfers in	715,535	715,535	437,209	(278,326)
Transfers out	(28,569)	(28,569)	(335,370)	(306,801)
Total other financing sources (uses)	<u>686,966</u>	<u>686,966</u>	<u>102,089</u>	<u>(585,127)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(1,153,306)</u>	<u>\$ (1,153,556)</u>
<b>Fund Balance</b>				
Beginning of year			<u>2,021,830</u>	
End of year			<u>\$ 868,524</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, 2023**

**Statement 21**

	2023			Variance with Final Budget - Over (Under)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>Revenues</b>				
Charges for services	\$ 350,000	\$ 350,000	\$ 332,720	\$ (17,280)
Investment income	2,338	2,338	8,558	6,220
Total revenues	352,338	352,338	341,278	(11,060)
<b>Expenditures</b>				
Current				
Culture and recreation	354,308	354,308	338,006	(16,302)
Excess of revenues over (under) expenditures	(1,970)	(1,970)	3,272	5,242
<b>Other Financing Uses</b>				
Transfers out	(381)	(381)	(381)	-
Net change in fund balance	\$ (2,351)	\$ (2,351)	2,891	\$ 5,242
<b>Fund Balance</b>				
Beginning of year			145,743	
End of year			\$ 148,634	

**City of Hastings**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual -**  
**Heritage Preservation Special Revenue Fund**  
**Year Ended December 31, 2023**

**Statement 22**

	2023			Variance with Final Budget - Over (Under)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 36,629	\$ 36,629	\$ 36,623	\$ (6)
Investment income	1,200	1,200	6,103	4,903
Contributions and donations	-	-	468	468
Miscellaneous	400	400	542	142
Total revenues	<u>38,229</u>	<u>38,229</u>	<u>43,736</u>	<u>5,507</u>
<b>Expenditures</b>				
Current				
Culture and recreation	<u>37,712</u>	<u>37,712</u>	<u>38,672</u>	<u>960</u>
Excess of revenues over expenditures	517	517	5,064	4,547
<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>\$ -</u>	4,547	<u>\$ 4,547</u>
<b>Fund Balance</b>				
Beginning of year			<u>120,480</u>	
End of year			<u>\$ 125,027</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, 2023**

**Statement 23**

	2023			Variance with Final Budget - Over (Under)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 168,330	\$ 168,330	\$ 163,879	\$ (4,451)
Charges for services	508,991	508,991	541,052	32,061
Investment income	5,000	5,000	22,920	17,920
Miscellaneous	-	-	2,976	2,976
Total revenues	<u>682,321</u>	<u>682,321</u>	<u>730,827</u>	<u>48,506</u>
<b>Expenditures</b>				
Current				
Culture and recreation	679,599	679,599	649,212	(30,387)
Capital Outlay				
Cultural and recreation	42,500	42,500	542,723	500,223
Total expenditures	<u>722,099</u>	<u>722,099</u>	<u>1,191,935</u>	<u>469,836</u>
Excess of revenues under expenditures	(39,778)	(39,778)	(461,108)	(421,330)
<b>Other Financing Uses</b>				
Transfers in	50,500	50,500	78,100	27,600
Transfers out	(10,722)	(10,722)	(10,722)	-
Total other financing sources (uses)	<u>39,778</u>	<u>39,778</u>	<u>67,378</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	(393,730)	<u>\$ (421,330)</u>
<b>Fund Balance</b>				
Beginning of year			<u>513,457</u>	
End of year			<u>\$ 119,727</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, 2023**

**Statement 24**

	2023			Variance with Final Budget - Over (Under)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 1,400	\$ 1,400	\$ 1,407	\$ 7
Investment income	200	200	2,831	2,631
Total revenues	<u>1,600</u>	<u>1,600</u>	<u>4,238</u>	<u>2,638</u>
<b>Expenditures</b>				
Current				
Public Safety	<u>1,600</u>	<u>1,600</u>	<u>7,288</u>	<u>5,688</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(3,050)</u>	<u>(3,050)</u>
<b>Other Financing Sources</b>				
Proceeds from sale of capital assets	<u>-</u>	<u>-</u>	<u>8,383</u>	<u>8,383</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>5,333</u>	<u>\$ 5,333</u>
<b>Fund Balance</b>				
Beginning of year			<u>49,972</u>	
End of year			<u>\$ 55,305</u>	

**City of Hastings**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual -**  
**Aquatic Center Special Revenue Fund**  
**Year Ended December 31, 2023**

**Statement 25**

	2023			Variance with Final Budget - Over (Under)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 282,498	\$ 282,498	\$ 280,602	\$ (1,896)
Charges for services	256,300	256,300	345,521	89,221
Investment income	1,500	1,500	21,815	20,315
Total revenues	<u>540,298</u>	<u>540,298</u>	<u>647,938</u>	<u>107,640</u>
<b>Expenditures</b>				
Current				
Culture and recreation	531,996	531,996	543,970	11,974
Capital outlay				
Culture and recreation	71,500	71,500	61,271	(10,229)
Total expenditures	<u>603,496</u>	<u>603,496</u>	<u>605,241</u>	<u>1,745</u>
Excess of revenues over (under) expenditures	(63,198)	(63,198)	42,697	105,895
<b>Other Financing Sources (Uses)</b>				
Transfers in	71,500	71,500	-	(71,500)
Transfers out	(8,302)	(8,302)	(8,302)	-
Total other financing sources (uses)	<u>63,198</u>	<u>63,198</u>	<u>(8,302)</u>	<u>(71,500)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	34,395	<u>\$ 34,395</u>
<b>Fund Balance</b>				
Beginning of year			<u>407,090</u>	
End of year			<u>\$ 441,485</u>	



**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.

TIF 9 Block 28 Capital Projects Fund - This fund accounts for the activities the Block 28 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, 2023**

	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	\$ 364,063	\$ 28,540	\$ 7,815	\$ 2,192
Interest receivable	12	91	25	7
Total assets	\$ 364,075	\$ 28,631	\$ 7,840	\$ 2,199
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 680	\$ 649	\$ 680
Due to other funds	-	-	-	-
Deposits payable	-	-	-	-
Total liabilities	-	680	649	680
<b>Fund Balances</b>				
Restricted				
Tax increment financing	-	27,951	7,191	1,519
Escrow	-	-	-	-
Assigned				
Capital	364,075	-	-	-
Unassigned	-	-	-	-
Total fund balances	364,075	27,951	7,191	1,519
Total liabilities and fund balances	\$ 364,075	\$ 28,631	\$ 7,840	\$ 2,199



## Capital Projects

Public Works Cold Storage Building (416)	Escrow (807)	Hudson Sprayers Tax Increment Financing (411)	TIF 9 Block 28 (413)	Total
\$ 198	\$ 300,090	\$ 17,188	\$ -	\$ 720,086
1	973	55	-	1,164
<u>\$ 199</u>	<u>\$ 301,063</u>	<u>\$ 17,243</u>	<u>\$ -</u>	<u>\$ 721,250</u>
\$ -	\$ 62,010	\$ 773	\$ 1,394	\$ 66,186
-	-	-	22,124	22,124
-	212,221	-	-	212,221
-	274,231	773	23,518	300,531
-	-	16,470	-	53,131
-	26,832	-	-	26,832
199	-	-	-	364,274
-	-	-	(23,518)	(23,518)
<u>199</u>	<u>26,832</u>	<u>16,470</u>	<u>(23,518)</u>	<u>420,719</u>
<u>\$ 199</u>	<u>\$ 301,063</u>	<u>\$ 17,243</u>	<u>\$ -</u>	<u>\$ 721,250</u>

**City of Hastings**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Nonmajor Capital Projects Funds**  
**Year Ended December 31, 2023**

	Capital Projects			
	Budget Stabilization (403)	Guardian Angels Tax Increment Financing (405)	NAPA Tax Increment Financing (408)	Schoolhouse Square Tax Increment Financing (412)
<b>Revenues</b>				
Tax increment collections	\$ -	\$ 22,655	\$ 16,426	\$ 10,984
Investment income	10,981	771	110	40
Total revenues	<u>10,981</u>	<u>23,426</u>	<u>16,536</u>	<u>11,024</u>
<b>Expenditures</b>				
Current				
Economic development	-	2,629	1,000	5,943
Debt service				
Interest and other charges	-	1,358	1,297	1,673
Total expenditures	<u>-</u>	<u>3,987</u>	<u>2,297</u>	<u>7,616</u>
Excess of revenues over (under) expenditures	10,981	19,439	14,239	3,408
<b>Other Financing Sources (Uses)</b>				
Transfers in	127,324	-	-	-
Transfers out	(734,208)	-	-	-
Total other financing sources (uses)	<u>(606,884)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(595,903)	19,439	14,239	3,408
<b>Fund Balances</b>				
Beginning of year	<u>959,978</u>	<u>8,512</u>	<u>(7,048)</u>	<u>(1,889)</u>
End of year	<u>\$ 364,075</u>	<u>\$ 27,951</u>	<u>\$ 7,191</u>	<u>\$ 1,519</u>

