

# City of Austin, Minnesota

## Annual Comprehensive Financial Report



**For the Year Ended  
December 31, 2021**





# **City of Austin, Minnesota**

## **Annual Comprehensive Financial Report**

**For the Year Ended December 31, 2021**

Prepared by:

Finance Department

**City of Austin, Minnesota  
Annual Comprehensive Financial Report  
For The Year Ended December 31, 2021**

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# **Introductory Section**

City of Austin  
500 Fourth Avenue N.E.  
Austin, Minnesota 55912-3773



Phone: 507-437-9940

[www.ci.austin.mn.us](http://www.ci.austin.mn.us)

May 6, 2022

Honorable Mayor, Members of the City Council, and Citizens of the City of Austin:

Minnesota statutes require all cities publish within six months of the close of the year a complete set of audited financial statements. This report is published to fulfill that requirement for the year ended December 31, 2021.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

CliftonLarsonAllen, LLP has issued an unmodified ("clean") opinion on the City of Austin's financial statements for the year ended December 31, 2021. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

## **PROFILE OF THE GOVERNMENT**

The City of Austin, incorporated on February 28, 1876, is located in the southeastern part of the state and is the County seat of Mower County. Federal interstates 90 and 35 serve the City. The City of Austin is located within 100 miles of the Twin Cities and 45 miles of Rochester and is among the larger cities in "outstate" Minnesota. The City of Austin currently occupies a land area of 11 square miles and serves a population of 26,174. The City of Austin is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The City of Austin has operated under a Home Rule Charter since its adoption on March 10, 1903 pursuant to the general laws of Minnesota. Policy-making and legislative authority are vested in a governing council consisting of the mayor and seven council members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the City's administrator and attorney. The City's administrator is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments. The council is elected on a non-partisan basis to serve four-year staggered terms. The six council members are elected by three different wards. The mayor and council member-at-large are elected at large.

The City of Austin provides a full range of services including police and fire protection; the construction and maintenance of streets and infrastructure; recreational facilities; library and cultural events; sewer utilities, and airport services. Electric, water, and gas services are provided through the legally separate Austin Utilities, which functions, in essence, as a department of the City of Austin and therefore has been included as an integral part of the City of Austin's financial statements.

The Council is required to adopt an initial budget for the year no later than December 31 preceding the beginning of the year on January 1. This annual budget serves as the foundation for the City of Austin's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may make transfers of appropriations within a department. Transfers of appropriations between funds, however, require the special approval of the city council.

## **LOCAL ECONOMY**

The City of Austin functions as a major regional center for greater Minnesota. The City of Austin is headquarters for a major corporation, and functions as a regional shopping center for the immediate area. Major industries located within the government's boundaries or in close proximity includes hospitals, food manufacturers, retail stores, and a community college. The school district within the City of Austin also has a significant economic presence, employing in total more than 850 teachers, professionals, and support staff. Austin's strong economy is built around the corporate headquarters of a Fortune 500 company, Hormel Foods Corporation. Hormel Foods Corporation currently employs over 3,255 people in the local area. Additionally, Quality Pork Processors employs another 1,225 people within the meat packing facility owned by Hormel Foods Corporation.

Because of its location in a region with a varied economic base, unemployment has been relatively stable. During the past ten years, the unemployment rate has sunk from an initial high of 4.5 percent (2012) to a decade low of 2.4 percent (2021). The City of Austin continues to experience unemployment rates consistently lower than national averages. The City of Austin's unemployment rate as of December 31, 2021 was 2.4 percent compared to 3.7 percent nationally. The continued stability in unemployment rates during the current year reflect the current demand for workers in our region. Increases may occur in the near future, however, based on economic forecasts, a continued stabilization in unemployment rates are anticipated in calendar year 2022.

Median household incomes within the City of Austin are significantly lower than for the state as a whole. According to the current economic data, the City's median family income was \$50,537, matching the county's median family income, while the state's was \$62,005. The City's population increased in the last finalized census to 26,174 as of December 31, 2021, in part because of continued employment opportunities and Austin's growing economy. Despite the softening of the housing market nationwide, housing prices in the vicinity of the City of Austin continue to remain strong. At the end of the fourth quarter of 2022, the median value of a single-family home in the vicinity of the City of Austin was \$150,000.

Due to its strong and healthy local economy, the City of Austin has maintained a credit rating of Aa2 from Moody's Investor Service since 2009, and AA- from Standard and Poor's since 2010. Moody's recently completed a rating review, reaffirming the Aa2 credit rating.

Commercial development continues to improve within the city. During 2021 a private developer acquired the former Y.M.C.A. and is in the process of developing a 91-unit market rate apartment complex. Additionally, construction started in downtown Austin on a new public television studio and an expansion of The Parenting Resource Center, a facility that provides resources, services, and prevention education to promote healthy, safe lifestyles for families within communities.

Residential construction continues to show improvement, as local government agencies approved an extension of a housing abatement program in 2021 that has spurred additional housing growth within

the community and surrounding areas in the last year. This abatement program allows the taxes to be rebated back to the owner of any new house or apartment building constructed within the city.

The local option sales tax collections continue to remain strong, despite the Covid-19 restrictions. The final results of the local option sales tax for 2021 include a 13.2% increase in collections from 2020, and has now exceeded \$20 million in revenue since inception. Only a few minor scattered sites were purchased in 2021, as we gear up for a major berm project in the near future. To date, local option sales tax dollars have been pooled up on an annual basis and expenses are incurred as matching grants are received from federal and state agencies thereby eliminating the need for debt issuances.

## **LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES**

Assigned and unassigned fund balance in the general fund decreased from 74 percent to 60 percent of total general fund expenditures and is still above the informal policy guidelines (between 40 and 48 percent of total general fund expenditures) set by the Council for budgetary and planning purposes. State aid revenues did not realize any reductions in 2021 and current budget projections for the State of Minnesota show large surpluses, therefore alleviating pressure by the legislature to reduce the state aid that Austin receives. Reductions in fund balance are expected to continue as support for affordable housing and other community initiatives, coupled with unforeseen price increases and supply issues, will be balanced out with a one-time use of reserves.

The City of Austin also adopted an updated 5-Year Capital Improvement Plan covering the period of 2022 through 2026. Over \$158 million will be spent over the next five years on capital improvements within the City. Included in the planned improvements are nearly \$85 million for Wastewater Treatment Plant upgrades, \$9 million for flood mitigation projects, and over \$27 million for street projects. The City is utilizing grants, interest earnings, and funds on hand to accomplish the improvements over the next five-year period.

The City of Austin continues to monitor the economic issues faced by the State of Minnesota and the federal government as this affects both the revenues and expenditures that are anticipated for the following years. The elected officials, along with staff, are creating long-term financial plans and departmental reviews in order to provide long-term planning for the municipality.

Flood awareness continues to be a major concern of the citizens and business of Austin. Over \$20 million of local option sales tax collections have been made by the City of Austin, with nearly every dollar matched with local, state, and federal grants to eliminate flooding in Austin. The local option sales tax runs through early 2027, but can be eliminated by council action earlier if the flood projects are completed. The only major initiatives remaining for the use of the local option sales tax include a flood berm at our wastewater treatment plant and some continued scattered site acquisitions.

The City of Austin continues to work on economic development issues in order to further grow the community. The City of Austin is aggressively working with local leaders on the Hormel Institute expansion project, as now that it is completed the recruitment of researchers will be ramping up to add another 125 jobs to rural Minnesota. The Hormel Institute facility is a leading-edge cancer research center that currently employs over 100 scientists and support staff with a goal to eventually end this disease.

The City also has been aggressively working with a few developers of apartment complexes. A lack of housing availability in the community has resulted in the city taking an aggressive stance on recruiting developers for all sorts of housing options, including apartments, townhomes, and single-family dwellings. Along with the 91-unit market rate apartment that is expected to come on line in late 2022, staff are working with developers on an affordable housing complex with 39 units that will also help redevelop a much-needed block.



## RELEVANT FINANCIAL POLICIES

The City of Austin has adopted a comprehensive set of financial policies, both formally and informally through recommended practices. The City of Austin's policy of maintaining assigned and unassigned fund balance between 40 and 48 percent of total general fund expenditures was exceeded during 2021. An increase in the fund balance during 2021 was partially a result of the \$1.4 million of aid from the American Rescue Plan Act (ARPA). Council will decide during 2022 a path for usage of the excess fund balance above our informal fund balance policy.

## 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 Austin, Minnesota, for its annual comprehensive financial report (ACFR) for the year ended December 31, 2020. This was the thirty-sixth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe that our current ACFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting 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 skill, effort, and dedication of the entire staff of the finance department. We wish to thank all City departments for their assistance in providing the data necessary to prepare this report. Credit also is due to the mayor and the city council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Austin's finances.

Respectfully Submitted,



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Tom Dankert  
Director of Administrative Services



Government Finance Officers Association

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

Presented to

**City of Austin  
Minnesota**

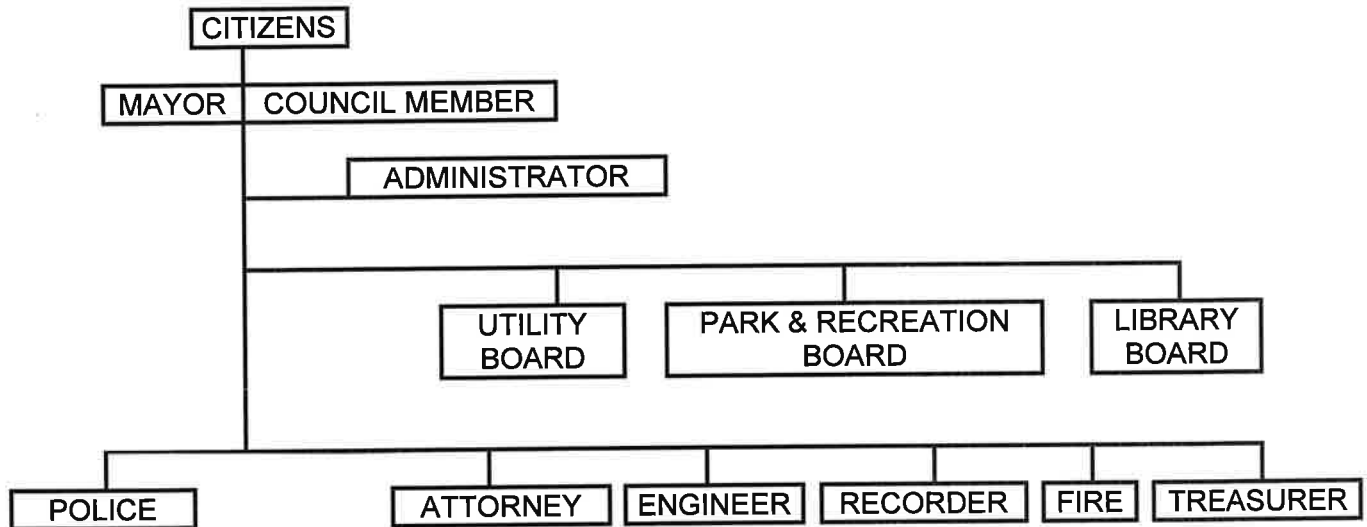
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2020

*Christopher P. Morill*

Executive Director/CEO

**City of Austin, Minnesota  
Organization Chart**



The City of Austin is governed by a Home Rule Charter, which was framed and adopted March 10, 1903, pursuant to the General Laws of Minnesota. A Home Rule Charter is a charter drawn by the City itself tailored to its own needs and desires under authority given by the constitution of the state. Many state legislatures make the laws under which the cities are governed, but Minnesota is one of the states whose constitution has provisions by which cities can adopt Home Rule Charters.

The elective officers of the City are the Mayor, Council Member-at-Large and six Council Members. The Council Members are elected, two from each of three wards, on staggered terms during general elections in November of even numbered years. The terms of office are:

|                         |            |
|-------------------------|------------|
| Mayor                   | Four Years |
| Council Member-at-Large | Four Years |
| Council Member          | Four Years |

**City of Austin, Minnesota  
List of Elected and Other City Officials  
2021**

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**Elected Officials**

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|                        |                                   |
|------------------------|-----------------------------------|
| <b>Stephen M. King</b> | <b>Mayor</b>                      |
| <b>Jeff Austin</b>     | <b>Council Member-at-Large</b>    |
| <b>Rebecca Waller</b>  | <b>Council Member First Ward</b>  |
| <b>Oballa Oballa</b>   | <b>Council Member First Ward</b>  |
| <b>Jason Baskin</b>    | <b>Council Member Second Ward</b> |
| <b>Mike Postma</b>     | <b>Council Member Second Ward</b> |
| <b>Paul Fischer</b>    | <b>Council Member Third Ward</b>  |
| <b>Joyce Poshusta</b>  | <b>Council Member Third Ward</b>  |

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**Other City Officials**

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|                          |  |
|--------------------------|--|
| <b>Craig Clark</b>       | <b>City Administrator</b>                      |
| <b>Tom Dankert</b>       | <b>Director of Administrative<br/>Services</b> |
| <b>Craig Byram</b>       | <b>City Attorney</b>                           |
| <b>Steven Lang</b>       | <b>Public Works Director</b>                   |
| <b>Jim McCoy</b>         | <b>Fire Chief</b>                              |
| <b>David McKichan</b>    | <b>Police Chief</b>                            |
| <b>Julie Clinefelter</b> | <b>Library Director</b>                        |
| <b>Kevin Nelson</b>      | <b>Parks and Recreation Director</b>           |
| <b>Mark Nibaur</b>       | <b>Austin Utilities General Manager</b>        |

## **Financial Section**

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## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and  
Members of the City Council  
City of Austin, Minnesota

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Austin, Minnesota, (the City) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Emphasis of Matter**

As discussed in Note 3.E. to the basic financial statements, beginning net position of the governmental activities and fund balances of the General Fund and State Aid Street Fund were restated due to the correction of errors related to health insurance premiums and municipal state aid. Our opinions are not modified with respect to this matter.

Honorable Mayor and  
Members of the City Council  
City of Austin, Minnesota

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

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 the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' 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 auditors' 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 the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Honorable Mayor and  
Members of the City Council  
City of Austin, Minnesota

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Changes in Total OPEB Liability and Related Ratios, the Schedule of the City's Proportionate Share of the Net Pension Liability and the Schedule of City Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules and debt service requirements to maturity are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund statements and schedules and debt service requirements to maturity are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditors' 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.

Honorable Mayor and  
Members of the City Council  
City of Austin, Minnesota

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 6, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Austin, Minnesota  
May 6, 2022

**City of Austin, Minnesota  
Management's Discussion and Analysis  
December 31, 2021**

As management of the City of Austin, Minnesota, we offer readers of the City of Austin's financial statements this narrative overview and analysis of the financial activities of the City of Austin for the year ended December 31, 2021. 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 i-iv of this report.

**FINANCIAL HIGHLIGHTS:**

- The assets and deferred outflows of resources of the City of Austin exceeded its liabilities and deferred inflows of resources at the close of the most recent year by \$324,872,908 (*net position*). Of this amount \$43,452,539 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designations and fiscal policies.
- The City's total net position increased by \$9,079,998 during the current period.
- As of the close of the current year, the City of Austin's governmental funds reported combined ending fund balance of \$26,073,303, an increase of \$1,634,284 in comparison with the prior year. Approximately 72% of this total amount, or \$18,691,628, is *available for spending* at the City's discretion (*assigned and unassigned fund balance*).
- At the end of the current year, the assigned and unassigned fund balance for the general fund was \$11,009,087, or 60.2% of total general fund expenditures.
- The City of Austin's total net bonded debt decreased by \$1,110,000 (6.3 percent) during the current period. No new debt was issued during 2021.

**OVERVIEW OF THE FINANCIAL STATEMENTS:**

The discussion and analysis provided here are intended to serve as an introduction to the City of Austin's basic financial statements. The City of Austin's basic financial statements consist of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

This report also includes supplementary information intended to furnish additional detail to support 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 Austin's finances, in a manner similar to private-sector business.

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

**City of Austin, Minnesota**  
**Management's Discussion and Analysis**  
**December 31, 2021**

The *statement of activities* presents information showing how the City of Austin's net position changed during the most recent 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 for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned, but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the City of Austin 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 of Austin include general government, public safety, streets and highways, culture and recreation, public service, economic development, and community development. The business-type activities of the City of Austin include a sewer utility, waste transfer station, storm water utility, and a municipal electric, water, and gas utility. The electric, water, and gas utility, comprising the Austin Utilities, are under the direction of the Board of Commissioners.

The government-wide financial statements include not only the City of Austin itself (known as the *primary government*), but also a legally separate port authority and housing and redevelopment authority for which the City of Austin is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The municipal electric, water, and gas utility, although also legally separate, functions for all practical purposes as a department of the City of Austin, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 19-21 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Austin, 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 of Austin can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

***Governmental funds.*** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact 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*.



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The City of Austin maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, local option sales tax fund, and the state aid street fund, all of which are considered to be major funds. Data from the other fifteen governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City of Austin adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 22-29 of this report.

**Proprietary funds.** The City of Austin maintains two different 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 Austin uses enterprise funds to account for its sewer utility, waste transfer station, storm water utility, and electric, water and gas utilities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Austin's various functions. The City of Austin uses internal service funds to account for its fleet of vehicles, its risk management program, and for its management information systems. Because all of these services predominantly benefit governmental rather than business-type functions, they 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 the sewer user fund and the utilities fund, both of which are considered to be major funds of the City of Austin. Data from the other nonmajor enterprise funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor enterprise funds is provided in the form of *combining statements* elsewhere in this report. Conversely, all three 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 also provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic proprietary fund financial statements can be found on pages 30-39 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Austin's 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 40-41 of this report.

**Notes to the financial statements.** The notes provide additional information that is necessary to acquire 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 44-98 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City of Austin's OPEB liability plus progress in funding its Net Pension Liability. Required supplementary information can be found on pages 99-110 of this report.

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The combining statements and schedules referred to earlier in connection with nonmajor governmental funds, enterprise funds, and internal service funds are presented immediately following the required supplementary information on OPEB and the Net Pension Liability. Combining and individual fund statements and schedules can be found on pages 111-158 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS:**

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City of Austin, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$324,872,908 at the close of the most recent year.

By far the largest portion of the City of Austin's net position (84 percent) reflects its investment in capital assets (e.g. land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City of Austin uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City of Austin's investment in its capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Austin's net position (3 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$43,452,539 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current year, the City of Austin is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior year.

**CITY OF AUSTIN'S NET POSITION**

|   | Governmental Activities |                | Business-Type Activities |                | Total          |                |
|---|-------------------------|----------------|--------------------------|----------------|----------------|----------------|
|   | 2021                    | 2020           | 2021                     | 2020           | 2021           | 2020           |
| Current and other assets                        | \$ 47,122,280           | \$ 40,150,080  | \$ 48,334,730            | \$ 49,658,568  | \$ 95,457,010  | \$ 89,808,648  |
| Capital assets                                  | 171,360,371             | 170,154,700    | 118,598,498              | 114,246,358    | 289,958,869    | 284,401,058    |
| Total assets                                    | 218,482,651             | 210,304,780    | 166,933,228              | 163,904,926    | 385,415,879    | 374,209,706    |
| Deferred Outflows of Resources                  | 7,488,157               | 2,687,787      | 6,140,169                | 2,739,251      | 13,628,326     | 5,427,038      |
| Total assets and deferred outflows of resources | 225,970,808             | 212,992,567    | 173,073,397              | 166,644,177    | 399,044,205    | 379,636,744    |
| Long-term liabilities outstanding               | 8,208,644               | 10,601,652     | 38,597,041               | 40,643,133     | 46,805,685     | 51,244,785     |
| Other liabilities                               | 4,105,154               | 2,901,195      | 9,174,060                | 8,377,774      | 13,279,214     | 11,278,969     |
| Total liabilities                               | 12,313,798              | 13,502,847     | 47,771,101               | 49,020,907     | 60,084,899     | 62,523,754     |
| Deferred Inflows of Resources                   | 9,391,747               | 3,360,639      | 4,694,651                | 816,407        | 14,086,398     | 4,177,046      |
| Net position:                                   |                         |                |                          |                |                |                |
| Net investment in capital assets                | 170,898,680             | 169,781,438    | 101,683,971              | 96,182,961     | 272,582,651    | 265,964,399    |
| Restricted                                      | 8,837,718               | 5,249,584      | -                        | -              | 8,837,718      | 5,249,584      |
| Unrestricted                                    | 24,528,865              | 21,098,059     | 18,923,674               | 20,623,902     | 43,452,539     | 41,721,961     |
| Total net position                              | \$ 204,265,263          | \$ 196,129,081 | \$ 120,607,645           | \$ 116,806,863 | \$ 324,872,908 | \$ 312,935,944 |

**City of Austin, Minnesota**  
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The City of Austin's net position increased by \$9,079,998 during the current year, before the restatement of the beginning net position. The increase in net invested in capital assets of \$6,618,252 (73% of the increase) is primarily a result of street projects completed during the year, and capitalized costs related to the expansion of our wastewater treatment plant. Restricted net position increased \$3,588,134 mainly due to the stockpiling of funding set aside through the local option sales tax for flood relief efforts as we plan for the next large project. The increase in unrestricted net position of \$1,730,578 largely reflects the degree to which revenues have outstripped similar expenses, and the receipt of \$1.4 million of ARPA funding related to Covid-19.

During 2021, the City restated the net position by increasing the net position by \$2,856,966 by netting the prior unrecorded cost of employer sponsored health insurance contributions against the prior unrecognized revenue from the state aid street account balance with the State of Minnesota.

**Governmental activities.** During the current year, net position for governmental activities increased as a result of operations by \$5,279,216 from the prior year. The receipt of the \$1.4 million ARPA funding was used for police/fire personnel costs, which then freed up the tax levy for other future purposes. Uncertainty as to how the City operations would evolve during a Covid-19 crises proved to be a minor blip in our revenue stream as budgeted revenue in the General Fund came in \$2,025,372 above budget (including the ARPA funding). Consistency among departments to not spend their entire budgets and continued limited operational shut-downs due to Covid-19 and staffing shortages are the other major reasons for the increase in net position. Total governmental revenues increased during 2021 from 2020, primarily from the ARPA funding noted above and strong local option sales tax collections. Other factors affecting the increase in governmental net position are:

- Capital grants and contributions decreased \$33,961,912 as a result of the donation in the prior year of the new Community Recreation Center. This asset is now in full operations mode for the benefit of the community.
- Other revenues plummeted \$520,293 as a result of considerably lower investment earnings as a result of worsening market conditions for the types of investments the city is allowed to make. Market values of City investments also suffered during 2021 resulting in an unrealized loss at year-end.
- Public safety expenses decreased \$420,134 as staffing shortage continue to take a toll. The Police Department continues to struggle finding qualified applicants to bring full-time sworn officer staffing back to the 34-member authorized level.
- Street and highway expenses increased \$322,324 (27% of the net expense increase) as street maintenance projects are slowly creeping back to pre-Covid-19 expenditure levels, coupled with the increased cost of supplies in a market rife with supply shortages.
- Culture and recreation expenses increased \$378,868 (31% of the net expense increase) primarily as a result of the reopening of facilities from the 2020 year where Covid-19 shuttered many of the programs offered to community members.
- Community development expenses increased \$954,720, primarily from the funding of the acquisition of the former Y.M.C.A site, that will be turned into a 91-unit market rate apartment complex.

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The following chart summarizes the changes in net position for the current year:

**CITY OF AUSTIN'S CHANGES IN NET POSITION**

Condensed statement of activities highlights are as follows for the years ended December 31, 2021 and 2020:

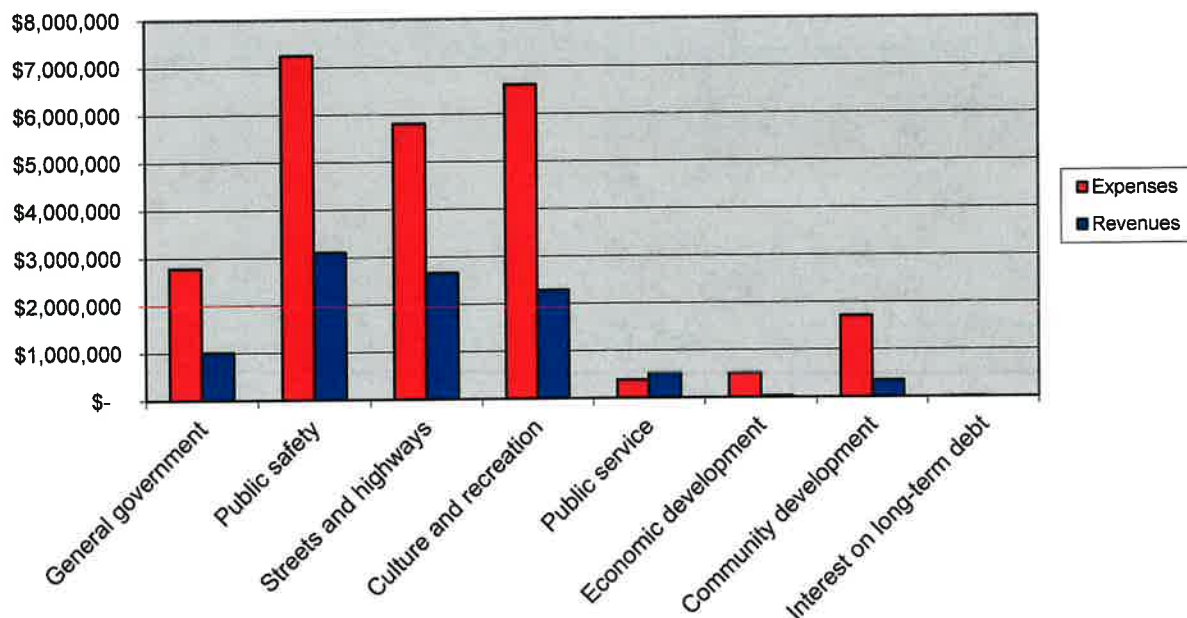
|  | Governmental Activities |                       | Business-Type Activities |                       | Total                 |                       |
|--|-------------------------|-----------------------|--------------------------|-----------------------|-----------------------|-----------------------|
|  | 2021                    | 2020                  | 2021                     | 2020                  | 2021                  | 2020                  |
| <b>Revenues:</b>   |                         |                       |                          |                       |                       |                       |
| Program revenues:  |                         |                       |                          |                       |                       |                       |
| Charges for services   | \$ 2,545,394            | \$ 1,845,422          | \$ 72,251,096            | \$ 62,995,912         | \$ 74,796,490         | \$ 64,841,334         |
| Operating grants and contributions                           | 2,926,182               | 3,289,769             | 54,684                   | -                     | 2,980,866             | 3,289,769             |
| Capital grants and contributions                             | 4,484,216               | 38,446,128            | 1,577,693                | 2,479,263             | 6,061,909             | 40,925,391            |
| General revenues:  |                         |                       |                          |                       |                       |                       |
| Property taxes   | 8,069,842               | 7,809,033             | -                        | -                     | 8,069,842             | 7,809,033             |
| Other taxes  | 2,174,783               | 1,930,172             | -                        | -                     | 2,174,783             | 1,930,172             |
| Grants and contributions not restricted to specific programs | 8,671,106               | 8,506,434             | -                        | -                     | 8,671,106             | 8,506,434             |
| Other  | 99,426                  | 619,719               | (287,927)                | 775,439               | (188,501)             | 1,395,158             |
| <b>Total revenues</b>  | <b>\$ 28,970,949</b>    | <b>\$ 62,446,677</b>  | <b>\$ 73,595,546</b>     | <b>\$ 66,250,614</b>  | <b>\$ 102,566,495</b> | <b>\$ 128,697,291</b> |
| <b>Expenses:</b>   |                         |                       |                          |                       |                       |                       |
| General government   | \$ 2,781,455            | \$ 2,751,682          | \$ -                     | \$ -                  | \$ 2,781,455          | \$ 2,751,682          |
| Public safety  | 7,246,791               | 7,666,925             | -                        | -                     | 7,246,791             | 7,666,925             |
| Streets and highways   | 5,801,837               | 5,479,513             | -                        | -                     | 5,801,837             | 5,479,513             |
| Culture and recreation                                       | 6,612,618               | 6,233,750             | -                        | -                     | 6,612,618             | 6,233,750             |
| Public service   | 376,009                 | 475,217               | -                        | -                     | 376,009               | 475,217               |
| Economic development   | 509,743                 | 468,836               | -                        | -                     | 509,743               | 468,836               |
| Community development  | 1,709,977               | 755,257               | -                        | -                     | 1,709,977             | 755,257               |
| Interest on long-term debt                                   | 9,300                   | 12,018                | -                        | -                     | 9,300                 | 12,018                |
| Sewer  | -                       | -                     | 5,724,714                | 5,843,790             | 5,724,714             | 5,843,790             |
| Waste transfer station                                       | -                       | -                     | 57,931                   | 36,949                | 57,931                | 36,949                |
| Storm water utility  | -                       | -                     | 448,724                  | 321,430               | 448,724               | 321,430               |
| Electric   | -                       | -                     | 33,102,114               | 32,288,251            | 33,102,114            | 32,288,251            |
| Water  | -                       | -                     | 4,704,995                | 4,788,283             | 4,704,995             | 4,788,283             |
| Gas  | -                       | -                     | 24,400,289               | 13,497,738            | 24,400,289            | 13,497,738            |
| <b>Total expenses</b>  | <b>\$ 25,047,730</b>    | <b>\$ 23,843,198</b>  | <b>\$ 68,438,767</b>     | <b>\$ 56,776,441</b>  | <b>\$ 93,486,497</b>  | <b>\$ 80,619,639</b>  |
| <b>Increase in net position before transfers</b>             | <b>\$ 3,923,219</b>     | <b>\$ 38,603,479</b>  | <b>\$ 5,156,779</b>      | <b>\$ 9,474,173</b>   | <b>\$ 9,079,998</b>   | <b>\$ 48,077,652</b>  |
| Transfers  | 1,355,997               | (289,711)             | (1,355,997)              | 289,711               | -                     | -                     |
| <b>Increase in net position</b>                              | <b>\$ 5,279,216</b>     | <b>\$ 38,313,768</b>  | <b>\$ 3,800,782</b>      | <b>\$ 9,763,884</b>   | <b>\$ 9,079,998</b>   | <b>\$ 48,077,652</b>  |
| <b>Net position - beginning</b>                              | <b>196,129,081</b>      | <b>157,815,313</b>    | <b>116,806,863</b>       | <b>107,042,979</b>    | <b>312,935,944</b>    | <b>264,858,292</b>    |
| Restatement  | 2,856,966               | -                     | -                        | -                     | 2,856,966             | -                     |
| <b>Net position - beginning, as restated</b>                 | <b>\$ 198,986,047</b>   | <b>\$ 157,815,313</b> | <b>\$ 116,806,863</b>    | <b>\$ 107,042,979</b> | <b>\$ 315,792,910</b> | <b>\$ 264,858,292</b> |
| <b>Net position - ending</b>                                 | <b>\$ 204,265,263</b>   | <b>\$ 196,129,081</b> | <b>\$ 120,607,645</b>    | <b>\$ 116,806,863</b> | <b>\$ 324,872,908</b> | <b>\$ 312,935,944</b> |

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Below are specific graphs that provide comparisons of the government activities' direct program revenues with their expenses. Any shortfalls in direct revenues are primarily supported by property tax levy or general state aid.

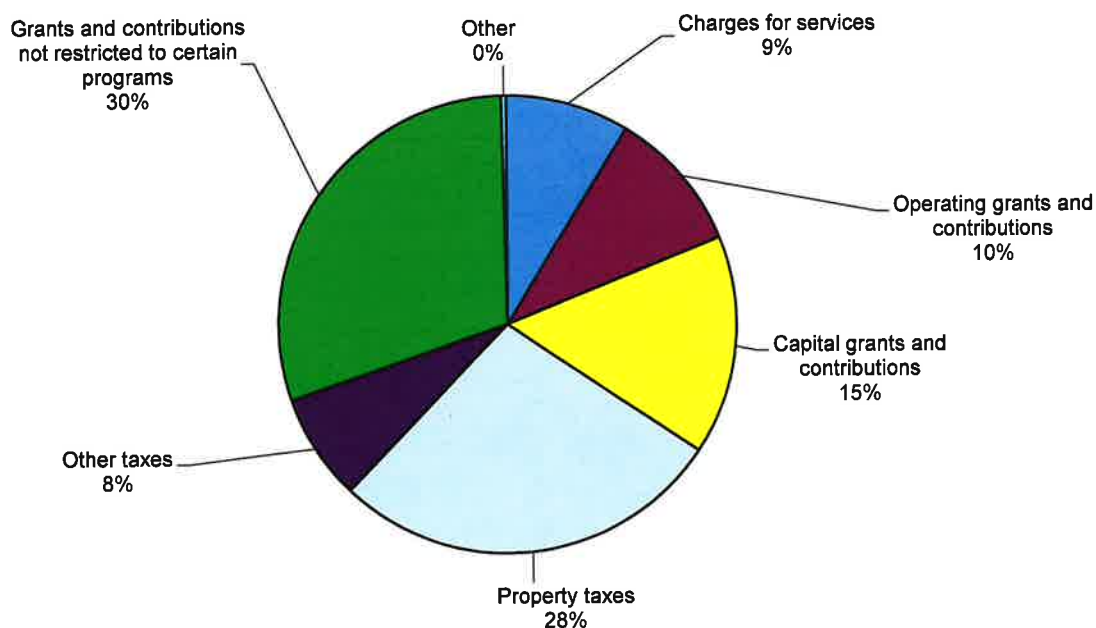
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**Expenses and Program Revenues – Governmental Activities**



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**Revenues by Source – Governmental Activities**

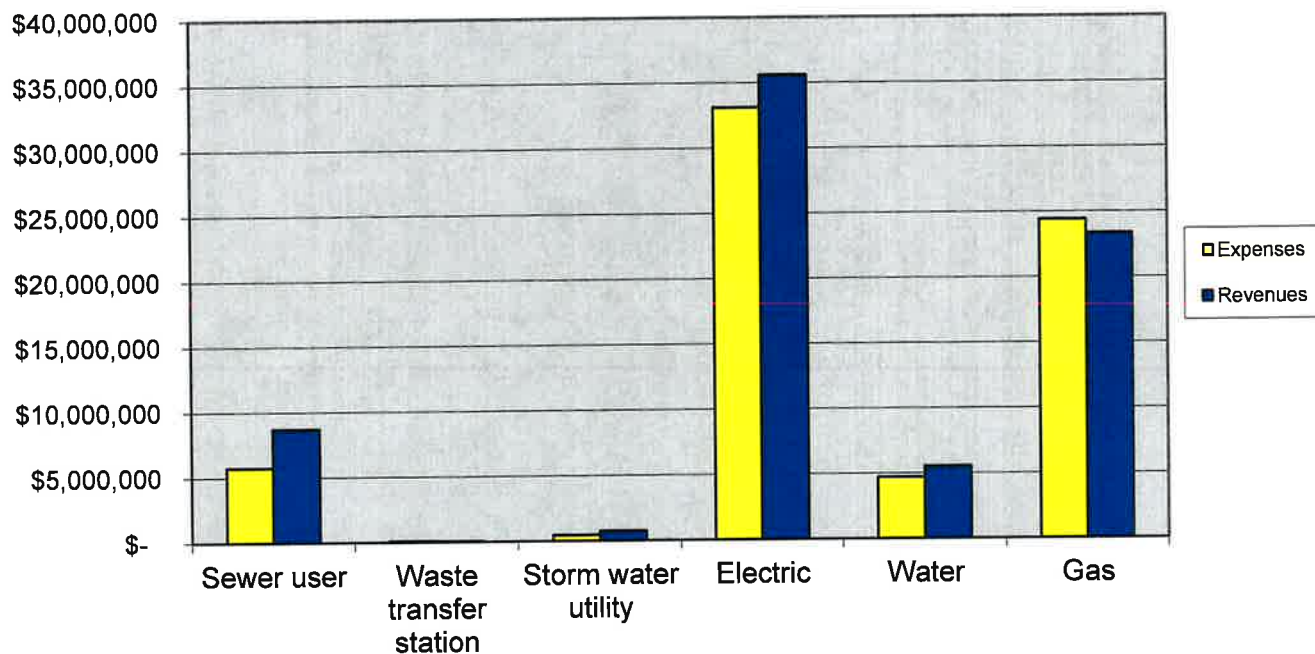


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Below are specific graphs that provide comparisons of the business-type activities' direct program revenues with their expenses. Excess revenues are retained within each fund until such time that capital replacement is needed.

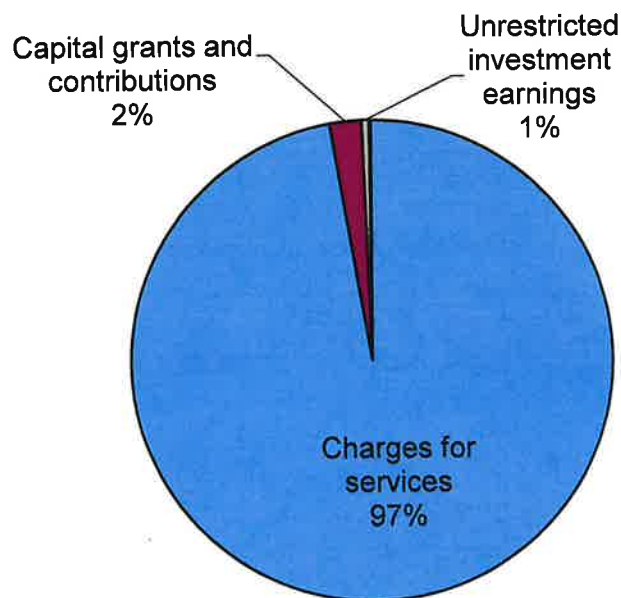
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**Expenses and Program Revenues – Business-type Activities**



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**Revenues by Source – Business-type Activities**



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**Business-type activities.** For the City of Austin's business-type activities, the results for the current year operations were positive in that overall net position increased to reach an ending balance of \$120,607,645. Key elements of this operational increase are as follows:

- Overall rate increases in the gas department (positive purchased cost adjustments in 6 of the 12 months), the water department (1.9% rate increase), and sewer department (7.0% rate increase) in charges for services for 2021 outpaced the decrease in the electric department (elimination of the PCA adjustment for the entire year).
- Water expenses decreased by \$83,288 as there was a decrease in the maintenance of pumping equipment, coupled with a decrease in the costs associated with the maintenance of the distribution reservoirs and standpipes.
- Electric expenses increased by \$813,863 primarily as a result of cost adjustments from our wholesale provider SMMPA and the demolition of the Northeast Power Plant.
- Gas expenses increased by \$10,902,551 primarily as a result of the increase in the price of natural gas, as prices in 2021 were 130.65% higher than in 2020 due to supply issues.

**FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS:**

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

***Governmental Funds.*** The focus of the City of Austin's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Austin's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City of Austin itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City of Austin's Council.

As of the end of the current year, the City of Austin's governmental funds reported combined fund balances of \$26,073,303, an increase of \$1,601,086. Approximately 42% of this total amount, or \$11,009,087, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is either *nonspendable*, *restricted*, *committed*, or *assigned to* indicate that it is not available for new spending.

The general fund is the chief operating fund of the City of Austin. At the end of the current year, assigned and unassigned fund balance of the general fund was \$11,009,087, while the total fund balance decreased to \$11,183,336. As a measure of the general fund's liquidity, it may be useful to compare assigned and unassigned fund balance and total fund balance to total fund expenditures. Assigned and unassigned fund balance represents 60.2 percent of total general fund expenditures, while total fund balance represents 61.2 percent of that same amount.

The fund balance of the City of Austin's general fund decreased by \$1,046,647 during the current year. Additionally, the restatement of beginning fund balance to account for prior year unrecorded health insurance contributions reduced fund balance by another \$195,116. During 2021, departments did not spend their full allotment of budget dollars, saving \$1,336,915 in the process. Included in this savings is over \$350,000 of capital and contingency that was not used, plus some savings due to staffing shortages. The City also collected more revenue than originally budgeted during 2021 resulting in a



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\$2,025,372 increase. Included in this increase, was a \$1,378,759 of federal American Rescue Plan Act aid to help offset costs related to the pandemic. Revenue generating facilities, like the municipal pool and skating arenas were back on line in 2021 producing revenue above projected amounts. Transfers in came in \$20,259 under budget additionally. The combination of the budget expenditure savings, revenue windfall, and transfers in resulted in the net increase in the fund balance of the general fund.

The local option sales tax fund has been accumulating funds for the city share of flood relief projects. Statutory authority was given to the city, and an approved voter referendum soon followed in 2006 allowing the city to levy a sales tax of .50% on taxable purchases within the city limits for a maximum of 20 years. Total fund balance of \$3,957,635 exists for the city's share of future flood projects. The fund balance increased \$1,333,074 as the city banked revenue for a future large flood project.

The state aid street fund has a total fund balance of \$2,102,347, all of which is assigned for capital street projects on specific roads that qualify for this funding. The increase in fund balance during the current year was \$253,661 and was the result of assessment collections and additional state aid street revenue. A restatement in this fund also added \$161,918 to fund balance as a prior period adjustment was needed to properly record the balance residing in our state aid gas account with the State of Minnesota.