## Capital Projects

Public Works Cold Storage Building (416)	Escrow (807)	Hudson Sprayers Tax Increment Financing (411)	TIF 9 Block 28 (413)	Total
\$ -	\$ -	\$ 4,744	\$ -	\$ 54,809
149	22,335	789	-	35,175
149	22,335	5,533	-	89,984
-	-	1,000	23,518	34,090
10,488	-	1,541	-	16,357
10,488	-	2,541	23,518	50,447
(10,339)	22,335	2,992	(23,518)	39,537
-	-	-	-	127,324
-	-	-	-	(734,208)
-	-	-	-	(606,884)
(10,339)	22,335	2,992	(23,518)	(567,347)
10,538	4,497	13,478	-	988,066
\$ 199	\$ 26,832	\$ 16,470	\$ (23,518)	\$ 420,719

**City of Hastings**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual -**  
**Park Projects Capital Projects Fund**  
**Year Ended December 31, 2023**

Statement 28

	2023			Variance with Final Budget - Over (Under)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ 16,884	\$ 16,884
Miscellaneous revenues	-	-	31,242	31,242
Investment income	-	-	49,948	49,948
Total revenues	<u>-</u>	<u>-</u>	<u>98,074</u>	<u>66,832</u>
<b>Expenditures</b>				
Current				
Culture and recreation	-	-	2,945	2,945
Capital outlay				
Cultural and recreation	<u>259,050</u>	<u>259,050</u>	<u>465,858</u>	<u>206,808</u>
Total expenditures	<u>259,050</u>	<u>259,050</u>	<u>468,803</u>	<u>209,753</u>
Excess of revenues under expenditures	(259,050)	(259,050)	(370,729)	(142,921)
<b>Other Financing Sources (Uses)</b>				
Transfers in	<u>259,050</u>	<u>259,050</u>	<u>538,527</u>	<u>279,477</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>167,798</u>	<u>\$ 136,556</u>
<b>Fund Balance</b>				
Beginning of year			<u>1,015,753</u>	
End of year			<u>\$ 1,183,551</u>	

City of Hastings  
 Combining Balance Sheet -  
 Nonmajor Permanent Fund  
 December 31, 2023

Statement 29

C. Simmons  
 Trust (850)

**Assets**

Cash and investments	\$	226,698
Cash with fiscal agent		795,795
Interest receivable		726
		726
Total assets	\$	1,023,219

**Fund Balances**

Nonspendable		
Endowment		200,000
Restricted		
Leduc Historic Estate		823,219
		823,219
Total fund balances	\$	1,023,219

**City of Hastings**  
**Combining Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances -**  
**Nonmajor Permanent Fund**  
**Year Ended December 31, 2023**

**Statement 30**

C. Simmons  
Trust (850)

**Revenues**

Investment income

\$ 120,993

**Expenditures**

Current

Cultural and recreation

12,748

Excess of revenues under expenditures

108,245

**Other Financing Uses**

Transfers out

(41,281)

Net change in fund balances

66,964

**Fund Balances**

Beginning of year

956,255

End of year

\$ 1,023,219

**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, 2023**

**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	\$ 214,185	\$ 269,454	\$ 992,305	\$ 1,077,493	\$ 2,553,437
Taxes receivable	-	-	28,571	-	28,571
Interest receivable	468	664	3,194	2,671	6,997
Total current assets	<u>214,653</u>	<u>270,118</u>	<u>1,024,070</u>	<u>1,080,164</u>	<u>2,589,005</u>
<b>Noncurrent assets</b>					
Capital assets, not being depreciated					
Construction in progress	-	-	50,992	-	50,992
Capital assets, being depreciated					
Equipment	-	-	2,375,894	50,902	2,426,796
Less accumulated depreciation	-	-	(733,655)	(10,605)	(744,260)
Net capital assets	<u>-</u>	<u>-</u>	<u>1,693,231</u>	<u>40,297</u>	<u>1,733,528</u>
Total assets	<u>214,653</u>	<u>270,118</u>	<u>2,717,301</u>	<u>1,120,461</u>	<u>4,322,533</u>
<b>Deferred Outflows of Resources</b>					
Deferred outflows related to OPEB	<u>-</u>	<u>1,051,530</u>	<u>-</u>	<u>-</u>	<u>1,051,530</u>
Total assets and deferred outflows of resources	<u>\$ 214,653</u>	<u>\$ 1,321,648</u>	<u>\$ 2,717,301</u>	<u>\$ 1,120,461</u>	<u>\$ 5,374,063</u>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Accounts payable	\$ -	\$ -	\$ 51,632	\$ -	\$ 51,632
Unearned revenue	-	-	3,399	-	3,399
Compensated absences	139,622	-	-	-	139,622
Total OPEB liability	<u>-</u>	<u>413,025</u>	<u>-</u>	<u>-</u>	<u>413,025</u>
Total current liabilities	<u>139,622</u>	<u>413,025</u>	<u>55,031</u>	<u>-</u>	<u>607,678</u>
<b>Noncurrent liabilities</b>					
Compensated absences	1,869,603	-	-	-	1,869,603
Total OPEB liability	<u>-</u>	<u>2,783,377</u>	<u>-</u>	<u>-</u>	<u>2,783,377</u>
Total noncurrent liabilities	<u>1,869,603</u>	<u>2,783,377</u>	<u>-</u>	<u>-</u>	<u>4,652,980</u>
Total liabilities	<u>2,009,225</u>	<u>3,196,402</u>	<u>55,031</u>	<u>-</u>	<u>5,260,658</u>
<b>Deferred Inflows of Resources</b>					
Deferred inflows of resources related to OPEB	<u>-</u>	<u>469,494</u>	<u>-</u>	<u>-</u>	<u>469,494</u>
<b>Net Position</b>					
Net investment in capital assets	-	-	1,693,231	40,297	1,733,528
Unrestricted	<u>(1,794,572)</u>	<u>(2,344,248)</u>	<u>969,039</u>	<u>1,080,164</u>	<u>(2,089,617)</u>
Total net position	<u>(1,794,572)</u>	<u>(2,344,248)</u>	<u>2,662,270</u>	<u>1,120,461</u>	<u>(356,089)</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 214,653</u>	<u>\$ 1,321,648</u>	<u>\$ 2,717,301</u>	<u>\$ 1,120,461</u>	<u>\$ 5,374,063</u>



**City of Hastings**  
**Statement of Revenues, Expenses, and Changes**  
**in Fund Net Position - Internal Service Funds**  
**Year Ended December 31, 2023**

Statement 32

	Compensated Absences (702)	Retiree Health Insurance (701)	Vehicle Revolving Fund (703)	Insurance Fund (705)	Total
<b>Operating Revenues</b>					
Charges for services	\$ -	\$ -	\$ 142,054	\$ 1,019,772	\$ 1,161,826
<b>Operating Expenses</b>					
Personnel services	307,682	135,641	-	-	443,323
Professional services	-	-	-	871,612	871,612
Depreciation	-	-	312,453	2,546	314,999
Total operating expenses	<u>307,682</u>	<u>135,641</u>	<u>312,453</u>	<u>874,158</u>	<u>1,629,934</u>
Operating income (loss)	(307,682)	(135,641)	(170,399)	145,614	(468,108)
<b>Nonoperating Revenues</b>					
Investment income	6,412	12,049	42,426	42,136	103,023
Property taxes	-	-	336,597	-	336,597
Total nonoperating revenues	<u>6,412</u>	<u>12,049</u>	<u>379,023</u>	<u>42,136</u>	<u>439,620</u>
Income (loss) before transfers	(301,270)	(123,592)	208,624	187,750	(28,488)
Transfers in	<u>300,000</u>	<u>340,000</u>	<u>81,100</u>	<u>-</u>	<u>721,100</u>
Change in net position	(1,270)	216,408	289,724	187,750	692,612
<b>Net Position</b>					
Beginning 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>
End of year	<u>\$ (1,794,572)</u>	<u>\$ (2,344,248)</u>	<u>\$ 2,662,270</u>	<u>\$ 1,120,461</u>	<u>\$ (356,089)</u>

**City of Hastings**  
**Statement of Cash Flows - Internal Service Funds**  
**Year Ended December 31, 2023**

	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	\$ -	\$ -	\$ 141,955
Payments to suppliers for goods and services	-	(220,469)	-
Payments to employees for services	(180,234)	(135,641)	-
Net cash flows - operating activities	<u>(180,234)</u>	<u>(356,110)</u>	<u>141,955</u>
<b>Cash Flows - Noncapital Financing Activities</b>			
Property taxes	-	-	341,559
Transfer in	300,000	340,000	81,100
Net cash flows - noncapital financing activities	<u>300,000</u>	<u>340,000</u>	<u>422,659</u>
<b>Cash Flows - Capital and Related Financing Activities</b>			
Acquisition of capital assets	-	-	(142,496)
<b>Cash Flows - Investing Activities</b>			
Investment income	6,077	11,800	40,409
Net change in cash and cash equivalents	125,843	(4,310)	462,527
<b>Cash and Cash Equivalents</b>			
Beginning of year	<u>88,342</u>	<u>273,764</u>	<u>529,778</u>
End of year	<u>\$ 214,185</u>	<u>\$ 269,454</u>	<u>\$ 992,305</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows - Operating Activities</b>			
Operating income (loss)	\$ (307,682)	\$ (135,641)	\$ (170,399)
Adjustments to reconcile operating income (loss) to net cash flows - operating activities			
Depreciation	-	-	312,453
OPEB expense	-	(220,469)	-
Accounts payable	-	-	-
Unearned revenue	-	-	(99)
Compensated absences payable	127,448	-	-
Total adjustments	<u>127,448</u>	<u>(220,469)</u>	<u>312,354</u>
Net cash flows - operating activities	<u>\$ (180,234)</u>	<u>\$ (356,110)</u>	<u>\$ 141,955</u>

Internal Service Funds

Insurance Fund (705)	Total
\$ 1,019,772	\$ 1,161,727
(873,749)	(1,094,218)
-	(315,875)
<u>146,023</u>	<u>(248,366)</u>
-	341,559
-	721,100
<u>-</u>	<u>1,062,659</u>
-	(142,496)
<u>40,782</u>	<u>99,068</u>
186,805	770,865
<u>890,688</u>	<u>1,782,572</u>
<u>\$ 1,077,493</u>	<u>\$ 2,553,437</u>
\$ 145,614	\$ (468,108)
2,546	314,999
-	(220,469)
(2,137)	(2,137)
-	(99)
<u>-</u>	<u>127,448</u>
<u>409</u>	<u>219,742</u>
<u>\$ 146,023</u>	<u>\$ (248,366)</u>



## COMPONENT UNIT

City of Hastings  
Component Unit Hastings Economic Development and Redevelopment Authority  
Balance Sheet  
December 31, 2023

Statement 34

**Assets**

Cash and investments	\$ 775,044
Accounts receivable	3,520
Interest receivable	2,553
Due from other governments	1,478,739
Property taxes receivable	40,774
Loan receivable	187,973
Land held for resale	3,410,690
Prepaid items	33
	33
Total assets	\$ 5,899,326

**Liabilities**

Accounts payable	\$ 7,505
Due to other governments	1,463,739
Salaries and benefits payable	8,840
Deposits payable	16,700
	16,700
Total liabilities	1,496,784

**Deferred Inflows of Resources**

Unavailable revenue - taxes	19,778
	19,778

**Fund Balances**

Nonspendable	
Prepaid items	33
Loan receivables	187,973
Unassigned	4,194,758
	4,194,758
Total fund balances	4,382,764
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,899,326

**City of Hastings**  
**Hastings Economic Development And Redevelopment Authority**  
**Reconciliation of The Balance Sheet to The Statement of Net Position**  
**December 31, 2023**

Statement 35

Total fund balances - governmental funds	\$ 4,382,764
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.	82,499
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.	
OPEB Liability	(61,261)
Net pension liability	(158,971)
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	19,778
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	(51,961)
Deferred outflows of resources related to city pensions	44,548
Deferred inflows of resources related to OPEB	(8,998)
Deferred outflows of resources related to OPEB	20,153
	4,268,551
Total net position - governmental activities	\$ 4,268,551

**City of Hastings**  
**Hastings Economic and Redevelopment Authority**  
**Statement of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual**  
**Year Ended December 31, 2023**

Statement 36

	2023			Variance with Final Budget - Over (Under)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 429,211	\$ 429,211	\$ 430,924	\$ 1,713
Charges for services	54,300	54,300	32,630	(21,670)
Investment income	20,000	20,000	43,104	23,104
Miscellaneous	-	-	38,500	38,500
Total revenues	<u>503,511</u>	<u>503,511</u>	<u>545,158</u>	<u>41,647</u>
<b>Expenditures</b>				
Current				
Economic development				
Personnel services	290,231	290,231	256,258	(33,973)
Services and charges	131,100	131,100	176,540	45,440
Miscellaneous	669,976	669,976	19,812	(650,164)
Payment to primary government	40,257	40,257	41,874	1,617
Capital outlay				
Economic development	100,000	100,000	71,404	(28,596)
Total expenditures	<u>1,231,564</u>	<u>1,231,564</u>	<u>565,888</u>	<u>(665,676)</u>
Net change in fund balance	<u>\$ (728,053)</u>	<u>\$ (728,053)</u>	(20,730)	<u>\$ 707,323</u>
<b>Fund Balance</b>				
Beginning of year			<u>4,403,494</u>	
End of year			<u>\$ 4,382,764</u>	



**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, 2023**

**Statement 37**

Net change in fund balances \$ (20,730)

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 (233,298)

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. 7,617

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 8,309

Change in net position - governmental activities \$ (243,602)

**City of Hastings**  
**Subcombining Balance Sheet**  
**Debt Service Fund**  
**December 31, 2023**

	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	\$ 248,965	\$ 274,466	\$ 273,374	\$ 335,084
Interest receivable	802	879	875	1,064
Property taxes receivable	17,432	28,229	23,205	26,582
Special assessments receivable				
Delinquent	-	306	57	-
Deferred	-	21,627	3,613	19,577
Prepaid items	-	458	-	417
	<u>\$ 267,199</u>	<u>\$ 325,965</u>	<u>\$ 301,124</u>	<u>\$ 382,724</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - taxes and assessments	2,082	25,143	6,403	22,691
	<u>2,082</u>	<u>25,143</u>	<u>6,403</u>	<u>22,691</u>
<b>Fund Balances</b>				
Nonspendable	-	458	-	417
Restricted				
Debt service	265,117	300,364	294,721	359,616
Total fund balances	<u>265,117</u>	<u>300,822</u>	<u>294,721</u>	<u>360,033</u>
	<u>\$ 267,199</u>	<u>\$ 325,965</u>	<u>\$ 301,124</u>	<u>\$ 382,724</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 267,199</u>	<u>\$ 325,965</u>	<u>\$ 301,124</u>	<u>\$ 382,724</u>

Schedule 6

G.O. Improvement Bonds 2018A Charter (578)	G.O. Improvement Bonds 2012 (572)	G.O. Improvement Bonds 2013B (573)	G.O. Improvement Bonds 2017A (577)	Certificates of Participation 2013B (398)	Debt Redemption Fund (500)
\$ 125,691	\$ 131,584	\$ 86,883	\$ 133,515	\$ 126,989	\$ 888,727
411	421	278	428	406	2,846
24,276	12,306	10,337	8,394	8,389	1,942
1,545	894	-	-	-	-
121,703	-	-	58,644	-	44,963
275	-	688	417	-	-
<u>\$ 273,901</u>	<u>\$ 145,205</u>	<u>\$ 98,186</u>	<u>\$ 201,398</u>	<u>\$ 135,784</u>	<u>\$ 938,478</u>
125,932	2,337	1,107	59,578	989	46,950
275	-	688	417	-	-
147,694	142,868	96,391	141,403	134,795	891,528
147,969	142,868	97,079	141,820	134,795	891,528
<u>\$ 273,901</u>	<u>\$ 145,205</u>	<u>\$ 98,186</u>	<u>\$ 201,398</u>	<u>\$ 135,784</u>	<u>\$ 938,478</u>