***Proprietary funds.*** The City of Austin's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position in the sewer user and utility funds are \$9,433,215 (sewer user) and \$8,423,156 (utility fund). The sewer user and utility funds had increases in their respective net position. The sewer user fund realized an increase of \$2,935,041 mainly due to capital contributions and an overall rate increase of 7% that is needed to help cover future expansion costs. The utility fund's increase in net position of \$285,805 was a direct result of increased revenues from customers outpacing the expenses.

The sewer, gas, and water utility rates were both increased during 2021, while electric utility rates were decreased due to the elimination of the PCA adjustment for the entire year.

**GENERAL FUND BUDGETARY HIGHLIGHTS:**

***Original budget compared to final budget.*** During the year there was \$1,025,850 of increases in appropriations between the original and final amended budget. Following is the component of the appropriation increase:

- \$739,500 supplemental appropriations for minor capital to be funded by fund balance.
- \$286,350 supplemental appropriations for grants and donations that were approved.

***Final budget compared to actual results.*** The most significant differences between estimates and actual amounts were as follows:

- Overall revenues came in at \$19,232,814 on a budget of \$17,207,442. The increased revenues over budget included a one-time \$1,378,759 of American Rescue Plan Act funding from the federal government. There were also minor fluctuations amongst the different categories, but also a large increase in private contributions. Overall, the revenue target was achieved as expected.



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- Expenditures amongst the different governmental activities were below the amended budget for all activities except general government, due to some capital items being re-evaluated and not purchased, some department staff shortages, and some facilities and operations were reduced because of caution towards the pandemic. Only 93% of the amended expenditure budget was spent during 2021, resulting in an increase to the fund balance.

During the year \$4,388,675 was budgeted to be used from fund balance. However, expenditures came in under the budgeted amounts by \$1,336,915 (7%) as a direct result of expenditure reductions amongst all departments. Additionally, revenues collected were \$2,025,372 higher than budgeted. Transfers in were \$20,259 under budget. This resulted in a net fund balance decrease of \$1,046,647 for the year. Restated net position decreased the beginning fund balance as a result of recording some prior year health insurance contributions also.

**CAPITAL ASSETS AND DEBT ADMINISTRATION:**

**Capital assets.** The City of Austin's investment in capital assets for its governmental and business-type activities as of December 31, 2021, amounts to \$289,958,869 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, construction in progress, and infrastructure. The total increase in the City of Austin's investment in capital assets (net of accumulated depreciation) was 1.95% percent. Most of this increase within the governmental activities can be found in the addition of the street project construction for the year. Within the business-type activities the most significant increases occurred in infrastructure related to the water and gas departments of the Austin Utilities and with construction in the Sewer Fund for wastewater treatment plant overhaul.

**CITY OF AUSTIN'S CAPITAL ASSETS  
(net of depreciation)**

|                          | Governmental Activities |                       | Business-Type Activities |                       | Total                 |                       |
|--------------------------|-------------------------|-----------------------|--------------------------|-----------------------|-----------------------|-----------------------|
|                          | 2021                    | 2020                  | 2021                     | 2020                  | 2021                  | 2020                  |
| Land                     | \$ 27,183,798           | \$ 26,977,492         | \$ 781,210               | \$ 781,210            | \$ 27,965,008         | \$ 27,758,702         |
| Buildings                | 39,771,380              | 40,418,563            | 37,479,028               | 38,601,254            | 77,250,408            | 79,019,817            |
| Improvements             | 33,485,817              | 34,115,661            | 993,417                  | 1,023,038             | 34,479,234            | 35,138,699            |
| Machinery and equipment  | 10,574,773              | 11,114,287            | 52,569,840               | 49,622,059            | 63,144,613            | 60,736,346            |
| Construction in progress | 12,211,319              | 8,057,975             | 6,328,445                | 7,912,028             | 18,539,764            | 15,970,003            |
| Infrastructure           | 48,133,284              | 49,470,722            | 20,446,558               | 16,306,769            | 68,579,842            | 65,777,491            |
| Total capital assets     | <u>\$ 171,360,371</u>   | <u>\$ 170,154,700</u> | <u>\$ 118,598,498</u>    | <u>\$ 114,246,358</u> | <u>\$ 289,958,869</u> | <u>\$ 284,401,058</u> |

Additional information on the City of Austin's capital assets can be found in Note 2E on pages 64-66 of this report.

**City of Austin, Minnesota  
Management's Discussion and Analysis  
December 31, 2021**

**Long-term debt.** At the end of the current year, the City of Austin had total bonded debt outstanding of \$16,585,000. Of this amount \$14,160,000 comprises capital improvement plan debt that was issued for the Austin Utilities for their new Central Facility. The remainder of the City of Austin's long-term obligations represents bonds secured solely by specified revenue sources.

**CITY OF AUSTIN'S OUTSTANDING DEBT**

**General Obligation and Revenue Bonds**

|                                    | Governmental Activities |             | Business-Type Activities |                      | Total                |                      |
|------------------------------------|-------------------------|-------------|--------------------------|----------------------|----------------------|----------------------|
|                                    | 2021                    | 2020        | 2021                     | 2020                 | 2021                 | 2020                 |
| G.O. tax increment debt            | \$ -                    | \$ -        | \$ -                     | \$ -                 | \$ -                 | \$ -                 |
| G.O. capital improvement plan debt | -                       | -           | 14,160,000               | 14,895,000           | 14,160,000           | 14,895,000           |
| Revenue debt                       | -                       | -           | 2,425,000                | 2,800,000            | 2,425,000            | 2,800,000            |
| Total liabilities                  | <u>\$ -</u>             | <u>\$ -</u> | <u>\$ 16,585,000</u>     | <u>\$ 17,695,000</u> | <u>\$ 16,585,000</u> | <u>\$ 17,695,000</u> |

The City of Austin's total net bonded debt decreased by \$1,110,000 (6.3 percent) during the current year. There was no new debt issued during 2021.

The City of Austin and its component units maintains a rating of Aa2 from Moody's Investors Services for general obligation debt. Additionally, the City of Austin maintains an AA- rating from Standard and Poor's for general obligation debt. Additional information on the City's long-term debt can be found in note 2G on pages 68-75 of this report.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES:**

- The unemployment rate for the City of Austin is currently 2.4 percent, which is 1.6% lower than it was a year ago. This is slightly lower than the state's average unemployment rate of 2.7 percent, and is favorable compared to the national average of 3.7 percent.
- The City of Austin continues to see increased commercial construction growth. Residential growth continues to have small increases in the number of homes being built in the last few years, however a new apartment building is in the process of being constructed to alleviate a housing shortage.
- Interest rates have continued to remain low during the past year, however recent indications by the Federal Reserve show a need for rate increases, which will help the rate of return on our investments.
- The State of Minnesota appears to have come out of the pandemic with flush reserves and recent budget forecasts predict additional surpluses. These projected budget surpluses by the State of Minnesota should stabilize state aid and eliminate any need for drastic reductions for the near future.

**REQUESTS FOR INFORMATION:**

This financial report is designed to provide a general overview of the City of Austin's finances for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Administrative Services, City of Austin, 500 4<sup>th</sup> Avenue NE, Austin, Minnesota, 55912.

# **Basic Financial Statements**

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**City of Austin, Minnesota  
Statement of Net Position  
December 31, 2021**

|  | Primary Government      |                          |                | Component Units   |                |
|--|-------------------------|--------------------------|----------------|-------------------|----------------|
|  | Governmental Activities | Business-type Activities | Total          | Housing Authority | Port Authority |
| <b>Assets</b>  |                         |                          |                |                   |                |
| Cash and investments   | \$ 35,989,009           | \$ 36,924,744            | \$ 72,913,753  | \$ 6,684,834      | \$ 2,904,750   |
| Taxes receivable   | 176,979                 | -                        | 176,979        | -                 | 1,405          |
| Accounts receivable (net)  | 598,471                 | 6,284,611                | 6,883,082      | -                 | 10             |
| Special assessments receivable                                     | 3,056,767               | 968,967                  | 4,025,734      | -                 | -              |
| Other receivables  | -                       | -                        | -              | 53,993            | -              |
| Interest receivable  | 83,195                  | -                        | 83,195         | 522               | 351            |
| Due from other governments   | 4,521,797               | 43,833                   | 4,565,630      | 541,039           | 591            |
| Internal balances  | (31,487)                | 31,487                   | -              | -                 | -              |
| Notes receivable (net)   | 246,105                 | -                        | 246,105        | 364,347           | 371,736        |
| Prepaid items  | 115,554                 | 173,265                  | 288,819        | -                 | -              |
| Inventory  | 89,825                  | 1,781,085                | 1,870,910      | -                 | -              |
| Other assets   | -                       | 127,727                  | 127,727        | -                 | -              |
| Restricted cash and investments                                    | 1,662,075               | 1,999,011                | 3,661,086      | 362,056           | -              |
| Advances to component units  | 613,990                 | -                        | 613,990        | -                 | -              |
| Land held for resale   | -                       | -                        | -              | 539,016           | 840,265        |
| Capital assets (net of accumulated depreciation):                  |                         |                          |                |                   |                |
| Land   | 27,183,798              | 781,210                  | 27,965,008     | 2,550,941         | -              |
| Buildings  | 39,771,380              | 37,479,028               | 77,250,408     | 12,136,290        | 19,949,933     |
| Improvements   | 33,485,817              | 993,417                  | 34,479,234     | -                 | 390,110        |
| Machinery and equipment  | 10,574,773              | 52,569,840               | 63,144,613     | 473,760           | 1,118,828      |
| Construction in progress   | 12,211,319              | 6,328,445                | 18,539,764     | 12,332            | -              |
| Infrastructure   | 48,133,284              | 20,446,558               | 68,579,842     | -                 | -              |
| Total assets   | \$ 218,482,651          | \$ 166,933,228           | \$ 385,415,879 | \$ 23,719,130     | \$ 25,577,979  |
| <b>Deferred Outflows of Resources</b>                              |                         |                          |                |                   |                |
| Loss on bond refunding   | \$ -                    | \$ -                     | \$ -           | \$ 2,391          | \$ -           |
| Pension related  | 7,315,265               | 3,689,177                | 11,004,442     | -                 | -              |
| OPEB related   | 172,892                 | 2,450,992                | 2,623,884      | -                 | -              |
| Total deferred outflows of resources                               | \$ 7,488,157            | \$ 6,140,169             | \$ 13,628,326  | \$ 2,391          | \$ -           |
| Total assets and deferred outflows of resources                    | \$ 225,970,808          | \$ 173,073,397           | \$ 399,044,205 | \$ 23,721,521     | \$ 25,577,979  |
| <b>Liabilities</b>   |                         |                          |                |                   |                |
| Vouchers payable   | \$ 1,509,942            | \$ 4,648,041             | \$ 6,157,983   | \$ 161,251        | \$ 75,629      |
| Contractors' retained percentage                                   | 357,869                 | 8,755                    | 366,624        | -                 | -              |
| Interest payable   | -                       | -                        | -              | 33,884            | -              |
| Deposits   | 100,200                 | -                        | 100,200        | -                 | -              |
| Accrued expenses   | 892,776                 | 1,443,307                | 2,336,083      | -                 | -              |
| Due to other governments   | 512,283                 | -                        | 512,283        | 131,486           | 30,000         |
| Unearned revenues  | 25,000                  | -                        | 25,000         | 14,676            | -              |
| Other current liabilities  | -                       | 505,203                  | 505,203        | 276,922           | -              |
| Long-term liabilities:   |                         |                          |                |                   |                |
| Due within one year  | 661,910                 | 1,585,596                | 2,247,506      | 1,309,391         | -              |
| Due in more than one year  | 1,524,183               | 17,309,945               | 18,834,128     | 4,810,207         | -              |
| Net pension liability  | 5,577,300               | 4,951,878                | 10,529,178     | -                 | -              |
| OPEB related:  |                         |                          |                |                   |                |
| Due within one year  | 45,174                  | 983,158                  | 1,028,332      | -                 | -              |
| Due in more than one year  | 1,107,161               | 16,335,218               | 17,442,379     | -                 | -              |
| Advances from primary gov't  | -                       | -                        | -              | -                 | 613,990        |
| Total liabilities  | \$ 12,313,798           | \$ 47,771,101            | \$ 60,084,899  | \$ 6,737,817      | \$ 719,619     |
| <b>Deferred Inflows of Resources</b>                               |                         |                          |                |                   |                |
| Community Solar Related  | \$ -                    | \$ 30,035                | \$ 30,035      | \$ -              | \$ -           |
| Pension related  | 9,071,731               | 4,601,621                | 13,673,352     | -                 | -              |
| OPEB related   | 320,016                 | 62,995                   | 383,011        | -                 | -              |
| Gain on bond refunding   | -                       | -                        | -              | 55,419            | -              |
| Total deferred inflows of resources                                | \$ 9,391,747            | \$ 4,694,651             | \$ 14,086,398  | \$ 55,419         | \$ -           |
| <b>Net Position</b>  |                         |                          |                |                   |                |
| Net investment in capital assets                                   | \$ 170,898,680          | \$ 101,683,971           | \$ 272,582,651 | \$ 9,054,140      | \$ 21,458,871  |
| Restricted for:  |                         |                          |                |                   |                |
| Police   | 21,224                  | -                        | 21,224         | -                 | -              |
| Fire   | 248,480                 | -                        | 248,480        | -                 | -              |
| Parks and recreation   | 9,718                   | -                        | 9,718          | -                 | -              |
| Debt service   | 444,335                 | -                        | 444,335        | 70,458            | -              |
| Other capital projects   | 6,831,862               | -                        | 6,831,862      | -                 | -              |
| Other purposes   | 100,915                 | -                        | 100,915        | -                 | 110,777        |
| Library purposes   | 1,017,773               | -                        | 1,017,773      | -                 | -              |
| Permanent funds:   |                         |                          |                |                   |                |
| Expendable   | 27,359                  | -                        | 27,359         | -                 | -              |
| Non-expendable   | 136,052                 | -                        | 136,052        | -                 | -              |
| Unrestricted   | 24,528,865              | 18,923,674               | 43,452,539     | 7,803,687         | 3,288,712      |
| Total net position   | \$ 204,265,263          | \$ 120,607,645           | \$ 324,872,908 | \$ 16,928,285     | \$ 24,858,360  |
| Total liabilities, deferred inflows of resources, and net position | \$ 225,970,808          | \$ 173,073,397           | \$ 399,044,205 | \$ 23,721,521     | \$ 25,577,979  |

**City of Austin, Minnesota**  
**Statement of Activities**  
**For the Year Ended December 31, 2021**

| <b>Functions/Programs</b>           | <b>Expenses</b>      | <b>Program Revenues</b>     |   |   |
|-------------------------------------|----------------------|-----------------------------|---|---|
|                                     |                      | <b>Charges for Services</b> | <b>Operating Grants and Contributions</b> | <b>Capital Grants and Contributions</b> |
| <b>Primary government</b>           |                      |                             |   |   |
| Governmental activities:            |                      |                             |   |   |
| General government                  | \$ 2,781,455         | \$ 913,325                  | \$ 43,657                                 | \$ 50,309                               |
| Public safety                       | 7,246,791            | 967,699                     | 2,138,339                                 | 2,769                                   |
| Streets and highways                | 5,801,837            | 57,753                      | 105,542                                   | 2,501,300                               |
| Culture and recreation              | 6,612,618            | 534,675                     | 578,453                                   | 1,170,433                               |
| Public service                      | 376,009              | 45,242                      | 60,191                                    | 415,109                                 |
| Economic development                | 509,743              | 26,700                      | -   | -                                       |
| Community development               | 1,709,977            | -                           | -   | 344,296                                 |
| Interest on long-term debt          | 9,300                | -                           | -   | -                                       |
| Total governmental activities       | <u>\$ 25,047,730</u> | <u>\$ 2,545,394</u>         | <u>\$ 2,926,182</u>                       | <u>\$ 4,484,216</u>                     |
| Business-type activities:           |                      |                             |   |   |
| Sewer user                          | \$ 5,724,714         | \$ 7,401,327                | \$ 54,684                                 | \$ 1,230,262                            |
| Waste transfer station              | 57,931               | 52,435                      | -   | -                                       |
| Storm water utility                 | 448,724              | 729,481                     | -   | -                                       |
| Electric                            | 33,102,114           | 35,528,834                  | -   | 40,927                                  |
| Water                               | 4,704,995            | 5,441,410                   | -   | 62,301                                  |
| Gas                                 | 24,400,289           | 23,097,609                  | -   | 244,203                                 |
| Total business-type activities      | <u>\$ 68,438,767</u> | <u>\$ 72,251,096</u>        | <u>\$ 54,684</u>                          | <u>\$ 1,577,693</u>                     |
| Total primary government            | <u>\$ 93,486,497</u> | <u>\$ 74,796,490</u>        | <u>\$ 2,980,866</u>                       | <u>\$ 6,061,909</u>                     |
| <b>Component units:</b>             |                      |                             |   |   |
| Housing and Redevelopment Authority | \$ 5,344,488         | \$ 3,189,130                | \$ 1,482,514                              | \$ 247,950                              |
| Port Authority                      | 1,701,511            | 96,321                      | 710,000                                   | -                                       |
| Total component units               | <u>\$ 7,045,999</u>  | <u>\$ 3,285,451</u>         | <u>\$ 2,192,514</u>                       | <u>\$ 247,950</u>                       |

General revenues:

- Property taxes
- Tax increment collections
- Sales Tax
- Nonproperty taxes
- Grants and contributions not restricted to certain programs
- Unrestricted investment earnings
- Miscellaneous
- Gain on sale of capital assets

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Restatement

Net position - beginning, as restated

Net position - ending

See accompanying Notes to Financial Statements.

Net (Expense) Revenue and  
Changes in Net Position

| Primary Government         |                             |                        | Component Units      |                      |
|----------------------------|-----------------------------|------------------------|----------------------|----------------------|
| Governmental<br>Activities | Business-type<br>Activities | Total                  | Housing<br>Authority | Port<br>Authority    |
| \$ (1,774,164)             | \$ -                        | \$ (1,774,164)         | \$ -                 | \$ -                 |
| (4,137,984)                | -                           | (4,137,984)            | -                    | -                    |
| (3,137,242)                | -                           | (3,137,242)            | -                    | -                    |
| (4,329,057)                | -                           | (4,329,057)            | -                    | -                    |
| 144,533                    | -                           | 144,533                | -                    | -                    |
| (483,043)                  | -                           | (483,043)              | -                    | -                    |
| (1,365,681)                | -                           | (1,365,681)            | -                    | -                    |
| (9,300)                    | -                           | (9,300)                | -                    | -                    |
| <u>\$ (15,091,938)</u>     | <u>\$ -</u>                 | <u>\$ (15,091,938)</u> | <u>\$ -</u>          | <u>\$ -</u>          |
|                            |                             |                        |                      |                      |
| \$ -                       | \$ 2,961,559                | \$ 2,961,559           | \$ -                 | \$ -                 |
| -                          | (5,496)                     | (5,496)                | -                    | -                    |
| -                          | 280,757                     | 280,757                | -                    | -                    |
| -                          | 2,467,647                   | 2,467,647              | -                    | -                    |
| -                          | 798,716                     | 798,716                | -                    | -                    |
| -                          | (1,058,477)                 | (1,058,477)            | -                    | -                    |
| <u>\$ -</u>                | <u>\$ 5,444,706</u>         | <u>\$ 5,444,706</u>    | <u>\$ -</u>          | <u>\$ -</u>          |
| <u>\$ (15,091,938)</u>     | <u>\$ 5,444,706</u>         | <u>\$ (9,647,232)</u>  | <u>\$ -</u>          | <u>\$ -</u>          |
|                            |                             |                        |                      |                      |
| \$ -                       | \$ -                        | \$ -                   | \$ (424,894)         | \$ -                 |
| -                          | -                           | -                      | -                    | (895,190)            |
| <u>\$ -</u>                | <u>\$ -</u>                 | <u>\$ -</u>            | <u>\$ (424,894)</u>  | <u>\$ (895,190)</u>  |
|                            |                             |                        |                      |                      |
| \$ 8,069,842               | \$ -                        | \$ 8,069,842           | \$ 213,707           | \$ 50,597            |
| 386,439                    | -                           | 386,439                | -                    | -                    |
| 1,718,938                  | -                           | 1,718,938              | -                    | -                    |
| 69,406                     | -                           | 69,406                 | -                    | -                    |
| 8,671,106                  | -                           | 8,671,106              | -                    | -                    |
| (47,138)                   | (365,817)                   | (412,955)              | 18,026               | (2,971)              |
| 41,334                     | 43,883                      | 85,217                 | 636,670              | 70,000               |
| 105,230                    | 34,007                      | 139,237                | -                    | -                    |
| 1,355,997                  | (1,355,997)                 | -                      | -                    | -                    |
| <u>\$ 20,371,154</u>       | <u>\$ (1,643,924)</u>       | <u>\$ 18,727,230</u>   | <u>\$ 868,403</u>    | <u>\$ 117,626</u>    |
|                            |                             |                        |                      |                      |
| \$ 5,279,216               | \$ 3,800,782                | \$ 9,079,998           | \$ 443,509           | \$ (777,564)         |
|                            |                             |                        |                      |                      |
| 196,129,081                | 116,806,863                 | 312,935,944            | 16,484,776           | 25,635,924           |
| 2,856,966                  | -                           | 2,856,966              | -                    | -                    |
| <u>\$ 198,986,047</u>      | <u>\$ 116,806,863</u>       | <u>\$ 315,792,910</u>  | <u>\$ 16,484,776</u> | <u>\$ 25,635,924</u> |
|                            |                             |                        |                      |                      |
| <u>\$ 204,265,263</u>      | <u>\$ 120,607,645</u>       | <u>\$ 324,872,908</u>  | <u>\$ 16,928,285</u> | <u>\$ 24,858,360</u> |

**City of Austin, Minnesota**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2021**

|  | General              | Local Option<br>Sales Tax | State<br>Aid<br>Street |
|--|----------------------|---------------------------|------------------------|
| <b>Assets</b>  |                      |                           |                        |
| Cash and investments   | \$ 11,368,049        | \$ 3,395,453              | \$ 2,171,723           |
| Taxes receivable   | 123,516              | -                         | -                      |
| Accounts receivable  | 226,926              | -                         | -                      |
| Notes receivable, net of allowance for uncollectibles              | 110,815              | -                         | -                      |
| Special assessments receivable                                     | 259,468              | -                         | 452,640                |
| Accrued interest receivable  | 80,782               | -                         | -                      |
| Due from other funds   | 649,658              | -                         | -                      |
| Due from other governments   | 289,625              | 583,635                   | 2,818,092              |
| Prepaid items  | 10,859               | -                         | -                      |
| Advances to component unit   | -                    | -                         | -                      |
| Total assets   | <u>\$ 13,119,698</u> | <u>\$ 3,979,088</u>       | <u>\$ 5,442,455</u>    |
| <b>Liabilities</b>   |                      |                           |                        |
| Vouchers payable   | \$ 301,827           | \$ 19,982                 | \$ 64,489              |
| Contractors' retained percentage                                   | -                    | 721                       | 7,867                  |
| Deposits   | 100,200              | -                         | -                      |
| Accrued expenditures   | 724,277              | -                         | -                      |
| Due to other funds   | 53,906               | -                         | -                      |
| Due to other governments   | 262,353              | 750                       | -                      |
| Unearned revenues  | -                    | -                         | -                      |
| Total liabilities  | <u>\$ 1,442,563</u>  | <u>\$ 21,453</u>          | <u>\$ 72,356</u>       |
| <b>Deferred inflows of resources</b>                               |                      |                           |                        |
| Unavailable revenue  | \$ 493,799           | -                         | \$ 3,267,752           |
| Total deferred inflows of resources                                | <u>\$ 493,799</u>    | <u>\$ -</u>               | <u>\$ 3,267,752</u>    |
| <b>Fund balance</b>  |                      |                           |                        |
| Nonspendable:  |                      |                           |                        |
| Prepaid amounts  | \$ 10,859            | -                         | -                      |
| Permanent fund principal   | -                    | -                         | -                      |
| Restricted for:  |                      |                           |                        |
| Police - operations  | 21,224               | -                         | -                      |
| Fire - operations  | -                    | -                         | -                      |
| Parks and recreation   | 9,718                | -                         | -                      |
| Debt service reserve   | -                    | -                         | -                      |
| Other capital projects   | 59,114               | 3,957,635                 | -                      |
| Library - programming  | 265                  | -                         | -                      |
| Committed to:  |                      |                           |                        |
| Other capital projects   | 73,069               | -                         | -                      |
| Library - programming  | -                    | -                         | -                      |
| Parks and recreation - programming                                 | -                    | -                         | -                      |
| Assigned to:   |                      |                           |                        |
| Police - capital projects  | -                    | -                         | -                      |
| Streets and highways - capital projects                            | -                    | -                         | 2,102,347              |
| Other capital projects   | -                    | -                         | -                      |
| Library - programming  | -                    | -                         | -                      |
| Unassigned:  | 11,009,087           | -                         | -                      |
| Total fund balance   | <u>\$ 11,183,336</u> | <u>\$ 3,957,635</u>       | <u>\$ 2,102,347</u>    |
| Total liabilities, deferred inflows of resources, and fund balance | <u>\$ 13,119,698</u> | <u>\$ 3,979,088</u>       | <u>\$ 5,442,455</u>    |

See accompanying Notes to Financial Statements.



| Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------|--------------------------------|
| \$ 8,939,022                   | \$ 25,874,247                  |
| 53,463                         | 176,979                        |
| 370,595                        | 597,521                        |
| 135,290                        | 246,105                        |
| 2,344,659                      | 3,056,767                      |
| 2,413                          | 83,195                         |
| 12,929                         | 662,587                        |
| 830,445                        | 4,521,797                      |
| -                              | 10,859                         |
| 612,733                        | 612,733                        |
| <u>\$ 13,301,549</u>           | <u>\$ 35,842,790</u>           |
| <br>                           |                                |
| \$ 1,030,782                   | \$ 1,417,080                   |
| 349,281                        | 357,869                        |
| -                              | 100,200                        |
| 28,351                         | 752,628                        |
| 377,649                        | 431,555                        |
| 249,180                        | 512,283                        |
| 25,000                         | 25,000                         |
| <u>\$ 2,060,243</u>            | <u>\$ 3,596,615</u>            |
| <br>                           |                                |
| \$ 2,411,321                   | \$ 6,172,872                   |
| <u>\$ 2,411,321</u>            | <u>\$ 6,172,872</u>            |
| <br>                           |                                |
| \$ -                           | \$ 10,859                      |
| 136,052                        | 136,052                        |
| -                              | 21,224                         |
| 248,480                        | 248,480                        |
| -                              | 9,718                          |
| 722,179                        | 722,179                        |
| -                              | 4,016,749                      |
| 1,017,508                      | 1,017,773                      |
| 23,927                         | 96,996                         |
| 945,772                        | 945,772                        |
| 155,873                        | 155,873                        |
| 795                            | 795                            |
| -                              | 2,102,347                      |
| 5,552,834                      | 5,552,834                      |
| 26,565                         | 26,565                         |
| -                              | 11,009,087                     |
| <u>\$ 8,829,985</u>            | <u>\$ 26,073,303</u>           |
| <br>                           |                                |
| <u>\$ 13,301,549</u>           | <u>\$ 35,842,790</u>           |

**City of Austin, Minnesota**  
**Reconciliation of Net Position in the**  
**Government-Wide Financial Statements and Fund Balances**  
**in the Fund Basis Financial Statements**  
**December 31, 2021**

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

|   |                              |
|---|------------------------------|
| Total governmental fund balances (page 23)  | \$ 26,073,303                |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. This represents the net effect of capital assets \$ 228,012,008 and accumulated depreciation (\$ 64,420,912).   | 163,591,096                  |
| Pension and OPEB related deferred outflows of resources are applicable to future periods and, therefore, are not reported in the funds  | 7,273,755                    |
| Certain receivables are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the funds.  | 6,172,872                    |
| Internal service funds are used by management to charge the costs of equipment, information technology and insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position   | 18,937,110                   |
| Noncurrent liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. Noncurrent liabilities consist of vacation payable (\$ 661,910), sick leave payable (\$ 1,524,183), OPEB Payable (\$ 1,152,335) net pension liability (\$ 5,304,444), and deferred inflows of resources (\$ 9,140,001). | <u>(17,782,873)</u>          |
| Net position of governmental activities (page 19)   | <u><u>\$ 204,265,263</u></u> |

*See accompanying Notes to Financial Statements.*

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**City of Austin, Minnesota**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2021**

|  | General               | Local Option<br>Sales Tax | State<br>Aid<br>Street |
|--|-----------------------|---------------------------|------------------------|
| <b>Revenues</b>                                      |                       |                           |                        |
| Taxes  | \$ 5,770,092          | \$ 1,718,938              | \$ -                   |
| Special assessments                                  | 61,473                | -                         | 134,558                |
| Licenses and permits                                 | 675,434               | -                         | -                      |
| Intergovernmental                                    | 10,981,632            | 344,295                   | 1,549,133              |
| Charges for services                                 | 714,080               | -                         | -                      |
| Fines and forfeits                                   | 121,610               | -                         | -                      |
| Miscellaneous  | 908,493               | (23,965)                  | 9,591                  |
| Total revenues                                       | <u>\$ 19,232,814</u>  | <u>\$ 2,039,268</u>       | <u>\$ 1,693,282</u>    |
| <b>Expenditures</b>                                  |                       |                           |                        |
| Current  |                       |                           |                        |
| General government                                   | \$ 2,338,422          | \$ -                      | \$ -                   |
| Public safety  | 8,006,195             | -                         | -                      |
| Streets and highways                                 | 3,539,929             | -                         | -                      |
| Culture and recreation                               | 4,058,879             | -                         | -                      |
| Public service                                       | 80,234                | -                         | -                      |
| Economic development                                 | 246,028               | -                         | -                      |
| Community development                                | 8,515                 | -                         | -                      |
| Capital outlay                                       | -                     | 706,194                   | 1,439,621              |
| Debt service   |                       |                           |                        |
| Interest and fiscal charges                          | -                     | -                         | -                      |
| Total expenditures                                   | <u>\$ 18,278,202</u>  | <u>\$ 706,194</u>         | <u>\$ 1,439,621</u>    |
| Excess (deficiency) of revenues<br>over expenditures | <u>\$ 954,612</u>     | <u>\$ 1,333,074</u>       | <u>\$ 253,661</u>      |
| <b>Other financing sources (uses)</b>                |                       |                           |                        |
| Transfers in   | \$ 1,668,741          | \$ -                      | \$ -                   |
| Transfers out  | (3,670,000)           | -                         | -                      |
| Total other financing sources (uses)                 | <u>\$ (2,001,259)</u> | <u>\$ -</u>               | <u>\$ -</u>            |
| Net change in fund balance                           | \$ (1,046,647)        | \$ 1,333,074              | \$ 253,661             |
| Fund balance - beginning                             | 12,425,099            | 2,624,561                 | 1,686,768              |
| Restatement  | (195,116)             | -                         | 161,918                |
| Fund balance - beginning, as restated                | <u>\$ 12,229,983</u>  | <u>\$ 2,624,561</u>       | <u>\$ 1,848,686</u>    |
| Fund balance - ending                                | <u>\$ 11,183,336</u>  | <u>\$ 3,957,635</u>       | <u>\$ 2,102,347</u>    |

*See accompanying Notes to Financial Statements.*

| Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------|--------------------------------|
| \$ 2,626,404                   | \$ 10,115,434                  |
| 915,159                        | 1,111,190                      |
| -                              | 675,434                        |
| 1,159,359                      | 14,034,419                     |
| 125,279                        | 839,359                        |
| 785                            | 122,395                        |
| 1,028,646                      | 1,922,765                      |
| <u>\$ 5,855,632</u>            | <u>\$ 28,820,996</u>           |

|                     |                      |
|---------------------|----------------------|
| \$ -                | \$ 2,338,422         |
| -                   | 8,006,195            |
| -                   | 3,539,929            |
| 1,315,820           | 5,374,699            |
| -                   | 80,234               |
| -                   | 246,028              |
| -                   | 8,515                |
| 5,338,601           | 7,484,416            |
| 273,015             | 273,015              |
| <u>\$ 6,927,436</u> | <u>\$ 27,351,453</u> |

|                       |                     |
|-----------------------|---------------------|
| <u>\$ (1,071,804)</u> | <u>\$ 1,469,543</u> |
|-----------------------|---------------------|

|                     |                   |
|---------------------|-------------------|
| \$ 2,170,000        | \$ 3,838,741      |
| (4,000)             | (3,674,000)       |
| <u>\$ 2,166,000</u> | <u>\$ 164,741</u> |

|                     |                      |
|---------------------|----------------------|
| \$ 1,094,196        | \$ 1,634,284         |
| 7,735,789           | 24,472,217           |
| -                   | (33,198)             |
| <u>\$ 7,735,789</u> | <u>\$ 24,439,019</u> |
| <u>\$ 8,829,985</u> | <u>\$ 26,073,303</u> |

**City of Austin, Minnesota  
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, 2021**

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

|  |                            |
|--|----------------------------|
| Net change in fund balances - total governmental funds (page 27)   | \$ 1,634,284               |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays \$7,309,498 exceeded depreciation (\$ 5,605,976) in the current period. | 1,703,522                  |
| The net effect of various miscellaneous transactions involving capital assets (i.e., donations, sales, trade-ins, and disposals) is to increase net position. This consists of donations of capital assets \$130,340 less disposal of capital assets (\$ 339,509).   | (209,169)                  |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds  | (320,502)                  |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.  | 1,102,076                  |
| Internal service funds are used by management to charge the costs of fleet management, management information systems, and insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.  | <u>1,369,005</u>           |
| Change in net position of governmental activities (page 21)  | <u><u>\$ 5,279,216</u></u> |

*See accompanying Notes to Financial Statements.*

**City of Austin, Minnesota**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2021**

|   | Budgeted Amounts      |                       | Actual                | Variance with       |
|---|-----------------------|-----------------------|-----------------------|---------------------|
|   | Original              | Final                 | Amounts               | Final Budget -      |
|   |                       |                       |                       | Positive            |
|   |                       |                       |                       | (Negative)          |
| <b>Revenues</b>                                   |                       |                       |                       |                     |
| Taxes   | \$ 5,711,946          | \$ 5,711,946          | \$ 5,770,092          | \$ 58,146           |
| Special assessments                               | 45,000                | 45,000                | 61,473                | 16,473              |
| Licenses and permits                              | 632,960               | 632,960               | 675,434               | 42,474              |
| Intergovernmental                                 | 9,354,285             | 9,354,285             | 10,981,632            | 1,627,347           |
| Charges for services                              | 654,201               | 654,201               | 714,080               | 59,879              |
| Fines and forfeits                                | 147,600               | 147,600               | 121,610               | (25,990)            |
| Miscellaneous                                     | 457,450               | 661,450               | 908,493               | 247,043             |
| Total revenues                                    | <u>\$ 17,003,442</u>  | <u>\$ 17,207,442</u>  | <u>\$ 19,232,814</u>  | <u>\$ 2,025,372</u> |
| <b>Expenditures</b>                               |                       |                       |                       |                     |
| Current   |                       |                       |                       |                     |
| General government                                | \$ 2,272,200          | \$ 2,313,016          | \$ 2,338,422          | \$ (25,406)         |
| Public safety                                     | 8,074,542             | 8,211,334             | 8,006,195             | 205,139             |
| Streets and highways                              | 3,823,671             | 3,828,376             | 3,539,929             | 288,447             |
| Culture and recreation                            | 4,030,021             | 4,658,092             | 4,058,879             | 599,213             |
| Public service                                    | 111,184               | 111,184               | 80,234                | 30,950              |
| Economic development                              | 270,707               | 482,057               | 246,028               | 236,029             |
| Community development                             | 6,942                 | 11,058                | 8,515                 | 2,543               |
| Total expenditures                                | <u>\$ 18,589,267</u>  | <u>\$ 19,615,117</u>  | <u>\$ 18,278,202</u>  | <u>\$ 1,336,915</u> |
| Excess (deficiency) of revenues over expenditures | <u>\$ (1,585,825)</u> | <u>\$ (2,407,675)</u> | <u>\$ 954,612</u>     | <u>\$ 3,362,287</u> |
| <b>Other financing sources (uses)</b>             |                       |                       |                       |                     |
| Transfers in                                      | \$ 1,689,000          | \$ 1,689,000          | \$ 1,668,741          | \$ (20,259)         |
| Transfers out                                     | (210,000)             | (3,670,000)           | (3,670,000)           | -                   |
| Total other financing sources (uses)              | <u>\$ 1,479,000</u>   | <u>\$ (1,981,000)</u> | <u>\$ (2,001,259)</u> | <u>\$ (20,259)</u>  |
| Net change in fund balance                        | \$ (106,825)          | \$ (4,388,675)        | \$ (1,046,647)        | \$ 3,342,028        |
| Fund balance - beginning                          | 12,425,099            | 12,425,099            | 12,425,099            | -                   |
| Restatement                                       | (195,116)             | (195,116)             | (195,116)             | -                   |
| Fund balance - beginning, as restated             | <u>\$ 12,229,983</u>  | <u>\$ 12,229,983</u>  | <u>\$ 12,229,983</u>  | <u>\$ -</u>         |
| Fund balance - ending                             | <u>\$ 12,123,158</u>  | <u>\$ 7,841,308</u>   | <u>\$ 11,183,336</u>  | <u>\$ 3,342,028</u> |

See accompanying Notes to Financial Statements.

**City of Austin, Minnesota**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2021**

|  | Business-type Activities - Enterprise |                              |                              |
|--|---------------------------------------|------------------------------|------------------------------|
|  | Sewer<br>User                         | Utilities                    | Other<br>Enterprise<br>Funds |
| <b>Assets</b>                                      |                                       |                              |                              |
| Current assets                                     |                                       |                              |                              |
| Cash and investments                               | \$ 8,866,459                          | \$ 27,195,758                | \$ 862,527                   |
| Accounts receivable, net                           | 562,166                               | 5,722,445                    | -                            |
| Special assessments receivable, current portion    | 101,080                               | -                            | -                            |
| Due from other funds                               | 591,168                               | 162,379                      | 92,724                       |
| Due from other governments                         | 43,833                                | -                            | -                            |
| Inventory  | -                                     | 1,781,085                    | -                            |
| Prepaid items                                      | -                                     | 173,265                      | -                            |
| Total current assets                               | <u>\$ 10,164,706</u>                  | <u>\$ 35,034,932</u>         | <u>\$ 955,251</u>            |
| Noncurrent assets                                  |                                       |                              |                              |
| Restricted investments                             | \$ -                                  | \$ 1,999,011                 | \$ -                         |
| Special assessments receivable, noncurrent portion | 867,887                               | -                            | -                            |
| Other assets                                       | -                                     | 127,727                      | -                            |
| Capital assets:                                    |                                       |                              |                              |
| Capital assets                                     | \$ 58,468,187                         | \$ 130,519,006               | \$ 6,735,453                 |
| Accumulated depreciation                           | (21,417,814)                          | (60,741,348)                 | (1,293,431)                  |
| Net  | <u>\$ 37,050,373</u>                  | <u>\$ 69,777,658</u>         | <u>\$ 5,442,022</u>          |
| Construction in progress                           | 4,724,669                             | -                            | 1,603,776                    |
| Net capital assets                                 | <u>\$ 41,775,042</u>                  | <u>\$ 69,777,658</u>         | <u>\$ 7,045,798</u>          |
| Total noncurrent assets                            | <u>\$ 42,642,929</u>                  | <u>\$ 71,904,396</u>         | <u>\$ 7,045,798</u>          |
| Total assets                                       | <u>\$ 52,807,635</u>                  | <u>\$ 106,939,328</u>        | <u>\$ 8,001,049</u>          |
| <b>Deferred outflows of resources</b>              |                                       |                              |                              |
| Pension related                                    | \$ 694,675                            | \$ 2,922,193                 | \$ 72,309                    |
| OPEB related                                       | 30,785                                | 2,416,958                    | 3,249                        |
| Total deferred outflows of resources               | <u>\$ 725,460</u>                     | <u>\$ 5,339,151</u>          | <u>\$ 75,558</u>             |
| Total assets and deferred outflows of resources    | <u><u>\$ 53,533,095</u></u>           | <u><u>\$ 112,278,479</u></u> | <u><u>\$ 8,076,607</u></u>   |

See accompanying Notes to Financial Statements.



| <u>Funds</u>          | <u>Governmental<br/>Activities -<br/>Internal Service<br/>Funds</u> |
|-----------------------|---|
| <u>Totals</u>         |   |
| \$ 36,924,744         | \$ 11,776,836   |
| 6,284,611             | 950   |
| 101,080               | -   |
| 846,271               | -   |
| 43,833                | -   |
| 1,781,085             | 89,826  |
| 173,265               | 104,695   |
| <u>\$ 46,154,889</u>  | <u>\$ 11,972,307</u>  |
| <br>                  |   |
| \$ 1,999,011          | \$ -  |
| 867,887               | -   |
| 127,727               | -   |
| <br>                  |   |
| \$ 195,722,646        | \$ 17,406,358   |
| (83,452,593)          | (9,637,083)   |
| <u>\$ 112,270,053</u> | <u>\$ 7,769,275</u>   |
| 6,328,445             | -   |
| <u>\$ 118,598,498</u> | <u>\$ 7,769,275</u>   |
| <u>\$ 121,593,123</u> | <u>\$ 7,769,275</u>   |
| <br>                  |   |
| <u>\$ 167,748,012</u> | <u>\$ 19,741,582</u>  |
| <br>                  |   |
| \$ 3,689,177          | \$ 214,402  |
| 2,450,992             | -   |
| <br>                  |   |
| <u>\$ 6,140,169</u>   | <u>\$ 214,402</u>   |
| <br>                  |   |
| <u>\$ 173,888,181</u> | <u>\$ 19,955,984</u>  |

(continued)

**City of Austin, Minnesota**  
**Statement of Net Position (continued)**  
**Proprietary Funds**  
**December 31, 2021**

|  | Business-type Activities - Enterprise |                       |                              |
|--|---------------------------------------|-----------------------|------------------------------|
|  | Sewer<br>User                         | Utilities             | Other<br>Enterprise<br>Funds |
| <b>Liabilities</b>   |                                       |                       |                              |
| Current liabilities  |                                       |                       |                              |
| Vouchers payable   | \$ 53,019                             | \$ 4,589,265          | \$ 5,757                     |
| Contractors' retained percentage                                   | 8,755                                 | -                     | -                            |
| Accrued expenses   | 81,338                                | 1,356,183             | 5,787                        |
| Capital lease payable, current portion                             | -                                     | 16,179                | -                            |
| Bonds payable, current portion                                     | -                                     | 1,153,056             | -                            |
| Compensated absences, current portion                              | 112,736                               | 302,289               | 1,336                        |
| Other postemployment benefits payable, current portion             | 8,111                                 | 973,966               | 1,081                        |
| Due to other funds   | 96,571                                | 972,179               | 3,211                        |
| Other current liabilities  | -                                     | 505,202               | -                            |
| Total current liabilities  | <u>\$ 360,530</u>                     | <u>\$ 9,868,319</u>   | <u>\$ 17,172</u>             |
| Noncurrent liabilities   |                                       |                       |                              |
| Capital lease payable  | \$ -                                  | \$ 34,871             | \$ -                         |
| Bonds payable  | -                                     | 15,710,422            | -                            |
| Net pension liability  | 884,068                               | 3,975,787             | 92,023                       |
| Other postemployment benefits payable                              | 197,074                               | 16,117,573            | 20,571                       |
| Compensated absences   | 10,510                                | 1,554,142             | -                            |
| Total noncurrent liabilities                                       | <u>\$ 1,091,652</u>                   | <u>\$ 37,392,795</u>  | <u>\$ 112,594</u>            |
| Total liabilities  | <u>\$ 1,452,182</u>                   | <u>\$ 47,261,114</u>  | <u>\$ 129,766</u>            |
| <b>Deferred inflows of resources</b>                               |                                       |                       |                              |
| Community Solar Program Related                                    | \$ -                                  | \$ 30,035             | \$ -                         |
| Pension related  | 815,674                               | 3,701,043             | 84,904                       |
| OPEB related   | 56,982                                | -                     | 6,013                        |
| Total deferred inflows of resources                                | <u>\$ 872,656</u>                     | <u>\$ 3,731,078</u>   | <u>\$ 90,917</u>             |
| <b>Net position</b>  |                                       |                       |                              |
| Net investment in capital assets                                   | \$ 41,775,042                         | \$ 52,863,131         | \$ 7,045,798                 |
| Unrestricted   | <u>9,433,215</u>                      | <u>8,423,156</u>      | <u>810,126</u>               |
| Total net position   | <u>\$ 51,208,257</u>                  | <u>\$ 61,286,287</u>  | <u>\$ 7,855,924</u>          |
| Total liabilities, deferred inflows of resources, and net position | <u>\$ 53,533,095</u>                  | <u>\$ 112,278,479</u> | <u>\$ 8,076,607</u>          |

Amounts reported by business-type activities in the statement of net position (page 19) are different because:

Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds.

Net position of business-type activities

See accompanying Notes to Financial Statements.

| <u>Funds</u>          | <u>Governmental<br/>Activities -<br/>Internal Service<br/>Funds</u> |
|-----------------------|---|
| <u>Totals</u>         |   |
| \$ 4,648,041          | \$ 84,942   |
| 8,755                 | -   |
| 1,443,308             | 148,069   |
| 16,179                | -   |
| 1,153,056             | -   |
| 416,361               | -   |
| 983,158               | -   |
| 1,071,961             | 5,342   |
| 505,202               | -   |
| <u>\$ 10,246,021</u>  | <u>\$ 238,353</u>   |
| <br>                  |   |
| \$ 34,871             | \$ -  |
| 15,710,422            | -   |
| 4,951,878             | 272,856   |
| 16,335,218            | -   |
| 1,564,652             | -   |
| <u>\$ 38,597,041</u>  | <u>\$ 272,856</u>   |
| <br>                  |   |
| <u>\$ 48,843,062</u>  | <u>\$ 511,209</u>   |
| <br>                  |   |
| \$ 30,035             | \$ -  |
| 4,601,621             | 251,746   |
| 62,995                | -   |
| <u>\$ 4,694,651</u>   | <u>\$ 251,746</u>   |
| <br>                  |   |
| \$ 101,683,971        | \$ 7,769,275  |
| 18,666,497            | 11,423,754  |
| <u>\$ 120,350,468</u> | <u>\$ 19,193,029</u>  |
| <br>                  |   |
|                       | <u>\$ 19,955,984</u>  |
| <br>                  |   |
| <u>257,177</u>        |   |
| <u>\$ 120,607,645</u> |   |

**City of Austin, Minnesota**  
**Statement of Revenues, Expenses, and**  
**Changes in Net Position - Proprietary Funds**  
**For the Year Ended December 31, 2021**

|  | Business-type Activities - Enterprise |                             |                              |
|--|---------------------------------------|-----------------------------|------------------------------|
|  | Sewer<br>User                         | Utilities                   | Other<br>Enterprise<br>Funds |
| <b>Operating revenues</b>                            |                                       |                             |                              |
| Charges for services                                 | \$ 7,401,327                          | \$ 63,613,102               | \$ 729,481                   |
| Other operating revenues                             | -                                     | 454,751                     | 52,435                       |
| Total operating revenues                             | <u>\$ 7,401,327</u>                   | <u>\$ 64,067,853</u>        | <u>\$ 781,916</u>            |
| <b>Operating expenses</b>                            |                                       |                             |                              |
| Salaries and benefits                                | \$ 1,914,302                          | \$ -                        | \$ 222,128                   |
| Supplies and maintenance                             | 2,412,498                             | -                           | 130,675                      |
| Administrative and general                           | 213,733                               | -                           | 90,971                       |
| Claims   | -                                     | -                           | -                            |
| Retirement benefits                                  | -                                     | -                           | -                            |
| Insurance premiums                                   | -                                     | -                           | -                            |
| Utilities expense                                    | -                                     | 58,467,921                  | -                            |
| Total operating expenses, excluding depreciation     | <u>\$ 4,540,533</u>                   | <u>\$ 58,467,921</u>        | <u>\$ 443,774</u>            |
| Depreciation   | 1,192,709                             | 3,224,447                   | 114,538                      |
| Total operating expenses                             | <u>\$ 5,733,242</u>                   | <u>\$ 61,692,368</u>        | <u>\$ 558,312</u>            |
| Operating income (loss)                              | <u>\$ 1,668,085</u>                   | <u>\$ 2,375,485</u>         | <u>\$ 223,604</u>            |
| <b>Non-operating revenues (expenses)</b>             |                                       |                             |                              |
| Investment income (loss)                             | \$ (69,102)                           | \$ (291,347)                | \$ (10,859)                  |
| Interest earnings on note                            | 5,491                                 | -                           | -                            |
| Interest expense                                     | -                                     | (515,030)                   | -                            |
| Other grants   | 56,422                                | -                           | -                            |
| Gain on disposal of capital assets                   | -                                     | 34,007                      | -                            |
| Miscellaneous revenues                               | 43,883                                | -                           | -                            |
| Total non-operating revenues (expenses)              | <u>\$ 36,694</u>                      | <u>\$ (772,370)</u>         | <u>\$ (10,859)</u>           |
| Net income (loss) before contributions and transfers | <u>\$ 1,704,779</u>                   | <u>\$ 1,603,115</u>         | <u>\$ 212,745</u>            |
| Capital contributions                                | \$ 1,230,262                          | \$ 347,431                  | \$ 357,006                   |
| Transfers in   | -                                     | -                           | -                            |
| Transfers out  | -                                     | (1,664,741)                 | -                            |
| Change in net position                               | <u>\$ 2,935,041</u>                   | <u>\$ 285,805</u>           | <u>\$ 569,751</u>            |
| Total net position - beginning                       | <u>48,273,216</u>                     | <u>61,000,482</u>           | <u>7,286,173</u>             |
| Total net position - ending                          | <u><u>\$ 51,208,257</u></u>           | <u><u>\$ 61,286,287</u></u> | <u><u>\$ 7,855,924</u></u>   |

Amounts reported by business-type activities in the statement of activities (page 21) are different because:

Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds.

Change in net position of business-type activities

See accompanying Notes to Financial Statements.

| <u>Funds</u>         | <u>Governmental<br/>Activities -<br/>Internal Service<br/>Funds</u> |
|----------------------|---|
| <u>Totals</u>        |   |
| \$ 71,743,910        | \$ 4,174,609  |
| 507,186              | -   |
| <u>\$ 72,251,096</u> | <u>\$ 4,174,609</u>   |
| <br>                 |   |
| \$ 2,136,430         | \$ 584,682  |
| 2,543,173            | 489,667   |
| 304,704              | 188,204   |
| -                    | 144,079   |
| -                    | 116,135   |
| -                    | 2,081,193   |
| 58,467,921           | -   |
| <u>\$ 63,452,228</u> | <u>\$ 3,603,960</u>   |
| 4,531,694            | 754,004   |
| <u>\$ 67,983,922</u> | <u>\$ 4,357,964</u>   |
| <br>                 |   |
| <u>\$ 4,267,174</u>  | <u>\$ (183,355)</u>   |
| <br>                 |   |
| \$ (371,308)         | \$ (93,482)   |
| 5,491                | -   |
| (515,030)            | -   |
| 56,422               | -   |
| 34,007               | 765   |
| 43,883               | 155,401   |
| <u>\$ (746,535)</u>  | <u>\$ 62,684</u>  |
| <br>                 |   |
| <u>\$ 3,520,639</u>  | <u>\$ (120,671)</u>   |
| <br>                 |   |
| \$ 1,934,699         | \$ -  |
| -                    | 1,500,000   |
| <u>(1,664,741)</u>   | <u>-</u>  |
| <br>                 |   |
| \$ 3,790,597         | \$ 1,379,329  |
|                      | <u>17,813,700</u>   |
|                      | <u>\$ 19,193,029</u>  |
| <br>                 |   |
| <u>10,185</u>        |   |
| <u>\$ 3,800,782</u>  |   |

**City of Austin, Minnesota**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2021**

|   | <u>Business-type Activities</u> |                            |
|---|---------------------------------|----------------------------|
|   | <u>Sewer<br/>User</u>           | <u>Utilities</u>           |
| <b>Cash flows from operating activities</b>                     |                                 |                            |
| Receipts from customers and users                               | \$ 8,097,328                    | \$ 62,933,655              |
| Payments to suppliers   | (3,074,133)                     | (47,997,185)               |
| Payments to employees   | (1,952,131)                     | (7,624,992)                |
| Payments to retirees  | -                               | -                          |
| Other receipts  | 43,883                          | -                          |
| Other expenses  | -                               | (1,111,656)                |
| Net cash provided by operating activities                       | <u>\$ 3,114,947</u>             | <u>\$ 6,199,822</u>        |
| <b>Cash flows from non-capital financing activities</b>         |                                 |                            |
| Transfers to other funds  | \$ -                            | \$ (1,664,741)             |
| Transfers from other funds                                      | -                               | -                          |
| Net cash provided (used) by non-capital financing activities    | <u>\$ -</u>                     | <u>\$ (1,664,741)</u>      |
| <b>Cash flows from capital and related financing activities</b> |                                 |                            |
| Capital asset acquisitions                                      | \$ (2,168,799)                  | \$ (5,980,858)             |
| Capital contributions   | 1,309,728                       | 347,431                    |
| Proceeds from the sales of capital assets                       | -                               | 34,007                     |
| Reduction of long-term debt                                     | -                               | (1,125,813)                |
| Interest paid on bonds and notes                                | -                               | (543,120)                  |
| Net cash used by capital and related financing activities       | <u>\$ (859,071)</u>             | <u>\$ (7,268,353)</u>      |
| <b>Cash flows from investing activities</b>                     |                                 |                            |
| Investment income (loss)  | \$ (69,015)                     | \$ 155,106                 |
| Principal and interest received on note receivable              | 227,526                         | -                          |
| Purchases of other investments and special funds                | -                               | (15,515,628)               |
| Sales of other investments and special funds                    | -                               | 15,108,846                 |
| Net cash flows provided (used) by investing activities          | <u>\$ 158,511</u>               | <u>\$ (251,676)</u>        |
| Net increase (decrease) in cash and cash equivalents            | \$ 2,414,387                    | \$ (2,984,948)             |
| Cash and cash equivalents - beginning                           | <u>6,452,072</u>                | <u>9,808,345</u>           |
| Cash and cash equivalents - ending                              | <u><u>\$ 8,866,459</u></u>      | <u><u>\$ 6,823,397</u></u> |

*See accompanying Notes to Financial Statements.*

| <u>- Enterprise Funds</u> |                       | <u>Governmental</u>     |  |
|---------------------------|-----------------------|-------------------------|--|
| <u>Other</u>              |                       | <u>Activities -</u>     |  |
| <u>Enterprise</u>         |                       | <u>Internal Service</u> |  |
| <u>Funds</u>              | <u>Totals</u>         | <u>Funds</u>            |  |
| \$ 746,305                | \$ 71,777,288         | \$ 4,174,899            |  |
| (220,467)                 | (51,291,785)          | (2,883,109)             |  |
| (198,040)                 | (9,775,163)           | (593,773)               |  |
| -                         | -                     | (116,135)               |  |
| -                         | 43,883                | 155,401                 |  |
| -                         | (1,111,656)           | -                       |  |
| <u>\$ 327,798</u>         | <u>\$ 9,642,567</u>   | <u>\$ 737,283</u>       |  |
| <br>                      |                       |                         |  |
| \$ -                      | \$ (1,664,741)        | \$ -                    |  |
| -                         | -                     | 1,500,000               |  |
| <u>\$ -</u>               | <u>\$ (1,664,741)</u> | <u>\$ 1,500,000</u>     |  |
| <br>                      |                       |                         |  |
| \$ (375,432)              | \$ (8,525,089)        | \$ (465,322)            |  |
| -                         | 1,657,159             | -                       |  |
| -                         | 34,007                | 765                     |  |
| -                         | (1,125,813)           | -                       |  |
| -                         | (543,120)             | -                       |  |
| <u>\$ (375,432)</u>       | <u>\$ (8,502,856)</u> | <u>\$ (464,557)</u>     |  |
| <br>                      |                       |                         |  |
| \$ (10,859)               | \$ 75,232             | \$ (93,482)             |  |
| -                         | 227,526               | -                       |  |
| -                         | (15,515,628)          | -                       |  |
| -                         | 15,108,846            | -                       |  |
| <u>\$ (10,859)</u>        | <u>\$ (104,024)</u>   | <u>\$ (93,482)</u>      |  |
| <br>                      |                       |                         |  |
| \$ (58,493)               | \$ (629,054)          | \$ 1,679,244            |  |
| 921,020                   | 17,181,437            | 10,097,592              |  |
| <u>\$ 862,527</u>         | <u>\$ 16,552,383</u>  | <u>\$ 11,776,836</u>    |  |

(continued)

**City of Austin, Minnesota**  
**Statement of Cash Flows (continued)**  
**Proprietary Funds**  
**For the Year Ended December 31, 2021**

|  | <u>Business-type Activities</u> |                      |
|--|---------------------------------|----------------------|
|  | <u>Sewer<br/>User</u>           | <u>Utilities</u>     |
| <b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b> |                                 |                      |
| Operating income (loss)  | \$ 1,668,085                    | \$ 2,375,485         |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: |                                 |                      |
| Depreciation and amortization  | 1,192,709                       | 3,224,447            |
| Miscellaneous revenues   | 43,883                          | -                    |
| Miscellaneous expenses   | -                               | (7,115)              |
| Change in net pension liability  | (243,483)                       | (1,564,015)          |
| Change in deferred inflows of resources - pension related                                      | 760,321                         | (264,433)            |
| Change in deferred inflows of resources - OPEB related   | (7,700)                         | 3,318,547            |
| Change in deferred outflows of resources - pension related                                     | (570,280)                       | (2,244,341)          |
| Change in deferred outflows of resources - OPEB related  | (663)                           | (522,828)            |
| Change in deferred inflows of resources - community solar related                              | -                               | (9,426)              |
| Change in other postemployment benefits payable  | 23,574                          | 1,079,141            |
| (Increase) decrease in assets:   |                                 |                      |
| Accounts receivable  | 749,708                         | (451,737)            |
| Due from other funds   | (54,272)                        | (20,592)             |
| Due from other governments   | 565                             | -                    |
| Inventory  | -                               | (113,379)            |
| Prepaid items  | -                               | 124,552              |
| Other assets   | -                               | 87,414               |
| Increase (decrease) in liabilities:  |                                 |                      |
| Vouchers payable   | (403,595)                       | 1,297,079            |
| Contractors' retained percentage   | (63,374)                        | -                    |
| Accrued expenses   | 402                             | (91,292)             |
| Due to other funds   | 19,067                          | 110,662              |
| Other current liabilities  | -                               | (128,347)            |
| Net cash provided by operating activities  | <u>\$ 3,114,947</u>             | <u>\$ 6,199,822</u>  |
| <b>Noncash investing, capital, and financing activities:</b>                                   |                                 |                      |
| Change in fair value of investments  | \$ -                            | \$ (460,632)         |
| Receipt of contributed capital assets  | \$ 1,738                        | \$ -                 |
| <b>Reconciliation of total cash and cash equivalents to cash and investments:</b>              |                                 |                      |
| Cash and cash equivalents  | \$ 8,866,459                    | \$ 6,823,397         |
| Other unrestricted investments   | -                               | 20,372,361           |
| Total cash and investments   | <u>\$ 8,866,459</u>             | <u>\$ 27,195,758</u> |

See accompanying Notes to Financial Statements.



| <u>- Enterprise Funds</u> |                      | <u>Governmental</u>     |  |
|---------------------------|----------------------|-------------------------|--|
| <u>Other</u>              |                      | <u>Activities -</u>     |  |
| <u>Enterprise</u>         |                      | <u>Internal Service</u> |  |
| <u>Funds</u>              | <u>Totals</u>        | <u>Funds</u>            |  |
| \$ 223,604                | \$ 4,267,174         | \$ (183,355)            |  |
| 114,538                   | 4,531,694            | 754,004                 |  |
| -                         | 43,883               | 155,401                 |  |
| -                         | (7,115)              | -                       |  |
| (624)                     | (1,808,122)          | (71,410)                |  |
| 80,356                    | 576,244              | 234,846                 |  |
| 579                       | 3,311,426            | -                       |  |
| (62,088)                  | (2,876,709)          | (176,421)               |  |
| (718)                     | (524,209)            | -                       |  |
| -                         | (9,426)              | -                       |  |
| 6,393                     | 1,109,108            | -                       |  |
| -                         | 297,971              | 290                     |  |
| (35,611)                  | (110,475)            | -                       |  |
| -                         | 565                  | -                       |  |
| -                         | (113,379)            | 4,195                   |  |
| -                         | 124,552              | (3,626)                 |  |
| -                         | 87,414               | -                       |  |
| 1,052                     | 894,536              | 47,098                  |  |
| -                         | (63,374)             | -                       |  |
| 1,601                     | (89,289)             | (24,556)                |  |
| (1,284)                   | 128,445              | 817                     |  |
| -                         | (128,347)            | -                       |  |
| <u>\$ 327,798</u>         | <u>\$ 9,642,567</u>  | <u>\$ 737,283</u>       |  |
| \$ -                      | \$ (460,632)         | \$ -                    |  |
| \$ 357,006                | \$ 358,744           | \$ -                    |  |
| \$ 862,527                | \$ 16,552,383        | \$ 11,776,836           |  |
| -                         | 20,372,361           | -                       |  |
| <u>\$ 862,527</u>         | <u>\$ 36,924,744</u> | <u>\$ 11,776,836</u>    |  |

**City of Austin, Minnesota**  
**Statement of Fiduciary Net Position**  
**Fiduciary Fund**  
**December 31, 2021**

|   | <u>Custodial<br/>Fund</u> |
|---|---------------------------|
| <b>Assets</b>                                     |                           |
| Cash and cash equivalents                         | \$ 311,744                |
| Receivables                                       |                           |
| Loans receivable, net of<br>allowance of \$10,116 | 316,883                   |
| Accrued interest                                  | <u>530</u>                |
| Total assets                                      | <u>\$ 629,157</u>         |
| <b>Liabilities</b>                                |                           |
| Accounts payable                                  | <u>\$ 6,651</u>           |
| Total liabilities                                 | <u>\$ 6,651</u>           |
| <b>Net Position</b>                               |                           |
| Restricted for other governments                  | <u>\$ 622,506</u>         |
| Total net position                                | <u><u>\$ 622,506</u></u>  |

*See accompanying Notes to Financial Statements.*

**City of Austin, Minnesota**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Fund**  
**For the Year Ended December 31, 2021**

|                                | <u>Custodial<br/>Fund</u> |
|--------------------------------|---------------------------|
| <b>Additions</b>               |                           |
| Investment income              |                           |
| Interest earned on loans       | \$ 7,507                  |
| Interest earned on investments | <u>63</u>                 |
| Total additions                | <u>\$ 7,570</u>           |
| <br><b>Deductions</b>          |                           |
| Administration                 | <u>\$ 10,845</u>          |
| Total deductions               | <u>\$ 10,845</u>          |
| <br>Net decrease               | <br>\$ (3,275)            |
| Net position - beginning       | <u>625,781</u>            |
| Net position - ending          | <u><u>\$ 622,506</u></u>  |

*See accompanying Notes to Financial Statements.*

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# **Notes to the Financial Statements**

**City of Austin, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of Government-wide 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 primary government and its component units. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

**B. Reporting Entity**

The City of Austin, Minnesota is a municipal corporation governed by an elected mayor and seven-member council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

The City of Austin was incorporated February 28, 1876, and is governed by a Home Rule Charter adopted March 10, 1903 pursuant to the general laws of Minnesota.

**Discretely Presented Component Units**

**Housing and Redevelopment Authority of Austin**

The Housing and Redevelopment Authority of Austin (HRA) is legally separate from the City of Austin. The City of Austin appoints a voting majority of the HRA's board and is able to impose its will on the HRA. However, the HRA does not provide services exclusively to the City of Austin; therefore, the HRA is a discrete presentation in this report. The fund structure of the HRA consists of seven enterprise funds. The HRA's fiscal year end is September 30; therefore, balances in this report are as of September 30, 2021. Copies of the HRA's financial statements may be obtained at 308 2<sup>nd</sup> Avenue NE, Austin, Minnesota 55912.

**Austin Port Authority**

The Austin Port Authority (Port Authority) is legally separate from the City of Austin. However, the City appoints a voting majority of the Port Authority Board, and the City is able to impose its will on the Port Authority. The two boards are not substantially the same, and the Port Authority does not provide services exclusively to the City of Austin; therefore, the Port Authority is also a discrete presentation in this report. The Port Authority maintains only one enterprise fund. Copies of the Port Authority's financial statements may be obtained at 500 4<sup>th</sup> Avenue NE, Austin, Minnesota 55912.

**City of Austin, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

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

**C. Basis of Presentation - Government-wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. 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.

As discussed earlier, the City has two discretely presented component units. While neither the Housing and Redevelopment Authority of Austin or the Austin Port Authority are considered to be a major component unit, they are nevertheless shown in separate columns in the government-wide financial statements.

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 water, electric, and gas function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The fund financial statements provide information about the government's funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

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

The *local option sales tax fund* accounts for the financial resources to be used for various flood control projects.

The *state aid street fund* accounts for the financial resources to be used directly for improvements to streets financed with the Municipal State Aid Street account.

**City of Austin, Minnesota  
Notes to the Financial Statements  
December 31, 2021**

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

**C. Basis of Presentation - Fund Financial Statements (continued)**

The City reports the following major proprietary funds:

The *sewer user fund* accounts for the operations of the City owned wastewater treatment plant.

The *utilities fund* accounts for the operations of Austin Utilities.

The City reports the following fund types:

*Internal service funds* account for insurance, data processing equipment and fleet management services provided to other departments of the City on a cost reimbursement basis.

Additionally, the City reports the following fiduciary fund:

The *Custodial Fund* accounts activities related to a joint-powers agreement between the City of Austin and Mower County to provide home ownership opportunities to low-and-moderate income families in Mower County, Minnesota. The City of Austin does have control over the assets of this jointly governed organization.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.



**City of Austin, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

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

**D. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The 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 government considers revenues to be available if they are collected within 90 days of the end of the current period, except for property taxes, which must be collected within 60 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales, taxes, franchise taxes, hotel-motel taxes, licenses and permits, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Only the portion of special assessments receivable due within the current period is considered to be susceptible to accrual as revenue of the current period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 90 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

**City of Austin, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

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

**E. Budgetary Information**

**1. Budgetary Basis of Accounting**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and the Special Revenue Funds of Library, Recreation Programs, and Fire PERA. The Special Revenue Funds of Floral Club, Memorial & Gift, and Minnesota Foundation are more grant-type budgets and are not "annually legally adopted budgets".

Budgets for Community Development Funds are prepared in accordance with Housing and Urban Development grant regulations. These are grant or project length budgets and not "annual legally adopted budgets."

Formal budgetary integration is not used for the Debt Service Funds because effective budgetary control is achieved through the use of the resolutions and ordinances that issue the bonds.

Budgetary control for the Capital Projects Funds is based on project-length financial plans rather than annual plans, therefore budgetary comparisons are not presented within the financial statements.

The City follows these legal compliance procedures in establishing the budgetary data reflected in the financial statements:

1. Revenue projections are prepared by the Finance Department and presented to the City Council.
2. Departmental line item budgets are submitted to the City Administrator from which a proposed budget document is compiled and submitted to the City Council. A proposed budget and tax levy must be certified to the County Auditor by September 30 in accordance with state statutes. The adopted tax levy cannot exceed the proposed levy.
3. Public hearings are conducted by the City Council with departments and with the general public in order to adopt a final budget and tax levy. A public hearing is required by state statute (Truth in Taxation).
4. The final budget and property tax levy must be adopted by resolution on or before December 31. The resolution includes total revenues and expenditures, or expenses, by fund and the amount to be raised by property taxes. Copies of this resolution are submitted to the County Auditor.

**City of Austin, Minnesota  
Notes to the Financial Statements  
December 31, 2021**

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

**E. Budgetary Information (continued)**

**1. Budgetary Basis of Accounting (continued)**

The legally enacted budget can be amended only by action of the City Council and budgetary information presented is as amended. The legal level of control for which expenditures may not exceed budget is at the department level. Department heads and management may transfer amounts within their department without seeking the approval of the City Council.

Appropriations in all funds lapse at the end of the year. The Council may take specific action to carry over certain appropriations to be expended in the next year.

**2. Excess of Expenditures over Appropriations**

For the year ended December 31, 2021, the Recreation Programs Fund had expenditures over budget by \$12,237 as a result of a new program established mid-year. This expenditure in excess of the 2021 budget was funded by the new revenues associated with the program that were collected during the year.

**F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

**1. Cash and Investments**

Cash balances from all funds are pooled and invested to the extent available in investments as authorized by resolution of the City Council. Earnings from such investments are allocated quarterly to respective funds based on month end balances of cash and investments. Investments are stated at fair value, based upon quoted market prices at the reporting date.

For purposes of the statement of cash flows, the enterprise and internal service funds includes amounts in demand deposits as well as unrestricted investments.

**2. Receivables and Payables**

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

Advances between funds, as reported in the fund financial statements, are offset by nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**City of Austin, Minnesota  
Notes to the Financial Statements  
December 31, 2021**

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

**F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)**

**2. Receivables and Payables (continued)**

Property tax levies are set by the City Council in December of each year and are certified to Mower County for collection in the following year. In Minnesota, counties act as collection agents for all property taxes. The County spreads all levies over taxable property. Such taxes become a lien on January 1, of the following year, and are recorded as receivables by the City at that date. Taxes are due and payable on May 15 and October 15, and collections are remitted from Mower County in January, June, and December. Revenues from property taxes are accrued and recognized as revenues in the year collectible, net of delinquencies.

Taxes that remain unpaid at December 31 are classified as delinquent taxes receivable. The amount of delinquent taxes receivable is fully offset by unavailable revenue in the governmental funds of the fund financial statements as they are not known to be available to finance current expenditures. Provisions are made in the annual budgets to recognize delinquent taxes as revenue and are used for expenditures in the year received.

Assessments are levied at various times upon City Council resolution for improvements made by the city to various properties. The assessment collections are generally deferred for up to fifteen years with interest rates set at approximately 2% above the cost of issuing bonds. Revenue from these assessments is recognized when assessed in the government-wide financial statements and as the annual installments become collectible in the government funds of the fund financial statements. Annual installments of assessments not collected at year-end are classified as delinquent assessments receivable. The amount of delinquent assessments receivable is fully offset by unavailable revenue in the government funds of the fund financial statements as they are not known to be available to finance current expenditures.

**3. Allowance for Uncollectible Accounts**

The City calculates its allowance for uncollectible accounts using specific account analysis. The allowance at December 31, 2021 is composed of the following:

|  |                     |
|--|---------------------|
| Governmental Funds:                        |                     |
| Notes Receivable                           | \$ 2,267,309        |
| Total Allowance for Uncollectible Accounts | <u>\$ 2,267,309</u> |

The Utilities fund records allowances of \$400,000 for accounts receivable and \$2,000 for other accounts receivable. The other Enterprise Funds' and Governmental Funds' accounts receivable are considered fully collectible and therefore an allowance for uncollectible accounts is not applicable to those receivables.

**City of Austin, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

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

**F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)**

**4. Inventories and Prepaid Items**

All inventories of supplies are valued at the lower of cost or net realizable value on a FIFO basis, except for the utilities fund, which uses the moving weighted average method.

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.

**5. Restricted Assets**

Certain assets in governmental activities are classified as restricted on the statement of net position because they are limited as to use by donors, Federal, State, or local law. Restricted assets consist of cash and investments, which are stated at fair value.

Certain assets in proprietary funds are restricted for specific purposes. Restricted assets consist of investments, which are stated at fair value.

**6. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the applicable government or business-type activities columns in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$5,000 for governmental-type and business-type assets. An estimated useful life of two years or more is also required before an asset is capitalized. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. 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.

Property, plant, and equipment of the primary government, as well as the component units, is depreciated using the straight-line method over the following estimated lives:

|                                   | Useful Life<br><u>In Years</u> |
|-----------------------------------|--------------------------------|
| Buildings                         | 10-60                          |
| Improvements Other than Buildings | 10-50                          |
| Infrastructure                    | 25-75                          |
| Machinery and Equipment           | 3-40                           |

**City of Austin, Minnesota  
Notes to the Financial Statements  
December 31, 2021**

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

**F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)**

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

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period (s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting. The first item that qualifies as this reporting element is pension related. The second item that qualifies is OPEB related.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has four types of this item. The first item that qualifies as this reporting element is pension related. The second item that qualifies as this reporting element is a community solar program. The third item is OPEB related. The fourth item that qualifies for reporting in this category is only under modified accrual basis of accounting. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, special assessments, and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts became available.

**8. 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 obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an expense in the period they are incurred.

In the fund financial statements, government 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.

**City of Austin, Minnesota  
Notes to the Financial Statements  
December 31, 2021**

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

**F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)**

**9. Pensions**

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**10. Postemployment Benefits Other than Pensions (OPEB)**

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the City's Retiree Benefits Plan (CRBP) and Austin Utilities Retiree Benefits Plan (AURBP) have been determined on the same basis as they are reported by the CRBP and AURBP. For this purpose, the City recognizes benefit payments when due and payable in accordance with the benefit terms.

**11. Net Position Flow Assumption**

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

**12. Fund Balance Flow Assumptions**

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**City of Austin, Minnesota  
Notes to the Financial Statements  
December 31, 2021**

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

**F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)**

**13. Fund Balance Policies**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for specific purposes determined by a formal action of the City's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the City that can, by adoption of a resolution prior to the end of the year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing council (city council) has by resolution authorized the finance director to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.



**City of Austin, Minnesota  
Notes to the Financial Statements  
December 31, 2021**

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

**G. Revenues and Expenditures/Expenses**

**1. Program Revenues**

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

**2. Property Taxes**

Property taxes attach as an enforceable lien on real property and are levied as of January 1<sup>st</sup>. The tax levy is divided into two billings: the first-half billing is due May 15; the second-half billing is due October 15. The billings are considered past due if payment does not occur on or before the 15th of either May or October of each year, at which time the applicable property is subject to lien, and penalties and interest are assessed.

**3. Compensated Absences**

It is the City's policy to permit certain employees to accumulate earned but not used vacation, compensatory overtime and sick pay benefits. All vacation, compensatory time, and sick pay is accrued when earned in the government-wide financial statements and the proprietary fund types. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. A maximum of one year's salary exists for payment of unused sick pay benefits.

In accordance with certain employee contracts, some employees are allowed to carryover up to 40 hours of unused vacation time into the next year. Hourly employees are allowed to accumulate up to 240 hours of compensatory overtime in accordance with federal fair labor standards.

**4. Proprietary Funds Operating and Nonoperating Revenues and Expenses**

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 revenues of the sewer fund, utilities fund, the storm water utility fund, and the waste transfer station fund, and the 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.

**City of Austin, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

**NOTE 2 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS**

**A. Deposits and investments**

The City maintains a cash and investment pool that is available for use by all funds. Earnings from such investments are first allocated to the respective funds on the basis of applicable balance participation by each fund. Secondly, legal and other requirements are applied to determine which funds must retain interest earnings and thirdly, earnings not required to be retained are allocated to the Building Fund. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and Investments."

**Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it in full. The City has an investment policy which follows the Minnesota Statutes for deposits.

In accordance with Minnesota statutes the City of Austin maintains deposits at banks, which are authorized by the Austin City Council.

Minnesota statutes require that all City deposits be protected by insurance, surety bond or collateral. The fair value of the collateral pledged must be equal to 110% of the deposits not covered by insurance or bonds.

Authorized collateral includes certain U.S. government securities, state or local government obligations, and other securities authorized by Minn. Stat. 118.A.03. 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.

The City's deposits in banks at December 31, 2021 were entirely covered by federal depository insurance or by collateral held by the City's custodial bank in the City's name.

**Investments**

The City may also invest idle funds as authorized investments by Minnesota Statutes as follows:

- a. Direct obligations or obligations guaranteed by the United States or its agencies.
- b. Shares of investment companies registered under the Federal Investment Company Act of 1940 and has received the highest credit rating and is rated in one of two highest rating categories by a statistical rating agency, and all the investments have a final maturity of thirteen months or less.
- c. General obligations rated "A" or better; revenue obligations rated "AA" or better.

**City of Austin, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

**NOTE 2 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**A. Deposits and investments (continued)**

**Investments (continued)**

- d. Bankers acceptances of the United States banks eligible for purchase by the Federal Reserve System.
- e. Commercial paper issued by United States corporations or their Canadian subsidiaries, of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.
- f. Repurchase or reverse repurchase agreements and securities lending agreements financial institutions qualified as a "depository" by the Government entity with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
- g. Guaranteed investment contracts (gic's) issued or guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance company and with a credit quality in one of the top two highest categories.

Investment balances for the City of Austin as of December 31, 2021 are as follows:

**Investments Held at Amortized Cost**

**Investments Held at Amortized Cost**

|                        |                      |
|------------------------|----------------------|
| Bankers Acceptances    | \$ 4,279,875         |
| Commercial Paper       | 1,998,566            |
| Mutual Funds (4M Fund) | 5,848,173            |
| Total                  | <u>\$ 12,126,614</u> |

**Investments Held at Fair Value**

**Investments Held at Fair Value**

|   |                      |
|---|----------------------|
| Federal Home Loan Bank Notes                        | \$ 24,334,450        |
| Federal National Mortgage Association Notes         | 978,020              |
| Federal Home Loan Mortgage Corporate Discount Notes | 8,559,430            |
| Federal Farm Credit Bank Notes                      | 4,732,156            |
| U.S. Treasury Securities                            | 103,432              |
| Development Bonds                                   | 3,736,225            |
| Repurchase Agreement                                | 3,473,458            |
| USB Select Treasury Institutional Fund              | 5                    |
| Total   | <u>\$ 45,917,176</u> |

**City of Austin, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

**NOTE 2 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)**

**A. Deposits and investments (continued)**

**Investments (continued)**

Maturities for investments held by the City of Austin as of December 31, 2021 are as follows:

|   | Total                | Investment Maturities in Years |                      |                      |              |
|---|----------------------|--------------------------------|----------------------|----------------------|--------------|
|   |                      | Less Than 1                    | 1-5 Years            | 6-10 Years           | More than 10 |
| Federal Home Loan Bank Notes                        | \$ 24,334,450        | \$ -                           | \$ 19,924,605        | \$ 4,409,845         | \$ -         |
| Federal National Mortgage Association Notes         | 978,020              | -                              | 978,020              | -                    | -            |
| Federal Home Loan Mortgage Corporate Discount Notes | 8,559,430            | -                              | 4,168,540            | 4,390,890            | -            |
| Federal Farm Credit Bank Notes                      | 4,732,156            | 999,030                        | 2,753,866            | 979,260              | -            |
| U.S. Treasury Securities                            | 103,432              | -                              | 103,432              | -                    | -            |
| Development Bonds                                   | 3,736,225            | 265,681                        | 2,834,076            | 636,468              | -            |
| Repurchase Agreement                                | 3,473,458            | 3,473,458                      | -                    | -                    | -            |
| Bankers Acceptances                                 | 4,279,875            | 4,279,875                      | -                    | -                    | -            |
| Commercial Paper                                    | 1,998,566            | 1,998,566                      | -                    | -                    | -            |
| USB Select Treasury Institutional Fund              | 5                    | 5                              | -                    | -                    | -            |
| Mutual Funds (4M Fund)                              | 5,848,173            | 5,848,173                      | -                    | -                    | -            |
|   | <u>\$ 58,043,790</u> | <u>\$ 16,864,788</u>           | <u>\$ 30,762,539</u> | <u>\$ 10,416,463</u> | <u>\$ -</u>  |

**Interest rate risk**

The City has a formal investment policy that addresses permissible investments, portfolio diversification, and instrument maturities, but this policy does not address interest rate risk. Investment maturities are scheduled to coincide with projected cash flow needs. Within these parameters, it is the City's policy to stagger portfolio maturities to avoid undue concentration of assets, provide for stability of income, and limit exposure to fair value losses related to rising interest rates. However, the City's investment policy does not specifically limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**City of Austin, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

**NOTE 2 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)**

**A. Deposits and investments (continued)**

**Investments (continued)**

**Credit Risk**

The City does not have a formal policy regarding credit risk other than following the Minnesota State Statute described on pages 56-57 of these notes. As of December 31, 2021, the City's investments in Federal Home Loan Bank obligations were rated Aaa and AA+ by Moody's Investor Services and Standard & Poor's respectively; the investments in Federal National Mortgage Association Notes were rated Aaa, AA+ and AAA by Moody's Investor Services, Standard & Poor's and Fitch Ratings, respectively; the investments in Federal Home Loan Mortgage Corporate Discount Notes were rated Aaa, AA+ and AAA by Moody's Investor Services, Standard & Poor's and Fitch Ratings, respectively; and the City's investments in the Federal Farm Credit Bank Notes were rated Aaa and AA+ by Moody's Investor Services and Standard & Poor's respectively. The City's investments in bonds were rated Aaa and AAA by Moody's Investor Services and Standard & Poor's, respectively. The City's investments in bankers acceptances and commercial paper are not rated.

As of December 31, 2021, the City had invested \$5,848,173 in the Minnesota Municipal Money Market (4M fund). This investment fund is not individually rated but each underlying investment in the fund is allowable under Minnesota State Statute and is top rated. Additionally, the City had invested \$5 in the USB Select Treasury Institutional Fund. This investment fund is rated AAAM by Standard & Poor's and Aaa-mf by Moody's Investor Services.

**Concentration of Credit Risk**

The City does not have a formal policy limiting the amount of the portfolio that may be invested in any one depository or issuer. The Finance Department is responsible for investment decisions and activities under the direction of the City's investment policy and the City Council. More than 5 percent of the City's investments are in Federal Home Loan Bank Notes, Federal Home Loan Mortgage Corporate Discount Notes, Federal Farm Credit Bank Notes, Repurchase Agreements, and Bankers Acceptances. These investments are 41.92%, 14.75%, 8.15%, 5.98%, and 7.37%, respectively, of the City's total investments.

**Custodial Credit Risk**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2021 all investments and collateral were listed in the name of the City.