**City of Hastings**  
**Subcombining Balance Sheet**  
**Debt Service Fund**  
**December 31, 2023**

	G.O. Improvement Bonds 2019A (579)	G.O. Improvement Bonds 2020A (580)	G.O. Improvement Bonds 2021A (581)	G.O. Improvement Bonds 2022A (582)
<b>Assets</b>				
Cash and investments	\$ 974,676	\$ 560,098	\$ 316,217	\$ 684,022
Interest receivable	3,116	1,793	1,012	2,202
Property taxes receivable	14,445	13,210	2,196	15,096
Special assessments receivable				
Delinquent	6	6,044	303	-
Deferred	373,676	310,758	214,380	467,877
Prepaid items	321	290	292	208
Total assets	\$ 1,366,240	\$ 892,193	\$ 534,400	\$ 1,169,405
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - taxes and assessments	375,384	318,645	214,924	468,957
<b>Fund Balances</b>				
Nonspendable	321	290	292	208
Restricted				
Debt service	990,535	573,258	319,184	700,240
Total fund balances	990,856	573,548	319,476	700,448
Total liabilities, deferred inflows of resources and fund balance	\$ 1,366,240	\$ 892,193	\$ 534,400	\$ 1,169,405

G.O. Improvement Bonds 2023A (583)	Total
\$ 231,675	\$ 5,391,966
-	16,533
-	206,039
-	9,155
215,943	1,852,761
-	3,366
<u>\$ 447,618</u>	<u>\$ 7,479,820</u>
<u>215,943</u>	<u>1,887,065</u>
-	3,366
<u>231,675</u>	<u>5,589,389</u>
<u>231,675</u>	<u>5,592,755</u>
<u>\$ 447,618</u>	<u>\$ 7,479,820</u>

**City of Hastings**  
**Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Debt Service Fund**  
**Year Ended December 31, 2023**

	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	\$ -	\$ 329,858	\$ 273,808	\$ 313,403
Special assessments	-	23,257	2,086	11,145
Investment income	8,769	6,926	8,153	10,346
Total revenues	<u>8,769</u>	<u>360,041</u>	<u>284,047</u>	<u>334,894</u>
<b>Expenditures</b>				
Debt service				
Principal	175,000	330,000	255,000	315,000
Interest and other charges	28,500	23,301	19,845	30,449
Total expenditures	<u>203,500</u>	<u>353,301</u>	<u>274,845</u>	<u>345,449</u>
Excess of revenues over (under) expenditures	(194,731)	6,740	9,202	(10,555)
<b>Other Financing Sources (Uses)</b>				
Transfers in	203,000	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>203,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	8,269	6,740	9,202	(10,555)
<b>Fund Balances</b>				
Beginning of year	<u>256,848</u>	<u>294,082</u>	<u>285,519</u>	<u>370,588</u>
End of year	<u>\$ 265,117</u>	<u>\$ 300,822</u>	<u>\$ 294,721</u>	<u>\$ 360,033</u>

## Schedule 7

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)	G.O. Improvement Bonds 2013B (573)
\$ 276,198	\$ -	\$ -	\$ -	\$ -	\$ 146,330	\$ 123,269
34,843	-	-	-	-	697	12,895
1,608	3,737	1,296	2,151	2,599	3,672	2,105
<u>312,649</u>	<u>3,737</u>	<u>1,296</u>	<u>2,151</u>	<u>2,599</u>	<u>150,699</u>	<u>138,269</u>
240,000	-	-	-	-	180,000	130,000
67,912	-	-	-	-	2,216	10,952
<u>307,912</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>182,216</u>	<u>140,952</u>
4,737	3,737	1,296	2,151	2,599	(31,517)	(2,683)
7,000	-	-	22	-	-	-
-	(219,526)	(77,361)	(127,856)	(158,785)	-	-
<u>7,000</u>	<u>(219,526)</u>	<u>(77,361)</u>	<u>(127,834)</u>	<u>(158,785)</u>	<u>-</u>	<u>-</u>
11,737	(215,789)	(76,065)	(125,683)	(156,186)	(31,517)	(2,683)
136,232	215,789	76,065	125,683	156,186	174,385	99,762
<u>\$ 147,969</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 142,868</u>	<u>\$ 97,079</u>

**City of Hastings**  
**Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Debt Service Fund**  
**Year Ended December 31, 2023**

	G.O. Improvement Bonds 2017A (577)	Certificates of Participation 2013B (398)	Debt Redemption Fund (500)	G.O. Improvement Bonds 2019A (579)
<b>Revenues</b>				
General property taxes	\$ 101,038	\$ 98,872	\$ 3,516	\$ 170,924
Special assessments	17,128	-	804	99,078
Investment income	4,395	4,444	51,931	46,644
Total revenues	<u>122,561</u>	<u>103,316</u>	<u>56,251</u>	<u>316,646</u>
<b>Expenditures</b>				
Debt service				
Principal	100,000	95,000	-	235,000
Interest and other charges	16,720	3,420	-	106,812
Total expenditures	<u>116,720</u>	<u>98,420</u>	<u>-</u>	<u>341,812</u>
Excess of revenues over (under) expenditures	5,841	4,896	56,251	(25,166)
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	583,529	-
Transfers out	-	-	(745,578)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(162,049)</u>	<u>-</u>
Net change in fund balances	5,841	4,896	(105,798)	(25,166)
<b>Fund Balances</b>				
Beginning of year	<u>135,979</u>	<u>129,899</u>	<u>997,326</u>	<u>1,016,022</u>
End of year	<u>\$ 141,820</u>	<u>\$ 134,795</u>	<u>\$ 891,528</u>	<u>\$ 990,856</u>



Schedule 7

G.O. Improvement Bonds 2020A (580)	G.O. Improvement Bonds 2021A (581)	G.O. Improvement Bonds 2022A (582)	G.O. Improvement Bonds 2023A (583)	Total
\$ 151,962	\$ 17,711	\$ 183,442	\$ -	\$ 2,190,331
49,003	32,649	103,152	231,675	618,412
25,792	15,978	33,333	-	233,879
<u>226,757</u>	<u>66,338</u>	<u>319,927</u>	<u>231,675</u>	<u>3,042,622</u>
180,000	75,000	-	-	2,310,000
61,735	21,540	207,301	-	600,703
<u>241,735</u>	<u>96,540</u>	<u>207,301</u>	<u>-</u>	<u>2,910,703</u>
(14,978)	(30,202)	112,626	231,675	131,919
-	-	-	-	793,551
-	-	-	-	(1,329,106)
-	-	-	-	(535,555)
(14,978)	(30,202)	112,626	231,675	(403,636)
588,526	349,678	587,822	-	5,996,391
<u>\$ 573,548</u>	<u>\$ 319,476</u>	<u>\$ 700,448</u>	<u>\$ 231,675</u>	<u>\$ 5,592,755</u>



**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			
	2014	2015	2016	2017
<b>Governmental activities</b>				
Net investment in capital assets	\$ 43,801,240	\$ 43,540,896	\$ 42,444,675	\$ 43,485,383
Restricted for				
Police activities	29,908	29,796	34,462	42,568
Tax increment	-	-	-	2,695
Debt service	8,228,781	6,790,580	6,814,431	6,721,124
Capital projects	617,851	605,667	547,257	488,132
Escrow	-	-	-	-
Net pension asset	-	-	1,225,251	-
LeDuc Historic Estate	1,107,821	1,369,956	1,374,830	1,489,982
Unrestricted	<u>3,863,787</u>	<u>(1,019,362)</u>	<u>(3,501,336)</u>	<u>(3,910,559)</u>
<b>Total governmental activities net position</b>	<u>\$ 57,649,388</u>	<u>\$ 51,317,533</u>	<u>\$ 48,939,570</u>	<u>\$ 48,319,325</u>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 25,016,342	\$ 25,317,479	\$ 25,219,313	\$ 25,631,750
Restricted for				
Debt service	376,498	251,499	187,146	-
Unrestricted	<u>4,917,605</u>	<u>4,348,513</u>	<u>3,868,707</u>	<u>3,301,265</u>
<b>Total business-type activities net position</b>	<u>\$ 30,310,445</u>	<u>\$ 29,917,491</u>	<u>\$ 29,275,166</u>	<u>\$ 28,933,015</u>
<b>Primary government</b>				
Net investment in capital assets	\$ 68,817,582	\$ 68,858,375	\$ 68,858,375	\$ 69,117,133
Restricted for				
Police activities	29,908	29,796	34,462	42,568
Tax increment	-	-	-	2,695
Debt service	8,605,279	7,042,079	7,001,577	6,721,124
Capital projects	617,851	605,667	547,257	488,132
Escrow	-	-	-	-
Net pension asset	-	-	-	-
LeDuc Historic Estate	1,107,821	1,369,956	1,374,830	1,489,982
Unrestricted	<u>8,781,392</u>	<u>3,329,151</u>	<u>367,371</u>	<u>(609,294)</u>
<b>Total primary government net position</b>	<u>\$ 87,959,833</u>	<u>\$ 81,235,024</u>	<u>\$ 78,183,872</u>	<u>\$ 77,252,340</u>