**City of Austin, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

**NOTE 2 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**A. Deposits and investments (continued)**

**Balance Sheet Presentation**

The following is a reconciliation of cash and investments as shown on the Statement of Net Position.

|  |                      |
|--|----------------------|
| Deposits   | \$ 18,529,249        |
| Petty Cash   | 1,800                |
| Investments  | 58,043,790           |
| Total  | <u>\$ 76,574,839</u> |
| Statement of Net Position:                           |                      |
| Cash and Investments – Primary Government            | \$ 72,913,753        |
| Restricted Cash and Investments – Primary Government | 3,661,086            |
| Total  | <u>\$ 76,574,839</u> |

**Repurchase Agreement**

The Utilities entered into a repurchase sweep agreement with U.S. Bank. The sweep account invests in commercial paper issued by U.S. Bank NA with ratings of P-1, A-1+, and F1+ by Moody's Investors Services, Standard & Poor's and Fitch, respectively. The securities will be owned and held in safekeeping by U.S. Bank.

**Fair Value Measurement**

Fair value measurements are determined utilizing the framework established by the Governmental Accounting Standards Board. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.
- Level 2: Inputs to the valuation methodology include:
  - Quoted prices for similar assets or liabilities in active markets.
  - Quoted prices for identical assets or liabilities in inactive markets.
  - Inputs other than quoted prices that are observable for the asset or liability.
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specific (contractual) term, Level 2 input must be observable for substantially the full term of the asset or liability. U.S. Agency securities and municipal bonds classified in Level 2 are valued using quoted prices for similar securities and interest rates. The level of fair value measurement is based on the lowest level of significant input for the security type in its entirety. There are no Level 1 or Level 3 security classifications to report.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**City of Austin, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

**NOTE 2 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**A. Deposits and investments (continued)**

**Fair Value Measurement (continued)**

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The City's investments within the fair value hierarchy at December 31, 2021 are as follows:

| As of December 31, 2021                             | Level 1     | Level 2              | Level 3     | Total         |
|---|-------------|----------------------|-------------|---------------|
| Federal Home Loan Bank Notes                        | \$ -        | \$ 24,334,450        | \$ -        | \$ 24,334,450 |
| Federal National Mortgage Association Notes         | -           | 978,020              | -           | 978,020       |
| Federal Home Loan Mortgage Corporate Discount Notes | -           | 8,559,430            | -           | 8,559,430     |
| Federal Farm Credit Bank Notes                      | -           | 4,732,156            | -           | 4,732,156     |
| U.S. Treasury Securities                            | -           | 103,432              | -           | 103,432       |
| Development Bonds                                   | -           | 3,736,225            | -           | 3,736,225     |
| Repurchase Agreement                                | -           | 3,473,458            | -           | 3,473,458     |
|   | <u>\$ -</u> | <u>\$ 45,917,171</u> | <u>\$ -</u> |               |

|   |                      |
|---|----------------------|
| Investments measured at Net Asset Value (NAV) | 5                    |
| Total   | <u>\$ 45,917,176</u> |

The UBS Select Treasury Institutional Fund is an external investment pool that is managed to maintain a dollar-weighted average portfolio maturity of not greater than 60 days and seeks to maintain a constant net asset value (NAV) per share of \$1.00.

The UBS Select Treasury Institutional Fund has no redemption requirements.

The 4M Fund is an external investment pool (Pool) that is not registered with the SEC. The Pool elects to measure its investments at amortized cost in accordance with accounting statements issued by the Government Accounting Standards Board.

The City participates in the Liquid Asset class, which has no redemption requirements.

**City of Austin, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

**NOTE 2 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**B. Receivables**

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include assessments, notes, franchise fees, loans, and miscellaneous other charges. Business-type activities report utility earnings as their major receivables at year-end, and are reported net of related allowance for uncollectible accounts of \$400,000.

Notes receivable balances for the City of Austin as of December 31, 2021 can be summarized as follows:

Governmental Activities:

General Fund

|  |                   |
|--|-------------------|
| Murphy Creek Townhomes of Austin Limited Partnership | \$ 2,267,309      |
| Murphy's Creek Homes, LLC                            | 110,815           |
| Less: allowance for uncollectibles                   | (2,267,309)       |
| Subtotal General Fund                                | <u>\$ 110,815</u> |

Other Nonmajor Governmental Funds

|  |                   |
|--|-------------------|
| Fett Properties (Nemitz's interior)        | \$ 66,400         |
| Cooperative Response Center, Inc. -- Land  | 55,690            |
| Marcusen Park Baseball Association         | 13,200            |
| Subtotal Other Nonmajor Governmental Funds | <u>\$ 135,290</u> |
| Total Notes Receivable, net of allowance   | <u>\$ 246,105</u> |

**Murphy's Creek Townhomes of Austin Limited Partnership**

The City of Austin issued a note receivable to Murphy's Creek Townhomes of Austin Limited Partnership on March 7, 2018. The \$2,184,000 note was issued to help finance the construction of an 88-unit affordable living townhouse development. The note accrues interest at one percent simple interest with payment to be made on March 1, 2048.

**Murphy's Creek Homes, LLC**

The City of Austin issued a note receivable to Murphy's Creek Homes, LLC on November 15, 2001. The \$46,000 note was issued to help finance the development of eighteen single family homes. The note accrues interest at seven percent simple interest with payment to be made out of the available tax increments that are to be generated from the property.

**Nemitz's Interior (Fett Properties)**

On September 15, 2010, the City issued a note receivable in the amount of \$116,200 to Randall J. and Tamara B. Fett (Fett Properties) to assist in the interior renovation of a downtown building. The note is secured by the building. The note is at zero percent, and \$16,600 will be forgiven annually as long as during the preceding year, the property has been occupied by the business. If the forgiveness does not occur, then the balance shall be carried forward to the next year, or it may be paid off by Randall J. and Tamara B. Fett.



**City of Austin, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

**NOTE 2 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**B. Receivables (continued)**

**Cooperative Response Center, Inc.**

The City issued a note receivable to Cooperative Response Center, Inc. (CRC) for the purchase of land and public improvements on that land. The land portion of the note was issued on September 1, 2000, for \$196,210 at six percent interest. The improvement portion was issued on December 1, 2000, for \$41,768 at 7.5% interest. The note receivable will be paid off via tax increments received by the City on the development. The loan agreement contains job creation criteria which CRC must meet. If the criteria are not met, penalty provisions will be applied to the repayment of the loan.

**Marcusen Park Baseball Association**

On November 30, 2017, the City issued a note receivable in the amount of \$56,675 to the Marcusen Park Baseball Association to assist in the lighting and sound system improvements at Marcusen Park. The note is at zero percent, and annual payments ranging from \$8,800 to \$12,675 exist through 2022.

**C. Due from Other Governments**

Amounts due from other governments are composed primarily of aid for street projects from the State of Minnesota, state community development grant funds, and flood clean up grants. The balance also includes unremitted property taxes.

**D. Restricted Cash and Assets**

Restricted assets are deposits held for specifically required purposes. Balances at December 31, 2021, and descriptions are as follows:

**Governmental activities**

|                                       |                     |
|---------------------------------------|---------------------|
| Fire PERA                             | \$ 248,456          |
| Prepaid Items                         | 10,859              |
| Other purposes - expendable           | 90,320              |
| Other police purposes - nonexpendable | 2,097               |
| Library purposes – expendable         | 1,075,959           |
| Library purposes – Nonexpendable      | 161,315             |
| Senior Citizens Center                | 73,069              |
| Total governmental activities         | <u>\$ 1,662,075</u> |

**Business-type activities**

|   |                     |
|---|---------------------|
| Utilities employee sick pay benefits fund | \$ 1,999,011        |
| Total business-type activities            | <u>\$ 1,999,011</u> |

|                         |                            |
|-------------------------|----------------------------|
| Total Restricted Assets | <u><u>\$ 3,661,086</u></u> |
|-------------------------|----------------------------|

**City of Austin, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

**NOTE 2 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**E. Capital Assets**

Capital asset activity for the year ended December 31, 2021 was as follows:

**Primary Government**

|  | Beginning<br>Balance  | Increases             | Decreases           | Ending<br>Balance     |
|--|-----------------------|-----------------------|---------------------|-----------------------|
| <b>Governmental activities:</b>              |                       |                       |                     |                       |
| Capital assets, not being depreciated:       |                       |                       |                     |                       |
| Land   | \$ 26,977,492         | \$ 524,318            | \$ 318,012          | \$ 27,183,798         |
| Construction in progress                     | 8,057,975             | 5,366,736             | 1,213,392           | 12,211,319            |
| Total capital assets, not being depreciated  | <u>\$ 35,035,467</u>  | <u>\$ 5,891,054</u>   | <u>\$ 1,531,404</u> | <u>\$ 39,395,117</u>  |
| Capital assets, being depreciated:           |                       |                       |                     |                       |
| Buildings                                    | \$ 52,989,952         | \$ 682,948            | \$ 31,869           | \$ 53,641,031         |
| Improvements other than buildings            | 40,645,778            | 657,296               | 23,485              | 41,279,589            |
| Infrastructure                               | 86,133,845            | 1,092,954             | -                   | 87,226,799            |
| Machinery and Equipment                      | 23,356,245            | 798,183               | 278,600             | 23,875,828            |
| Total capital assets, being depreciated      | <u>\$ 203,125,820</u> | <u>\$ 3,231,381</u>   | <u>\$ 333,954</u>   | <u>\$ 206,023,247</u> |
| Less accumulated depreciation for:           |                       |                       |                     |                       |
| Buildings                                    | \$ 12,571,389         | \$ 1,326,544          | \$ 28,282           | \$ 13,869,651         |
| Improvements other than buildings            | 6,530,117             | 1,269,230             | 5,575               | 7,793,772             |
| Infrastructure                               | 36,663,123            | 2,430,392             | -                   | 39,093,515            |
| Machinery and Equipment                      | 12,241,958            | 1,333,813             | 274,716             | 13,301,055            |
| Total accumulated depreciation               | <u>\$ 68,006,587</u>  | <u>\$ 6,359,979</u>   | <u>\$ 308,573</u>   | <u>\$ 74,057,993</u>  |
| Total capital assets, being depreciated, net | <u>\$ 135,119,233</u> | <u>\$ (3,128,598)</u> | <u>\$ 25,381</u>    | <u>\$ 131,965,254</u> |
| Governmental activities capital assets, net  | <u>\$ 170,154,700</u> | <u>\$ 2,762,456</u>   | <u>\$ 1,556,785</u> | <u>\$ 171,360,371</u> |
| <b>Business-type activities:</b>             |                       |                       |                     |                       |
| Capital assets, not being depreciated:       |                       |                       |                     |                       |
| Land   | \$ 781,210            | \$ -                  | \$ -                | \$ 781,210            |
| Construction in progress                     | 7,912,028             | 2,813,018             | 4,396,601           | 6,328,445             |
| Total capital assets, not being depreciated  | <u>\$ 8,693,238</u>   | <u>\$ 2,813,018</u>   | <u>\$ 4,396,601</u> | <u>\$ 7,109,655</u>   |
| Capital assets, being depreciated:           |                       |                       |                     |                       |
| Buildings                                    | \$ 59,920,928         | \$ 143,859            | \$ -                | \$ 60,064,787         |
| Improvements other than buildings            | 1,903,253             | 20,437                | -                   | 1,923,690             |
| Infrastructure                               | 18,540,506            | 4,466,122             | -                   | 23,006,628            |
| Machinery and Equipment                      | 104,454,575           | 5,836,999             | 345,243             | 109,946,331           |
| Total capital assets, being depreciated      | <u>\$ 184,819,262</u> | <u>\$ 10,467,417</u>  | <u>\$ 345,243</u>   | <u>\$ 194,941,436</u> |
| Less accumulated depreciation for:           |                       |                       |                     |                       |
| Buildings                                    | \$ 21,319,674         | \$ 1,266,085          | \$ -                | \$ 22,585,759         |
| Improvements other than buildings            | 880,215               | 50,058                | -                   | 930,273               |
| Infrastructure                               | 2,233,737             | 326,333               | -                   | 2,560,070             |
| Machinery and Equipment                      | 54,832,516            | 2,889,218             | 345,243             | 57,376,491            |
| Total accumulated depreciation               | <u>\$ 79,266,142</u>  | <u>\$ 4,531,694</u>   | <u>\$ 345,243</u>   | <u>\$ 83,452,593</u>  |
| Total capital assets, being depreciated, net | <u>\$ 105,553,120</u> | <u>\$ 5,935,723</u>   | <u>\$ -</u>         | <u>\$ 111,488,843</u> |
| Business-type activities capital assets, net | <u>\$ 114,246,358</u> | <u>\$ 8,748,741</u>   | <u>\$ 4,396,601</u> | <u>\$ 118,598,498</u> |

**City of Austin, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

**NOTE 2 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**E. Capital Assets (continued)**

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

**Governmental activities:**

|  |                            |
|--|----------------------------|
| General government   | \$ 143,674                 |
| Public safety  | 338,208                    |
| Streets and highways   | 2,160,638                  |
| Culture and recreation   | 1,978,451                  |
| Public Service   | 296,101                    |
| Community development  | 688,903                    |
| Capital assets held by the government's internal<br>service funds are charged to the various functions<br>based on their usage of the assets | <u>754,004</u>             |
| Total depreciation expense – governmental activities   | <u><u>\$ 6,359,979</u></u> |

**Business-type activities:**

|   |                            |
|---|----------------------------|
| Sewer   | \$ 1,192,709               |
| Waste Transfer Station                                | 11,860                     |
| Storm Water   | 102,678                    |
| Utilities   | <u>3,224,447</u>           |
| Total depreciation expense – business-type activities | <u><u>\$ 4,531,694</u></u> |

**Construction Commitments**

The City has active construction projects as of December 31, 2021. The projects include street improvements, flood improvements and wastewater treatment improvements. At year-end the City's commitments with contractors are as follows:

| <u>Project</u>            | <u>Spent-to-Date</u>       | <u>Remaining<br/>Commitment</u> |
|---------------------------|----------------------------|---------------------------------|
| Street improvements       | \$ 9,600,161               | \$ 1,179,994                    |
| Sewer System improvements | 175,106                    | 57,825                          |
| Total                     | <u><u>\$ 9,775,267</u></u> | <u><u>\$ 1,237,819</u></u>      |

The commitment for street improvements is being funded primarily by fund balance and by State and Federal grants. The sewer system improvements are being financed by the use of fund balance.

**City of Austin, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

**NOTE 2 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**E. Capital Assets (continued)**

Capital asset activity for the year ended December 31, 2021 was as follows:

**Discretely presented component units**

|  | Beginning<br>Balance | Increases           | Decreases         | Ending<br>Balance    |
|--|----------------------|---------------------|-------------------|----------------------|
| <b>Housing Authority:</b>                    |                      |                     |                   |                      |
| Capital assets, not being depreciated:       |                      |                     |                   |                      |
| Land   | \$ 2,550,941         | \$ -                | \$ -              | \$ 2,550,941         |
| Construction in progress                     | 11,992               | 477,979             | 477,639           | 12,332               |
| Total capital assets, not being depreciated  | <u>\$ 2,562,933</u>  | <u>\$ 477,979</u>   | <u>\$ 477,639</u> | <u>\$ 2,563,273</u>  |
| Capital assets, being depreciated:           |                      |                     |                   |                      |
| Buildings and Improvements                   | \$ 34,441,088        | \$ 702,866          | \$ 337,604        | \$ 34,806,350        |
| Equipment                                    | 1,343,361            | 332,707             | 222,253           | 1,453,815            |
| Total capital assets, being depreciated      | <u>\$ 35,784,449</u> | <u>\$ 1,035,573</u> | <u>\$ 559,857</u> | <u>\$ 36,260,165</u> |
| Less accumulated depreciation for:           |                      |                     |                   |                      |
| Buildings and Improvements                   | \$ 21,792,356        | \$ 1,140,806        | \$ 263,102        | \$ 22,670,060        |
| Equipment                                    | 1,154,185            | 48,123              | 222,253           | 980,055              |
| Total accumulated depreciation               | <u>\$ 22,946,541</u> | <u>\$ 1,188,929</u> | <u>\$ 485,355</u> | <u>\$ 23,650,115</u> |
| Total capital assets, being depreciated, net | <u>\$ 12,837,908</u> | <u>\$ (153,356)</u> | <u>\$ 74,502</u>  | <u>\$ 12,610,050</u> |
| Housing Authority capital assets, net        | <u>\$ 15,400,841</u> | <u>\$ 324,623</u>   | <u>\$ 552,141</u> | <u>\$ 15,173,323</u> |
| <b>Port Authority:</b>                       |                      |                     |                   |                      |
| Capital assets, being depreciated:           |                      |                     |                   |                      |
| Buildings                                    | \$ 23,454,467        | \$ -                | \$ -              | \$ 23,454,467        |
| Improvements other than buildings            | 538,739              | 15,045              | -                 | 553,784              |
| Machinery and Equipment                      | 2,108,645            | -                   | -                 | 2,108,645            |
| Total capital assets, being depreciated      | <u>\$ 26,101,851</u> | <u>\$ 15,045</u>    | <u>\$ -</u>       | <u>\$ 26,116,896</u> |
| Less accumulated depreciation for:           |                      |                     |                   |                      |
| Buildings                                    | \$ 2,918,675         | \$ 585,859          | \$ -              | \$ 3,504,534         |
| Improvements other than buildings            | 136,628              | 27,046              | \$ -              | 163,674              |
| Machinery and Equipment                      | 872,358              | 117,459             | -                 | 989,817              |
| Total accumulated depreciation               | <u>\$ 3,927,661</u>  | <u>\$ 730,364</u>   | <u>\$ -</u>       | <u>\$ 4,658,025</u>  |
| Port Authority capital assets, net           | <u>\$ 22,174,190</u> | <u>\$ (715,319)</u> | <u>\$ -</u>       | <u>\$ 21,458,871</u> |

**City of Austin, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

**NOTE 2 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**F. Interfund Balances and Transfers**

The composition of interfund balances as of December 31, 2021 is as follows:

Due to/from other funds:

| <u>Receivable Fund</u>      | <u>Payable Fund</u>             | <u>Amount</u>       |
|-----------------------------|---------------------------------|---------------------|
| General                     | Utilities                       | \$ 275,358          |
| General                     | Nonmajor Governmental Funds     | 374,300             |
| Sewer User                  | Utilities                       | 591,168             |
| Utilities                   | General                         | 53,906              |
| Utilities                   | Sewer User                      | 96,571              |
| Utilities                   | Nonmajor Enterprise Funds       | 3,211               |
| Utilities                   | Nonmajor Internal Service Funds | 5,342               |
| Utilities                   | Nonmajor Governmental Funds     | 3,349               |
| Nonmajor Enterprise Funds   | Utilities                       | 92,724              |
| Nonmajor Governmental Funds | Utilities                       | 12,929              |
| Total                       |                                 | <u>\$ 1,508,858</u> |

The amounts listed above are amounts due for interfund services provided, and were paid after year end.

Advances to/from component units:

| <u>Receivable Fund/Component</u> | <u>Payable Component/Fund</u> | <u>Amount</u>     |
|----------------------------------|-------------------------------|-------------------|
| Building Fund                    | Port Authority                | <u>\$ 612,733</u> |

Advances were made to component units to finance various projects. The amount reported as advances to component units is \$613,990. This amount varies from the amount listed above because the allocation of the profit/loss in the internal service funds back to the Port Authority is included on the government wide statement.

A reconciliation of transfers for the year ended December 31, 2021 is as follows:

| <u>Transfers to (Fund):</u> | <u>Transfers Out (Fund)</u> |                              |                     | <u>Total</u>        |
|-----------------------------|-----------------------------|------------------------------|---------------------|---------------------|
|                             | <u>General Fund</u>         | <u>Nonmajor Governmental</u> | <u>Utilities</u>    |                     |
| General                     | \$ -                        | \$ 4,000                     | \$ 1,664,741        | \$ 1,668,741        |
| Nonmajor Governmental       | 2,170,000                   | -                            | -                   | 2,170,000           |
| Internal Service Funds      | 1,500,000                   | -                            | -                   | 1,500,000           |
| Total                       | <u>\$ 3,670,000</u>         | <u>\$ 4,000</u>              | <u>\$ 1,664,741</u> | <u>\$ 5,338,741</u> |

**City of Austin, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

**NOTE 2 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**F. Interfund Balances and Transfers (continued)**

Throughout the year, the City has to make occasional interfund transfers. These transfers are usually approved so that the fund receiving the money can continue to operate. Other transfers were made between funds for financing various purchases or to close out funds that are no longer required to be maintained.

**G. Long-term debt**

**Primary Government**

**Revenue Bonds**

The City has pledged future net revenues from the water utility to repay the remaining outstanding principal and interest of the Water Revenue Bonds, Series 2012A, through their maturity date in 2027. Net revenues of the water utility for 2021 were \$818,362, and principal and interest paid on the 2012A bonds in 2021 were \$375,000 and \$53,706, respectively. These bonds are recorded in the fund according to the purpose for which they were issued. In 2012 the City issued \$5,600,000 of revenue bonds to finance construction projects to enhance the water distribution system throughout the community.

The revenue bonds currently outstanding are as follows:

| <u>Business-type Activities</u>   | <u>Matures</u> | <u>Interest Rates</u> | <u>Balance</u>      |
|-----------------------------------|----------------|-----------------------|---------------------|
| Water Revenue Bonds, Series 2012A | 2027           | 2.00 - 2.50%          | 2,425,000           |
| Total                             |                |                       | <u>\$ 2,425,000</u> |

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

| <u>Year Ending December 31</u> | <u>Business-type Activities</u> |                   |
|--------------------------------|---------------------------------|-------------------|
|                                | <u>Principal</u>                | <u>Interest</u>   |
| 2022                           | \$ 385,000                      | \$ 53,706         |
| 2023                           | 390,000                         | 46,006            |
| 2024                           | 400,000                         | 38,206            |
| 2025                           | 410,000                         | 29,706            |
| 2026                           | 415,000                         | 20,482            |
| 2027                           | 425,000                         | 10,625            |
| Total                          | <u>\$ 2,425,000</u>             | <u>\$ 198,731</u> |

**General Obligation Capital Improvement Bonds**

On June 1, 2015, the City issued a general obligation capital improvement bond to provide financing to construct a central facility for the Utilities. This bond is backed by the full faith, credit and taxing power of the City and is covered by a tax levy upon all citizens.

**City of Austin, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

**NOTE 2 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**G. Long-term debt (continued)**

**Primary Government (continued)**

**General Obligation Capital Improvement Bonds (continued)**

The general obligation capital improvement bond currently outstanding is as follows:

| <u>Business-type Activities</u>                 | <u>Matures</u> | <u>Interest Rates</u> | <u>Balance</u>       |
|---|----------------|-----------------------|----------------------|
| Utility Capital Improvement Bonds, Series 2015A | 2036           | 2.00 – 3.625%         | \$ 14,160,000        |
| Total   |                |                       | <u>\$ 14,160,000</u> |

Annual debt service requirements to maturity for the general obligation capital improvement bond are as follows:

| <u>Year Ending December 31</u> | <u>Business-type Activities</u> |                     |
|--------------------------------|---------------------------------|---------------------|
|                                | <u>Principal</u>                | <u>Interest</u>     |
| 2022                           | \$ 745,000                      | \$ 467,113          |
| 2023                           | 760,000                         | 448,263             |
| 2024                           | 785,000                         | 425,087             |
| 2025                           | 810,000                         | 393,062             |
| 2026                           | 850,000                         | 355,813             |
| 2027 - 2031                    | 4,695,000                       | 1,342,696           |
| 2032 - 2036                    | 5,515,000                       | 499,685             |
| Total                          | <u>\$ 14,160,000</u>            | <u>\$ 3,931,719</u> |

**Capital Lease**

In February 2020, the Utilities entered into a capital lease agreement for excavator equipment. The lease terms call for monthly payments of \$1,319 through February of 2025. This capital asset is capitalized at cost of \$81,074 with \$29,727 of accumulated depreciation at December 31, 2021. Amortization expense of the period is included in depreciation expense.

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of December 31, 2021:

| <u>Year Ending December 31</u>              | <u>Business-type Activities</u> |
|---|---------------------------------|
| 2022  | \$ 17,035                       |
| 2023  | 15,828                          |
| 2024  | 15,828                          |
| 2025  | 3,962                           |
| Total                                       | <u>\$ 52,653</u>                |
| Less amount representing interest           | (1,603)                         |
| Present value of net minimum lease payments | <u>\$ 51,050</u>                |

**City of Austin, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

**NOTE 2 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**G. Long-term debt (continued)**

**Primary Government (continued)**

**Long-term Liability Activity (continued)**

Long-term liability activity for the year ended December 31, 2021, was as follows:

|   | Beginning<br>Balance | Increases           | Decreases           | Ending<br>Balance    | Due Within<br>One Year |
|---|----------------------|---------------------|---------------------|----------------------|------------------------|
| <b>Governmental activities:</b>                   |                      |                     |                     |                      |                        |
| Compensated Absences                              | 2,132,172            | 1,415,642           | 1,361,721           | 2,186,093            | 661,910                |
| Governmental activities<br>Long-term liabilities  | <u>\$ 2,132,172</u>  | <u>\$ 1,415,642</u> | <u>\$ 1,361,721</u> | <u>\$ 2,186,093</u>  | <u>\$ 661,910</u>      |
| <b>Business-type activities:</b>                  |                      |                     |                     |                      |                        |
| Revenue Bonds                                     | \$ 2,800,000         | \$ -                | \$ 375,000          | \$ 2,425,000         | \$ 385,000             |
| Capital Improvement Plan Bonds                    | 14,895,000           | -                   | 735,000             | 14,160,000           | 745,000                |
| Capital Lease Payable                             | 66,863               | -                   | 15,813              | 51,050               | 16,179                 |
| Bond Premium                                      | 301,534              | -                   | 23,056              | 278,478              | 23,056                 |
| Compensated Absences                              | 2,138,415            | 364,436             | 521,838             | 1,981,013            | 416,361                |
| Business-type activities<br>Long-term liabilities | <u>\$ 20,201,812</u> | <u>\$ 364,436</u>   | <u>\$ 1,670,707</u> | <u>\$ 18,895,541</u> | <u>\$ 1,585,596</u>    |

Internal Service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. The sick leave portion of compensated absences payable is liquidated through the Sick Leave Program Internal Service fund. Unused vacation and compensatory time are charged to each department as they are used. For governmental activities, vacation and compensatory time are generally liquidated through the General fund.

**Conduit Debt Obligations**

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2021, there was one series of Industrial Revenue Bonds outstanding, with original issue amounts of \$13,335,000 and an aggregate principal amount outstanding of \$13,020,000.



**City of Austin, Minnesota  
Notes to the Financial Statements  
December 31, 2021**

**NOTE 2 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**G. Long-term debt (continued)**

**Primary Government (continued)**

**Tax Abatement Disclosure**

The City provides tax abatements under a program to encourage home construction. The program is established under Minnesota Statute 469.1813. The abatement equals 100% of the additional property tax resulting from the increase in the assessed value as a result of the construction. Abatements are obtained through application by the property owner prior to commencing the construction. Because taxes are not abated until after the construction has been completed, there are no provisions for recapturing the abated taxes. No other commitments were made by the City as part of those agreements. The amount abated during 2021 was \$57,964 for thirty-six properties.

**Tax Increment District Disclosure**

The City has four pay-as-you-go tax increment financing districts with local businesses to promote development within the City. The City is currently collecting tax increments that are paid through the property tax collection process. The requirement for businesses to receive the excess tax increments from the City was to perform improvements on the owned property. The increment taxes are based on the increase of the property value after the improvements are made. No other commitments were made by the City as part of these agreements. The City of Austin or the Austin Housing and Redevelopment Authority administer the following tax increment financing districts. Minnesota Statutes Section 469.175, Subdivision 6 requires the following disclosures for each district:

Tax Increment District No. 8, Cedar View Housing, is located within Municipal Development District No. 1. This housing district was established in 1998 pursuant to Minnesota Statutes Chapter 469. The first tax increment was received in 2000, and the duration of the district is through the year 2025. The agreement calls for 90% of the property tax increments collected to be returned to the developers.

Tax Increment District No. 10, CBD Redevelopment, is located within Municipal Development District No. 1. This redevelopment district was established in 1999 pursuant to Minnesota Statutes Chapter 469. The first tax increment was received in 2002, and the duration of the district is through the year 2027.

Tax Increment District No. 11, CRC Project, is located within Municipal Development District No. 1. This redevelopment district was established in 2000 pursuant to Minnesota Statutes Chapter 469. The first tax increment was received in 2003, and the duration of the district is through the year 2028. The agreement calls for 100% of the property tax increments collected to be maintained by the City to repay infrastructure costs.

Tax Increment District No. 12, Murphy's Creek Townhomes of Austin Project, is located within Municipal Development District No. 1. This housing district was established in 2001 pursuant to Minnesota Statutes Chapter 469. The first tax increment was received in 2003, and the duration of the district is through the year 2028. The agreement calls for 96.4% of the property tax increments collected to be maintained by the City to repay infrastructure costs.

**City of Austin, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

**NOTE 2 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**G. Long-term debt (continued)**

**Primary Government (continued)**

**Tax Increment District Disclosure (continued)**

Tax Increment District No. 13, Oak Park Mall, is located within Municipal Development District No. 1. This redevelopment district was established in 2015 pursuant to Minnesota Statutes Chapter 469. The first tax increment was received in 2018, and the duration of the district is through the year 2043. The agreement calls for 100% of the property tax increments collected to be maintained by the City to repay infrastructure costs.

Tax Increment District No. 14, North Pointe, is located within Municipal Development District No. 1. This housing district was established in 2017 pursuant to Minnesota Statutes Chapter 469. The first tax increment is estimated to be received in 2020, and the duration of the district is through the year 2045. The agreement calls for 90% of the property tax increments collected to be returned to the developers.

| <u>Tax Increment District</u>                 | <u>No. 8</u>  | <u>No. 10</u> | <u>No. 11</u> |
|---|---------------|---------------|---------------|
| Original net tax capacity                     | \$ 686        | \$ 15,565     | \$ 5,103      |
| Current net tax capacity                      | \$ 16,387     | \$ 57,040     | \$ 77,188     |
| Captured net tax capacity:                    |               |               |               |
| Retained by authority                         | \$ 15,701     | \$ 41,475     | \$ 72,085     |
| Shared with other taxing districts            | \$ -          | \$ -          | \$ -          |
| <u>Tax Increment returned to developers</u>   | \$ -          | \$ -          | \$ 23,544     |
| <u>Bonds Outstanding:</u>                     |               |               |               |
| General obligation tax increment bonds issued | \$ -          | \$ 1,405,000  | \$ -          |
| Bond principal retired                        | -             | 1,405,000     | -             |
| Bonds outstanding 12/31/21                    | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   |
|   | <u>No. 12</u> | <u>No. 13</u> | <u>No. 14</u> |
| Original net tax capacity                     | \$ 2,261      | \$ 29,757     | \$ 1,988      |
| Current net tax capacity                      | \$ 48,536     | \$ 176,154    | \$ 24,219     |
| Captured net tax capacity:                    |               |               |               |
| Retained by authority                         | \$ 46,275     | \$ 146,397    | \$ 22,231     |
| Shared with other taxing districts            | \$ -          | \$ -          | \$ -          |
| <u>Tax Increment returned to developers</u>   | \$ 48,090     | \$ 162,880    | \$ 28,700     |
| <u>Bonds Outstanding:</u>                     |               |               |               |
| General obligation tax increment bonds issued | \$ -          | \$ -          | \$ -          |
| Bond principal retired                        | -             | -             | -             |
| Bonds outstanding 12/31/21                    | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   |

**City of Austin, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

**NOTE 2 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**G. Long-term debt (continued)**

**Discretely presented component unit – Housing and Redevelopment Authority**

**Components of General Long-Term Debt**

The HRA has issued general obligation and gross revenue bonds to finance the construction of Courtyard and Chauncey Apartments and to refund previous issues.

|                                       | <u>Issue and<br/>Maturity Dates</u> | <u>Interest Rate</u> | <u>Due Within<br/>One Year</u> | <u>Total</u>        |
|---------------------------------------|-------------------------------------|----------------------|--------------------------------|---------------------|
| General Obligation<br>Refunding Bonds | 2013 - 2023                         | 0.30 - 2.70%         | \$ 195,000                     | \$ 395,000          |
| General Obligation<br>Refunding Bonds | 2016 - 2023                         | 0.85 - 1.55%         | 145,000                        | 295,000             |
| Gross Revenue<br>Refunding Bonds      | 2018 - 2029                         | 3.15%                | 920,000                        | 3,839,000           |
|                                       |                                     |                      | <u>\$ 1,260,000</u>            | <u>\$ 4,529,000</u> |

Notes from Direct Borrowing:

|  |                     |                     |
|--|---------------------|---------------------|
| Publicly Owned Housing Program<br>Loan Agreement | -                   | 1,446,737           |
| Deferred Loan Agreement                          | -                   | 35,000              |
| PTO Payable                                      | 49,391              | 49,391              |
| Banked PTO Payable                               | -                   | 59,470              |
|  | <u>\$ 1,309,391</u> | <u>\$ 6,119,598</u> |
| Gain on Bond Refunding                           | -                   | 55,419              |
| Loss on Bond Refunding                           | -                   | (2,391)             |
| Total Long-Term Liabilities                      | <u>\$ 1,309,391</u> | <u>\$ 6,172,626</u> |

**Minimum Debt Payments**

Minimum annual principal and interest payments required to retire General Obligation and Gross Revenue Bonds Payable and loan agreement payable are as follows:

| <u>Year Ending<br/>September 30</u> | <u>Bonds Payable</u> |                   |
|-------------------------------------|----------------------|-------------------|
|                                     | <u>Principal</u>     | <u>Interest</u>   |
| 2022                                | \$ 1,260,000         | \$ 129,054        |
| 2023                                | 767,000              | 92,551            |
| 2024                                | 430,000              | 75,458            |
| 2025                                | 447,000              | 61,772            |
| 2026                                | 462,000              | 47,581            |
| 2027-2029                           | 1,163,000            | 53,943            |
|                                     | <u>\$ 4,529,000</u>  | <u>\$ 460,359</u> |

**City of Austin, Minnesota  
Notes to the Financial Statements  
December 31, 2021**

**NOTE 2 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**G. Long-term debt (continued)**

**Discretely presented component unit – Housing and Redevelopment Authority  
(continued)**

**Description of Long-Term Debt**

**General Obligation and Gross Revenue Bonds**

On November 28, 2018, the HRA issued \$4,733,000 of Governmental Housing Revenue Refunding Bonds, Series 2018A. The proceeds of the issue were used for a current refunding of the Governmental Housing Gross Revenue Bonds, Series 2010A. Revenues generated from the rental of the Chauncey Apartment units are dedicated to the retirement of these bonds. The cash flow savings is \$85,023 and the net present value benefit is \$84,410.

On August 20, 2013, the HRA issued \$1,830,000 of General Obligation Governmental Housing Refunding Bonds, Series 2013A. The proceeds of the issue were used to refund in advance of maturity, \$1,780,000 of the outstanding maturities of the General Obligation Governmental Housing Refunding Bonds, Series 2003A. Revenues generated from the rental of the Austin Courtyard units are dedicated to the retirement of these bonds.

On March 1, 2016, the HRA issued \$1,000,000 of General Obligation Governmental Housing Refunding Bonds, Series 2016A. The proceeds of the issue were used for a current refund in advance of maturity, \$1,350,000 of the outstanding maturities of the General Obligation Governmental Housing Refunding Bonds, Series 2005A. Revenues generated from the rental of the Austin Courtyard units are dedicated to the retirement of these bonds.

**Deferred Loan Repayment Agreement**

On May 16, 2013, the HRA entered into a Deferred Loan Repayment Agreement and Mortgage with MHFA for \$35,000 for the purpose of making upgrades to the Transitional House. The loan is non-interest bearing and will be forgiven by MHFA if no event of default, as outlined in the loan agreement, occurs within twenty years from the date of the agreement.

On August 2, 2016, the HRA entered into a Publicly Owned Housing Program Deferred Loan repayment agreement with MHFA for \$877,686 for the purpose of replacing all of the Twin Tower's windows. The HRA started drawing on the loan on June 5, 2017. The loan is noninterest bearing and will be forgiven by MHFA if no event of default, as outlined in the loan agreement, occurs within twenty years from the date of the agreement.

**City of Austin, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

**NOTE 2 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**G. Long-term debt (continued)**

**Discretely presented component unit – Housing and Redevelopment Authority (continued)**

**Deferred Loan Repayment Agreement (continued)**

On May 2, 2018, the HRA entered into a publicly owned housing program deferred loan repayment agreement with MHFA for \$340,300 and an additional \$248,039 in 2021 for the purpose of completing several repairs to the Scattered Sites Building. The HRA started drawing on the loan during 2018. The total outstanding as of September 30, 2021 was \$569,051. The loan is noninterest bearing and will be forgiven by MHFA if no event of default, as outlined in the loan agreement, occurs within twenty years from the date of the agreement.

**Compensated Absences**

Compensated absences consist of paid-time off (PTO) payable and banked paid time off payable. Both consist of balances that are earned but unused at September 30, 2021.

**Changes in Long-Term Debt**

|  | Beginning<br>Balance | Additions         | Retirements       | Ending<br>Balance   | Due Within<br>One Year |
|--|----------------------|-------------------|-------------------|---------------------|------------------------|
| Notes from Direct Borrowing:                             |                      |                   |                   |                     |                        |
| Deferred Loan Agreement                                  | \$ 35,000            | \$ -              | \$ -              | \$ 35,000           | \$ -                   |
| POHP Loan Agreement                                      | 1,217,986            | 228,751           | -                 | 1,446,737           | -                      |
| Bonds  | 5,240,000            | -                 | 711,000           | 4,529,000           | 1,260,000              |
| Gain On Bond Refunding                                   | 63,062               | -                 | 7,643             | 55,419              | -                      |
| Loss on Bond Refunding                                   | (4,781)              | -                 | (2,390)           | (2,391)             | -                      |
| <b>Total Bonds and Loans Payable</b>                     | <b>\$ 6,551,267</b>  | <b>\$ 228,751</b> | <b>\$ 716,253</b> | <b>\$ 6,063,765</b> | <b>\$ 1,260,000</b>    |
| PTO Payable  | 45,564               | 62,975            | 59,148            | 49,391              | 49,391                 |
| Banked PTO Payable                                       | 58,412               | 1,058             | -                 | 59,470              | -                      |
| <b>Total discretely-presented<br/>    component unit</b> | <b>\$ 6,655,243</b>  | <b>\$ 292,784</b> | <b>\$ 775,401</b> | <b>\$ 6,172,626</b> | <b>\$ 1,309,391</b>    |

**Port Authority**

Long-term liability activity for the year ended December 31, 2021, was as follows:

|                              | Beginning<br>Balance | Increases       | Decreases        | Ending<br>Balance | Due Within<br>One Year |
|------------------------------|----------------------|-----------------|------------------|-------------------|------------------------|
| <b>Port Authority:</b>       |                      |                 |                  |                   |                        |
| Advances with City of Austin | 671,180              | 6,553           | 65,000           | 612,733           | -                      |
| Long-Term Liabilities        | <u>\$ 671,180</u>    | <u>\$ 6,553</u> | <u>\$ 65,000</u> | <u>\$ 612,733</u> | <u>\$ -</u>            |

**City of Austin, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

**NOTE 3 OTHER INFORMATION**

**A. Contingent liabilities**

Amounts received or receivable from federal and state agencies are subject to agency audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of funds which may be disallowed by the agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial. The federal financial assistance received is subject to an audit pursuant to the Uniform Grant Guidance or audits by the grantor agency.

The City is subject to potential litigation involving various personal injury and property loss claims. The City intends to contest vigorously any litigation, which may result from these claims. In addition, management believes no material uninsured loss will result from these claims.

The City has Operating Deficit Guarantee Agreements with the Housing and Redevelopment Authority of Austin (HRA) for the Courtyard Apartments and the Chauncey Apartments. Under these agreements, the City of Austin is responsible for paying US Bank Trust National Association (the Trustee) an amount equal to any projected operating deficits, as properly budgeted for. In addition, the City must also make payment to the Trustee to restore the balance in the Operating Reserve Account, as defined in the bond agreement, to equal six months operating expenses. The above payments shall be made from the available general funds of the City, and the City covenants that, to the extent necessary to raise such funds from time to time, it will levy a tax on all taxable property within its boundaries. The HRA must repay the City all amounts that were advanced to the Trustee at an agreed upon rate of 6% per year.

The Austin Utilities purchases power from Southern Minnesota Municipal Power Agency (SMPMA) under a power sales contract that extends to April 1, 2030. Under the terms of this contract, the Utilities is obligated to buy all the electrical power and energy needed to operate the electric utility.

The Austin Utilities has entered into forward contracts to purchase a portion of its natural gas at a specified time in the future at a guaranteed price. The Utilities enters into these contracts to help plan its natural gas costs for the year and to protect itself against an increase in the market price of the commodity.

It is possible the market price before or at the specified time to purchase natural gas may be lower than the price at which the Utilities is committed to buy. This would reduce the value of the contract. The Utilities is committed to purchase 1,999,151 thousand cubic feet of natural gas through October 2026 for a total commitment of \$6,625,136 at December 31, 2021.

During the year ended December 31, 2021, net sales to Hormel Foods Corporation amounted to \$22,409,045. Sales to this customer accounted for 35% of the total revenue of the Utilities in 2021.

**City of Austin, Minnesota  
Notes to the Financial Statements  
December 31, 2021**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**B. Retirement systems**

**Defined Benefit Pension Plans – Statewide**

**Plan Description**

The City of Austin 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.

**1. General Employees Retirement Plan**

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

**2. 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.

**Benefits Provided**

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

**City of Austin, Minnesota  
Notes to the Financial Statements  
December 31, 2021**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**B. Retirement systems (continued)**

**Defined Benefit Pension Plans – Statewide (continued)**

**Benefits Provided (continued)**

**1. General Employees Plan Benefits**

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefit's for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2% 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 Social Security Administration, 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. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989 or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.



**City of Austin, Minnesota  
Notes to the Financial Statements  
December 31, 2021**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**B. Retirement systems (continued)**

**Defined Benefit Pension Plans – Statewide (continued)**

**Benefits Provided (continued)**

**2. Police and Fire Plan Benefits**

Benefits for 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 ten 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 ten years up to 100% after twenty years of credited service. The annuity accrual rate is 3% of average salary for each year of service. For Police and Fire Plan 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 will be fixed at 1.0%. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

**Contributions**

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

**1. General Employees Fund Contributions**

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2020 and the City was required to contribute 7.50% for Coordinated Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2021, were \$1,018,638. The City's contributions were equal to the required contributions as set by state statute.

**2. Police and Fire Fund Contributions**

Police and Fire members were required to contribute 11.80% of their annual covered salary in fiscal year 2021 and the City was required to contribute 17.70% of Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the year ended December 31, 2021 were \$680,678. The City's contributions were equal to the required contributions as set by state statute.

**City of Austin, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**B. Retirement systems (continued)**

**Defined Benefit Pension Plans – Statewide (continued)**

**Pension Costs**

**1. General Employees Fund Pension Costs**

At December 31, 2021 the City reported a liability of \$7,994,278 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the State's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$243,981.

The net pension liability was measured as of June 30, 2021, 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, 2020 through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0941% at the end of the measurement period and 0.0878% for the beginning of the period. At June 30, 2021, the Austin Utilities' proportionate share was 0.0931% at the end of the measurement period and 0.0924% for the beginning of the period.

| <u>Description</u>   | <u>Amount</u> |
|--|---------------|
| City's Proportionate Share of the PERA Net Pension Liability                           | \$ 7,994,278  |
| State's Proportionate Share of the PERA Net Pension Liability Associated with the City | \$ 243,981    |

For the year ended December 31, 2021, the City recognized pension expense of \$132,549 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional \$19,686 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.

**City of Austin, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**B. Retirement systems (continued)**

**Defined Benefit Pension Plans – Statewide (continued)**

**Pension Costs (continued)**

At December 31, 2021, the City reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| <u>Description</u>  | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|---|---|--|
| Differences Between Expected and Actual Economic Experience   | \$ 49,116                                     | \$ 244,646                                   |
| Changes in Actuarial Assumptions  | 4,881,141                                     | 176,838                                      |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments                          | -   | 6,923,383                                    |
| Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions | 612,358                                       | 63,784                                       |
| City Contributions Subsequent to the Measurement Date   | 537,191                                       | -  |
|   | <u>\$ 6,079,806</u>                           | <u>\$ 7,408,651</u>                          |

The \$537,191 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ended June 30</u> | <u>Pension<br/>Expense<br/>Amount</u> |
|---------------------------|---------------------------------------|
| 2022                      | \$ (154,749)                          |
| 2023                      | 132,910                               |
| 2024                      | 44,167                                |
| 2025                      | (1,888,364)                           |

**City of Austin, Minnesota  
Notes to the Financial Statements  
December 31, 2021**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**B. Retirement systems (continued)**

**Defined Benefit Pension Plans – Statewide (continued)**

**Pension Costs (continued)**

**2. Police and Fire Fund Pension Costs**

At December 31, 2021 the City reported a liability of \$2,534,900 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2020, through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.3284% at the end of the measurement period and 0.3058% for the beginning of the period.

The State of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2021. The contribution consisted of \$9 million in direct state aid that does meet the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state aid was paid on October 1, 2020. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached of 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 retirement System) is 90% funded, whichever occurs later. Strong asset returns for the fiscal year ended 2021 will accelerate the phasing out of these state contributions, although we do not anticipate them to be phased out during the fiscal year ending 2022.

The State of Minnesota is included as a non-member contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$9 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements.

For the year ended December 31, 2021, the City recognized pension expense of (\$142,396) for its proportionate share of the Police and Fire Plan's pension expense. The City recognized \$20,756 as grant revenue for its proportionate share of the State of Minnesota's pension expense for the 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 \$29,566 for the year ended December 31, 2021 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

**City of Austin, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**B. Retirement systems (continued)**

**Defined Benefit Pension Plans – Statewide (continued)**

**Pension Costs (continued)**

The amount recognized by the City as its proportionate share of the net pension liability, the direct aid, and the total portion of net pension liability that was associated with the City were as follows:

| <u>Description</u>   | <u>Amount</u>       |
|--|---------------------|
| City's Proportionate Share of the PERA Net Pension Liability                           | \$ 2,534,900        |
| State's Proportionate Share of the PERA Net Pension Liability Associated with the City | 113,974             |
| Total  | <u>\$ 2,648,874</u> |

At December 31, 2021, 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:

| <u>Description</u>  | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---------------------------------------|--------------------------------------|
| Differences Between Expected and Actual Economic Experience   | \$ 486,857                            | \$ -                                 |
| Changes in Actuarial Assumptions  | 3,725,641                             | 1,392,771                            |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments                          | -                                     | 4,843,552                            |
| Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions | 339,407                               | 28,378                               |
| City Contributions Subsequent to the Measurement Date   | 372,731                               | -                                    |
|   | <u>\$ 4,924,636</u>                   | <u>\$ 6,264,701</u>                  |

The \$372,731 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ended June 30</u> | <u>Pension Expense Amount</u> |
|---------------------------|-------------------------------|
| 2022                      | \$ (1,647,149)                |
| 2023                      | (260,751)                     |
| 2024                      | (246,555)                     |
| 2025                      | (436,587)                     |
| 2026                      | 878,246                       |

**City of Austin, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**B. Retirement systems (continued)**

**Defined Benefit Pension Plans – Statewide (continued)**

**Pension Costs (continued)**

At December 31, 2021, the City reported the following aggregate amounts related to pensions for all plans to which it contributes:

| Statement of Net Position<br>and Statement of Activities | Governmental<br>Activities | Business-Type<br>Activities | Total         |
|--|----------------------------|-----------------------------|---------------|
| Net Pension Liability                                    | \$ 5,577,300               | \$ 4,951,878                | \$ 10,529,178 |
| Deferred Outflow of Resources                            | 7,315,265                  | 3,689,177                   | 11,004,442    |
| Deferred Inflow of Resources                             | 9,071,731                  | 4,601,621                   | 13,673,352    |
| Pension Expense  | (9,938)                    | 40,533                      | 30,595        |

**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 arithmetic real rates of return for each major class are summarized in the following table:

| <u>Asset Class</u>   | Target<br><u>Allocation</u> | Long-Term<br>Expected<br>Real Rate of<br><u>Return</u> |
|----------------------|-----------------------------|--|
| Domestic Stocks      | 33.5%                       | 5.10%  |
| International Equity | 16.5%                       | 5.30%  |
| Fixed Income         | 25.0%                       | 0.75%  |
| Private Markets      | 25.0%                       | 5.90%  |
|                      | <u>100%</u>                 |  |

**Actuarial Assumptions**

The total pension liability in the June 30, 2021, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6.5%. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.5% was deemed to be within that range of reasonableness for financial reporting purposes.

**City of Austin, Minnesota  
Notes to the Financial Statements  
December 31, 2021**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**B. Retirement systems (continued)**

**Defined Benefit Pension Plans – Statewide (continued)**

**Actuarial Assumptions (continued)**

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

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 29 years of service and 6.0% per year thereafter. 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 is based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020 actuarial valuation. The most recent four-year experience study for the Police and Fire Plan was completed in 2020 and was adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

The following changes in actuarial assumptions occurred in 2021:

**General Employees Fund**

**Changes in Actuarial Assumptions:**

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

**Changes in Plan Provisions:**

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

**City of Austin, Minnesota  
Notes to the Financial Statements  
December 31, 2021**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**B. Retirement systems (continued)**

**Defined Benefit Pension Plans – Statewide (continued)**

**Actuarial Assumptions (continued)**

**Police and Fire Fund**

**Changes in Actuarial Assumptions:**

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

**Changes in Plan Provisions:**

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

**Discount Rate**

The discount rate used to measure the total pension liability in 2021 was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at the rate set in Minnesota Statutes. Based on these assumptions, the fiduciary net positions of the General Employees Fund and the Police and Fire Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.



**City of Austin, Minnesota  
Notes to the Financial Statements  
December 31, 2021**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**B. Retirement systems (continued)**

**Defined Benefit Pension Plans – Statewide (continued)**

**Pension Liability Sensitivity**

The following presents the City's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

| <u>Description</u>  | 1% Decrease<br>in Discount<br><u>Rate</u> | Current<br>Discount<br><u>Rate</u> | 1% Increase<br>in Discount<br><u>Rate</u> |
|---|---|------------------------------------|---|
| Discount Rate   | 5.5%                                      | 6.5%                               | 7.5%                                      |
| City's Proportionate share of the<br>General Employees Fund Net Pension Liability | \$ 16,304,247                             | \$ 7,994,278                       | \$ 1,175,441                              |
| Discount Rate   | 5.5%                                      | 6.5%                               | 7.5%                                      |
| City's Proportionate share of the<br>Police and Fire Fund Net Pension Liability   | \$ 8,047,879                              | \$ 2,534,900                       | \$ (1,984,377)                            |

Typically, the General Fund and Library Fund are used to liquidate pension liabilities in the governmental funds.

**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).

**C. Other Postemployment Benefit Plan**

**Plan Description**

The City's defined benefit OPEB plan, City Retiree Benefits Plan (CRBP), provides OPEB for eligible employees and their spouses. CRBP is a single-employer defined benefit OPEB plan administered by the City. Benefit and eligibility provisions are established through negotiations between the City and various unions representing the City employees and are renegotiated each bargaining period. CRBP does not issue a publicly available financial report. The City has no assets accumulated in a trust that meets the criteria in GASB 75.

**Benefits Provided**

The CRBP provides health benefits to eligible employees and their dependents through Public Employees Insurance Program (PEIP) health plans administered by the State of Minnesota. Benefits-eligible employees may continue in the City's group plans at termination if they are receiving a disability benefit or an annuity from a Minnesota public pension plan other than a volunteer firefighter plan, or have met age and service requirements necessary to receive an annuity from such a plan. Retiree's must elect continuation of coverage for themselves and their dependents before the date of

**City of Austin, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**C. Other Employee Benefits (continued)**

**Other Postemployment Benefit Plan (continued)**

**Plan Description (Continued)**

retirement. Coverage extends for the life of the retiree, the retiree's spouse or surviving spouse. Retiree's must contribute 100% of the PEIP premium, except for public safety members disabled in the line of duty, in which the City contributes \$425 per month for single coverage (\$1,100 for family coverage).

*Employees Covered by Benefit Terms*

At December 31, 2021, the following employees were covered by the benefit terms:

|   |            |
|---|------------|
| Inactive Plan Members or Beneficiaries    |            |
| Currently Receiving Benefit Payments      | 7          |
| Inactive Plan Members Entitled to But Not |            |
| Yet Receiving Benefit Payments            | -          |
| Active Plan Members                       | 146        |
|   | <u>153</u> |

**Total OPEB Liability**

The City's total OPEB liability for the year ended December 31, 2021, was determined by an actuarial valuation as of December 31, 2019 and rolled forward to a measurement date of December 31, 2021.

*Actuarial assumptions*

The total OPEB liability on the December 31, 2021 measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

|                  |  |
|------------------|--|
| Inflation        | 2.50%  |
| Salary Increases | Range from 12.25% down to 3.85%<br>over an 11-year period. |
| Healthcare Cost  | 6.75% as of December 31, 2021                              |
| Trend Rates      | grading to 4.00% over 11 years.                            |

Mortality rates were based on the RP-2014 Employee Mortality Tables using projection scale MP-2018.

*Discount Rate*

The discount rate used to measure the total OPEB liability was 2.06% (2.12% as of the December 31, 2020 measurement date), which reflects the index rate for a 20-year high quality, tax-exempt general obligation municipal bond as of the measurement date.

**City of Austin, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**B. Other Employee Benefits (continued)**

**Other Postemployment Benefit Plan (continued)**

**Changes in Total OPEB Liability**

|   | <u>2021</u>                |
|---|----------------------------|
| Balance at December 31, 2020                      | \$ 1,251,642               |
| Changes for the year:                             |                            |
| Service Cost                                      | 102,521                    |
| Interest  | 28,292                     |
| Changes in Assumptions                            | 5,926                      |
| Difference between Expected and Actual Experience | 30,217                     |
| Benefit Payments                                  | <u>(39,426)</u>            |
| Balance at December 31, 2021                      | <u><u>\$ 1,379,172</u></u> |

*Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates.*

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

|                      | 1% Decrease<br>(1.06%) | Current<br>(2.06%) | 1% Increase<br>(3.06%) |
|----------------------|------------------------|--------------------|------------------------|
| Total OPEB Liability | \$ 1,483,355           | \$ 1,379,172       | \$ 1,281,679           |

*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.*

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-percentage-point lower or 1-percentage-point higher than the current healthcare cost rates:

|                      | 1% Decrease<br>(5.75% decreasing<br>to 3.00%) | Current<br>(6.75% decreasing<br>to 4.00%) | 1% Increase<br>(7.75% decreasing<br>to 5.00%) |
|----------------------|---|---|---|
| Total OPEB Liability | \$ 1,246,283                                  | \$ 1,379,172                              | \$ 1,534,492                                  |

**City of Austin, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**C. Other Employee Benefits (continued)**

**Other Postemployment Benefit Plan (continued)**

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

For the year ended December 31, 2021, the City recognized OPEB expense of \$104,860. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| <u>Description</u>                                    | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|---|---|--|
| Changes in Actuarial Assumptions                      | \$ 180,343                                    | \$ 32,479                                    |
| Differences between Expected and<br>Actual Experience | 26,583  | 350,532                                      |
|   | <u>\$ 206,926</u>                             | <u>\$ 383,011</u>                            |

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <u>Year Ended<br/>December 31,</u> | <u>Pension Expense<br/>Amount</u> |
|------------------------------------|-----------------------------------|
| 2022                               | \$ (25,953)                       |
| 2023                               | (25,953)                          |
| 2024                               | (25,953)                          |
| 2025                               | (21,576)                          |
| 2026                               | (24,432)                          |
| 2027                               | (35,946)                          |
| 2028                               | (17,632)                          |
| 2029                               | 1,360                             |

Typically, the General Fund and Library Fund are used to liquidate OPEB liabilities in the governmental funds.

**City of Austin, Minnesota  
Notes to the Financial Statements  
December 31, 2021**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**C. Other Employee Benefits (continued)**

**Other Postemployment Benefit Plan (continued)**

**Plan Description**

The Utilities defined benefit OPEB plan, Austin Utilities Retiree Benefits Plan (AURBP), provides OPEB for eligible employees and their spouses. AURBP is a single-employer defined benefit OPEB plan administered by the Utilities. Benefit and eligibility provisions are established through negotiations between the Utilities' and various unions representing the Utilities' employees and are renegotiated each bargaining period. AURBP does not issue a publicly available financial report.

***Funding Policy***

The Utilities has no assets accumulated in a trust that meets criteria in GASB 75. Contribution requirements are negotiated between the Utilities and union representatives. The eligibility for, amount of, duration of, and Utilities' contribution to the cost of the benefits provided varies by contract and date of retirement. The Utilities is funding this liability on a pay-as-you-go basis. For plan year 2021 the Utilities did not contribute to the plan.

***Benefits Provided***

AURBP provides healthcare benefits for retirees and their spouses. Benefits are provided through a third-party insurer. Employees hired before January 1, 1998 receive a benefit equal to the same amount the Utilities contributes for active employees toward single or family medical premiums for the lifetime of the retiree. Employees hired on or after January 1, 1998 and before January 1, 2005 receive a benefit equal to the same amount the Utilities contributes for active employees toward single or family medical premiums until Medicare eligibility. Employees hired on or after January 1, 2005 receive no benefit.

***Employees Covered by Benefit Terms***

At December 31, 2021, the following employees were covered by the benefit terms:

|   |            |
|---|------------|
| Inactive Plan Members or Beneficiaries  |            |
| Currently Receiving Benefit Payments  | 88         |
| <br>Inactive Plan Members Entitled to But Not<br>Yet Receiving Benefit Payments | <br>-      |
| <br>Active Plan Members   | <br>75     |
|   | <u>163</u> |

**Total OPEB Liability**

The Utilities' total OPEB liability for the year ended December 31, 2021, was determined by an actuarial valuation as of January 1, 2020, and rolled forward to a measurement date of January 1, 2021.

**City of Austin, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**C. Other Employee Benefits (continued)**

**Other Postemployment Benefit Plan (continued)**

**Total OPEB Liability (continued)**

*Actuarial assumptions*

The total OPEB liability in the January 1, 2021 measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

|                           |                                     |
|---------------------------|-------------------------------------|
| Inflation                 | 2.50%                               |
| Salary Increases          | 2.50%                               |
| Investment Rate of Return | 2.00%                               |
| Healthcare Cost           | 6.25% as of January 1, 2021 grading |
| Trend Rates               | to 5.00% over 5 years.              |

Mortality rates were based on the Pub-2010 Public Retirement Plans General Headcount-Weighted Mortality Tables with MP-2017 Generational Improvement Scale.

*Discount Rate*

The discount rate used to measure the total OPEB liability was 2.00% (2.90% for the January 1, 2020 measurement date), which reflects the index rate for 20-year high quality, tax-exempt general obligation municipal bonds as of the measurement date.

**Changes in Total OPEB Liability**

|   | <u>Total OPEB<br/>Liability</u> |
|---|---------------------------------|
| Balance at December 31, 2020                          | \$ 16,012,398                   |
| Changes for the year:                                 |                                 |
| Service Cost  | 119,093                         |
| Interest Cost   | 454,111                         |
| Changes of Benefit Terms                              | -                               |
| Differences between Expected and<br>Actual Experience | -                               |
| Changes in Assumptions                                | 1,457,748                       |
| Benefit Payments                                      | (951,811)                       |
| Balance at December 31, 2021                          | <u>\$ 17,091,539</u>            |

**City of Austin, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**C. Other Employee Benefits (continued)**

**Other Postemployment Benefit Plan (continued)**

**Changes in Total OPEB Liability (continued)**

*Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates.*

The following presents the total OPEB liability of the Utilities, as well as what the Utilities' total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

|                      | 1% Decrease<br>(1.00%) | Current<br>(2.00%) | 1% Increase<br>(3.00%) |
|----------------------|------------------------|--------------------|------------------------|
| Total OPEB Liability | \$ 19,031,951          | \$ 17,091,539      | \$ 15,456,804          |

*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates*

The following presents the total OPEB liability of the Utilities, as well as what the Utilities' total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

|                      | 1% Decrease<br>(5.25% decreasing<br>to 4.00%) | Current<br>(6.25% decreasing<br>to 5.00%) | 1% Increase<br>(7.25% decreasing<br>to 6.00%) |
|----------------------|---|---|---|
| Total OPEB Liability | \$ 15,662,972                                 | \$ 17,091,539                             | \$ 18,778,538                                 |

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

For the year ended December 31, 2021, the Utilities recognized OPEB expense of \$1,265,848. At December 31, 2021, the Utilities reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| <u>Description</u>                                 | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|--|---|--|
| Changes in Actuarial Assumptions                   | \$ 1,157,007                                  | \$ -   |
| Differences between Expected and Actual Experience | 285,985                                       | -  |
| Contributions Subsequent to the Measurement Date   | 973,966                                       | -  |
|  | <u>\$ 2,416,958</u>                           | <u>\$ -</u>                                  |

**City of Austin, Minnesota  
Notes to the Financial Statements  
December 31, 2021**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**C. Other Employee Benefits (continued)**

**Other Postemployment Benefit Plan (continued)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)**

\$973,966 reported as deferred outflows of resources related to OPEB resulting from the Utilities contributions subsequent to the measurement date will be recognized as a reduction of the total pension liability in the year ended December 31, 2022.

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ended<br>December 31, | Pension Expense<br>Amount |
|----------------------------|---------------------------|
| 2022                       | \$ 957,076                |
| 2023                       | 485,916                   |

At December 31, 2021, the City reported the following aggregate amounts related to OPEB for all plans to which it contributes:

| Statement of Net Position<br>and Statement of Activities | Governmental<br>Activities | Business-Type<br>Activities | Total         |
|--|----------------------------|-----------------------------|---------------|
| Total OPEB Liability                                     | \$ 1,152,335               | \$ 17,318,376               | \$ 18,470,711 |
| Deferred Outflow of Resources                            | 172,892                    | 2,450,992                   | 2,623,884     |
| Deferred Inflow of Resources                             | 320,016                    | 62,995                      | 383,011       |
| OPEB Expense   | 87,610                     | 1,283,098                   | 1,370,708     |

**Vacations**

Employees can earn annual vacation starting at 10 days after one year ranging to 30 days after 20 to 25 years of service. The department heads, the Supervisors Bargaining Unit, and Austin Employees Association Bargaining Unit employees of the City may carry over one week of vacation at year-end for use in the immediate calendar year. Management employees of the Utilities are allowed to carry over a maximum of eighty hours of vacation at year-end. All unused and accrued vacation is payable at termination of employment. The balances for vacation payable at December 31, 2021 for governmental and business-type activities are \$618,305 and \$103,561 respectively.

**Compensatory Time Earned**

Hourly employees of the City earn and accrue compensatory time in lieu of payment for hours worked over the normal forty-hour week. These hours are accumulated at the rate of one and one-half hours per each hour worked over the normal forty hours for non-exempt employees. All accumulated unused compensatory time is payable at termination of employment for those hourly employees. Governmental activities balance of compensatory time earned was \$87,210 and \$21,022 for business-type activities.



**City of Austin, Minnesota  
Notes to the Financial Statements  
December 31, 2021**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**C. Other Employee Benefits (continued)**

**Other Postemployment Benefit Plan (continued)**

**Sick Leave Retirement Benefit**

Sick leave is provided for all City employees at the rate of one day per month. Sick leave not taken in the current year is accumulated. A retirement benefit is payable in the event of death or retirement equal to the sick leave accumulated, up to a maximum of one year's salary. The governmental activities balance of sick leave was \$1,480,578.

Austin Utilities employees earn sick leave at the rate of eight hours per month. Sick leave not taken in the current year is accumulated and is payable upon retirement or termination of employment. At December 31, 2021, the total accumulated sick pay of \$1,856,430 is recorded in operating reserves. The Utilities is required to maintain investments or cash balances equal to at least 80% of the accumulated sick pay benefits. At December 31, 2021, the Utilities has specifically restricted investments equal to 108% of the accumulated sick pay benefits.

**Austin Part-time Firefighters Relief Association**

**A. Plan Description**

The Austin Part-time Firefighters Relief Association administers a single-employer defined contribution pension plan available to part-time firefighters. The plan may be amended by first approval from the Austin Part-time Firefighters Relief Association and then by the Austin city council. The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The Austin Part-time Firefighters Relief Association has an annual audit. The audit report may be obtained at 500 4<sup>th</sup> Avenue NE, Austin, Minnesota 55912.

**B. Funding Policy**

The funding policy provides for annual contributions ranging from \$2,250 to \$3,750 per part-time firefighter, depending on years of service within the organization. Total City contributions were \$54,250 for the year ended December 31, 2021.

**Defined Contribution Plan**

The City provides eligible employees future retirement benefits through the City's 457 Plan (the Plan). Employees of the City are eligible to participate in the Plan commencing on the date of their employment. Eligible employees may elect to have a percentage of their pay contributed to the Plan. Contributions are invested in tax-deferred annuities selected and owned by Plan participants. The employee contributions were \$455,258 (City) and \$474,985 (Utilities) for the year ended December 31, 2021.

**City of Austin, Minnesota  
Notes to the Financial Statements  
December 31, 2021**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**C. Other Employee Benefits**

**Flexible Benefit Plan**

The City has a flexible benefit plan that is classified as a “cafeteria plan” under Section 125 of the Internal revenue Code. All employee groups of the City are eligible if and when the collective bargaining agreement or contract with their group allows eligibility. Eligible employees can elect to participate by contributing pre-tax dollars withheld from payroll checks to the plan for health care and dependent care benefits.

Before the beginning of the plan year, which is from January 1 to December 31, each participant designates a total amount of pre-tax dollars to be contributed to the plan during the year. At June 30, the City is contingently liable for claims against the total amount of participants’ annual contributions for the health care portion of the plan, whether or not such contributions have been made.

Payments of health insurance premiums are made by the City directly to the designated insurance companies. These payments are made on a monthly basis and are accounted for in the City’s financial statements.

Payments for amounts withheld for medical reimbursement and dependent care are made to participating employees upon submitting a request for reimbursement of eligible expenses.

All plan property and income attributable to that property is solely the property of the City, subject to the claims of the City’s general creditors. Participants’ rights under the plan are equal to those of general creditors of the City in an amount equal to eligible health care and dependent care expenses incurred by the participants. The City believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

**City of Austin, Minnesota  
Notes to the Financial Statements  
December 31, 2021**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**D. Risk management**

The City and the Utilities are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City established a Risk Management Fund (an internal service fund) to account for and finance its uninsured risks of loss. Contributions in 2021 were based on expected costs as set by the Public Employees Insurance Program (PEIP), a program created by special legislation to make a comprehensive package of medical, dental and life insurance benefits available to Minnesota cities, townships, counties, school districts and other units of local government. During the year 2021, there was no significant reduction in insurance coverage from the prior year.

The City has established an internal service fund to purchase property and liability insurance and to fund claims under the deductible amounts. Under this program, coverage is provided for up to a maximum of \$1,000,000 for each property damage claim.

The City has also established an internal service fund to purchase workers' compensation insurance. Under this program, coverage is provided for up to a maximum of \$1,000,000 for each workers' compensation claim.

Other funds and departments participate in the programs and make payments to the Risk Management Fund based on management's estimates of the amounts needed for claims.

The liability for unpaid claims is included in the Risk Management Fund, an Internal Service Fund, as part of accrued expenses, a current liability.

The Utilities has purchased commercial insurance for its personal property claims. Coverage is provided on building and contents up to \$55,144,203.

The Utilities participates in the League of Minnesota Cities Insurance Trust (LMCIT) for its workers' compensation insurance. This plan is administered by Berkley Administrators. Each member of the association is required to pay a premium for coverage of claims and administrative expenses. This is a retrospectively rated policy with the premium being based primarily on the Utilities' loss experience. An aggregate excess reinsurance policy provides the group with additional funds for protection from losses not covered by the specific excess.

In addition, per occurrence coverage for claims has been purchased. Each member is jointly and severally liable for additional assessments. As of the date of this report it is not possible to determine if any additional liability exists for the year ended December 31, 2021.

**City of Austin, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**D. Risk management (continued)**

The Utilities has joined together with other governmental entities in the National Joint Powers Alliance, a public entity risk pool currently operating as common risk management and insurance program for member entities. The Utilities pays an annual premium to this plan for its health insurance coverage. These premiums are used to purchase reinsurance through commercial companies. The administrators of the plan believe assessment to participating entities for future losses sustained is extremely remote.

Insurance coverage decreased significantly from the previous year for the Utilities' property insurance due to decommissioning of the northeast plant. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

**E. Prior Period Adjustments**

During the year ended December 31, 2021, the City determined that a receivable for municipal state aid street balances had not been recorded properly as of December 31, 2020. The State Aid Street fund has been restated to include a receivable and deferred inflow of \$2,890,164 for the entire balance of the municipal state aid street funds available through the State of Minnesota. Additionally, the fund balance of the State Aid Street fund of \$1,686,768, as previously reported, has been restated by \$161,918 for revenue from the State of Minnesota that was not recognized in the prior year. The restated fund balance of the State Aid Street fund as of January 1, 2021 is \$1,848,686.

Additionally, during the year ended December 31, 2021, the City determined that they had not deposited contributions for health insurance for employees as detailed in the health insurance plan as of December 31, 2020. The General fund fund balance has been restated to include a payable for those employer contributions. As a result, fund balance of the General fund of \$12,425,099, as previously reported, has been decreased by the amounts of additional contributions of \$195,116 as of January 1, 2021. The restated fund balance of the General fund as of January 1, 2021 is \$12,229,983.

The net position of the governmental activities as of January 1, 2021 of \$196,129,081 has been restated by \$2,856,966 for the net effect of the adjustments for the municipal state aid street funds and the additional employee contribution payable. The restated net position of the governmental activities as of January 1, 2021 is \$198,986,047.

## **Required Supplementary Information**

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**City of Austin, Minnesota**  
**Schedule of Changes in Total OPEB Liability and Related Ratios**  
**December 31, 2021**

|   | <u>2021</u>      | <u>2020</u>      | <u>2019</u>      | <u>2018</u>      |
|---|------------------|------------------|------------------|------------------|
| <b><u>City:</u></b>   |                  |                  |                  |                  |
| Total OPEB Liability  |                  |                  |                  |                  |
| Service Cost  | \$ 102,521       | \$ 94,835        | \$ 72,289        | \$ 81,174        |
| Interest  | 28,292           | 32,649           | 55,347           | 47,189           |
| Differences Between Expected and Actual Experience                        | 30,217           | (457,640)        | -                | -                |
| Changes in Assumptions  | 5,926            | 113,309          | 145,733          | (69,335)         |
| Benefit Payments  | (39,426)         | (37,915)         | (81,822)         | (68,989)         |
| Net Change in Total OPEB Liability  | \$ 127,530       | \$ (254,762)     | \$ 191,547       | \$ (9,961)       |
| Total OPEB Liability - Beginning  | 1,251,642        | 1,506,404        | 1,314,857        | 1,324,818        |
| Total OPEB Liability - Ending   | <u>1,379,172</u> | <u>1,251,642</u> | <u>1,506,404</u> | <u>1,314,857</u> |
| Covered Employee Payroll  | \$ 9,233,870     | \$ 9,901,406     | \$ 8,727,287     | \$ 9,100,343     |
| Citys' Net OPEB Liability as a Percentage of the Covered Employee Payroll | 15%              | 13%              | 17%              | 14%              |

**Utilities:**

|   |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|
| Total OPEB Liability  |                   |                   |                   |                   |
| Service Cost  | \$ 119,093        | \$ 91,618         | \$ 88,177         | \$ 98,046         |
| Interest  | 454,111           | 553,743           | 516,175           | 525,521           |
| Changes of Benefit Terms  | -                 | (77,857)          | -                 | -                 |
| Differences Between Expected and Actual Experience                            | -                 | 857,955           | -                 | -                 |
| Changes in Assumptions  | 1,457,748         | 555,524           | (793,300)         | -                 |
| Benefit Payments  | (951,811)         | (889,990)         | (879,159)         | (914,365)         |
| Net Change in Total OPEB Liability  | \$ 1,079,141      | \$ 1,090,993      | \$ (1,068,107)    | \$ (290,798)      |
| Total OPEB Liability - Beginning  | 16,012,398        | 14,921,405        | 15,989,512        | 16,280,310        |
| Total OPEB Liability - Ending   | <u>17,091,539</u> | <u>16,012,398</u> | <u>14,921,405</u> | <u>15,989,512</u> |
| Covered Employee Payroll  | \$ 6,543,875      | \$ 6,337,893      | \$ 5,779,485      | \$ 5,611,150      |
| Utilities' Net OPEB Liability as a Percentage of the Covered Employee Payroll | 261%              | 253%              | 258%              | 285%              |

Note 1: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City and Utilities will present information for only those years for which information is available.

Note 2: No assets are accumulated in a trust to pay related benefits.

**City of Austin, Minnesota**  
**Schedule of Citys' Proportionate Share of the Net Pension Liability**  
**December 31, 2021**

| Fiscal Year  | 2021         | 2020         | 2019         | 2018         | 2017         | 2016          | 2015         |
|--|--------------|--------------|--------------|--------------|--------------|---------------|--------------|
| Measurement Date   | 6/30/2021    | 6/30/2020    | 6/30/2019    | 6/30/2018    | 6/30/2017    | 6/30/2016     | 6/30/2015    |
| <b>General Employees Plan</b>  |              |              |              |              |              |               |              |
| Citys' Proportion of the Net Pension Liability   | 0.0941%      | 0.0878%      | 0.0843%      | 0.0853%      | 0.0874%      | 0.0860%       | 0.0876%      |
| Citys' Proportionate Share of the Net Pension Liability  | \$ 4,018,491 | \$ 5,264,011 | \$ 4,660,758 | \$ 4,732,094 | \$ 5,579,558 | \$ 6,982,773  | \$ 4,539,887 |
| State's Proportionate Share of the Net Pension Liability Associated with the City                          | 122,623      | 162,489      | 144,827      | 155,225      | 70,121       | 91,198        | -            |
| Total  | \$ 4,141,114 | \$ 5,426,500 | \$ 4,805,585 | \$ 4,887,319 | \$ 5,649,679 | \$ 7,073,971  | \$ 4,539,887 |
| Citys' Covered Payroll   | \$ 9,792,254 | \$ 6,284,120 | \$ 5,955,760 | \$ 5,734,155 | \$ 5,651,768 | \$ 5,339,321  | \$ 5,146,702 |
| Citys' Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll     | 41.04%       | 83.77%       | 78.26%       | 82.52%       | 98.72%       | 130.78%       | 88.21%       |
| Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability                                  | 87.00%       | 79.10%       | 80.20%       | 79.50%       | 75.90%       | 68.90%        | 78.19%       |
| Utilities' Proportion of the Net Pension Liability   | 0.0931%      | 0.0924%      | 0.0867%      | 0.0898%      | 0.0937%      | 0.0989%       | 0.0989%      |
| Utilities' Proportionate Share of the Net Pension Liability  | \$ 3,975,787 | \$ 5,539,802 | \$ 4,793,449 | \$ 4,981,736 | \$ 5,981,746 | \$ 7,973,353  | \$ 5,125,511 |
| State's Proportionate Share of the Net Pension Liability Associated with the Utilities                     | 121,358      | 170,919      | 148,994      | 163,329      | 75,183       | 104,049       | -            |
| Total  | \$ 4,097,145 | \$ 5,710,721 | \$ 4,942,443 | \$ 5,145,065 | \$ 6,056,929 | \$ 8,077,402  | \$ 5,125,511 |
| Utilities' Covered Payroll   | \$ 6,702,333 | \$ 6,593,067 | \$ 6,368,951 | \$ 6,035,606 | \$ 5,934,560 | \$ 6,099,106  | \$ 6,056,621 |
| Utilities' Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll | 59.32%       | 84.02%       | 75.26%       | 82.54%       | 100.80%      | 130.73%       | 84.63%       |
| Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability                                  | 87.00%       | 79.10%       | 80.20%       | 79.50%       | 75.90%       | 68.90%        | 78.20%       |
| <b>Police and Fire Plan</b>  |              |              |              |              |              |               |              |
| Citys' Proportion of the Net Pension Liability   | 0.3284%      | 0.3058%      | 0.3052%      | 0.3033%      | 0.3080%      | 0.3070%       | 0.3170%      |
| Citys' Proportionate Share of the Net Pension Liability  | \$ 2,534,900 | \$ 4,030,771 | \$ 3,249,162 | \$ 3,232,866 | \$ 4,158,367 | \$ 12,320,444 | \$ 3,601,862 |
| Citys' Covered Payroll   | \$ 3,881,706 | \$ 3,447,336 | \$ 3,221,340 | \$ 3,196,569 | \$ 3,166,122 | \$ 2,954,160  | \$ 2,904,778 |
| Citys' Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll     | 65.30%       | 116.92%      | 100.86%      | 101.14%      | 131.34%      | 417.05%       | 124.00%      |
| Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability                                  | 93.70%       | 87.20%       | 89.30%       | 88.80%       | 85.40%       | 63.90%        | 86.61%       |

Note: Information is required to be presented for ten years. However until a full ten-year trend is compiled, the City will present information for only those years for which information is available.



**City of Austin, Minnesota  
Schedule of City Contributions  
December 31, 2021**

|  | <u>2021</u>  | <u>2020--</u> | <u>2019</u>  | <u>2018</u>  | <u>2017</u>  | <u>2016</u>  | <u>2015</u>  |
|--|--------------|---------------|--------------|--------------|--------------|--------------|--------------|
| <b>General Employees Plan</b>  |              |               |              |              |              |              |              |
| <u>City</u>  |              |               |              |              |              |              |              |
| Contractually Required Contribution                                  | \$ 515,963   | \$ 517,117    | \$ 454,419   | \$ 436,324   | \$ 425,940   | \$ 413,244   | \$ 397,511   |
| Contributions in Relation to the Contractually Required Contribution | (515,963)    | (517,117)     | (454,419)    | (436,324)    | (425,940)    | (413,244)    | (397,511)    |
| Contribution Deficiency (Excess)                                     | <u>\$ -</u>  | <u>\$ -</u>   | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  |
| Citys' Covered Payroll   | \$ 6,879,507 | \$ 6,894,887  | \$ 6,060,569 | \$ 5,817,608 | \$ 5,678,596 | \$ 5,509,921 | \$ 5,304,463 |
| Contributions as a Percentage of Covered Payroll                     | 7.50%        | 7.50%         | 7.50%        | 7.50%        | 7.50%        | 7.50%        | 7.49%        |
| <br><u>Utilities</u>   |              |               |              |              |              |              |              |
| Contractually Required Contribution                                  | \$ 502,675   | \$ 494,480    | \$ 460,156   | \$ 448,995   | \$ 456,619   | \$ 456,720   | \$ 442,817   |
| Contributions in Relation to the Contractually Required Contribution | (502,675)    | (494,480)     | (460,156)    | (448,995)    | (456,619)    | (456,720)    | (442,817)    |
| Contribution Deficiency (Excess)                                     | <u>\$ -</u>  | <u>\$ -</u>   | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  |
| Utilities' Covered Payroll   | \$ 6,702,233 | \$ 6,593,067  | \$ 6,135,413 | \$ 5,986,595 | \$ 6,089,520 | \$ 6,090,354 | \$ 5,915,410 |
| Contributions as a Percentage of Covered Payroll                     | 7.50%        | 7.50%         | 7.50%        | 7.50%        | 7.50%        | 7.50%        | 7.49%        |
| <br><b>Police and Fire Plan</b>                                      |              |               |              |              |              |              |              |
| Contractually Required Contribution                                  | \$ 680,678   | \$ 610,178    | \$ 545,741   | \$ 527,013   | \$ 513,690   | \$ 498,050   | \$ 471,481   |
| Contributions in Relation to the Contractually Required Contribution | (680,678)    | (610,178)     | (545,741)    | (527,013)    | (513,690)    | (498,050)    | (471,481)    |
| Contribution Deficiency (Excess)                                     | <u>\$ -</u>  | <u>\$ -</u>   | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  |
| Citys' Covered Payroll   | \$ 3,845,638 | \$ 3,447,336  | \$ 3,219,706 | \$ 3,253,165 | \$ 3,170,925 | \$ 3,074,385 | \$ 2,910,376 |
| Contributions as a Percentage of Covered Payroll                     | 17.70%       | 17.70%        | 16.95%       | 16.20%       | 16.20%       | 16.20%       | 16.20%       |

Note: Information is required to be presented for ten years. However until a full ten-year trend is compiled, the City will present information for only those years for which information is available.

**CITY OF AUSTIN, MINNESOTA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2021**

**CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS**

The following changes were reflected in the valuation performed on behalf of the Public Employees Retirement Association for the plan year ended June 30:

**A. General Employees Fund**

*2021 Changes*

*Changes in Actuarial Assumptions*

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

*Changes in Plan Provisions*

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

*2020 Changes*

*Changes in Actuarial Assumptions*

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

**CITY OF AUSTIN, MINNESOTA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2021**

**CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND  
ASSUMPTIONS (CONTINUED)**

*Changes in Plan Provisions*

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

*2019 Changes*

*Changes in Actuarial Assumptions*

- The morality 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 morality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

*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 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

*2017 Changes*

*Changes in Actuarial Assumptions*

- The combined service annuity (CSA) loads were changed from 0.80 percent for active members and 60.00 percent for vested and non-vested deferred members. The revised CSA load are now 0.00 percent for active member liability, 15.00 percent for vested deferred member liability, and 3.00 percent for non-vested deferred member liability.

**CITY OF AUSTIN, MINNESOTA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2021**

**CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

- The assumed postretirement benefit increase rate was changed for 1.00 percent per year for all years to 1.00 percent per year through 2044 and 2.50 percent 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 postretirement benefit increase rate was changed from 1.00 percent per year through 2035 and 2.50 percent per year thereafter to 1.00 percent per year for all years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate changed from 7.90 percent to 7.50 percent.
- Other assumptions were changed pursuant to the experience study June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

*Changes in Plan Provisions*

- There have been no changes since the prior valuation.

*2015 Changes*

*Changes in Actuarial Assumptions*

- The assumed postretirement benefit increase rate was changed from 1.00 percent per year through 2030 and 2.50 percent per year thereafter to 1.00 percent per year through 2035 and 2.50 percent 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 increase 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.

**B. Police and Fire Fund**

*2021 Changes*

*Changes in Actuarial Assumptions*

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.
- The inflation assumption was changed from 2.50 percent to 2.25 percent.
- The payroll growth assumption was changed from 3.25 percent to 3.00 percent.