Table 1

		Fiscal Year									
		2018	2019	2020	2021	2022	2023				
\$	43,158,263	\$	42,069,591	\$	42,768,215	\$	44,179,337	\$	43,579,389	\$	46,775,856
	54,842		40,432		59,697		113,606		82,112		226,081
	4,924		5,681		7,157		24,766		21,990		53,131
	6,897,969		8,169,524		7,182,012		7,346,220		7,725,877		7,192,363
	494,432		509,082		630,709		1,149,928		1,015,753		1,395,686
	-		11,467		17,240		16,234		4,497		26,832
	-		-		-		-		-		1,850,595
	1,270,770		1,246,991		1,282,730		1,324,652		1,075,872		1,121,238
	(4,077,486)		(2,309,522)		324,570		3,196,284		4,803,200		2,491,081
\$	47,803,714	\$	49,743,246	\$	52,272,330	\$	57,351,027	\$	58,308,690	\$	61,132,863
\$	24,353,284	\$	24,164,942	\$	23,964,003	\$	24,268,293	\$	24,584,961	\$	24,367,726
	-		-		-		-		-		-
	5,080,114		5,859,676		7,007,095		8,532,954		10,154,186		11,432,676
\$	29,433,398	\$	30,024,618	\$	30,971,098	\$	32,801,247	\$	34,739,147	\$	35,800,402
\$	67,511,547	\$	66,234,533	\$	66,732,218	\$	68,447,630	\$	68,164,350	\$	71,143,582
	54,842		40,432		59,697		113,606		82,112		226,081
	4,924		5,681		7,157		24,766		21,990		53,131
	6,897,969		8,169,524		7,182,012		7,346,220		7,725,877		7,192,363
	494,432		509,082		630,709		1,149,928		1,015,753		1,395,686
	-		11,467		17,240		16,234		4,497		26,832
	-		-		-		-		-		1,850,595
	1,270,770		1,246,991		1,282,730		1,324,652		1,075,872		1,121,238
	1,002,628		3,550,154		7,331,665		11,729,238		14,957,386		13,923,757
\$	77,237,112	\$	79,767,864	\$	83,243,428	\$	90,152,274	\$	93,047,837	\$	96,933,265

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

	Fiscal Year			
	2014	2015	2016	2017
<b>Expenses</b>				
Governmental activities				
General government	\$ 2,912,989	\$ 2,742,065	\$ 2,935,743	\$ 3,129,500
Public safety	8,265,264	8,354,120	11,060,875	9,386,823
Public works	4,825,511	5,213,874	6,345,402	5,638,414
Culture and recreation	2,948,893	3,087,460	3,396,349	3,398,198
Economic development	135,010	47,129	2,311,500	51,101
Health and sanitation	15,775	21,890	19,301	30,849
Interest on long-term debt	466,445	453,391	464,205	449,979
Total governmental activities expenses	<u>19,569,887</u>	<u>19,919,929</u>	<u>26,533,375</u>	<u>22,084,864</u>
Business-type activities				
Water	2,065,409	1,963,670	2,120,683	1,866,451
Sewer	1,940,624	1,958,792	2,118,877	2,213,573
Storm	380,251	393,535	422,730	403,183
Hydro	738,402	633,196	593,610	838,181
Total business-type activities expenses	<u>5,124,686</u>	<u>4,949,193</u>	<u>5,255,900</u>	<u>5,321,388</u>
Total primary government expenses	<u>\$ 24,694,573</u>	<u>\$ 24,869,122</u>	<u>\$ 31,789,275</u>	<u>\$ 27,406,252</u>
<b>Program revenues</b>				
Governmental activities				
Charges for services				
General Government	\$ -	\$ -	\$ -	\$ -
Public safety	2,726,275	2,849,915	3,362,113	3,745,444
Public works	51,342	119,702	271,785	276,721
Culture and recreation	1,147,412	1,202,465	1,237,031	1,191,970
Other activities	470,886	537,114	602,296	521,818
Operating grants and contributions	776,970	649,612	1,560,903	539,343
Capital grants and contributions	815,568	1,113,376	3,212,984	1,234,808
Total governmental activities program revenues	<u>5,988,453</u>	<u>6,472,184</u>	<u>10,247,112</u>	<u>7,510,104</u>
Business-type activities				
Charges for services				
Water	1,873,918	1,797,562	1,875,712	1,875,712
Sewer	1,938,692	1,882,901	1,867,425	1,867,425
Storm	429,957	425,643	435,310	435,310
Hydro	921,052	1,073,234	787,238	787,238
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>5,163,619</u>	<u>5,179,340</u>	<u>4,965,685</u>	<u>4,965,685</u>
Total primary government program revenues	<u>\$ 11,152,072</u>	<u>\$ 11,651,524</u>	<u>\$ 15,212,797</u>	<u>\$ 12,475,789</u>
<b>Net (expense) revenue</b>				
Governmental activities	\$ (13,581,434)	\$ (13,447,745)	\$ (16,286,263)	\$ (14,574,760)
Business-type activities	38,933	230,147	(290,215)	(355,703)
Total primary government net (expense) revenue	<u>(13,542,501)</u>	<u>(13,217,598)</u>	<u>(16,576,478)</u>	<u>(14,930,463)</u>

Table 2  
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Continued

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 3,322,254	\$ 3,547,503	\$ 4,271,705	\$ 3,093,577	\$ 3,560,823	\$ 3,846,332
10,167,543	9,382,761	9,580,764	9,459,405	12,044,540	13,790,683
5,438,158	5,885,948	5,355,622	6,667,995	6,017,835	5,841,383
3,588,701	3,506,415	2,944,205	3,810,177	4,695,960	4,700,209
40,656	41,369	28,806	48,930	66,819	34,090
34,158	37,731	28,794	59,362	50,726	69,481
428,156	486,826	415,814	396,991	482,428	536,545
<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>	<u>28,818,723</u>
2,053,704	2,197,954	1,975,443	2,413,301	2,356,748	2,504,603
2,160,226	2,305,382	2,314,153	2,567,037	2,716,736	2,815,475
424,791	529,092	404,163	401,155	491,006	609,981
620,320	578,351	832,937	521,731	599,007	603,379
<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>6,533,438</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>	<u>\$ 35,352,161</u>
\$ -	\$ 513,591	\$ 522,460	\$ 459,130	\$ 258,649	\$ 373,304
3,507,476	3,848,715	3,420,090	3,581,897	4,043,048	3,411,939
312,004	438,990	778,863	485,869	954,701	811,485
1,358,186	1,162,764	779,387	1,307,896	1,534,431	1,314,532
496,151	93,705	85,185	91,995	82,251	6,300
1,521,330	1,117,166	918,951	1,314,781	1,125,789	878,421
622,219	1,553,631	1,098,098	4,831,331	2,185,950	3,649,123
<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>	<u>10,445,104</u>
2,284,680	2,259,917	2,445,497	2,744,525	3,139,177	2,951,876
2,490,514	2,642,559	2,615,539	2,757,731	3,025,373	2,829,255
633,583	718,097	729,711	763,339	806,607	864,150
701,729	672,763	578,006	738,075	857,224	754,660
-	-	1,888	-	-	30,461
150,542	49,281	102,567	788,199	800,611	69,086
<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>7,499,488</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>	<u>\$ 17,944,592</u>
\$ (15,202,260)	\$ (14,159,991)	\$ (15,022,676)	\$ (11,463,538)	\$ (16,734,312)	\$ (18,373,619)
1,002,007	731,838	946,512	1,888,645	2,465,495	966,050
<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>	<u>(17,407,569)</u>