**CITY OF AUSTIN, MINNESOTA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2021**

**CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND  
ASSUMPTIONS (CONTINUED)**

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

*Changes in Plan Provisions*

- There were no changes in plan provisions since the previous 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*

- Postretirement benefit increases were changed to 1.00 percent for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution.

**CITY OF AUSTIN, MINNESOTA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2021**

**CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND  
ASSUMPTIONS (CONTINUED)**

- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100 percent funding, or July 1, 2048, if earlier, which meets the special funding situation definition.
- Member contributions were changed from 10.80 percent to 11.30 percent of pay, effective January 1, 2019 and 11.80 percent of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20 percent to 16.95 percent of pay, effective January 1, 2019 and 17.70 percent of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

*2017 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 percent lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The combined service annuity (CSA) load was 30.00 percent for vested and non-vested, deferred members. The CSA has been changed to 33.00 percent for vested members and 2.00 percent for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65.00 percent to 60.00 percent.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing joint and survivor annuities was increased.
- The assumed postretirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter.
- The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

**CITY OF AUSTIN, MINNESOTA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2021**

**CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

*Changes in Plan Provisions*

- There have been no changes since the prior valuation.

*2016 Changes:*

*Changes in Actuarial Assumptions*

- The assumed postretirement benefit increase rate was changed from 1.00 percent per year through 2037 and 2.50 percent per year thereafter to 1.00 percent per year for all future years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent.
- The single discount rate changed from 7.90 percent to 5.60 percent.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

*Changes in Plan Provisions*

- There have been no changes since the prior valuation.

*2015 Changes:*

*Changes in Actuarial Assumptions*

- The assumed postretirement benefit increase rate was changed from 1.00 percent per year through 2030 and 2.50 percent per year thereafter to 1.00 percent per year through 2037 and 2.50 percent per year thereafter.

*Changes in Plan Provisions:*

- The postretirement benefit increase to be paid after the attainment of the 90.00 percent funding threshold was changed from inflation up to 2.50 percent, to a fixed rate of 2.50 percent.

The following changes were reflected in the valuation performed for the City's OPEB Plan for the year ended December 31:

**2021**

- The discount rate was changed from 2.12% to 2.06%

**2020**

- The discount rate was changed from 2.74% to 2.12%
- The general inflation rate was changed from 2.75% to 2.50%
- Medical trend rates were changed from RP-2014 Employee Mortality Table pre-retirement (Healthy Annuitant for post-retirement or Disabled for disabled participants) using projection scale MP-2017 to RP-2014 Employee Generational Mortality Table (Annuitant Generational for post-retirement and for disabled participants) using projection scale MP-2018.

**2019**

- The discount rate was changed from 4.11% to 2.74%.

**2018**

- The discount rate was changed from 3.25% to 4.11%

**CITY OF AUSTIN, MINNESOTA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2021**

**CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND  
ASSUMPTIONS (CONTINUED)**

- Medical plans and premiums have been updated for the PEIP Advantage and Value plans effective as of January 1, 2019.

The following changes were reflected in the valuation performed for the Utilities' OPEB Plan for the year ended December 31:

*2021 Changes*

*Changes in Plan Provisions*

- There were no changes in plan provisions.

*Changes in Actuarial Assumptions*

- The discount rate was changed from 2.9% to 2.00%.

*2020*

*Changes in Plan Provisions*

- The maximum monthly employer contribution for AFSCME and noncontract employees was changed from \$1,150 for either single or family coverage to \$800 for single coverage and \$1,200 for family coverage.
- The maximum monthly employer contribution for UAW and UFCW employees was changed from \$1,150 for either single or family coverage to \$800 (\$1,000 in 2021 and \$1,200 in 2022) for single coverage and will change to \$1,175 for family coverage in 2021 (\$1,200 in 2022).

*2020*

*Changes in Actuarial Assumptions*

- The discount rate was changed from 3.80% to 2.90%
- Medical trend rates were changed from RPH-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale to the Pub-2010 Public Retirement Plans General Headcount-Weighted Mortality Tables with MP-2017 Generational Improvement Scale.

*2019*

*Changes in Plan Provisions*

- There were no changes in plan provisions.

*Changes in Actuarial Assumptions*

- The discount rate was changed from 3.30% to 3.80%.

*2018*

*Changes in Plan Provisions*

- There were no changes in plan provisions.

*Changes in Actuarial Assumptions*

- Medical trend rates were changed from RPH-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale to the RPH-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.
- The percentage of future spouses of retirees eligible for a subsidy who are assumed to continue on one of the Utilities' medical plans postemployment was reduced from 80% to 50%.
- The discount rate was changed from 3.50% to 3.30%.



# **Combining and Individual Fund Statements and Schedules**

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# **Nonmajor Governmental Funds**

## **Special Revenue Funds**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

## **Debt Service Funds**

Debt service funds are used to account for financial resources accumulated to retire principal and interest on bond issues

## **Capital Projects Funds**

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

## **Permanent Funds**

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

**City of Austin, Minnesota  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2021**

|  | Special<br>Revenue  | Debt<br>Service     | Capital<br>Projects |
|--|---------------------|---------------------|---------------------|
| <b>Assets</b>  |                     |                     |                     |
| Cash and investments   | \$ 2,426,717        | \$ 1,109,125        | \$ 5,239,768        |
| Taxes receivable   | 41,329              | -                   | 12,134              |
| Accounts receivable  | 7,918               | -                   | 362,677             |
| Notes receivable, net of allowance for uncollectibles              | 66,400              | -                   | 68,890              |
| Special assessments receivable                                     | -                   | 226,263             | 2,118,396           |
| Accrued interest receivable  | 2,413               | -                   | -                   |
| Due from other funds   | -                   | -                   | 12,929              |
| Due from other governments   | 17,282              | 18,678              | 794,485             |
| Advances to component unit   | -                   | -                   | 612,733             |
| Total assets   | <u>\$ 2,562,059</u> | <u>\$ 1,354,066</u> | <u>\$ 9,222,012</u> |
| <b>Liabilities</b>   |                     |                     |                     |
| Vouchers payable   | \$ 31,453           | \$ 119,325          | \$ 880,004          |
| Contractors' retained percentage                                   | -                   | -                   | 349,281             |
| Accrued expenditures   | 28,351              | -                   | -                   |
| Due to other funds   | 2,956               | 274,300             | 100,393             |
| Due to other governments   | 66,410              | 12,000              | 170,770             |
| Unearned revenues  | -                   | -                   | 25,000              |
| Total liabilities  | <u>\$ 129,170</u>   | <u>\$ 405,625</u>   | <u>\$ 1,525,448</u> |
| <b>Deferred inflows of resources</b>                               |                     |                     |                     |
| Unavailable revenue  | \$ 41,329           | \$ 226,262          | \$ 2,143,730        |
| Total deferred inflows of resources                                | <u>\$ 41,329</u>    | <u>\$ 226,262</u>   | <u>\$ 2,143,730</u> |
| <b>Fund balance</b>  |                     |                     |                     |
| Nonspendable:  |                     |                     |                     |
| Permanent fund principal   | \$ -                | \$ -                | \$ -                |
| Advances   | -                   | -                   | -                   |
| Restricted for:  |                     |                     |                     |
| Fire   | 248,480             | -                   | -                   |
| Debt service reserve   | -                   | 722,179             | -                   |
| Library  | 1,017,508           | -                   | -                   |
| Committed to:  |                     |                     |                     |
| Other capital projects   | 23,927              | -                   | -                   |
| Library  | 945,772             | -                   | -                   |
| Parks and recreation   | 155,873             | -                   | -                   |
| Assigned to:   |                     |                     |                     |
| Police   | -                   | -                   | -                   |
| Other capital projects   | -                   | -                   | 5,552,834           |
| Library  | -                   | -                   | -                   |
| Total fund balance   | <u>\$ 2,391,560</u> | <u>\$ 722,179</u>   | <u>\$ 5,552,834</u> |
| Total liabilities, deferred inflows of resources, and fund balance | <u>\$ 2,562,059</u> | <u>\$ 1,354,066</u> | <u>\$ 9,222,012</u> |

| Permanent         | Total<br>Nonmajor<br>Governmental<br>Funds |
|-------------------|--|
| \$ 163,412        | \$ 8,939,022                               |
| -                 | 53,463                                     |
| -                 | 370,595                                    |
| -                 | 135,290                                    |
| -                 | 2,344,659                                  |
| -                 | 2,413                                      |
| -                 | 12,929                                     |
| -                 | 830,445                                    |
| -                 | 612,733                                    |
| <u>\$ 163,412</u> | <u>\$ 13,301,549</u>                       |
| \$ -              | \$ 1,030,782                               |
| -                 | 349,281                                    |
| -                 | 28,351                                     |
| -                 | 377,649                                    |
| -                 | 249,180                                    |
| -                 | 25,000                                     |
| <u>\$ -</u>       | <u>\$ 2,060,243</u>                        |
| \$ -              | \$ 2,411,321                               |
| <u>\$ -</u>       | <u>\$ 2,411,321</u>                        |
| \$ 136,052        | \$ 136,052                                 |
| -                 | -  |
| -                 | 248,480                                    |
| -                 | 722,179                                    |
| -                 | 1,017,508                                  |
| -                 | 23,927                                     |
| -                 | 945,772                                    |
| -                 | 155,873                                    |
| 795               | 795  |
| -                 | 5,552,834                                  |
| 26,565            | 26,565                                     |
| <u>\$ 163,412</u> | <u>\$ 8,829,985</u>                        |
| <u>\$ 163,412</u> | <u>\$ 13,301,549</u>                       |

**City of Austin, Minnesota**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2021**

|  | Special<br>Revenue         | Debt<br>Service          | Capital<br>Projects        |
|--|----------------------------|--------------------------|----------------------------|
| <b>Revenues</b>  |                            |                          |                            |
| Taxes  | \$ 1,044,162               | \$ 386,439               | \$ 1,195,803               |
| Special assessments  | -                          | 26,669                   | 888,490                    |
| Intergovernmental  | 189,269                    | -                        | 970,090                    |
| Charges for services   | 125,279                    | -                        | -                          |
| Fines and forfeits   | 336                        | 449                      | -                          |
| Miscellaneous  | 146,577                    | (10,385)                 | 893,949                    |
|  | <u>\$ 1,505,623</u>        | <u>\$ 403,172</u>        | <u>\$ 3,948,332</u>        |
| <b>Total revenues</b>  |                            |                          |                            |
|  | <u>\$ 1,505,623</u>        | <u>\$ 403,172</u>        | <u>\$ 3,948,332</u>        |
| <b>Expenditures</b>  |                            |                          |                            |
| Current  |                            |                          |                            |
| Culture and recreation                                       | \$ 1,315,820               | \$ -                     | \$ -                       |
| Capital outlay   | -                          | -                        | 5,338,601                  |
| Debt service   |                            |                          |                            |
| Interest and fiscal charges                                  | -                          | 273,015                  | -                          |
|  | <u>\$ 1,315,820</u>        | <u>\$ 273,015</u>        | <u>\$ 5,338,601</u>        |
| <b>Total expenditures</b>                                    |                            |                          |                            |
|  | <u>\$ 1,315,820</u>        | <u>\$ 273,015</u>        | <u>\$ 5,338,601</u>        |
| <b>Excess (deficiency) of revenues<br/>over expenditures</b> | <u>\$ 189,803</u>          | <u>\$ 130,157</u>        | <u>\$ (1,390,269)</u>      |
| <b>Other financing sources (uses)</b>                        |                            |                          |                            |
| Transfers in   | \$ -                       | \$ -                     | \$ 2,170,000               |
| Transfers out  | (4,000)                    | -                        | -                          |
|  | <u>\$ (4,000)</u>          | <u>\$ -</u>              | <u>\$ 2,170,000</u>        |
| <b>Total other financing sources (uses)</b>                  |                            |                          |                            |
|  | <u>\$ (4,000)</u>          | <u>\$ -</u>              | <u>\$ 2,170,000</u>        |
| <b>Net change in fund balance</b>                            | <u>\$ 185,803</u>          | <u>\$ 130,157</u>        | <u>\$ 779,731</u>          |
| <b>Fund balance - beginning</b>                              | <u>2,205,757</u>           | <u>592,022</u>           | <u>4,773,103</u>           |
| <b>Fund balance - ending</b>                                 | <u><u>\$ 2,391,560</u></u> | <u><u>\$ 722,179</u></u> | <u><u>\$ 5,552,834</u></u> |

| <u>Permanent</u>  | <u>Total<br/>Nonmajor<br/>Governmental<br/>Funds</u> |
|-------------------|--|
| \$ -              | \$ 2,626,404   |
| -                 | 915,159  |
| -                 | 1,159,359  |
| -                 | 125,279  |
| -                 | 785  |
| <u>(1,495)</u>    | <u>1,028,646</u>                                     |
| \$ <u>(1,495)</u> | \$ <u>5,855,632</u>                                  |
| <br>              |  |
| \$ -              | \$ 1,315,820   |
| -                 | 5,338,601  |
| -                 | 273,015  |
| <u>-</u>          | <u>-</u>   |
| \$ <u>-</u>       | \$ <u>6,927,436</u>                                  |
| <br>              |  |
| \$ <u>(1,495)</u> | \$ <u>(1,071,804)</u>                                |
| <br>              |  |
| \$ -              | \$ 2,170,000   |
| -                 | (4,000)  |
| <u>-</u>          | <u>-</u>   |
| \$ <u>-</u>       | \$ <u>2,166,000</u>                                  |
| <br>              |  |
| \$ (1,495)        | \$ 1,094,196   |
| <u>164,907</u>    | <u>7,735,789</u>                                     |
| \$ <u>163,412</u> | \$ <u>8,829,985</u>                                  |

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## **Nonmajor Governmental Funds**

### **Nonmajor Special Revenue Funds**

#### Library

To account for the operation and maintenance of the Public Library. The Library is financed primarily by general ad valorem property taxes, a county apportionment, and by library charges for services. The City charter provides for the Library Board.

#### Recreation Programs

To account for the operation of Park and Recreation Board self-supported recreation programs.

#### Community Development

Established to account for community development block grants.

#### Fire PERA

To account for funds received as a result of the termination of the PERA Police and Fire Consolidation Fund (PFCF). In accordance with Minnesota legislation passed in 1999, the PFCF was terminated, and all assets and liabilities were transferred to PERA's Police and Fire Fund (PEPFF). Because the consolidation account was overfunded, the city is entitled to a refund of residual assets as calculated by an actuary. The city intends to use the interest earned on these funds for future capital purchases in the fire department.

#### Expendable Floral Club

Established to account for gifts and memorials received by the Library. Expendable Funds are used for specific purposes by the Library.

#### Expendable Memorial and Gifts

Established to account for gifts and memorials received by the Library. Expendable Funds are used for specific purposes by the Library.

#### Minnesota Foundation

A fund established to account for interest earnings and expenditures made for specified library purposes. The fund received interest earnings from a \$10,000 endowment within Minnesota Foundation. The endowment was established from \$5,000 in local contributions and \$5,000 from the Mardag Foundation.

**City of Austin, Minnesota  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2021**

|  | <u>Library</u>    | <u>Recreation<br/>Programs</u> | <u>Community<br/>Development</u> | <u>Fire PERA</u>  |
|--|-------------------|--------------------------------|----------------------------------|-------------------|
| <b>Assets</b>  |                   |                                |                                  |                   |
| Cash and investments   | \$ 924,016        | \$ 158,271                     | \$ 23,927                        | \$ 248,456        |
| Taxes receivable   | 41,329            | -                              | -                                | -                 |
| Accounts receivable  | -                 | -                              | -                                | -                 |
| Notes receivable, net of allowance for uncollectibles              | -                 | -                              | 66,400                           | -                 |
| Accrued interest receivable  | -                 | -                              | -                                | 24                |
| Due from other governments   | 17,282            | -                              | -                                | -                 |
|  | <u>17,282</u>     | <u>-</u>                       | <u>-</u>                         | <u>-</u>          |
| Total assets   | <u>\$ 982,627</u> | <u>\$ 158,271</u>              | <u>\$ 90,327</u>                 | <u>\$ 248,480</u> |
| <b>Liabilities</b>   |                   |                                |                                  |                   |
| Vouchers payable   | \$ 25,500         | \$ 1,781                       | \$ -                             | \$ -              |
| Accrued expenditures   | 27,935            | 416                            | -                                | -                 |
| Due to other funds   | 2,765             | 191                            | -                                | -                 |
| Due to other governments   | -                 | 10                             | 66,400                           | -                 |
|  | <u>-</u>          | <u>10</u>                      | <u>66,400</u>                    | <u>-</u>          |
| Total liabilities  | <u>\$ 56,200</u>  | <u>\$ 2,398</u>                | <u>\$ 66,400</u>                 | <u>\$ -</u>       |
| <b>Deferred inflows of resources</b>                               |                   |                                |                                  |                   |
| Unavailable revenue  | \$ 41,329         | \$ -                           | \$ -                             | \$ -              |
|  | <u>41,329</u>     | <u>-</u>                       | <u>-</u>                         | <u>-</u>          |
| Total deferred inflows of resources                                | <u>\$ 41,329</u>  | <u>\$ -</u>                    | <u>\$ -</u>                      | <u>\$ -</u>       |
| <b>Fund balance</b>  |                   |                                |                                  |                   |
| Restricted for:  |                   |                                |                                  |                   |
| Fire   | \$ -              | \$ -                           | \$ -                             | \$ 248,480        |
| Library  | -                 | -                              | -                                | -                 |
| Committed to:  |                   |                                |                                  |                   |
| Other capital projects   | -                 | -                              | 23,927                           | -                 |
| Library  | 885,098           | -                              | -                                | -                 |
| Parks and recreation   | -                 | 155,873                        | -                                | -                 |
|  | <u>-</u>          | <u>155,873</u>                 | <u>-</u>                         | <u>-</u>          |
| Total fund balance   | <u>\$ 885,098</u> | <u>\$ 155,873</u>              | <u>\$ 23,927</u>                 | <u>\$ 248,480</u> |
| Total liabilities, deferred inflows of resources, and fund balance | <u>\$ 982,627</u> | <u>\$ 158,271</u>              | <u>\$ 90,327</u>                 | <u>\$ 248,480</u> |

| Expendable<br>Floral<br>Club | Expendable<br>Memorial<br>& Gifts | MN<br>Foundation | Total<br>Nonmajor<br>Special<br>Revenue<br>Funds |
|------------------------------|-----------------------------------|------------------|--|
| \$ 2,504                     | \$ 1,052,330                      | \$ 17,213        | \$ 2,426,717                                     |
| -                            | -                                 | -                | 41,329   |
| -                            | 7,918                             | -                | 7,918  |
| -                            | -                                 | -                | 66,400   |
| -                            | 2,389                             | -                | 2,413  |
| -                            | -                                 | -                | 17,282   |
| <u>\$ 2,504</u>              | <u>\$ 1,062,637</u>               | <u>\$ 17,213</u> | <u>\$ 2,562,059</u>                              |

|             |                 |             |                   |
|-------------|-----------------|-------------|-------------------|
| \$ -        | \$ 4,172        | \$ -        | \$ 31,453         |
| -           | -               | -           | 28,351            |
| -           | -               | -           | 2,956             |
| -           | -               | -           | 66,410            |
| <u>\$ -</u> | <u>\$ 4,172</u> | <u>\$ -</u> | <u>\$ 129,170</u> |

|             |             |             |                  |
|-------------|-------------|-------------|------------------|
| \$ -        | \$ -        | \$ -        | \$ 41,329        |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 41,329</u> |

|                 |                     |                  |                     |
|-----------------|---------------------|------------------|---------------------|
| \$ -            | \$ -                | \$ -             | \$ 248,480          |
| 2,504           | 997,791             | 17,213           | 1,017,508           |
| -               | -                   | -                | 23,927              |
| -               | 60,674              | -                | 945,772             |
| -               | -                   | -                | 155,873             |
| <u>\$ 2,504</u> | <u>\$ 1,058,465</u> | <u>\$ 17,213</u> | <u>\$ 2,391,560</u> |
| <u>\$ 2,504</u> | <u>\$ 1,062,637</u> | <u>\$ 17,213</u> | <u>\$ 2,562,059</u> |

**City of Austin, Minnesota**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2021**

|  | <u>Library</u>      | <u>Recreation<br/>Programs</u> | <u>Community<br/>Development</u> | <u>Fire PERA</u>  |
|--|---------------------|--------------------------------|----------------------------------|-------------------|
| <b>Revenues</b>                                      |                     |                                |                                  |                   |
| Taxes  | \$ 1,044,162        | \$ -                           | \$ -                             | \$ -              |
| Intergovernmental                                    | 189,269             | -                              | -                                | -                 |
| Charges for services                                 | 9,055               | 116,224                        | -                                | -                 |
| Fines and forfeits                                   | 336                 | -                              | -                                | -                 |
| Miscellaneous  | (5,875)             | 21,858                         | (218)                            | 165               |
|  | <u>\$ 1,236,947</u> | <u>\$ 138,082</u>              | <u>\$ (218)</u>                  | <u>\$ 165</u>     |
| Total revenues                                       |                     |                                |                                  |                   |
|  | <u>\$ 1,236,947</u> | <u>\$ 138,082</u>              | <u>\$ (218)</u>                  | <u>\$ 165</u>     |
| <b>Expenditures</b>                                  |                     |                                |                                  |                   |
| Culture and recreation                               | \$ 1,094,453        | \$ 114,200                     | \$ -                             | \$ -              |
|  | <u>\$ 1,094,453</u> | <u>\$ 114,200</u>              | <u>\$ -</u>                      | <u>\$ -</u>       |
| Total expenditures                                   |                     |                                |                                  |                   |
|  | <u>\$ 1,094,453</u> | <u>\$ 114,200</u>              | <u>\$ -</u>                      | <u>\$ -</u>       |
| Excess (deficiency) of revenues<br>over expenditures | <u>\$ 142,494</u>   | <u>\$ 23,882</u>               | <u>\$ (218)</u>                  | <u>\$ 165</u>     |
| <b>Other financing uses</b>                          |                     |                                |                                  |                   |
| Transfers out  | \$ -                | \$ (4,000)                     | \$ -                             | \$ -              |
|  | <u>\$ -</u>         | <u>\$ (4,000)</u>              | <u>\$ -</u>                      | <u>\$ -</u>       |
| Total other financing uses                           |                     |                                |                                  |                   |
|  | <u>\$ -</u>         | <u>\$ (4,000)</u>              | <u>\$ -</u>                      | <u>\$ -</u>       |
| Net change in fund balance                           | \$ 142,494          | \$ 19,882                      | \$ (218)                         | \$ 165            |
| Fund balance - beginning                             | 742,604             | 135,991                        | 24,145                           | 248,315           |
|  | <u>742,604</u>      | <u>135,991</u>                 | <u>24,145</u>                    | <u>248,315</u>    |
| Fund balance - ending                                | <u>\$ 885,098</u>   | <u>\$ 155,873</u>              | <u>\$ 23,927</u>                 | <u>\$ 248,480</u> |

| <u>Expendable<br/>Floral<br/>Club</u> | <u>Expendable<br/>Memorial<br/>&amp; Gifts</u> | <u>MN<br/>Foundation</u> | <u>Total<br/>Nonmajor<br/>Special<br/>Revenue<br/>Funds</u> |
|---------------------------------------|--|--------------------------|---|
| \$ -                                  | \$ -   | \$ -                     | \$ 1,044,162  |
| -                                     | -  | -                        | 189,269   |
| -                                     | -  | -                        | 125,279   |
| -                                     | -  | -                        | 336   |
| <u>(23)</u>                           | <u>130,827</u>                                 | <u>(157)</u>             | <u>146,577</u>  |
| <u>\$ (23)</u>                        | <u>\$ 130,827</u>                              | <u>\$ (157)</u>          | <u>\$ 1,505,623</u>   |
| <u>\$ -</u>                           | <u>\$ 107,167</u>                              | <u>\$ -</u>              | <u>\$ 1,315,820</u>   |
| <u>\$ -</u>                           | <u>\$ 107,167</u>                              | <u>\$ -</u>              | <u>\$ 1,315,820</u>   |
| <u>\$ (23)</u>                        | <u>\$ 23,660</u>                               | <u>\$ (157)</u>          | <u>\$ 189,803</u>   |
| <u>\$ -</u>                           | <u>\$ -</u>                                    | <u>\$ -</u>              | <u>\$ (4,000)</u>   |
| <u>\$ -</u>                           | <u>\$ -</u>                                    | <u>\$ -</u>              | <u>\$ (4,000)</u>   |
| \$ (23)                               | \$ 23,660                                      | \$ (157)                 | \$ 185,803  |
| <u>2,527</u>                          | <u>1,034,805</u>                               | <u>17,370</u>            | <u>2,205,757</u>  |
| <u><u>\$ 2,504</u></u>                | <u><u>\$ 1,058,465</u></u>                     | <u><u>\$ 17,213</u></u>  | <u><u>\$ 2,391,560</u></u>                                  |

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## **Nonmajor Governmental Funds**

### **Nonmajor Debt Service Funds**

#### Tax Increment Revenue Pool

Established to account for all tax increment revenues and for the retirement of tax increment bond issues.

#### Improvement Bonds Debt Service

Established to account for financial resources accumulated to retire principal and interest on improvement bond issues.

**City of Austin, Minnesota  
Combining Balance Sheet  
Nonmajor Debt Service Funds  
December 31, 2021**

|   | Tax Increment<br>Revenue Pool | Improvement<br>Bonds<br>Debt Service | Total<br>Nonmajor<br>Debt Service<br>Funds |
|---|-------------------------------|--------------------------------------|--|
| <b>Assets</b>   |                               |                                      |  |
| Cash and investments  | \$ 832,044                    | \$ 277,081                           | \$ 1,109,125                               |
| Special assessments receivable  | -                             | 226,263                              | 226,263                                    |
| Due from other governments  | 17,916                        | 762                                  | 18,678                                     |
| <b>Total assets</b>   | <b>\$ 849,960</b>             | <b>\$ 504,106</b>                    | <b>\$ 1,354,066</b>                        |
| <b>Liabilities</b>  |                               |                                      |  |
| Vouchers payable  | \$ 119,325                    | \$ -                                 | \$ 119,325                                 |
| Due to other funds  | 274,300                       | -                                    | 274,300                                    |
| Due to other governments  | 12,000                        | -                                    | 12,000                                     |
| <b>Total liabilities</b>  | <b>\$ 405,625</b>             | <b>\$ -</b>                          | <b>\$ 405,625</b>                          |
| <b>Deferred inflows of resources</b>  |                               |                                      |  |
| Unavailable revenue   | \$ -                          | \$ 226,262                           | \$ 226,262                                 |
| <b>Total deferred inflows of resources</b>                                    | <b>\$ -</b>                   | <b>\$ 226,262</b>                    | <b>\$ 226,262</b>                          |
| <b>Fund balance</b>   |                               |                                      |  |
| Restricted for:   |                               |                                      |  |
| Debt service reserve  | \$ 444,335                    | \$ 277,844                           | \$ 722,179                                 |
| <b>Total fund balance</b>   | <b>\$ 444,335</b>             | <b>\$ 277,844</b>                    | <b>\$ 722,179</b>                          |
| <b>Total liabilities, deferred inflows of<br/>resources, and fund balance</b> | <b>\$ 849,960</b>             | <b>\$ 504,106</b>                    | <b>\$ 1,354,066</b>                        |



**City of Austin, Minnesota**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Nonmajor Debt Service Funds**  
**For the Year Ended December 31, 2021**

|                             | <u>Tax Increment<br/>Revenue Pool</u> | <u>Improvement<br/>Bonds<br/>Debt Service</u> | <u>Total<br/>Nonmajor<br/>Debt Service<br/>Funds</u> |
|-----------------------------|---------------------------------------|---|--|
| <b>Revenues</b>             |                                       |   |  |
| Taxes                       | \$ 386,439                            | \$ -  | \$ 386,439   |
| Special assessments         | -                                     | 26,669  | 26,669   |
| Fines and forfeits          | -                                     | 449   | 449  |
| Miscellaneous               | (8,087)                               | (2,298)                                       | (10,385)   |
|                             | <u>\$ 378,352</u>                     | <u>\$ 24,820</u>                              | <u>\$ 403,172</u>                                    |
| Total revenues              |                                       |   |  |
| <b>Expenditures</b>         |                                       |   |  |
| Debt service                |                                       |   |  |
| Interest and fiscal charges | \$ 273,015                            | \$ -  | \$ 273,015   |
|                             | <u>\$ 273,015</u>                     | <u>\$ -</u>                                   | <u>\$ 273,015</u>                                    |
| Total expenditures          |                                       |   |  |
|                             |                                       |   |  |
| Net change in fund balance  | \$ 105,337                            | \$ 24,820                                     | \$ 130,157   |
| Fund balance - beginning    | <u>338,998</u>                        | <u>253,024</u>                                | <u>592,022</u>                                       |
| Fund balance - ending       | <u><u>\$ 444,335</u></u>              | <u><u>\$ 277,844</u></u>                      | <u><u>\$ 722,179</u></u>                             |

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## **Nonmajor Governmental Funds**

### **Nonmajor Capital Projects Funds**

#### Building

Established to account for an accumulation of resources to be used directly for various building projects, or as a resource for debt retirement related to building projects. The primary revenue source is an annual appropriation of interest earnings on investments.

#### Capital Improvements Revolving

Established to account for the financial resources to be used directly for construction of street and other community improvements that are not financed by general improvement bond issues.

#### Airport Improvements

This fund was established to account for various airport projects.

**City of Austin, Minnesota  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2021**

|   | Building                   | Capital<br>Improvements<br>Revolving | Airport<br>Improvements  | Total<br>Nonmajor<br>Capital<br>Project Funds |
|---|----------------------------|--------------------------------------|--------------------------|---|
| <b>Assets</b>   |                            |                                      |                          |   |
| Cash and investments  | \$ 2,737,818               | \$ 2,384,799                         | \$ 117,151               | \$ 5,239,768                                  |
| Taxes receivable  | -                          | 12,134                               | -                        | 12,134  |
| Accounts receivable   | 362,677                    | -                                    | -                        | 362,677                                       |
| Notes receivable  | 68,890                     | -                                    | -                        | 68,890  |
| Special assessments receivable  | -                          | 2,118,396                            | -                        | 2,118,396                                     |
| Due from other funds  | -                          | 5,829                                | 7,100                    | 12,929  |
| Due from other governments  | 394,214                    | 32,101                               | 368,170                  | 794,485                                       |
| Advances to component unit  | 612,733                    | -                                    | -                        | 612,733                                       |
| <b>Total assets</b>   | <b><u>\$ 4,176,332</u></b> | <b><u>\$ 4,553,259</u></b>           | <b><u>\$ 492,421</u></b> | <b><u>\$ 9,222,012</u></b>                    |
| <b>Liabilities</b>  |                            |                                      |                          |   |
| Vouchers payable  | \$ 742,948                 | \$ 135,456                           | \$ 1,600                 | \$ 880,004                                    |
| Contractors' retained percentage  | 28,116                     | 321,165                              | -                        | 349,281                                       |
| Due to other funds  | 393                        | -                                    | 100,000                  | 100,393                                       |
| Due to other governments  | -                          | 170,770                              | -                        | 170,770                                       |
| Unearned revenues   | -                          | 25,000                               | -                        | 25,000  |
| <b>Total liabilities</b>  | <b><u>\$ 771,457</u></b>   | <b><u>\$ 652,391</u></b>             | <b><u>\$ 101,600</u></b> | <b><u>\$ 1,525,448</u></b>                    |
| <b>Deferred inflows of resources</b>  |                            |                                      |                          |   |
| Unavailable revenue   | \$ 13,200                  | \$ 2,130,530                         | \$ -                     | \$ 2,143,730                                  |
| <b>Total deferred inflows of resources</b>                                    | <b><u>\$ 13,200</u></b>    | <b><u>\$ 2,130,530</u></b>           | <b><u>\$ -</u></b>       | <b><u>\$ 2,143,730</u></b>                    |
| <b>Fund balance</b>   |                            |                                      |                          |   |
| Assigned to:  |                            |                                      |                          |   |
| Other capital projects  | \$ 3,391,675               | \$ 1,770,338                         | \$ 390,821               | \$ 5,552,834                                  |
| <b>Total fund balance</b>   | <b><u>\$ 3,391,675</u></b> | <b><u>\$ 1,770,338</u></b>           | <b><u>\$ 390,821</u></b> | <b><u>\$ 5,552,834</u></b>                    |
| <b>Total liabilities, deferred inflows of<br/>resources, and fund balance</b> | <b><u>\$ 4,176,332</u></b> | <b><u>\$ 4,553,259</u></b>           | <b><u>\$ 492,421</u></b> | <b><u>\$ 9,222,012</u></b>                    |

**City of Austin, Minnesota**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Nonmajor Capital Projects Funds**  
**For the Year Ended December 31, 2021**

|   | Building     | Capital<br>Improvements<br>Revolving | Airport<br>Improvements | Total<br>Nonmajor<br>Capital<br>Projects Funds |
|---|--------------|--------------------------------------|-------------------------|--|
| <b>Revenues</b>                                   |              |                                      |                         |  |
| Taxes   | \$ -         | \$ 1,195,803                         | \$ -                    | \$ 1,195,803                                   |
| Special assessments                               | -            | 888,490                              | -                       | 888,490  |
| Intergovernmental revenues                        | 554,927      | 54                                   | 415,109                 | 970,090  |
| Miscellaneous revenues                            |              |                                      |                         |  |
| Investment income (loss)                          | \$ (18,442)  | \$ (15,718)                          | \$ -                    | \$ (34,160)                                    |
| Miscellaneous                                     | 806,592      | 114,417                              | 7,100                   | 928,109  |
| Total miscellaneous revenues                      | \$ 788,150   | \$ 98,699                            | \$ 7,100                | \$ 893,949                                     |
| Total revenues                                    | \$ 1,343,077 | \$ 2,183,046                         | \$ 422,209              | \$ 3,948,332                                   |
| <b>Expenditures</b>                               |              |                                      |                         |  |
| Capital outlay                                    | \$ 1,917,366 | \$ 3,007,155                         | \$ 414,080              | \$ 5,338,601                                   |
| Total expenditures                                | \$ 1,917,366 | \$ 3,007,155                         | \$ 414,080              | \$ 5,338,601                                   |
| Excess (deficiency) of revenues over expenditures | \$ (574,289) | \$ (824,109)                         | \$ 8,129                | \$ (1,390,269)                                 |
| <b>Other financing sources</b>                    |              |                                      |                         |  |
| Transfers in                                      | \$ 1,260,000 | \$ 700,000                           | \$ 210,000              | \$ 2,170,000                                   |
| Total other financing sources                     | \$ 1,260,000 | \$ 700,000                           | \$ 210,000              | \$ 2,170,000                                   |
| Net change in fund balance                        | \$ 685,711   | \$ (124,109)                         | \$ 218,129              | \$ 779,731                                     |
| Fund balance - beginning                          | 2,705,964    | 1,894,447                            | 172,692                 | 4,773,103                                      |
| Fund balance - ending                             | \$ 3,391,675 | \$ 1,770,338                         | \$ 390,821              | \$ 5,552,834                                   |

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## **Nonmajor Governmental Funds**

### **Nonmajor Permanent Funds**

#### Non-Expendable Memorial and Gift

Established to account for gifts and memorials received by the Library. Interest earnings are expendable while gifts of \$122,750 are non-expendable. The original \$22,750 of gifts were from the Rasmussen bequest (\$2,000), Rupner children's room (\$10,000), Tanya B. Hines bequest (\$10,000) and an anonymous gift (\$750). During 2012, a gift of \$100,000 was received from Ira James Holton.

#### Non-Expendable Floral Club

Established to account for gifts and memorials received by the Library. All bequests and gifts are non-expendable while interest earnings are expendable. The original \$12,000 gift was from an anonymous source.

#### Junior Police Program

A non-expendable fund established to account for the contribution of \$1,302 from the Exchange Club of Austin in 1993. The interest earnings are available for use in continuing the Junior Police program. If the Junior Police Program is discontinued, interest earnings are then available for a comparable youth oriented law enforcement education program.

**City of Austin, Minnesota  
Combining Balance Sheet  
Nonmajor Permanent Funds  
December 31, 2021**

|                          | <u>Non-Expendable<br/>Memorial<br/>and Gift</u> | <u>Non-Expendable<br/>Floral Club</u> | <u>Junior<br/>Police<br/>Program</u> | <u>Total</u>      |
|--------------------------|---|---------------------------------------|--------------------------------------|-------------------|
| <b>Assets</b>            |   |                                       |                                      |                   |
| Cash and investments     | \$ 140,006                                      | \$ 21,309                             | \$ 2,097                             | \$ 163,412        |
| Total assets             | <u>\$ 140,006</u>                               | <u>\$ 21,309</u>                      | <u>\$ 2,097</u>                      | <u>\$ 163,412</u> |
| <br><b>Fund balance</b>  |   |                                       |                                      |                   |
| Nonspendable:            |   |                                       |                                      |                   |
| Permanent fund principal | \$ 122,750                                      | \$ 12,000                             | \$ 1,302                             | \$ 136,052        |
| Assigned to:             |   |                                       |                                      |                   |
| Police                   | -   | -                                     | 795                                  | 795               |
| Library                  | <u>17,256</u>                                   | <u>9,309</u>                          | <u>-</u>                             | <u>26,565</u>     |
| Total fund balance       | <u>\$ 140,006</u>                               | <u>\$ 21,309</u>                      | <u>\$ 2,097</u>                      | <u>\$ 163,412</u> |



**City of Austin, Minnesota**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Nonmajor Permanent Funds**  
**For the Year Ended December 31, 2021**

|                            | Non-Expendable<br>Memorial<br>and Gift | Non-Expendable<br>Floral Club | Junior<br>Police<br>Program | Total                    |
|----------------------------|--|-------------------------------|-----------------------------|--------------------------|
| <b>Revenues</b>            |  |                               |                             |                          |
| Investment income (loss)   | \$ (1,281)                             | \$ (195)                      | \$ (19)                     | \$ (1,495)               |
| Total revenues             | <u>\$ (1,281)</u>                      | <u>\$ (195)</u>               | <u>\$ (19)</u>              | <u>\$ (1,495)</u>        |
| Net change in fund balance | \$ (1,281)                             | \$ (195)                      | \$ (19)                     | \$ (1,495)               |
| Fund balance - beginning   | <u>141,287</u>                         | <u>21,504</u>                 | <u>2,116</u>                | <u>164,907</u>           |
| Fund balance - ending      | <u><u>\$ 140,006</u></u>               | <u><u>\$ 21,309</u></u>       | <u><u>\$ 2,097</u></u>      | <u><u>\$ 163,412</u></u> |

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# **Governmental Funds**

## **Budgetary Comparisons**

**City of Austin, Minnesota**  
**General Fund**  
**Schedule of Revenues - Budget and Actual**  
**For the Year Ended December 31, 2021**

|  | Budgeted Amounts    |                     | Actual               | Variance with       |
|--|---------------------|---------------------|----------------------|---------------------|
|  | Original            | Final               | Amounts              | Final Budget -      |
|  |                     |                     |                      | Positive            |
|  |                     |                     |                      | (Negative)          |
| <b>Taxes</b>                             |                     |                     |                      |                     |
| General property, current                | \$ 5,183,946        | \$ 5,183,946        | \$ 5,185,410         | \$ 1,464            |
| General property, delinquent             | 10,000              | 10,000              | 84,761               | 74,761              |
| Penalty and interest on delinquent       | 10,000              | 10,000              | 12,135               | 2,135               |
| Mobile home                              | 4,000               | 4,000               | 6,238                | 2,238               |
| Hotel - Motel tax                        | 190,000             | 190,000             | 143,154              | (46,846)            |
| Cablevision franchise fee                | 310,000             | 310,000             | 329,686              | 19,686              |
| Lawful gaming tax                        | 4,000               | 4,000               | 8,708                | 4,708               |
| Total taxes                              | <u>\$ 5,711,946</u> | <u>\$ 5,711,946</u> | <u>\$ 5,770,092</u>  | <u>\$ 58,146</u>    |
| <b>Special assessments</b>               | <u>\$ 45,000</u>    | <u>\$ 45,000</u>    | <u>\$ 61,473</u>     | <u>\$ 16,473</u>    |
| <b>Licenses and permits</b>              |                     |                     |                      |                     |
| Business licenses and permits            | \$ 77,710           | \$ 77,710           | \$ 109,434           | \$ 31,724           |
| Non-Business licenses and permits        | 385,250             | 385,250             | 395,730              | 10,480              |
| Rental housing licenses and permits      | 170,000             | 170,000             | 170,270              | 270                 |
| Total licenses and permits               | <u>\$ 632,960</u>   | <u>\$ 632,960</u>   | <u>\$ 675,434</u>    | <u>\$ 42,474</u>    |
| <b>Intergovernmental revenues</b>        |                     |                     |                      |                     |
| State                                    |                     |                     |                      |                     |
| Local government aid                     | \$ 8,500,584        | \$ 8,500,584        | \$ 8,661,967         | \$ 161,383          |
| Fire relief association amortization aid | 135,000             | 135,000             | 149,093              | 14,093              |
| PERA Aid                                 | -                   | -                   | 29,556               | 29,556              |
| Highway maintenance                      | 55,000              | 55,000              | 55,543               | 543                 |
| Police training reimbursement            | 28,000              | 28,000              | 35,032               | 7,032               |
| Airport maintenance                      | 51,075              | 51,075              | 60,191               | 9,116               |
| Mobile home homestead credit             | -                   | -                   | 238                  | 238                 |
| State and federal grants                 | 95,100              | 95,100              | 1,479,503            | 1,384,403           |
| Police insurance premium aid             | 300,000             | 300,000             | 312,547              | 12,547              |
| School district liaison aid              | 189,526             | 189,526             | 197,962              | 8,436               |
| Total intergovernmental revenues         | <u>\$ 9,354,285</u> | <u>\$ 9,354,285</u> | <u>\$ 10,981,632</u> | <u>\$ 1,627,347</u> |
| <b>Charges for services</b>              |                     |                     |                      |                     |
| License late fees                        | \$ 1,110            | \$ 1,110            | \$ 1,132             | \$ 22               |
| Booklet and map sales                    | 520                 | 520                 | 100                  | (420)               |
| Plans and specifications                 | 500                 | 500                 | 98                   | (402)               |
| Photocopies and accident copies          | 50                  | 50                  | 3                    | (47)                |
| Special services, police                 | 4,500               | 4,500               | 7,842                | 3,342               |
| Autopawn system revenues                 | 2,000               | 2,000               | 1,549                | (451)               |
| Special services, fire                   | 4,000               | 4,000               | 5,581                | 1,581               |
| Rural fire fees                          | 120,000             | 120,000             | 135,856              | 15,856              |
| Fire Hydrant fees                        | 108,000             | 108,000             | 109,189              | 1,189               |
| Impounding and adoption fee              | 1,500               | 1,500               | 2,645                | 1,145               |
| Plat and changes of use fees             | 3,000               | 3,000               | 2,325                | (675)               |
| Zoning review and variance fees          | 1,500               | 1,500               | 2,220                | 720                 |
| Investigation fees                       | 1,300               | 1,300               | 905                  | (395)               |
| Interest earnings on loan                | 1,000               | 1,000               | 9,994                | 8,994               |
| Satisfaction fees                        | 4,500               | 4,500               | 4,968                | 468                 |
| School crossing guards                   | 18,520              | 18,520              | 14,619               | (3,901)             |

**City of Austin, Minnesota**  
**General Fund**  
**Schedule of Revenues - Budget and Actual**  
**For the Year Ended December 31, 2021**

|                                     | Budgeted Amounts            |                             | Actual                      | Variance with              |
|-------------------------------------|-----------------------------|-----------------------------|-----------------------------|----------------------------|
|                                     | Original                    | Final                       | Amounts                     | Final Budget -             |
|                                     |                             |                             |                             | Positive                   |
|                                     |                             |                             |                             | (Negative)                 |
| Charges for services (continued)    |                             |                             |                             |                            |
| Assessment searches                 | 12,000                      | 12,000                      | 20,500                      | 8,500                      |
| Building investigation fees         | 500                         | 500                         | 75                          | (425)                      |
| Building seminar program fees       | 4,000                       | 4,000                       | -                           | (4,000)                    |
| Parking lot lease revenues          | 5,500                       | 5,500                       | 4,929                       | (571)                      |
| Airport hangar rental               | 14,000                      | 14,000                      | 17,923                      | 3,923                      |
| Swimming pool                       | 85,000                      | 85,000                      | 98,109                      | 13,109                     |
| Park and recreation facilities      | 10,801                      | 10,801                      | 18,937                      | 8,136                      |
| Nature center public school rentals | 5,000                       | 5,000                       | 4,943                       | (57)                       |
| Ruby Rupner Auditorium rentals      | 12,000                      | 12,000                      | 10,052                      | (1,948)                    |
| Riverside and Packer Arena          | 233,400                     | 233,400                     | 239,586                     | 6,186                      |
| Total charges for services          | <u>\$ 654,201</u>           | <u>\$ 654,201</u>           | <u>\$ 714,080</u>           | <u>\$ 59,879</u>           |
| Fines and forfeits                  |                             |                             |                             |                            |
| Court fines                         | \$ 100,000                  | \$ 100,000                  | \$ 94,364                   | \$ (5,636)                 |
| Other fines                         | 27,600                      | 27,600                      | 22,168                      | (5,432)                    |
| Parking violations                  | 20,000                      | 20,000                      | 5,078                       | (14,922)                   |
| Total fines and forfeits            | <u>\$ 147,600</u>           | <u>\$ 147,600</u>           | <u>\$ 121,610</u>           | <u>\$ (25,990)</u>         |
| Miscellaneous revenues              |                             |                             |                             |                            |
| Investment income (loss)            | \$ -                        | \$ -                        | \$ (103,677)                | \$ (103,677)               |
| Contributions, private sources      | 122,000                     | 326,000                     | 394,077                     | 68,077                     |
| County Contribution, Senior Center  | 40,000                      | 40,000                      | 40,000                      | -                          |
| Other miscellaneous revenues        | 108,250                     | 108,250                     | 297,483                     | 189,233                    |
| Administration fees                 | 125,000                     | 125,000                     | 113,529                     | (11,471)                   |
| Accounting fees                     | 62,200                      | 62,200                      | 61,851                      | (349)                      |
| Sale of fixed assets                | -                           | -                           | 105,230                     | 105,230                    |
| Total miscellaneous revenues        | <u>\$ 457,450</u>           | <u>\$ 661,450</u>           | <u>\$ 908,493</u>           | <u>\$ 247,043</u>          |
| Total revenues                      | <u>\$ 17,003,442</u>        | <u>\$ 17,207,442</u>        | <u>\$ 19,232,814</u>        | <u>\$ 2,025,372</u>        |
| Other financing sources             |                             |                             |                             |                            |
| Transfers in                        | \$ 1,689,000                | \$ 1,689,000                | \$ 1,668,741                | \$ (20,259)                |
| Total other financing sources       | <u>\$ 1,689,000</u>         | <u>\$ 1,689,000</u>         | <u>\$ 1,668,741</u>         | <u>\$ (20,259)</u>         |
| Total revenues and other sources    | <u><u>\$ 18,692,442</u></u> | <u><u>\$ 18,896,442</u></u> | <u><u>\$ 20,901,555</u></u> | <u><u>\$ 2,005,113</u></u> |

**City of Austin, Minnesota**  
**General Fund**  
**Schedule of Expenditures - Budget and Actual**  
**For the Year Ended December 31, 2021**

|                             | Budgeted Amounts    |                     | Actual              | Variance with                            |
|-----------------------------|---------------------|---------------------|---------------------|--|
|                             | Original            | Final               | Amounts             | Final Budget -<br>Positive<br>(Negative) |
| <b>General government</b>   |                     |                     |                     |  |
| Council                     | \$ 243,896          | \$ 263,896          | \$ 260,408          | \$ 3,488                                 |
| Mayor                       | 19,341              | 19,341              | 14,354              | 4,987                                    |
| Administrator               | 262,971             | 262,971             | 254,628             | 8,343                                    |
| Clerk                       | 195,936             | 195,936             | 200,729             | (4,793)                                  |
| Finance                     | 533,371             | 533,371             | 513,670             | 19,701                                   |
| Attorney                    | 164,020             | 164,020             | 159,737             | 4,283                                    |
| Prosecuting attorney        | 190,468             | 190,468             | 187,129             | 3,339                                    |
| Human resources             | 122,321             | 122,321             | 125,893             | (3,572)                                  |
| Planner                     | 245,669             | 245,669             | 247,540             | (1,871)                                  |
| City hall                   | 166,776             | 166,776             | 149,646             | 17,130                                   |
| Cable TV access channel     | 8,100               | 8,100               | 96,188              | (88,088)                                 |
| Contingency                 | 99,631              | 99,632              | 97,187              | 2,445                                    |
| Capital outlay              | 19,700              | 40,515              | 31,313              | 9,202                                    |
| Total general government    | <u>\$ 2,272,200</u> | <u>\$ 2,313,016</u> | <u>\$ 2,338,422</u> | <u>\$ (25,406)</u>                       |
| <b>Public safety</b>        |                     |                     |                     |  |
| Police                      | \$ 4,333,214        | \$ 4,333,214        | \$ 4,273,900        | \$ 59,314                                |
| Law enforcement center      | 870,000             | 870,000             | 813,997             | 56,003                                   |
| Canine program              | 3,400               | 3,400               | 2,718               | 682                                      |
| Crossing guards             | 18,544              | 18,544              | 14,678              | 3,866                                    |
| Police explorer             | 1,200               | 1,200               | 762                 | 438                                      |
| Community service officers  | 192,041             | 192,041             | 180,656             | 11,385                                   |
| Ellis School Liaison        | 106,297             | 106,297             | 107,268             | (971)                                    |
| Fire                        | 1,896,519           | 1,896,519           | 1,902,664           | (6,145)                                  |
| Building inspection         | 343,312             | 343,312             | 329,633             | 13,679                                   |
| Rental housing inspection   | 141,326             | 141,326             | 125,827             | 15,499                                   |
| Civil defense               | 39,232              | 39,232              | 18,512              | 20,720                                   |
| Capital outlay              | 129,457             | 266,249             | 205,775             | 60,474                                   |
| Contingency                 | -                   | -                   | 29,805              | (29,805)                                 |
| Total public safety         | <u>\$ 8,074,542</u> | <u>\$ 8,211,334</u> | <u>\$ 8,006,195</u> | <u>\$ 205,139</u>                        |
| <b>Streets and highways</b> |                     |                     |                     |  |
| Engineering                 | \$ 701,587          | \$ 701,587          | \$ 674,014          | \$ 27,573                                |
| Streets and highways        | 2,706,446           | 2,706,446           | 2,501,748           | 204,698                                  |
| Sidewalk, curb and gutter   | 16,000              | 16,000              | 12,437              | 3,563                                    |
| Highway lighting            | 205,000             | 205,000             | 181,323             | 23,677                                   |
| Sign shop                   | 141,571             | 141,571             | 106,381             | 35,190                                   |
| Parking lots                | 22,500              | 22,500              | 15,095              | 7,405                                    |
| Capital outlay              | 4,453               | 9,158               | 7,078               | 2,080                                    |
| Contingency                 | 26,114              | 26,114              | 41,853              | (15,739)                                 |
| Total streets and highways  | <u>\$ 3,823,671</u> | <u>\$ 3,828,376</u> | <u>\$ 3,539,929</u> | <u>\$ 288,447</u>                        |

**City of Austin, Minnesota  
General Fund  
Schedule of Expenditures - Budget and Actual  
For the Year Ended December 31, 2021**

|                                   | Budgeted Amounts     |                      | Actual               | Variance with                            |
|-----------------------------------|----------------------|----------------------|----------------------|--|
|                                   | Original             | Final                | Amounts              | Final Budget -<br>Positive<br>(Negative) |
| Culture and recreation            |                      |                      |                      |  |
| Park and recreation               |                      |                      |                      |  |
| Recreation and nature center      | \$ 874,796           | \$ 874,796           | \$ 887,979           | \$ (13,183)                              |
| Swimming pool                     | 208,688              | 208,688              | 163,644              | 45,044                                   |
| Recreation facilities             | 277,714              | 277,714              | 160,947              | 116,767                                  |
| Park maintenance                  | 1,312,969            | 1,312,969            | 1,220,048            | 92,921                                   |
| Weed control                      | 53,100               | 53,100               | 50,972               | 2,128                                    |
| Contingency                       | 14,508               | 14,508               | 31,618               | (17,110)                                 |
| Capital outlay                    | 594,395              | 1,222,466            | 944,802              | 277,664                                  |
| Downtown flowers                  | 46,469               | 46,469               | 44,510               | 1,959                                    |
| Total park and recreation         | <u>\$ 3,382,639</u>  | <u>\$ 4,010,710</u>  | <u>\$ 3,504,520</u>  | <u>\$ 506,190</u>                        |
| Arenas                            |                      |                      |                      |  |
| Riverside and Packer Arena        | <u>\$ 567,382</u>    | <u>\$ 567,382</u>    | <u>\$ 501,498</u>    | <u>\$ 65,884</u>                         |
| Senior citizen's activities       |                      |                      |                      |  |
| Senior Citizen's Center           | <u>\$ 80,000</u>     | <u>\$ 80,000</u>     | <u>\$ 52,861</u>     | <u>\$ 27,139</u>                         |
| Total culture and recreation      | <u>\$ 4,030,021</u>  | <u>\$ 4,658,092</u>  | <u>\$ 4,058,879</u>  | <u>\$ 599,213</u>                        |
| Public service                    |                      |                      |                      |  |
| Airport maintenance               | <u>\$ 111,184</u>    | <u>\$ 111,184</u>    | <u>\$ 80,234</u>     | <u>\$ 30,950</u>                         |
| Total public service              | <u>\$ 111,184</u>    | <u>\$ 111,184</u>    | <u>\$ 80,234</u>     | <u>\$ 30,950</u>                         |
| Economic development              | <u>\$ 270,707</u>    | <u>\$ 482,057</u>    | <u>\$ 246,028</u>    | <u>\$ 236,029</u>                        |
| Community development             | <u>\$ 6,942</u>      | <u>\$ 11,058</u>     | <u>\$ 8,515</u>      | <u>\$ 2,543</u>                          |
| Total expenditures                | <u>\$ 18,589,267</u> | <u>\$ 19,615,117</u> | <u>\$ 18,278,202</u> | <u>\$ 1,336,915</u>                      |
| Other financing uses              |                      |                      |                      |  |
| Transfers out                     | <u>\$ 210,000</u>    | <u>\$ 3,670,000</u>  | <u>\$ 3,670,000</u>  | <u>\$ -</u>                              |
| Total other financing uses        | <u>\$ 210,000</u>    | <u>\$ 3,670,000</u>  | <u>\$ 3,670,000</u>  | <u>\$ -</u>                              |
| Total expenditures and other uses | <u>\$ 18,799,267</u> | <u>\$ 23,285,117</u> | <u>\$ 21,948,202</u> | <u>\$ 1,336,915</u>                      |

**City of Austin, Minnesota  
Library Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2021**

|                                   | Budgeted Amounts         |                          | Actual                   | Variance with                            |
|-----------------------------------|--------------------------|--------------------------|--------------------------|--|
|                                   | Original                 | Final                    | Amounts                  | Final Budget -<br>Positive<br>(Negative) |
| <b>Revenues</b>                   |                          |                          |                          |  |
| <b>Taxes</b>                      |                          |                          |                          |  |
| General property, current         | \$ 1,026,054             | \$ 1,026,054             | \$ 1,026,344             | \$ 290                                   |
| Delinquent property taxes         | 15,000                   | 15,000                   | 16,583                   | 1,583                                    |
| Mobile home                       | -                        | -                        | 1,235                    | 1,235                                    |
| Total taxes                       | <u>\$ 1,041,054</u>      | <u>\$ 1,041,054</u>      | <u>\$ 1,044,162</u>      | <u>\$ 3,108</u>                          |
| <b>Intergovernmental revenues</b> |                          |                          |                          |  |
| State                             |                          |                          |                          |  |
| Mobile home homestead credit      | \$ -                     | \$ -                     | \$ 47                    | \$ 47                                    |
| County                            |                          |                          |                          |  |
| Apportionment                     | \$ 186,620               | \$ 186,620               | \$ 189,222               | \$ 2,602                                 |
| Total intergovernmental revenues  | <u>\$ 186,620</u>        | <u>\$ 186,620</u>        | <u>\$ 189,269</u>        | <u>\$ 2,649</u>                          |
| <b>Charges for services</b>       |                          |                          |                          |  |
| Photocopies                       | \$ 4,000                 | \$ 4,000                 | \$ 3,444                 | \$ (556)                                 |
| Book sales                        | 250                      | 250                      | 5,611                    | 5,361                                    |
| Total charges for services        | <u>\$ 4,250</u>          | <u>\$ 4,250</u>          | <u>\$ 9,055</u>          | <u>\$ 4,805</u>                          |
| <b>Fines and forfeits</b>         |                          |                          |                          |  |
| Book fines                        | \$ 3,250                 | \$ 3,250                 | \$ 336                   | \$ (2,914)                               |
| <b>Miscellaneous revenues</b>     |                          |                          |                          |  |
| Investment income (loss)          | \$ -                     | \$ -                     | \$ (7,419)               | \$ (7,419)                               |
| Revenue from other sources        | -                        | -                        | 1,544                    | 1,544                                    |
| Total miscellaneous revenues      | <u>\$ -</u>              | <u>\$ -</u>              | <u>\$ (5,875)</u>        | <u>\$ (5,875)</u>                        |
| Total revenues                    | <u>\$ 1,235,174</u>      | <u>\$ 1,235,174</u>      | <u>\$ 1,236,947</u>      | <u>\$ 1,773</u>                          |
| <b>Expenditures</b>               |                          |                          |                          |  |
| <b>Culture and recreation</b>     |                          |                          |                          |  |
| Library                           | <u>\$ 1,235,174</u>      | <u>\$ 1,235,174</u>      | <u>\$ 1,094,453</u>      | <u>\$ 140,721</u>                        |
| Total expenditures                | <u>\$ 1,235,174</u>      | <u>\$ 1,235,174</u>      | <u>\$ 1,094,453</u>      | <u>\$ 140,721</u>                        |
| Net change in fund balance        | \$ -                     | \$ -                     | \$ 142,494               | \$ 142,494                               |
| Fund balance - beginning          | <u>742,604</u>           | <u>742,604</u>           | <u>742,604</u>           | <u>-</u>                                 |
| Fund balance - ending             | <u><u>\$ 742,604</u></u> | <u><u>\$ 742,604</u></u> | <u><u>\$ 885,098</u></u> | <u><u>\$ 142,494</u></u>                 |



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**City of Austin, Minnesota  
Recreation Programs Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2021**

|                             | <u>Budgeted Amounts</u> |                  | <u>Actual</u>     | <u>Variance with</u>  |
|-----------------------------|-------------------------|------------------|-------------------|-----------------------|
|                             | <u>Original</u>         | <u>Final</u>     | <u>Amounts</u>    | <u>Final Budget -</u> |
|                             |                         |                  |                   | <u>Positive</u>       |
|                             |                         |                  |                   | <u>(Negative)</u>     |
| <b>Revenues</b>             |                         |                  |                   |                       |
| Charges for services        |                         |                  |                   |                       |
| Adult softball              | \$ 15,500               | \$ 15,500        | \$ 8,756          | \$ (6,744)            |
| Adult volleyball            | 3,000                   | 3,000            | 532               | (2,468)               |
| Community gardens           | 1,650                   | 1,650            | 2,039             | 389                   |
| Disc golf                   | 1,050                   | 1,050            | 852               | (198)                 |
| Horseshoe club              | 1,000                   | 1,000            | 750               | (250)                 |
| Farmers Market              | -                       | -                | 34,635            | 34,635                |
| Player fees                 | 4,000                   | 4,000            | 2,260             | (1,740)               |
| Youth basketball camp fees  | 6,246                   | 6,246            | 13,807            | 7,561                 |
| Summer programs             | 15,082                  | 15,082           | 16,865            | 1,783                 |
| Austin Area Volleyball Club | 10,363                  | 10,363           | 3,760             | (6,603)               |
| Youth wrestling             | 5,000                   | 5,000            | 2,720             | (2,280)               |
| Bike club                   | 2,000                   | 2,000            | 7,109             | 5,109                 |
| Canoe rental                | 500                     | 500              | 1,724             | 1,224                 |
| Crafts program              | 1,200                   | 1,200            | 1,400             | 200                   |
| Cross country skiing        | 2,800                   | 2,800            | 1,881             | (919)                 |
| Special events              | 9,345                   | 9,345            | 17,134            | 7,789                 |
| Total charges for services  | <u>\$ 78,736</u>        | <u>\$ 78,736</u> | <u>\$ 116,224</u> | <u>\$ 37,488</u>      |
| Miscellaneous Revenues      |                         |                  |                   |                       |
| Investment income           | \$ -                    | \$ -             | \$ (1,309)        | \$ (1,309)            |
| Concessions commissions     | 19,124                  | 19,124           | 10,667            | (8,457)               |
| Nature Center donations     | 2,103                   | 2,103            | 12,500            | 10,397                |
| Total miscellaneous         | <u>\$ 21,227</u>        | <u>\$ 21,227</u> | <u>\$ 21,858</u>  | <u>\$ 631</u>         |
| Total revenues              | <u>\$ 99,963</u>        | <u>\$ 99,963</u> | <u>\$ 138,082</u> | <u>\$ 38,119</u>      |

**City of Austin, Minnesota  
Recreation Programs Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2021**

|                                   | <u>Budgeted Amounts</u>  |                          | <u>Actual</u>            | <u>Variance with</u>    |
|-----------------------------------|--------------------------|--------------------------|--------------------------|-------------------------|
|                                   | <u>Original</u>          | <u>Final</u>             | <u>Amounts</u>           | <u>Final Budget -</u>   |
|                                   |                          |                          |                          | <u>Positive</u>         |
|                                   |                          |                          |                          | <u>(Negative)</u>       |
| <b>Expenditures</b>               |                          |                          |                          |                         |
| Culture and recreation            |                          |                          |                          |                         |
| Adult softball                    | \$ 34,624                | \$ 34,624                | \$ 24,511                | \$ 10,113               |
| Adult volleyball                  | 3,000                    | 3,000                    | 456                      | 2,544                   |
| Community gardens                 | 1,650                    | 1,650                    | 2,021                    | (371)                   |
| Disc golf                         | 1,050                    | 1,050                    | -                        | 1,050                   |
| Horseshoe club                    | 1,000                    | 1,000                    | 895                      | 105                     |
| Farmers Market                    | -                        | -                        | 23,963                   | (23,963)                |
| Player fees                       | 6,000                    | 6,000                    | 6,000                    | -                       |
| Southern Minny fast pitch         | -                        | -                        | 492                      | (492)                   |
| Youth basketball camp fees        | 6,246                    | 6,246                    | 6,953                    | (707)                   |
| Summer programs                   | 15,082                   | 15,082                   | 12,469                   | 2,613                   |
| Austin Area Volleyball club       | 10,363                   | 10,363                   | 6,066                    | 4,297                   |
| Youth wrestling                   | 5,000                    | 5,000                    | 3,418                    | 1,582                   |
| Bike club                         | 2,000                    | 2,000                    | 6,870                    | (4,870)                 |
| Canoe rental                      | 500                      | 500                      | 1,413                    | (913)                   |
| Crafts program                    | 1,200                    | 1,200                    | 1,265                    | (65)                    |
| Cross country skiing              | 4,903                    | 4,903                    | 3,446                    | 1,457                   |
| Special events                    | 9,345                    | 9,345                    | 13,962                   | (4,617)                 |
|                                   | <u>\$ 101,963</u>        | <u>\$ 101,963</u>        | <u>\$ 114,200</u>        | <u>\$ (12,237)</u>      |
| <b>Total expenditures</b>         |                          |                          |                          |                         |
| Excess of revenues                |                          |                          |                          |                         |
| over expenditures                 | <u>\$ (2,000)</u>        | <u>\$ (2,000)</u>        | <u>\$ 23,882</u>         | <u>\$ 25,882</u>        |
| <b>Other financing uses</b>       |                          |                          |                          |                         |
| Transfers out                     | <u>\$ (4,000)</u>        | <u>\$ (4,000)</u>        | <u>\$ (4,000)</u>        | <u>\$ -</u>             |
| <b>Total other financing uses</b> | <u>\$ (4,000)</u>        | <u>\$ (4,000)</u>        | <u>\$ (4,000)</u>        | <u>\$ -</u>             |
| <b>Net change in fund balance</b> | <u>\$ (6,000)</u>        | <u>\$ (6,000)</u>        | <u>\$ 19,882</u>         | <u>\$ 25,882</u>        |
| <b>Fund balance - beginning</b>   | <u>135,991</u>           | <u>135,991</u>           | <u>135,991</u>           | <u>-</u>                |
| <b>Fund balance - ending</b>      | <u><u>\$ 129,991</u></u> | <u><u>\$ 129,991</u></u> | <u><u>\$ 155,873</u></u> | <u><u>\$ 25,882</u></u> |

**City of Austin, Minnesota**  
**Fire PERA Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2021**

|                            | Budgeted Amounts  |                   | Actual            | Variance with  |
|----------------------------|-------------------|-------------------|-------------------|----------------|
|                            | Original          | Final             | Amounts           | Final Budget - |
|                            |                   |                   |                   | Positive       |
|                            |                   |                   |                   | (Negative)     |
| <b>Revenues</b>            |                   |                   |                   |                |
| Interest income            | \$ -              | \$ -              | \$ 165            | \$ 165         |
| Total revenues             | \$ -              | \$ -              | \$ 165            | \$ 165         |
| Net change in fund balance | \$ -              | \$ -              | \$ 165            | \$ 165         |
| Fund balance - beginning   | 248,315           | 248,315           | 248,315           | -              |
| Fund balance - ending      | <u>\$ 248,315</u> | <u>\$ 248,315</u> | <u>\$ 248,480</u> | <u>\$ 165</u>  |

## **Nonmajor Enterprise Funds**

### Waste Transfer Station Fund

To account for operation and maintenance of the City's waste transfer station.

### Storm Water Utility Fund

To account for storm water utility maintenance.

**City of Austin, Minnesota**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**December 31, 2021**

|  | Waste<br>Transfer<br>Station | Storm<br>Water<br>Utility | Total Nonmajor<br>Enterprise<br>Funds |
|--|------------------------------|---------------------------|---------------------------------------|
| <b>Assets</b>  |                              |                           |                                       |
| Current assets   |                              |                           |                                       |
| Cash and investments   | \$ 445,153                   | \$ 417,374                | \$ 862,527                            |
| Due from other funds   | -                            | 92,724                    | 92,724                                |
| Total current assets   | <u>\$ 445,153</u>            | <u>\$ 510,098</u>         | <u>\$ 955,251</u>                     |
| Capital assets   |                              |                           |                                       |
| Capital assets   | \$ 505,965                   | \$ 6,229,488              | \$ 6,735,453                          |
| Accumulated depreciation   | (326,553)                    | (966,878)                 | (1,293,431)                           |
| Net  | <u>\$ 179,412</u>            | <u>\$ 5,262,610</u>       | <u>\$ 5,442,022</u>                   |
| Construction in progress   | -                            | 1,603,776                 | 1,603,776                             |
| Net capital assets   | <u>\$ 179,412</u>            | <u>\$ 6,866,386</u>       | <u>\$ 7,045,798</u>                   |
| Total assets   | <u>\$ 624,565</u>            | <u>\$ 7,376,484</u>       | <u>\$ 8,001,049</u>                   |
| <b>Deferred outflows of resources</b>                              |                              |                           |                                       |
| Pension related  | \$ -                         | \$ 72,309                 | \$ 72,309                             |
| OPEB related   | -                            | 3,249                     | 3,249                                 |
| Total deferred outflows of resources                               | <u>\$ -</u>                  | <u>\$ 75,558</u>          | <u>\$ 75,558</u>                      |
| Total assets and deferred outflows of resources                    | <u>\$ 624,565</u>            | <u>\$ 7,452,042</u>       | <u>\$ 8,076,607</u>                   |
| <b>Liabilities</b>   |                              |                           |                                       |
| Current liabilities  |                              |                           |                                       |
| Vouchers payable   | \$ -                         | \$ 5,757                  | \$ 5,757                              |
| Accrued expenses   | -                            | 5,787                     | 5,787                                 |
| Compensated absences, current portion                              | -                            | 1,336                     | 1,336                                 |
| Other postemployment benefits payable, current portion             | -                            | 1,081                     | 1,081                                 |
| Due to other funds   | -                            | 3,211                     | 3,211                                 |
| Total current liabilities  | <u>\$ -</u>                  | <u>\$ 17,172</u>          | <u>\$ 17,172</u>                      |
| Noncurrent liabilities   |                              |                           |                                       |
| Net pension liability  | \$ -                         | \$ 92,023                 | \$ 92,023                             |
| Other postemployment benefits payable                              | -                            | 20,571                    | 20,571                                |
| Total noncurrent liabilities                                       | <u>\$ -</u>                  | <u>\$ 112,594</u>         | <u>\$ 112,594</u>                     |
| Total liabilities  | <u>\$ -</u>                  | <u>\$ 129,766</u>         | <u>\$ 129,766</u>                     |
| <b>Deferred inflows of resources</b>                               |                              |                           |                                       |
| Pension related  | \$ -                         | \$ 84,904                 | \$ 84,904                             |
| OPEB related   | -                            | 6,013                     | 6,013                                 |
| Total deferred inflows of resources                                | <u>\$ -</u>                  | <u>\$ 90,917</u>          | <u>\$ 90,917</u>                      |
| <b>Net position</b>  |                              |                           |                                       |
| Net investment in capital assets                                   | \$ 179,412                   | \$ 6,866,386              | \$ 7,045,798                          |
| Unrestricted   | 445,153                      | 364,973                   | 810,126                               |
| Total net position   | <u>\$ 624,565</u>            | <u>\$ 7,231,359</u>       | <u>\$ 7,855,924</u>                   |
| Total liabilities, deferred inflows of resources, and net position | <u>\$ 624,565</u>            | <u>\$ 7,452,042</u>       | <u>\$ 8,076,607</u>                   |

**City of Austin, Minnesota**  
**Combining Statement of Revenues, Expenses,**  
**and Changes in Net Position - Nonmajor Enterprise Funds**  
**For the Year Ended December 31, 2021**

|  | Waste<br>Transfer<br>Station | Storm<br>Water<br>Utility  | Total Nonmajor<br>Enterprise<br>Funds |
|--|------------------------------|----------------------------|---------------------------------------|
| <b>Operating revenues</b>                        |                              |                            |                                       |
| Charges for services                             | \$ -                         | \$ 729,481                 | \$ 729,481                            |
| Other operating revenues                         | 52,435                       | -                          | 52,435                                |
| Total operating revenues                         | <u>\$ 52,435</u>             | <u>\$ 729,481</u>          | <u>\$ 781,916</u>                     |
| <b>Operating expenses</b>                        |                              |                            |                                       |
| Salaries and benefits                            | \$ -                         | \$ 222,128                 | \$ 222,128                            |
| Supplies and maintenance                         | 43,083                       | 87,592                     | 130,675                               |
| Administrative and general                       | 13,216                       | 77,755                     | 90,971                                |
| Total operating expenses, excluding depreciation | <u>\$ 56,299</u>             | <u>\$ 387,475</u>          | <u>\$ 443,774</u>                     |
| Depreciation                                     | 11,860                       | 102,678                    | 114,538                               |
| Total operating expenses                         | <u>\$ 68,159</u>             | <u>\$ 490,153</u>          | <u>\$ 558,312</u>                     |
| Operating income (loss)                          | <u>\$ (15,724)</u>           | <u>\$ 239,328</u>          | <u>\$ 223,604</u>                     |
| <b>Non-operating revenues</b>                    |                              |                            |                                       |
| Investment income (loss)                         | \$ (4,122)                   | \$ (6,737)                 | \$ (10,859)                           |
| Total non-operating revenues                     | <u>\$ (4,122)</u>            | <u>\$ (6,737)</u>          | <u>\$ (10,859)</u>                    |
| Net income (loss) before contributions           | <u>\$ (19,846)</u>           | <u>\$ 232,591</u>          | <u>\$ 212,745</u>                     |
| Capital contributions                            | <u>\$ -</u>                  | <u>\$ 357,006</u>          | <u>\$ 357,006</u>                     |
| Change in net position                           | \$ (19,846)                  | \$ 589,597                 | \$ 569,751                            |
| Total net position - beginning                   | <u>644,411</u>               | <u>6,641,762</u>           | <u>7,286,173</u>                      |
| Total net position - ending                      | <u><u>\$ 624,565</u></u>     | <u><u>\$ 7,231,359</u></u> | <u><u>\$ 7,855,924</u></u>            |

**City of Austin, Minnesota**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended December 31, 2021**

|   | Waste<br>Transfer<br>Station | Storm<br>Water<br>Utility | Total Nonmajor<br>Enterprise<br>Funds |
|---|------------------------------|---------------------------|---------------------------------------|
| <b>Cash flows from operating activities</b>   |                              |                           |                                       |
| Receipts from customers and users   | \$ 52,435                    | \$ 693,870                | \$ 746,305                            |
| Payments to suppliers   | (60,106)                     | (160,361)                 | (220,467)                             |
| Payments to employees   | -                            | (198,040)                 | (198,040)                             |
| Net cash provided (used) by operating activities  | <u>\$ (7,671)</u>            | <u>\$ 335,469</u>         | <u>\$ 327,798</u>                     |
| <b>Cash flows from capital and related financing activities</b>                                       |                              |                           |                                       |
| Capital assets acquisitions   | \$ -                         | \$ (375,432)              | \$ (375,432)                          |
| Net cash used by capital and related financing activities   | <u>\$ -</u>                  | <u>\$ (375,432)</u>       | <u>\$ (375,432)</u>                   |
| <b>Cash flows from investing activities</b>   |                              |                           |                                       |
| Investment income (loss)  | \$ (4,122)                   | \$ (6,737)                | \$ (10,859)                           |
| Net cash flows used by investing activities   | <u>\$ (4,122)</u>            | <u>\$ (6,737)</u>         | <u>\$ (10,859)</u>                    |
| Net decrease in cash and cash equivalents   | \$ (11,793)                  | \$ (46,700)               | \$ (58,493)                           |
| Cash and cash equivalents - beginning   | 456,946                      | 464,074                   | 921,020                               |
| Cash and cash equivalents - ending  | <u>\$ 445,153</u>            | <u>\$ 417,374</u>         | <u>\$ 862,527</u>                     |
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b> |                              |                           |                                       |
| Operating income (loss)   | \$ (15,724)                  | \$ 239,328                | \$ 223,604                            |
| Adjustments to reconcile operating income to net cash provided by operating activities:               |                              |                           |                                       |
| Depreciation and amortization   | 11,860                       | 102,678                   | 114,538                               |
| Change in net pension liability   | -                            | (624)                     | (624)                                 |
| Change in deferred inflows of resources - pension related   | -                            | 80,356                    | 80,356                                |
| Change in deferred inflows of resources - OPEB related  | -                            | 579                       | 579                                   |
| Change in deferred outflows of resources - pension related  | -                            | (62,088)                  | (62,088)                              |
| Change in deferred outflows of resources - OPEB related   | -                            | (718)                     | (718)                                 |
| Other postemployment benefits payable   | -                            | 6,393                     | 6,393                                 |
| (Increase) decrease in assets:  |                              |                           |                                       |
| Due from other funds  | -                            | (35,611)                  | (35,611)                              |
| Increase (decrease) in liabilities:   |                              |                           |                                       |
| Vouchers payable  | (507)                        | 1,559                     | 1,052                                 |
| Accrued expenses  | -                            | 1,601                     | 1,601                                 |
| Due to other funds  | (3,300)                      | 2,016                     | (1,284)                               |
| Net cash provided (used) by operating activities  | <u>\$ (7,671)</u>            | <u>\$ 335,469</u>         | <u>\$ 327,798</u>                     |
| <b>Noncash investing, capital, and financing activities:</b>  |                              |                           |                                       |
| Contributions of capital assets   | \$ -                         | \$ 357,006                | \$ 357,006                            |



## **Internal Service Funds**

### MIS Replacement

Established to account for the operation, maintenance, and replacement of certain management information systems equipment. City departments are billed for equipment use.

### Central Garage

Established to account for the operation and maintenance of a central garage service to all departments except for Police, Library, and Utilities. City departments are billed for equipment use based on a pre-determined rate per hour for each vehicle which includes depreciation, operating costs, and overhead.

### Risk Management

Established to account for the following activities:

#### Health Insurance

Established to account for health insurance administrative and claims costs financed by contributions from City departments and funds.

#### Property and Liability

Established to account for insurance premiums and claims. City departments and funds are billed for these costs.

#### Workers' Compensation Insurance

Established to account for insurance premiums and claims. City departments and funds are billed to cover these costs.

#### Sick Leave Program

Established to account for retirement benefits paid as a result of accumulated sick leave. City departments and funds are billed to finance these benefits.