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

	Fiscal Year			
	2014	2015	2016	2017
<b>General revenues and other changes in net position</b>				
<b>Governmental activities</b>				
Taxes				
Property taxes, levied for general purposes	\$ 8,719,458	\$ 9,231,748	\$ 9,837,164	\$ 10,271,077
Property taxes, levied for debt service	2,643,067	2,650,000	2,650,000	2,650,000
Unrestricted grants and contributions	593,875	591,572	617,477	639,043
Gain (Loss) on disposal of capital assets	-	29,098	111,069	23,272
Investment earnings (loss)	315,388	77,472	211,760	215,284
Insurance recoveries	-	-	-	24,299
Transfers	2,127,141	(193,998)	480,830	(132,690)
Total governmental activities	<u>14,398,929</u>	<u>12,385,892</u>	<u>13,908,300</u>	<u>13,690,285</u>
<b>Business-type activities</b>				
Property taxes, levied for general purposes	-	-	-	-
Gain (Loss) on disposal of capital assets	-	-	-	-
Investment earnings	192,785	67,811	128,720	4,188
Transfers	(2,127,141)	193,998	(480,830)	132,690
Total business-type activities	<u>(1,934,356)</u>	<u>261,809</u>	<u>(352,110)</u>	<u>136,878</u>
Total primary government	<u>\$ 12,464,573</u>	<u>\$ 12,647,701</u>	<u>\$ 13,556,190</u>	<u>\$ 13,827,163</u>
<b>Change in net position</b>				
Governmental activities	\$ 817,495	\$ (1,061,853)	\$ (2,377,963)	\$ (884,475)
Business-type activities	(1,895,423)	491,956	(642,325)	(218,825)
Total primary government	<u>\$ (1,077,928)</u>	<u>\$ (569,897)</u>	<u>\$ (3,020,288)</u>	<u>\$ (1,103,300)</u>



Table 2  
Page 2 of 2

		Fiscal Year				
2018	2019	2020	2021	2022	2023	
\$ 10,170,181	\$ 11,120,775	\$ 11,455,276	\$ 13,269,481	\$ 14,064,238	\$ 15,315,230	
3,424,475	3,126,903	2,310,976	2,195,103	2,423,510	2,190,331	
1,106,153	933,079	1,915,198	920,451	1,165,045	1,421,154	
170,917	7,951	33,702	32,417	57,578	661,955	
146,410	590,271	454,753	74,696	(353,682)	1,250,967	
-	-	-	-	-	17,153	
439,358	320,378	99,378	50,087	335,286	341,002	
<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>	<u>21,197,792</u>	
-	11,376	97	-	-	-	
-	-	-	-	(40,486)	-	
49,772	168,384	99,249	(8,409)	(151,823)	436,207	
(439,358)	(320,378)	(99,378)	(50,087)	(335,286)	(341,002)	
<u>(389,586)</u>	<u>(140,618)</u>	<u>(32)</u>	<u>(58,496)</u>	<u>(527,595)</u>	<u>95,205</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>	<u>\$ 21,292,997</u>	
\$ 255,234	\$ 1,939,366	\$ 2,407,557	\$ 5,078,697	\$ 957,663	\$ 2,824,173	
612,421	591,220	946,480	1,830,149	1,937,900	1,061,255	
<u>\$ 867,655</u>	<u>\$ 2,530,586</u>	<u>\$ 3,354,037</u>	<u>\$ 6,908,846</u>	<u>\$ 2,895,563</u>	<u>\$ 3,885,428</u>	

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

	Fiscal Year			
	2014	2015	2016	2017
General Fund				
Nonspendable				
Prepaid items	\$ 58,131	\$ 72,786	\$ 119,342	\$ 135,921
Inventories	26,008	50,734	35,471	24,517
Restricted				
Leduc Historical Estate	-	349,321	346,557	397,985
Restricted				
Police Activities	-	-	-	-
Unassigned	3,446,128	3,621,455	4,403,883	4,576,829
Total general fund	<u>\$ 3,530,267</u>	<u>\$ 4,094,296</u>	<u>\$ 4,905,253</u>	<u>\$ 5,135,252</u>
All other governmental funds				
Nonspendable				
Prepaid	\$ 81,494	\$ 83,691	\$ 105,237	\$ 114,968
Inventories	3,322	4,365	4,368	3,223
Permanent endowment				
- Leduc Historical Estate	200,000	200,000	200,000	200,000
Restricted				
Police activities	29,626	29,773	34,444	42,547
Debt service	5,427,274	4,500,299	4,820,295	4,888,739
Tax Increment Financing	-	-	-	2,695
Capital projects	1,009,983	605,667	546,622	487,678
Permanent endowment				
- Leduc Historical Estate	907,821	820,635	828,273	891,997
Escrow	-	-	-	-
Committed				
Park maintenance	700,601	816,485	870,352	1,020,571
Aquatic operations	120,179	143,507	184,955	188,258
Cable TV activities	232,035	238,133	245,822	243,756
Heritage preservation activities	93,499	95,860	96,148	97,564
Fire and ambulance activities	1,596,429	1,362,693	1,111,458	1,251,486
Arena activities	490,657	500,676	388,065	463,992
Assigned				
Capital	869,337	1,013,965	1,131,904	1,172,982
Unassigned				
Capital	(252,583)	(899,034)	(416,152)	(300,491)
Total all other governmental funds	<u>\$ 11,509,674</u>	<u>\$ 9,516,715</u>	<u>\$ 10,151,791</u>	<u>\$ 10,769,965</u>

Table 3

		Fiscal Year									
		2018	2019	2020	2021	2022	2023				
\$	92,918	\$	86,310	\$	108,555	\$	75,454	\$	171,170	\$	164,700
	15,183		34,446		64,084		54,113		25,611		65,404
	301,201		193,592		178,173		154,075		119,617		98,019
	-		-		13,384		61,676		32,124		170,762
	5,047,671		5,596,357		7,940,056		9,033,202		10,200,207		9,743,773
\$	5,456,973	\$	5,910,705	\$	8,304,252	\$	9,378,520	\$	10,548,729	\$	10,242,658
\$	81,016	\$	77,361	\$	24,265	\$	58,618	\$	37,616	\$	32,018
	2,318		2,964		3,754		4,812		6,451		2,942
	200,000		200,000		200,000		200,000		200,000		200,000
	54,825		40,406		46,285		51,914		49,972		55,305
	5,200,767		5,909,532		6,020,783		5,795,241		5,992,414		5,589,389
	4,924		5,681		7,157		24,766		21,990		53,131
	494,432		509,082		629,046		1,149,928		1,015,753		1,395,686
	769,569		853,399		904,557		970,577		756,255		823,219
	-		11,467		17,240		16,234		4,497		26,832
	1,084,583		1,144,271		1,357,981		1,573,272		2,014,442		864,613
	185,144		232,573		406,776		402,511		407,090		441,485
	238,553		238,892		156,073		153,208		145,741		148,631
	100,481		104,264		108,400		115,531		120,476		124,960
	992,209		1,280,178		1,465,860		1,283,020		643,353		1,113,943
	462,313		497,359		550,064		492,028		512,325		118,885
	1,249,299		1,325,392		1,326,089		966,587		970,516		364,274
	(217,088)		(190,670)		(910,431)		(1,723,515)		(1,814,786)		(1,508,544)
\$	10,903,345	\$	12,242,151	\$	12,313,899	\$	11,534,732	\$	11,084,105	\$	9,846,769

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

	Fiscal Year			
	2014	2015	2016	2017
Revenues				
Taxes	\$ 11,410,130	\$ 11,877,613	\$ 12,431,059	\$ 12,981,670
Special assessments	1,011,262	695,211	599,399	501,495
Licenses and permits	412,782	449,444	423,861	496,101
Fines and forfeitures	126,565	121,259	95,313	128,266
Intergovernmental	1,628,541	1,950,871	4,132,072	2,417,114
Charges for services	3,561,470	3,765,494	4,650,190	4,690,844
Investment earnings	290,628	70,516	199,685	207,058
Miscellaneous	28,537	273,537	1,499,899	37,386
Total revenues	<u>18,469,915</u>	<u>19,203,945</u>	<u>24,031,478</u>	<u>21,459,934</u>
Expenditures				
Current				
General government	2,411,990	2,290,140	2,498,078	2,540,993
Public safety	7,814,296	8,011,113	8,668,178	8,709,899
Public works	1,873,216	1,588,976	1,956,027	1,711,758
Health and sanitation	15,775	21,890	19,301	30,849
Cultural and recreation	2,429,476	2,537,383	2,714,594	2,755,083
Economic development	135,010	44,157	2,303,885	38,752
Capital outlay	6,589,320	5,032,472	6,642,508	2,241,646
Debt service				
Principal retirement	4,094,500	3,874,500	3,234,500	3,369,500
Interest	607,807	525,037	549,640	531,468
Total expenditures	<u>25,971,390</u>	<u>23,925,668</u>	<u>28,586,711</u>	<u>21,929,948</u>
Revenues over (under) expenditures	<u>(7,501,475)</u>	<u>(4,721,723)</u>	<u>(4,555,233)</u>	<u>(470,014)</u>
Other financing sources (uses)				
Bonds issued	\$ 3,200,000	\$ 2,755,000	\$ 5,560,000	\$ 1,015,000
Bond premiums	88,207	47,405	172,612	57,387
Lease proceeds	-	-	-	-
Payment to refunded bond paying agent	(1,470,000)	-	-	-
Transfers in	4,062,792	1,616,841	1,447,564	775,477
Transfers out	(1,723,002)	(1,176,571)	(1,316,732)	(522,308)
Insurance recoveries	20,852	21,020	27,814	24,299
Proceeds on sale of capital assets	-	29,098	111,069	23,272
Total other financing sources (uses)	<u>4,178,849</u>	<u>3,292,793</u>	<u>6,002,327</u>	<u>1,373,127</u>
Net change in fund balance	<u>\$ (3,322,626)</u>	<u>\$ (1,428,930)</u>	<u>\$ 1,447,094</u>	<u>\$ 903,113</u>
Debt service as a percentage of noncapital expenditures	24.3%	23.3%	17.2%	19.8%

Table 4

		Fiscal Year									
		2018	2019	2020	2021	2022	2023				
\$	13,607,851	\$	13,892,707	\$	14,589,044	\$	15,245,720	\$	16,153,690	\$	17,170,691
	649,146		1,206,298		1,025,473		972,786		926,911		618,412
	585,364		574,169		468,688		635,721		966,071		809,581
	107,512		111,358		72,396		83,206		86,336		86,689
	2,831,355		2,113,639		4,139,988		4,091,910		2,583,848		3,369,737
	4,522,330		4,999,575		4,704,978		4,766,410		5,144,801		4,845,553
	133,040		552,103		429,840		77,176		(327,261)		1,152,228
	129,348		155,164		75,282		601,550		696,764		138,694
	<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>		<u>28,191,585</u>
	2,800,943		2,663,257		2,971,879		2,891,454		3,217,280		3,511,124
	9,091,243		9,366,019		9,521,712		10,140,823		10,970,260		11,712,196
	1,784,833		1,633,317		1,520,193		1,703,709		1,906,928		1,747,659
	34,158		37,731		28,794		59,362		50,726		69,481
	2,956,232		3,122,497		2,716,887		3,101,694		3,848,135		3,773,439
	40,656		41,369		28,806		48,930		66,819		34,090
	4,612,845		4,210,424		4,668,577		4,794,873		6,412,087		9,654,529
	3,295,000		3,300,000		3,100,000		2,955,000		3,012,671		2,421,156
	501,518		549,030		562,345		561,770		553,411		694,300
	<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>33,617,974</u>
	<u>(2,551,482)</u>		<u>(1,318,631)</u>		<u>386,496</u>		<u>216,864</u>		<u>(3,807,157)</u>		<u>(5,426,389)</u>
\$	2,560,000	\$	2,595,000	\$	2,045,000	\$	925,000	\$	4,110,000	\$	3,125,000
	138,815		506,618		302,018		68,037		308,474		279,904
	-		-		-		-		191,375		46,345
	-		-		-		-		-		-
	970,501		786,899		625,485		2,280,173		1,609,306		3,713,633
	(866,143)		(796,521)		(926,107)		(3,223,837)		(1,805,120)		(4,093,731)
	8,150		7,715		1,843		-		-		17,153
	195,260		11,292		30,560		28,864		112,704		794,678
	<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>3,882,982</u>
\$	<u>455,101</u>	\$	<u>1,687,952</u>	\$	<u>3,497,499</u>	\$	<u>295,101</u>	\$	<u>719,582</u>	\$	<u>(1,543,407)</u>
	18.5%		18.6%		17.9%		15.6%		15.0%		13.0%

**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
2014	\$ 13,726,993	\$ 4,192,840	\$ 309,906	\$ 18,229,738	\$ 2,075,825	\$ 20,305,563	66.246%	\$ 1,317,650,624	1.38%
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%
2023	22,390,006	4,456,274	2,484,701	29,330,982	2,703,108	32,034,090	53.267%	2,652,688,668	1.11%

**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	
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
2023	45.964	7.303	53.267	14.209	3.662	18.816	89.954

\*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	2023			2014		
	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value
VMA 1000LLC	\$ 243,102	1	0.83%	\$ 100,000	8	0.57%
Hastings MarketPlace Sation LLC	232,570	2	0.79%			
Wal-Mart	224,826	3	0.77%	256,856	1	1.46%
Voyageur Estates LLC	192,526	4	0.66%			
Regina Medical Complex	165,746	5	0.57%	141,898	4	
Casey Capital V LLC	164,340	6	0.56%			0.00%
Hastings Medical Office Bldg LLC	163,176	7	0.56%			
Gasparre Hidden Valley LLC	154,655	8	0.53%			
Siewart Brothers Investment LLC	154,135	9	0.53%			
Quality One Woodwork LLC	<u>151,916</u>	10	<u>0.52%</u>			
Camegaran LLC				100,715	7	0.57%
Xcel Energy (NSP Company)				210,354	2	1.19%
Hastings MarketPlace Station LLC				185,504	3	1.05%
Crossroads Mall Inc				91,850	10	0.52%
Three Rivers Partnership				140,862	5	0.80%
KCP Hastings LLC				95,684	9	0.54%
Target Corporation				<u>117,250</u>	6	<u>0.67%</u>
Total	<u>\$ 1,603,890</u>		<u>5.47%</u>	<u>\$ 1,340,973</u>		<u>6.81%</u>
Total all property	<u>\$ 22,667,641</u>			<u>\$ 18,194,684</u>		



**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
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	12,457,381	99.66%
2017	12,960,919	12,810,057	98.84%	94,650	12,904,707	99.57%
2018	13,503,307	13,446,160	99.58%	18,687	13,464,847	99.72%
2019	14,233,201	14,029,829	98.57%	182,038	14,211,867	99.85%
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%	29,335	16,294,085	100.00%
2023	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		
2014	\$ 2,607,830	\$ 17,225,271	\$ 2,256,550	\$ -	\$ 22,089,651	121.17%
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%
2023	3,624,600	15,682,878	-	273,805	19,581,283	66.76%

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

Table 9

Business-Type Activities			Per Customer	Total Primary Government	Per Capita	Percentage of Income
Sewer/ Water/ Hydro Bonds	Lease Obligations	Total Business-Type Activities				
\$ 6,013,905	\$ -	\$ 6,013,905	\$ 800	\$ 28,103,556	\$ 1,258	444.92%
5,718,774	-	5,718,774	761	26,664,076	1,185	411.32%
5,408,639	-	5,408,639	718	28,760,565	1,274	441.38%
2,828,650	-	2,828,650	375	25,255,212	1,113	389.14%
3,700,024	-	3,700,024	490	24,023,178	1,072	349.95%
4,243,999	-	4,243,999	560	24,266,214	1,064	288.49%
5,166,185	-	5,166,185	682	24,307,123	1,066	270.81%
5,952,281	-	5,952,281	825	22,978,449	1,011	233.78%
7,213,667	56,903	7,270,570	958	24,712,018	1,067	218.54%
7,570,896	42,753	7,613,649	999	27,194,932	1,173	238.56%

**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		
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	17,441,448	4,999,066	12,442,382	0.6%	536
2023	19,581,283	5,592,755	13,988,528	0.5%	618

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, 2023**  
**Unaudited**

**Table 11**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable*</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
School Districts			
Hastings School District #200	\$ 62,284,420	64.09%	\$ 39,918,085
Counties			
Dakota County	-	0.00%	-
Washington County	86,780,000	0.01%	8,678
Other			
Met Council	4,535,000	0.55%	24,943
Metropolitan Transit District	213,985,000	0.62%	<u>1,326,707</u>
Subtotal - overlapping debt			41,278,413
City direct debt		100.00%	<u>19,581,283</u>
Total direct and overlapping debt			<u><u>\$ 60,859,696</u></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	<u>\$ 2,748,031,800</u>
Debt limit (3% of market value)	<u>82,440,954</u>
Debt applicable to limit	
General obligation bonds	3,529,601
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	<u>3,529,601</u>
Legal debt margin	<u>\$ 78,911,353</u>

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt limit	\$ 43,998,825	\$ 48,291,162	\$ 46,420,722	\$ 48,229,996
Total net debt applicable to limit	<u>4,773,500</u>	<u>6,474,000</u>	<u>8,285,000</u>	<u>7,290,000</u>
Legal debt margin	<u>\$ 39,225,325</u>	<u>\$ 41,817,162</u>	<u>\$ 38,135,722</u>	<u>\$ 40,939,996</u>

Amount of Debt Applicable to Debt Limit

Total net debt applicable to the limit as a percentage of debt limit	10.85%	13.41%	17.85%	15.12%
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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>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 56,499,093	\$ 60,356,121	\$ 64,373,922	\$ 67,016,532	\$ 69,601,770	\$ 82,440,954
<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>3,529,601</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>	<u>\$ 78,911,353</u>
12.64%	10.35%	9.68%	7.87%	5.93%	4.28%

**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		
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
2023	2,962,301	2,509,205	453,096	245,000	152,425	1.14	2,810,177

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	
\$ -	\$ -	\$ -	\$ -	-	\$ 1,011,262	\$ 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
2,817,456	(7,279)	120,000	50,379	(0.04)	687,121	1,445,000	482,097	0.36

**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
2014	22,492	\$ 1,116,705,308	\$ 49,649 *	3.30%
2015	22,492	1,145,337,624	50,922 *	3.20%
2016	22,572	1,194,216,804	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%
2023	22,634	1,857,843,988	82,082	2.20%

\* 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	2023			2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Dakota County	700	1	8.54%	1,775	1	21.25%
Independent School District # 200	558	2	6.81%	636	3	7.61%
Regina Medical Center/Allina Clinic	370	3	4.51%	875	2	10.47%
Wal-Mart	300	4	3.66%	300	4	3.59%
Intek Plastics, Inc	221	5	2.70%	150	8	1.80%
Quality Once Woodwork	157	6	1.92%	150	9	1.80%
City of Hastings	140	7	1.71%			
Fleet Farm	135	8	1.65%			
Fleet Farm	135	8	1.65%			
Augustana Health Care center	130	9	1.59%	175	7	2.09%
Ardent Mills/Con-Agra	126	10	1.54%	120	10	1.44%
Allina Medical Clinic				267	6	3.20%
Smead Manufacturing Co.				280	5	3.35%
<b>Total</b>	<b>2,972</b>		<b>36.26%</b>	<b>4,728</b>		<b>56.60%</b>

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					
	2014	2015	2016	2017	2018	2019
General government						
Administration	1.00	1.00	1.00	1.00	1.00	1.00
City Clerk	2.35	2.45	2.50	2.60	3.40	3.70
Finance	5.60	5.60	5.60	6.40	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	33.00	35.15	35.35	35.35	35.35	35.35
Building Inspections	3.70	3.70	3.80	3.90	3.90	4.00
Code Enforcement	1.00	1.00	1.00	1.00	1.00	1.00
Public Works						
Engineering	7.80	7.80	7.80	6.80	6.90	6.90
Streets	5.54	5.54	5.54	5.54	5.54	5.54
Culture and Recreation:						
Parks	8.63	8.60	12.20	13.80	13.80	13.80
Aquatic Center	7.40	7.40	10.00	8.70	8.70	8.70
Cable Television	0.20	0.20	0.20	0.20	0.20	0.30
Heritage Preservation	0.25	0.25	0.25	0.25	0.25	0.25
Fire and Ambulance	15.60	19.60	19.6	18.80	18.80	18.80
Civic Arena	4.80	4.80	5.10	4.80	4.80	4.70
Economic Development	0.38	0.63	0.63	0.63	1.75	1.75
Housing and Redevelopment	0.37	0.37	0.37	0.37	0.25	0.25
Water	5.10	5.10	5.10	5.20	5.20	5.20
Wastewater	3.70	3.70	3.70	3.80	3.90	3.90
Stormwater	3.40	3.40	3.40	3.40	3.50	3.50
Hydro Electric	5.60	5.60	7.00	6.20	6.30	6.30
<b>Total</b>	<b>121.67</b>	<b>128.14</b>	<b>116.79</b>	<b>134.99</b>	<b>137.19</b>	<b>137.59</b>

Source: City Budget

Table 16

Full-Time Equivalent Employees as of December 31st			
2020	2021	2022	2023
1.00	1.00	1.00	1.00
3.85	3.85	4.00	4.00
6.40	6.40	6.10	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
36.35	35.00	35.00	36.50
4.00	4.00	4.00	6.50
1.00	1.00	1.00	1.00
6.90	5.90	5.90	5.90
5.54	5.54	5.54	5.54
13.80	12.50	13.50	13.50
8.70	8.70	8.70	8.70
0.15	0.15	0.15	0.15
0.25	0.25	0.25	0.25
18.80	18.80	19.80	23.80
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>138.59</u>	<u>134.94</u>	<u>136.79</u>	<u>144.79</u>

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

Function/Program	Fiscal Year				
	2014	2015	2016	2017	2018
<b>Police</b>					
Physical arrests	427	360	407	470	389
Parking violations	466	293	442	225	473
Traffic violations	1,754	1,309	1,153	1,455	1,269
Felony offenses	157	175	177	170	134
Gross misdemeanor offenses	110	139	176	203	164
Minor miscellaneous offenses	718	405	596	656	562
Calls for service	24,553	20,216	24,497	26,147	24,097
Part 1 Crimes	664	631	693	732	469
Part 2 Crimes	720	707	641	750	875
<b>Fire</b>					
Emergency responses	3,184	3,495	3,249	3,735	3,681
Fires extinguished	49	74	53	38	85
Inspections	468	480	580	750	426
<b>Building inspection</b>					
Permits issued					
Residential	1,773	1,340	1,507	1,527	1,638
Commercial	49	165	106	106	103
<b>Culture and recreation</b>					
Students participating in swim lessons	606	640	622	732	763
Ice rental hours	2,422	2,400	2,375	2,470	2,388
Turf rental hours	335	216	325	366	397
Recreational skaters	1,189	2,400	1,950	1,890	2,278
<b>Water</b>					
New connections	-	-	-	-	-
Water mains breaks	-	-	-	-	-
Average daily consumption (thousands of gallons)	2,465	2,325	2,345	2,296	2,195
Peak daily consumption (thousands of gallons)	5,520	4,945	5,100	-	4,725

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

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

Sources: Various City departments.

Table 17

	Fiscal Year				
	2019	2020	2021	2022	2023
	554	402	467	403	343
	582	347	242	191	137
	1,220	1,095	723	620	561
	151	159	156	162	165
	236	155	255	239	188
	486	351	288	460	419
	23,268	22,888	23,924	23,038	22,685
	504	434	960	859	714
	857	742	493	426	386
	2,991	3,352	4,149	3,766	4,236
	55	97	68	85	58
	569	426	314	423	519
	1,538	2,486	3,221	2,571	2,397
	106	154	119	75	151
	840	-	924	889	1,033
	2,377	1,755	1,864	2,316	2,356
	352	17	157	310	307
	2,570	1,708	3,126	3,012	2,850
	-	-	27	33	39
	-	-	3	5	5
	2,026	2,280	2,449	2,355	2,345
	3,965	4,130	6,465	5,175	5,135

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

Function/Program	Fiscal Year					
	2014	2015	2016	2017	2018	2019
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)	105.0	105.0	105.0	105.3	105.5	105.5
Culture and recreation						
Acreage	640	640	640	640	640	640
Playgrounds	21	22	22	22	22	22
Baseball/softball diamonds	21	21	21	21	21	21
Soccer/football fields	10	10	21	21	21	21
Water						
Water mains (miles)	105	105	105	105.2	105.2	110.0
Fire hydrants	1,334	1,094	1,095	1,099	1,099	1,101
Storage capacity (thousands of gallons)	2,750	2,750	2,750	2,750	2,750	2,750
Wastewater						
Sanitary sewers (miles)	89	89	89	89.1	89.3	89.5
Storm sewers (miles)	74	74	74	74.1	74.2	74.5

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

Sources: Various City departments.



Table 18

Fiscal Year			
2020	2021	2022	2023
1	1	1	1
1	1	1	1
105.5	105.5	105.5	105.5
640	640	700	700
22	22	22	22
21	21	21	21
21	21	21	21
107.0	107.6	107.6	107.6
1,102	1,102	1,102	1,102
2,750	2,750	2,750	2,750
90.0	90.6	90.6	90.6
76.0	76.6	76.6	76.6