**City of Austin, Minnesota**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**December 31, 2021**

|   | MIS<br>Replacement       | Central<br>Garage           | Risk<br>Management         | Total Internal<br>Service<br>Funds |
|---|--------------------------|-----------------------------|----------------------------|------------------------------------|
| <b>Assets</b>   |                          |                             |                            |                                    |
| Current assets  |                          |                             |                            |                                    |
| Cash and investments  | \$ 266,193               | \$ 7,165,582                | \$ 4,345,061               | \$ 11,776,836                      |
| Accounts receivable   | -                        | -                           | 950                        | 950                                |
| Inventory   | -                        | 89,826                      | -                          | 89,826                             |
| Prepaid items   | -                        | -                           | 104,695                    | 104,695                            |
| Total current assets  | <u>\$ 266,193</u>        | <u>\$ 7,255,408</u>         | <u>\$ 4,450,706</u>        | <u>\$ 11,972,307</u>               |
| Noncurrent assets   |                          |                             |                            |                                    |
| Capital assets  | \$ 114,254               | \$ 17,292,104               | \$ -                       | \$ 17,406,358                      |
| Accumulated depreciation  | (111,274)                | (9,525,809)                 | -                          | (9,637,083)                        |
| Total noncurrent assets   | <u>\$ 2,980</u>          | <u>\$ 7,766,295</u>         | <u>\$ -</u>                | <u>\$ 7,769,275</u>                |
| Total assets  | <u>\$ 269,173</u>        | <u>\$ 15,021,703</u>        | <u>\$ 4,450,706</u>        | <u>\$ 19,741,582</u>               |
| <b>Deferred outflows of resources</b>                                 |                          |                             |                            |                                    |
| Pension related   | <u>\$ 42,312</u>         | <u>\$ 166,091</u>           | <u>\$ 5,999</u>            | <u>\$ 214,402</u>                  |
| Total deferred outflows of resources                                  | <u>\$ 42,312</u>         | <u>\$ 166,091</u>           | <u>\$ 5,999</u>            | <u>\$ 214,402</u>                  |
| Total assets and deferred outflows<br>of resources                    | <u><u>\$ 311,485</u></u> | <u><u>\$ 15,187,794</u></u> | <u><u>\$ 4,456,705</u></u> | <u><u>\$ 19,955,984</u></u>        |
| <b>Liabilities</b>  |                          |                             |                            |                                    |
| Current liabilities   |                          |                             |                            |                                    |
| Vouchers payable  | \$ -                     | \$ 83,956                   | \$ 986                     | \$ 84,942                          |
| Accrued expenses  | 17,955                   | 52,768                      | 77,346                     | 148,069                            |
| Due to other funds  | -                        | 5,342                       | -                          | 5,342                              |
| Total current liabilities   | <u>\$ 17,955</u>         | <u>\$ 142,066</u>           | <u>\$ 78,332</u>           | <u>\$ 238,353</u>                  |
| Noncurrent liabilities  |                          |                             |                            |                                    |
| Net pension liability   | <u>\$ 53,848</u>         | <u>\$ 211,373</u>           | <u>\$ 7,635</u>            | <u>\$ 272,856</u>                  |
| Total liabilities   | <u>\$ 71,803</u>         | <u>\$ 353,439</u>           | <u>\$ 85,967</u>           | <u>\$ 511,209</u>                  |
| <b>Deferred inflows of resources</b>                                  |                          |                             |                            |                                    |
| Pension related   | <u>\$ 49,682</u>         | <u>\$ 195,020</u>           | <u>\$ 7,044</u>            | <u>\$ 251,746</u>                  |
| Total deferred inflows of resources                                   | <u>\$ 49,682</u>         | <u>\$ 195,020</u>           | <u>\$ 7,044</u>            | <u>\$ 251,746</u>                  |
| <b>Net position</b>   |                          |                             |                            |                                    |
| Net investment in capital assets                                      | \$ 2,980                 | \$ 7,766,295                | \$ -                       | \$ 7,769,275                       |
| Unrestricted  | <u>187,020</u>           | <u>6,873,040</u>            | <u>4,363,694</u>           | <u>11,423,754</u>                  |
| Total net position  | <u>\$ 190,000</u>        | <u>\$ 14,639,335</u>        | <u>\$ 4,363,694</u>        | <u>\$ 19,193,029</u>               |
| Total liabilities, deferred inflows of<br>resources, and net position | <u><u>\$ 311,485</u></u> | <u><u>\$ 15,187,794</u></u> | <u><u>\$ 4,456,705</u></u> | <u><u>\$ 19,955,984</u></u>        |

**City of Austin, Minnesota**  
**Combining Statement of Revenues, Expenses, and**  
**Changes in Net Position - Internal Service Funds**  
**For the Year Ended December 31, 2021**

|   | <u>MIS<br/>Replacement</u> | <u>Central<br/>Garage</u> | <u>Risk<br/>Management</u> | <u>Total Internal<br/>Service<br/>Funds</u> |
|---|----------------------------|---------------------------|----------------------------|---|
| <b>Operating revenues</b>                           |                            |                           |                            |   |
| Charges for services                                | \$ 240,000                 | \$ 1,699,840              | \$ 2,234,769               | \$ 4,174,609                                |
| Total operating revenues                            | <u>\$ 240,000</u>          | <u>\$ 1,699,840</u>       | <u>\$ 2,234,769</u>        | <u>\$ 4,174,609</u>                         |
| <b>Operating expenses</b>                           |                            |                           |                            |   |
| Salaries and benefits                               | \$ 118,658                 | \$ 449,502                | \$ 16,522                  | \$ 584,682                                  |
| Supplies and maintenance                            | 812                        | 488,855                   | -                          | 489,667                                     |
| Administrative and general                          | 120,088                    | 25,203                    | 42,913                     | 188,204                                     |
| Claims  | -                          | -                         | 144,079                    | 144,079                                     |
| Retirement benefits                                 | -                          | -                         | 116,135                    | 116,135                                     |
| Insurance premiums                                  | -                          | -                         | 2,081,193                  | 2,081,193                                   |
| Total operating expenses,<br>excluding depreciation | <u>\$ 239,558</u>          | <u>\$ 963,560</u>         | <u>\$ 2,400,842</u>        | <u>\$ 3,603,960</u>                         |
| Depreciation  | <u>3,851</u>               | <u>750,153</u>            | <u>-</u>                   | <u>754,004</u>                              |
| Total operating expenses                            | <u>\$ 243,409</u>          | <u>\$ 1,713,713</u>       | <u>\$ 2,400,842</u>        | <u>\$ 4,357,964</u>                         |
| Operating loss                                      | <u>\$ (3,409)</u>          | <u>\$ (13,873)</u>        | <u>\$ (166,073)</u>        | <u>\$ (183,355)</u>                         |
| <b>Non-operating revenues</b>                       |                            |                           |                            |   |
| Investment income (loss)                            | \$ (2,422)                 | \$ (54,313)               | \$ (36,747)                | \$ (93,482)                                 |
| Gain on disposal of capital assets                  | -                          | 765                       | -                          | 765   |
| Other revenues                                      | -                          | 1,146                     | 154,255                    | 155,401                                     |
| Total non-operating revenues                        | <u>\$ (2,422)</u>          | <u>\$ (52,402)</u>        | <u>\$ 117,508</u>          | <u>\$ 62,684</u>                            |
| Net loss before transfers                           | <u>\$ (5,831)</u>          | <u>\$ (66,275)</u>        | <u>\$ (48,565)</u>         | <u>\$ (120,671)</u>                         |
| Transfers in  | <u>\$ -</u>                | <u>\$ 1,500,000</u>       | <u>\$ -</u>                | <u>\$ 1,500,000</u>                         |
| Change in net position                              | \$ (5,831)                 | \$ 1,433,725              | \$ (48,565)                | \$ 1,379,329                                |
| Net position - beginning                            | <u>195,831</u>             | <u>13,205,610</u>         | <u>4,412,259</u>           | <u>17,813,700</u>                           |
| Net position - ending                               | <u>\$ 190,000</u>          | <u>\$ 14,639,335</u>      | <u>\$ 4,363,694</u>        | <u>\$ 19,193,029</u>                        |

**City of Austin, Minnesota**  
**Combining Statement of Cash Flows - Internal Service Funds**  
**For the Year Ended December 31, 2021**

|  | MIS<br>Replacement | Central<br>Garage   | Risk<br>Management  | Total Internal<br>Service<br>Funds |
|--|--------------------|---------------------|---------------------|------------------------------------|
| <b>Cash flows from operating activities</b>  |                    |                     |                     |                                    |
| Receipts from customers and users  | \$ 240,000         | \$ 1,700,643        | \$ 2,234,256        | \$ 4,174,899                       |
| Payments to suppliers  | (120,969)          | (459,571)           | (2,302,569)         | (2,883,109)                        |
| Payments to employees  | (116,700)          | (460,336)           | (16,737)            | (593,773)                          |
| Payments to retirees   | -                  | -                   | (116,135)           | (116,135)                          |
| Other receipts   | -                  | 1,146               | 154,255             | 155,401                            |
| Net cash provided (used) by operating activities   | <u>\$ 2,331</u>    | <u>\$ 781,882</u>   | <u>\$ (46,930)</u>  | <u>\$ 737,283</u>                  |
| <b>Cash flows from noncapital<br/>financing activities</b>                                       |                    |                     |                     |                                    |
| Transfers from other funds   | \$ -               | \$ 1,500,000        | \$ -                | \$ 1,500,000                       |
| Net cash provided by noncapital<br>financing activities  | <u>\$ -</u>        | <u>\$ 1,500,000</u> | <u>\$ -</u>         | <u>\$ 1,500,000</u>                |
| <b>Cash flows from capital<br/>and related financing activities</b>                              |                    |                     |                     |                                    |
| Capital asset acquisitions   | \$ -               | \$ (465,322)        | \$ -                | \$ (465,322)                       |
| Proceeds from sale of capital assets   | -                  | 765                 | -                   | 765                                |
| Net cash used by capital and<br>related financing activities                                     | <u>\$ -</u>        | <u>\$ (464,557)</u> | <u>\$ -</u>         | <u>\$ (464,557)</u>                |
| <b>Cash flows from investing activities</b>  |                    |                     |                     |                                    |
| Investment income (loss)   | \$ (2,422)         | \$ (54,313)         | \$ (36,747)         | \$ (93,482)                        |
| Net cash flows used by investing activities  | <u>\$ (2,422)</u>  | <u>\$ (54,313)</u>  | <u>\$ (36,747)</u>  | <u>\$ (93,482)</u>                 |
| Net increase (decrease) in cash and<br>cash equivalents  | \$ (91)            | \$ 1,763,012        | \$ (83,677)         | \$ 1,679,244                       |
| Cash and cash equivalents - beginning  | 266,284            | 5,402,570           | 4,428,738           | 10,097,592                         |
| Cash and cash equivalents - ending   | <u>\$ 266,193</u>  | <u>\$ 7,165,582</u> | <u>\$ 4,345,061</u> | <u>\$ 11,776,836</u>               |
| <b>Reconciliation of operating loss to net<br/>cash provided (used) by operating activities:</b> |                    |                     |                     |                                    |
| Operating loss   | \$ (3,409)         | \$ (13,873)         | \$ (166,073)        | \$ (183,355)                       |
| Depreciation   | 3,851              | 750,153             | -                   | 754,004                            |
| Miscellaneous revenues   | -                  | 1,146               | 154,255             | 155,401                            |
| Change in net pension liability  | (14,584)           | (54,986)            | (1,840)             | (71,410)                           |
| Change in deferred inflows of resources - pension related  | 46,323             | 181,944             | 6,579               | 234,846                            |
| Change in deferred outflows of resources - pension related                                       | (34,762)           | (136,705)           | (4,954)             | (176,421)                          |
| (Increase) Decrease in assets:   |                    |                     |                     |                                    |
| Accounts receivable  | -                  | 803                 | (513)               | 290                                |
| Inventory  | -                  | 4,195               | -                   | 4,195                              |
| Prepaid items  | -                  | -                   | (3,626)             | (3,626)                            |
| Increase (Decrease) in liabilities:  |                    |                     |                     |                                    |
| Vouchers payable   | (69)               | 49,475              | (2,308)             | 47,098                             |
| Accrued expenses   | 4,981              | (1,087)             | (28,450)            | (24,556)                           |
| Due to other funds   | -                  | 817                 | -                   | 817                                |
| Net cash provided (used) by operating activities   | <u>\$ 2,331</u>    | <u>\$ 781,882</u>   | <u>\$ (46,930)</u>  | <u>\$ 737,283</u>                  |

**City of Austin, Minnesota**  
**Combining Schedule of Net Position**  
**Internal Service Funds - Central Garage Fund**  
**December 31, 2021**

|   | Streets and<br>Highways    | Parks and<br>Forestry      | Fire<br>Vehicles and<br>Equipment | Total                       |
|---|----------------------------|----------------------------|-----------------------------------|-----------------------------|
| <b>Assets</b>   |                            |                            |                                   |                             |
| Current assets  |                            |                            |                                   |                             |
| Cash and investments  | \$ 2,446,222               | \$ 1,499,971               | \$ 3,219,389                      | \$ 7,165,582                |
| Inventory   | 89,826                     | -                          | -                                 | 89,826                      |
| Total current assets  | <u>\$ 2,536,048</u>        | <u>\$ 1,499,971</u>        | <u>\$ 3,219,389</u>               | <u>\$ 7,255,408</u>         |
| Noncurrent assets   |                            |                            |                                   |                             |
| Capital assets  | \$ 12,749,784              | \$ 2,128,543               | \$ 2,413,777                      | \$ 17,292,104               |
| Accumulated depreciation  | (6,840,616)                | (1,343,259)                | (1,341,934)                       | (9,525,809)                 |
| Total noncurrent assets   | <u>\$ 5,909,168</u>        | <u>\$ 785,284</u>          | <u>\$ 1,071,843</u>               | <u>\$ 7,766,295</u>         |
| Total assets  | <u>\$ 8,445,216</u>        | <u>\$ 2,285,255</u>        | <u>\$ 4,291,232</u>               | <u>\$ 15,021,703</u>        |
| <b>Deferred outflows of resources</b>                                 |                            |                            |                                   |                             |
| Pension related   | \$ 133,171                 | \$ 32,920                  | \$ -                              | \$ 166,091                  |
| Total deferred outflows of resources                                  | <u>\$ 133,171</u>          | <u>\$ 32,920</u>           | <u>\$ -</u>                       | <u>\$ 166,091</u>           |
| Total assets and deferred outflows<br>of resources                    | <u><u>\$ 8,578,387</u></u> | <u><u>\$ 2,318,175</u></u> | <u><u>\$ 4,291,232</u></u>        | <u><u>\$ 15,187,794</u></u> |
| <b>Liabilities</b>  |                            |                            |                                   |                             |
| Current liabilities   |                            |                            |                                   |                             |
| Vouchers payable  | \$ 78,764                  | \$ 1,761                   | \$ 3,431                          | \$ 83,956                   |
| Accrued expenses  | 42,455                     | 10,097                     | 216                               | 52,768                      |
| Due to other funds  | 5,342                      | -                          | -                                 | 5,342                       |
| Total current liabilities   | <u>\$ 126,561</u>          | <u>\$ 11,858</u>           | <u>\$ 3,647</u>                   | <u>\$ 142,066</u>           |
| Noncurrent liabilities  |                            |                            |                                   |                             |
| Net pension liability   | 169,478                    | 41,895                     | -                                 | 211,373                     |
| Total liabilities   | <u>\$ 296,039</u>          | <u>\$ 53,753</u>           | <u>\$ 3,647</u>                   | <u>\$ 353,439</u>           |
| <b>Deferred inflows of resources</b>                                  |                            |                            |                                   |                             |
| Pension related   | \$ 156,367                 | \$ 38,653                  | \$ -                              | \$ 195,020                  |
| Total deferred inflows of resources                                   | <u>\$ 156,367</u>          | <u>\$ 38,653</u>           | <u>\$ -</u>                       | <u>\$ 195,020</u>           |
| <b>Net position</b>   |                            |                            |                                   |                             |
| Net investment in capital assets                                      | \$ 5,909,168               | \$ 785,284                 | \$ 1,071,843                      | \$ 7,766,295                |
| Unrestricted  | 2,216,813                  | 1,440,485                  | 3,215,742                         | 6,873,040                   |
| Total net position  | <u>\$ 8,125,981</u>        | <u>\$ 2,225,769</u>        | <u>\$ 4,287,585</u>               | <u>\$ 14,639,335</u>        |
| Total liabilities, deferred inflows of<br>resources, and net position | <u><u>\$ 8,578,387</u></u> | <u><u>\$ 2,318,175</u></u> | <u><u>\$ 4,291,232</u></u>        | <u><u>\$ 15,187,794</u></u> |

**City of Austin, Minnesota**  
**Combining Schedule of Revenues, Expenses, and**  
**Changes in Net Position**  
**Internal Service Funds - Central Garage Fund**  
**For the Year Ended December 31, 2021**

|   | <u>Streets and<br/>Highways</u> | <u>Parks and<br/>Forestry</u> | <u>Fire<br/>Vehicles and<br/>Equipment</u> | <u>Total Central<br/>Garage<br/>Fund</u> |
|---|---------------------------------|-------------------------------|--|--|
| <b>Operating revenues</b>                           |                                 |                               |  |  |
| Charges for services                                | \$ 1,265,132                    | \$ 234,708                    | \$ 200,000                                 | \$ 1,699,840                             |
| Total operating revenues                            | <u>\$ 1,265,132</u>             | <u>\$ 234,708</u>             | <u>\$ 200,000</u>                          | <u>\$ 1,699,840</u>                      |
| <b>Operating expenses</b>                           |                                 |                               |  |  |
| Salaries and benefits                               | \$ 361,865                      | \$ 87,637                     | \$ -                                       | \$ 449,502                               |
| Supplies and maintenance                            | 368,126                         | 95,132                        | 25,597                                     | 488,855                                  |
| Administrative and general                          | 19,575                          | 5,628                         | -  | 25,203                                   |
| Total operating expenses,<br>excluding depreciation | <u>\$ 749,566</u>               | <u>\$ 188,397</u>             | <u>\$ 25,597</u>                           | <u>\$ 963,560</u>                        |
| Depreciation  | 533,674                         | 127,635                       | 88,844                                     | 750,153                                  |
| Total operating expenses                            | <u>\$ 1,283,240</u>             | <u>\$ 316,032</u>             | <u>\$ 114,441</u>                          | <u>\$ 1,713,713</u>                      |
| Operating income (loss)                             | <u>\$ (18,108)</u>              | <u>\$ (81,324)</u>            | <u>\$ 85,559</u>                           | <u>\$ (13,873)</u>                       |
| <b>Non-operating revenues</b>                       |                                 |                               |  |  |
| Investment income (loss)                            | \$ (20,800)                     | \$ (14,454)                   | \$ (19,059)                                | \$ (54,313)                              |
| Gain on disposal of capital assets                  | -                               | 765                           | -  | 765                                      |
| Other revenues                                      | <u>1,146</u>                    | <u>-</u>                      | <u>-</u>                                   | <u>1,146</u>                             |
| Total non-operating revenues                        | <u>\$ (19,654)</u>              | <u>\$ (13,689)</u>            | <u>\$ (19,059)</u>                         | <u>\$ (52,402)</u>                       |
| Net income (loss) before transfers                  | <u>\$ (37,762)</u>              | <u>\$ (95,013)</u>            | <u>\$ 66,500</u>                           | <u>\$ (66,275)</u>                       |
| Transfers in  | <u>\$ -</u>                     | <u>\$ -</u>                   | <u>\$ 1,500,000</u>                        | <u>\$ 1,500,000</u>                      |
| Change in net position                              | <u>\$ (37,762)</u>              | <u>\$ (95,013)</u>            | <u>\$ 1,566,500</u>                        | <u>\$ 1,433,725</u>                      |
| Net position - beginning                            | <u>8,163,743</u>                | <u>2,320,782</u>              | <u>2,721,085</u>                           | <u>13,205,610</u>                        |
| Net position - ending                               | <u><u>\$ 8,125,981</u></u>      | <u><u>\$ 2,225,769</u></u>    | <u><u>\$ 4,287,585</u></u>                 | <u><u>\$ 14,639,335</u></u>              |

**City of Austin, Minnesota**  
**Combining Schedule of Net Position**  
**Internal Service Funds - Risk Management Fund**  
**December 31, 2021**

|  | Health<br>Insurance | Property<br>and<br>Liability | Workers'<br>Compensation<br>Insurance | Sick<br>Leave<br>Program | Total Risk<br>Management<br>Fund |
|--|---------------------|------------------------------|---------------------------------------|--------------------------|----------------------------------|
| <b>Assets</b>  |                     |                              |                                       |                          |                                  |
| Current assets   |                     |                              |                                       |                          |                                  |
| Cash and investments   | \$ 500,964          | \$ 1,127,584                 | \$ 1,170,371                          | \$ 1,546,142             | \$ 4,345,061                     |
| Accounts receivable  | 950                 | -                            | -                                     | -                        | 950                              |
| Prepaid items  | 104,695             | -                            | -                                     | -                        | 104,695                          |
| Total current assets   | <u>\$ 606,609</u>   | <u>\$ 1,127,584</u>          | <u>\$ 1,170,371</u>                   | <u>\$ 1,546,142</u>      | <u>\$ 4,450,706</u>              |
| <b>Deferred outflows of resources</b>                              |                     |                              |                                       |                          |                                  |
| Pension related  | \$ -                | \$ 3,000                     | \$ 2,999                              | \$ -                     | \$ 5,999                         |
| Total deferred outflows of resources                               | <u>\$ -</u>         | <u>\$ 3,000</u>              | <u>\$ 2,999</u>                       | <u>\$ -</u>              | <u>\$ 5,999</u>                  |
| Total assets and deferred outflows of resources                    | <u>\$ 606,609</u>   | <u>\$ 1,130,584</u>          | <u>\$ 1,173,370</u>                   | <u>\$ 1,546,142</u>      | <u>\$ 4,456,705</u>              |
| <b>Liabilities</b>   |                     |                              |                                       |                          |                                  |
| Current liabilities  |                     |                              |                                       |                          |                                  |
| Vouchers payable   | \$ 553              | \$ -                         | \$ 433                                | \$ -                     | \$ 986                           |
| Accrued expenses   | 75,456              | 643                          | 1,247                                 | -                        | 77,346                           |
| Total current liabilities  | <u>\$ 76,009</u>    | <u>\$ 643</u>                | <u>\$ 1,680</u>                       | <u>\$ -</u>              | <u>\$ 78,332</u>                 |
| Noncurrent liabilities   |                     |                              |                                       |                          |                                  |
| Net pension liability  | \$ -                | \$ 3,817                     | \$ 3,818                              | \$ -                     | \$ 7,635                         |
| Total noncurrent liabilities                                       | <u>\$ -</u>         | <u>\$ 3,817</u>              | <u>\$ 3,818</u>                       | <u>\$ -</u>              | <u>\$ 7,635</u>                  |
| Total liabilities  | <u>\$ 76,009</u>    | <u>\$ 4,460</u>              | <u>\$ 5,498</u>                       | <u>\$ -</u>              | <u>\$ 85,967</u>                 |
| <b>Deferred inflows of resources</b>                               |                     |                              |                                       |                          |                                  |
| Pension related  | \$ -                | \$ 3,522                     | \$ 3,522                              | \$ -                     | \$ 7,044                         |
| Total deferred inflows of resources                                | <u>\$ -</u>         | <u>\$ 3,522</u>              | <u>\$ 3,522</u>                       | <u>\$ -</u>              | <u>\$ 7,044</u>                  |
| <b>Net position</b>  |                     |                              |                                       |                          |                                  |
| Unrestricted   | \$ 530,600          | \$ 1,122,602                 | \$ 1,164,350                          | \$ 1,546,142             | \$ 4,363,694                     |
| Total net position   | <u>\$ 530,600</u>   | <u>\$ 1,122,602</u>          | <u>\$ 1,164,350</u>                   | <u>\$ 1,546,142</u>      | <u>\$ 4,363,694</u>              |
| Total liabilities, deferred inflows of resources, and net position | <u>\$ 606,609</u>   | <u>\$ 1,130,584</u>          | <u>\$ 1,173,370</u>                   | <u>\$ 1,546,142</u>      | <u>\$ 4,456,705</u>              |

**City of Austin, Minnesota**  
**Combining Schedule of Revenues, Expenses, and**  
**Changes in Net Position**  
**Internal Service Funds - Risk Management Fund**  
**For the Year Ended December 31, 2021**

|                               | Health<br>Insurance | Property<br>and<br>Liability | Workers'<br>Compensation<br>Insurance | Sick<br>Leave<br>Program | Total Risk<br>Management<br>Fund |
|-------------------------------|---------------------|------------------------------|---------------------------------------|--------------------------|----------------------------------|
| <b>Operating revenues</b>     |                     |                              |                                       |                          |                                  |
| Charges for services          | \$ 1,331,798        | \$ 269,748                   | \$ 584,221                            | \$ 49,002                | \$ 2,234,769                     |
| Total operating revenues      | \$ 1,331,798        | \$ 269,748                   | \$ 584,221                            | \$ 49,002                | \$ 2,234,769                     |
| <b>Operating expenses</b>     |                     |                              |                                       |                          |                                  |
| Salaries and benefits         | \$ -                | \$ 8,261                     | \$ 8,261                              | \$ -                     | \$ 16,522                        |
| Administrative and general    | -                   | -                            | 42,913                                | -                        | 42,913                           |
| Claims                        | 94,500              | 31,311                       | 12,685                                | 5,583                    | 144,079                          |
| Retirement benefits           | -                   | -                            | -                                     | 116,135                  | 116,135                          |
| Insurance premiums            | 1,241,030           | 289,444                      | 550,719                               | -                        | 2,081,193                        |
| Total operating expenses      | \$ 1,335,530        | \$ 329,016                   | \$ 614,578                            | \$ 121,718               | \$ 2,400,842                     |
| Operating loss                | \$ (3,732)          | \$ (59,268)                  | \$ (30,357)                           | \$ (72,716)              | \$ (166,073)                     |
| <b>Non-operating revenues</b> |                     |                              |                                       |                          |                                  |
| Investment income (loss)      | \$ (1,584)          | \$ (10,171)                  | \$ (10,303)                           | \$ (14,689)              | \$ (36,747)                      |
| Other revenues                |                     |                              |                                       |                          |                                  |
| Refunds                       | \$ -                | \$ 88,008                    | \$ -                                  | \$ -                     | \$ 88,008                        |
| Miscellaneous                 | 2,796               | -                            | 63,451                                | -                        | 66,247                           |
| Total other revenues          | \$ 2,796            | \$ 88,008                    | \$ 63,451                             | \$ -                     | \$ 154,255                       |
| Total non-operating revenues  | \$ 1,212            | \$ 77,837                    | \$ 53,148                             | \$ (14,689)              | \$ 117,508                       |
| Change in net position        | \$ (2,520)          | \$ 18,569                    | \$ 22,791                             | \$ (87,405)              | \$ (48,565)                      |
| Net position - beginning      | 533,120             | 1,104,033                    | 1,141,559                             | 1,633,547                | 4,412,259                        |
| Net position - ending         | \$ 530,600          | \$ 1,122,602                 | \$ 1,164,350                          | \$ 1,546,142             | \$ 4,363,694                     |



## **Supplementary Information**

**City of Austin, Minnesota**  
**General Obligation Utility Revenue Bonds**  
**Water Utility Fund**  
**Debt Service Requirements to Maturity**

| Year | Series 2012A        |                   |                     |
|------|---------------------|-------------------|---------------------|
|      | Principal           | Interest          | Total               |
| 2022 | \$ 385,000          | \$ 53,706         | \$ 438,706          |
| 2023 | 390,000             | 46,006            | 436,006             |
| 2024 | 400,000             | 38,206            | 438,206             |
| 2025 | 410,000             | 29,706            | 439,706             |
| 2026 | 415,000             | 20,482            | 435,482             |
| 2027 | 425,000             | 10,625            | 435,625             |
|      | <u>\$ 2,425,000</u> | <u>\$ 198,731</u> | <u>\$ 2,623,731</u> |

**City of Austin, Minnesota**  
**General Obligation Capital Improvement Bonds**  
**Austin Utilities**  
**Debt Service Requirements to Maturity**

| Year | Series 2015A         |                     |                      |
|------|----------------------|---------------------|----------------------|
|      | Principal            | Interest            | Total                |
| 2022 | \$ 745,000           | \$ 467,113          | \$ 1,212,113         |
| 2023 | 760,000              | 448,263             | 1,208,263            |
| 2024 | 785,000              | 425,087             | 1,210,087            |
| 2025 | 810,000              | 393,062             | 1,203,062            |
| 2026 | 850,000              | 355,813             | 1,205,813            |
| 2027 | 885,000              | 325,538             | 1,210,538            |
| 2028 | 910,000              | 298,613             | 1,208,613            |
| 2029 | 935,000              | 270,352             | 1,205,352            |
| 2030 | 965,000              | 240,062             | 1,205,062            |
| 2031 | 1,000,000            | 208,131             | 1,208,131            |
| 2032 | 1,030,000            | 174,500             | 1,204,500            |
| 2033 | 1,065,000            | 139,147             | 1,204,147            |
| 2034 | 1,100,000            | 101,925             | 1,201,925            |
| 2035 | 1,140,000            | 62,725              | 1,202,725            |
| 2036 | 1,180,000            | 21,388              | 1,201,388            |
|      | <u>\$ 14,160,000</u> | <u>\$ 3,931,719</u> | <u>\$ 18,091,719</u> |

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## Statistical Section

This part of the City of Austin's 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 government's overall financial health.

|   | <u>Page</u> |
|---|-------------|
| <u>Financial Trends</u><br>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.  | 165         |
| <u>Revenue Capacity</u><br>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.  | 170         |
| <u>Debt Capacity</u><br>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.         | 174         |
| <u>Demographic and Economic Information</u><br>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.                       | 179         |
| <u>Operating Information</u><br>These schedules contain service and infrastructure data to help the reader understand how the government's financial report relates to the services the government provides and the activities it performs. | 181         |

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

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**City of Austin, Minnesota**  
**Net Position by Component**  
**Last Ten Years**  
**(accrual basis of accounting)**

|   | 2012                  | 2013                  | 2014                  | 2015                  | 2016                  | 2017                  | 2018                  | 2019                  | 2020                  | 2021                  |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Governmental activities</b>              |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Net investment in capital assets            | \$ 92,487,056         | \$ 96,714,082         | \$ 112,148,907        | \$ 117,139,070        | \$ 122,500,058        | \$ 127,073,132        | \$ 128,915,686        | \$ 134,177,653        | \$ 169,781,438        | \$ 170,898,680        |
| Restricted                                  | 9,224,826             | 9,360,960             | 5,378,069             | 5,020,295             | 6,214,116             | 6,373,158             | 6,780,954             | 6,071,317             | 5,249,584             | 8,837,718             |
| Unrestricted                                | <u>22,296,834</u>     | <u>22,120,566</u>     | <u>22,954,462</u>     | <u>16,144,791</u>     | <u>13,869,081</u>     | <u>13,899,467</u>     | <u>15,635,079</u>     | <u>17,566,343</u>     | <u>21,098,059</u>     | <u>24,528,865</u>     |
| Total governmental activities net position  | <u>\$ 124,008,716</u> | <u>\$ 128,195,608</u> | <u>\$ 140,481,438</u> | <u>\$ 138,304,156</u> | <u>\$ 142,583,255</u> | <u>\$ 147,345,757</u> | <u>\$ 151,331,719</u> | <u>\$ 157,815,313</u> | <u>\$ 196,129,081</u> | <u>\$ 204,265,263</u> |
| <b>Business-type activities</b>             |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Net investment in capital assets            | \$ 66,893,928         | \$ 73,028,400         | \$ 76,766,362         | \$ 81,663,459         | \$ 80,356,144         | \$ 82,148,457         | \$ 84,112,732         | \$ 86,989,180         | \$ 96,182,961         | \$ 101,683,971        |
| Restricted                                  | -                     | -                     | -                     | 53,703                | -                     | -                     | -                     | -                     | -                     | -                     |
| Unrestricted                                | <u>33,596,846</u>     | <u>27,616,551</u>     | <u>28,628,642</u>     | <u>22,398,144</u>     | <u>25,793,299</u>     | <u>25,225,837</u>     | <u>14,580,443</u>     | <u>20,053,799</u>     | <u>20,623,902</u>     | <u>18,923,674</u>     |
| Total business-type activities net position | <u>\$ 100,490,774</u> | <u>\$ 100,644,951</u> | <u>\$ 105,395,004</u> | <u>\$ 104,115,306</u> | <u>\$ 106,149,443</u> | <u>\$ 107,374,294</u> | <u>\$ 98,693,175</u>  | <u>\$ 107,042,979</u> | <u>\$ 116,806,863</u> | <u>\$ 120,607,645</u> |
| <b>Primary government</b>                   |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Net investment in capital assets            | \$ 159,380,984        | \$ 169,742,482        | \$ 188,915,269        | \$ 198,802,529        | \$ 202,856,202        | \$ 209,221,589        | \$ 213,028,418        | \$ 221,166,833        | \$ 265,964,399        | \$ 272,582,651        |
| Restricted                                  | 9,224,826             | 9,360,960             | 5,378,069             | 5,073,998             | 6,214,116             | 6,373,158             | 6,780,954             | 6,071,317             | 5,249,584             | 8,837,718             |
| Unrestricted                                | <u>55,893,680</u>     | <u>49,737,117</u>     | <u>51,583,104</u>     | <u>38,542,935</u>     | <u>39,662,380</u>     | <u>39,125,304</u>     | <u>30,215,522</u>     | <u>37,620,142</u>     | <u>41,721,961</u>     | <u>43,452,539</u>     |
| Total primary government net position       | <u>\$ 224,499,490</u> | <u>\$ 228,840,559</u> | <u>\$ 245,876,442</u> | <u>\$ 242,419,462</u> | <u>\$ 248,732,698</u> | <u>\$ 254,720,051</u> | <u>\$ 250,024,894</u> | <u>\$ 264,858,292</u> | <u>\$ 312,935,944</u> | <u>\$ 324,872,908</u> |

**City of Austin, Minnesota**  
**Changes in Net Position**  
**Last Ten Years**  
**(accrual basis of accounting)**

|  | 2012          | 2013          | 2014          | 2015          | 2016          | 2017          | 2018          | 2019          | 2020          | 2021          |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Expenses</b>                                |               |               |               |               |               |               |               |               |               |               |
| Governmental activities:                       |               |               |               |               |               |               |               |               |               |               |
| General government                             | \$ 1,994,989  | \$ 1,775,118  | \$ 1,431,184  | \$ 2,080,195  | \$ 2,644,256  | \$ 2,655,024  | \$ 2,887,408  | \$ 2,820,702  | \$ 2,751,682  | \$ 2,781,455  |
| Public safety                                  | 5,640,813     | 5,963,143     | 6,388,332     | 6,609,642     | 8,560,538     | 7,304,029     | 6,561,588     | 7,057,993     | 7,666,925     | 7,246,791     |
| Streets and highways                           | 4,671,850     | 4,790,336     | 4,831,833     | 5,013,859     | 5,580,254     | 5,294,742     | 5,270,917     | 5,598,910     | 5,479,513     | 5,801,837     |
| Culture and recreation                         | 4,141,344     | 4,343,675     | 4,443,814     | 4,507,566     | 4,929,260     | 5,311,447     | 5,213,298     | 5,379,956     | 6,233,750     | 6,612,618     |
| Public service                                 | 308,776       | 453,346       | 89,696        | 383,336       | 382,662       | 375,465       | 387,317       | 618,015       | 475,217       | 376,009       |
| Economic development                           | 259,540       | 436,675       | 310,287       | 653,608       | 833,150       | 608,226       | 505,254       | 555,633       | 468,836       | 509,743       |
| Community development                          | 307,105       | 479,747       | 859,301       | 1,134,686     | 889,103       | 773,616       | 539,363       | 509,697       | 755,257       | 1,709,977     |
| Interest on long-term debt                     | 113,090       | 74,900        | 52,949        | 35,220        | 29,971        | 25,729        | 14,973        | 12,937        | 12,018        | 9,300         |
| Total governmental activities expenses         | \$ 17,437,507 | \$ 18,316,940 | \$ 18,407,396 | \$ 20,418,112 | \$ 23,849,194 | \$ 22,348,278 | \$ 21,380,118 | \$ 22,553,843 | \$ 23,843,198 | \$ 25,047,730 |
| Business-type activities                       |               |               |               |               |               |               |               |               |               |               |
| Sewer user                                     | \$ 4,905,159  | \$ 4,767,774  | \$ 5,064,346  | \$ 5,183,222  | \$ 4,939,927  | \$ 5,315,668  | \$ 5,157,970  | \$ 5,557,035  | \$ 5,843,790  | \$ 5,724,714  |
| Waste transfer station                         | 34,352        | 30,147        | 29,689        | 30,751        | 34,849        | 39,856        | 31,342        | 40,938        | 36,949        | 57,931        |
| Storm water utility                            | 202,481       | 208,963       | 263,999       | 313,016       | 322,100       | 372,669       | 315,603       | 369,193       | 321,430       | 448,724       |
| Electric                                       | 31,778,362    | 31,713,856    | 31,704,826    | 32,273,865    | 34,450,475    | 35,196,329    | 37,584,354    | 33,182,000    | 32,288,251    | 33,102,114    |
| Water  | 2,838,536     | 3,522,146     | 3,747,554     | 3,892,185     | 3,968,228     | 4,420,292     | 4,112,784     | 4,091,664     | 4,788,283     | 4,704,995     |
| Gas  | 13,678,763    | 16,842,327    | 22,717,982    | 15,017,991    | 14,999,868    | 16,565,068    | 15,609,175    | 14,997,279    | 13,497,738    | 24,400,289    |
| Total business-type activities expenses        | \$ 53,437,653 | \$ 57,085,213 | \$ 63,528,396 | \$ 56,711,030 | \$ 58,715,447 | \$ 61,909,882 | \$ 62,811,228 | \$ 58,238,109 | \$ 56,776,441 | \$ 68,438,767 |
| Total primary government expenses              | \$ 70,875,160 | \$ 75,402,153 | \$ 81,935,792 | \$ 77,129,142 | \$ 82,564,641 | \$ 84,258,160 | \$ 84,191,346 | \$ 80,791,952 | \$ 80,619,639 | \$ 93,486,497 |
| <b>Program Revenues</b>                        |               |               |               |               |               |               |               |               |               |               |
| Governmental activities:                       |               |               |               |               |               |               |               |               |               |               |
| Charges for services:                          |               |               |               |               |               |               |               |               |               |               |
| General government                             | \$ 536,742    | \$ 430,416    | \$ 482,969    | \$ 517,579    | \$ 565,466    | \$ 685,001    | \$ 1,120,057  | \$ 697,603    | \$ 737,673    | \$ 913,325    |
| Public safety                                  | 776,389       | 612,524       | 793,585       | 864,408       | 753,980       | 646,527       | 741,367       | 913,116       | 697,076       | 967,699       |
| Streets and highways                           | 10,542        | 16,036        | 15,041        | 7,126         | 15,914        | 36,096        | 42,281        | 29,263        | 35,412        | 57,753        |
| Culture and recreation                         | 538,694       | 522,905       | 497,992       | 536,192       | 558,708       | 565,917       | 584,877       | 637,366       | 308,262       | 534,675       |
| Public service                                 | 30,863        | 38,480        | 38,437        | 41,346        | 37,671        | 39,218        | 39,161        | 41,096        | 39,974        | 45,242        |
| Economic development                           | 49,833        | 51,106        | 49,177        | 34,585        | 33,754        | 25,924        | 25,900        | 27,025        | 27,025        | 26,700        |
| Operating grants and contributions             | 984,457       | 925,583       | 1,187,211     | 1,041,820     | 1,722,121     | 984,257       | 1,091,641     | 1,316,659     | 3,289,769     | 2,926,182     |
| Capital grants and contributions               | 2,771,366     | 4,583,896     | 9,952,310     | 4,096,969     | 6,503,556     | 6,501,283     | 3,566,943     | 4,711,120     | 38,446,128    | 4,484,216     |
| Total governmental activities program revenues | \$ 5,698,886  | \$ 7,180,946  | \$ 13,016,722 | \$ 7,140,025  | \$ 10,191,170 | \$ 9,584,223  | \$ 7,212,227  | \$ 8,373,248  | \$ 43,581,319 | \$ 9,955,792  |



**Business-type activities:**

|                                    |                 |                 |                |                 |                 |                 |                 |                 |                |                 |
|------------------------------------|-----------------|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|-----------------|
| Charges for services:              |                 |                 |                |                 |                 |                 |                 |                 |                |                 |
| Sewer user                         | \$ 4,553,218    | \$ 4,679,517    | \$ 5,023,390   | \$ 4,589,825    | \$ 4,942,300    | \$ 5,157,056    | \$ 5,768,857    | \$ 6,363,173    | \$ 7,043,204   | \$ 7,401,327    |
| Waste transfer station             | 71,271          | 66,693          | 65,673         | 20,117          | 6,950           | 25,800          | 42,673          | 52,346          | 51,407         | 52,435          |
| Storm water utility                | 546,600         | 702,999         | 676,744        | 670,786         | 663,433         | 680,988         | 684,087         | 690,330         | 691,853        | 729,481         |
| Electric                           | 33,679,982      | 32,742,707      | 34,469,396     | 35,290,519      | 36,624,967      | 36,724,198      | 37,326,080      | 36,109,901      | 35,729,075     | 35,528,834      |
| Water                              | 2,807,120       | 3,705,645       | 3,998,961      | 4,282,613       | 4,513,791       | 4,801,292       | 4,850,518       | 5,059,238       | 5,359,416      | 5,441,410       |
| Gas                                | 14,134,078      | 17,401,568      | 24,056,300     | 15,896,034      | 15,398,491      | 16,479,832      | 17,147,060      | 16,335,418      | 14,120,957     | 23,097,609      |
| Operating grants and contributions | -               | -               | -              | -               | -               | -               | -               | -               | -              | 54,684          |
| Capital grants and contributions   | 584,323         | 448,910         | 90,544         | 2,055,241       | 513,175         | 593,434         | 2,596,998       | 804,979         | 2,479,263      | 1,577,693       |
| Total business-type activities     |                 |                 |                |                 |                 |                 |                 |                 |                |                 |
| program revenues                   | \$ 56,376,592   | \$ 59,748,039   | \$ 68,381,008  | \$ 62,805,135   | \$ 62,663,107   | \$ 64,462,580   | \$ 68,416,273   | \$ 65,415,385   | \$ 65,475,175  | \$ 73,883,473   |
| Total primary government           |                 |                 |                |                 |                 |                 |                 |                 |                |                 |
| program revenues                   | \$ 62,075,478   | \$ 66,928,985   | \$ 81,397,730  | \$ 69,945,160   | \$ 72,854,277   | \$ 74,046,803   | \$ 75,628,500   | \$ 73,788,633   | \$ 109,056,494 | \$ 83,839,265   |
| Net (expense)/revenue              |                 |                 |                |                 |                 |                 |                 |                 |                |                 |
| Governmental activities            | \$ (11,738,621) | \$ (11,135,994) | \$ (5,390,674) | \$ (13,278,087) | \$ (13,658,024) | \$ (12,764,055) | \$ (14,167,891) | \$ (14,180,595) | \$ 19,738,121  | \$ (15,091,938) |
| Business-type activities           | 2,938,939       | 2,662,826       | 4,852,612      | 6,094,105       | 3,947,660       | 2,552,698       | 5,605,045       | 7,177,276       | 8,698,734      | 5,444,706       |
| Total primary government           |                 |                 |                |                 |                 |                 |                 |                 |                |                 |
| net expense                        | \$ (8,799,682)  | \$ (8,473,168)  | \$ (538,062)   | \$ (7,183,982)  | \$ (9,710,364)  | \$ (10,211,357) | \$ (8,562,846)  | \$ (7,003,319)  | \$ 28,436,855  | \$ (9,647,232)  |

**General Revenues and Other  
Changes in Net Position**
**Governmental activities:**

|                                       |                |                |               |                |                |                |                |               |               |                |
|---------------------------------------|----------------|----------------|---------------|----------------|----------------|----------------|----------------|---------------|---------------|----------------|
| Taxes:                                |                |                |               |                |                |                |                |               |               |                |
| Property taxes                        | \$ 4,784,024   | \$ 5,124,431   | \$ 5,006,324  | \$ 5,237,753   | \$ 5,419,016   | \$ 5,779,620   | \$ 6,461,424   | \$ 7,518,646  | \$ 7,809,033  | \$ 8,069,842   |
| Tax increment collections             | 380,901        | 423,192        | 440,128       | 456,735        | 202,537        | 194,481        | 351,545        | 402,977       | 389,657       | 386,439        |
| Sales Tax                             | 1,274,595      | 1,324,367      | 1,582,675     | 1,440,606      | 1,499,072      | 875,673        | 1,410,251      | 1,605,899     | 1,517,895     | 1,718,938      |
| Nonproperty taxes                     | 34,953         | 24,292         | 34,058        | 20,679         | 291,249        | 306,197        | 165,372        | 120,348       | 22,620        | 69,406         |
| Unrestricted grants and contributions | 7,146,012      | 7,151,606      | 7,911,483     | 7,991,475      | 8,016,728      | 8,030,033      | 8,185,269      | 8,194,206     | 8,506,434     | 8,671,106      |
| Unrestricted investment earnings      | 542,379        | (445,204)      | 956,496       | 468,370        | 225,519        | 498,333        | 518,772        | 1,079,032     | 597,066       | (47,138)       |
| Miscellaneous                         | 66,201         | 10,410         | 14,469        | 56,783         | 60,063         | 130,989        | 82,927         | 10,124        | 19,978        | 41,334         |
| Gain (loss) on sale of capital assets | 28,729         | 14,465         | 12,265        | 540            | 540            | 900            | -              | -             | 2,675         | 105,230        |
| Transfers                             | 1,368,735      | 1,695,327      | 1,718,606     | 1,722,377      | 2,222,399      | 1,710,331      | 1,844,615      | 1,732,957     | (289,711)     | 1,355,997      |
| Total governmental activities         | \$ 15,626,529  | \$ 15,322,886  | \$ 17,676,504 | \$ 17,395,318  | \$ 17,937,123  | \$ 17,526,557  | \$ 19,020,175  | \$ 20,664,189 | \$ 18,575,647 | \$ 20,371,154  |
| Business-type activities:             |                |                |               |                |                |                |                |               |               |                |
| Unrestricted investment earnings      | \$ 339,842     | \$ (935,219)   | \$ 1,271,026  | \$ 410,367     | \$ 255,417     | \$ 382,484     | \$ 446,212     | \$ 1,085,153  | \$ 507,725    | \$ (365,817)   |
| Miscellaneous                         | -              | 2,113          | 327,421       | -              | -              | -              | -              | 43,258        | 52,124        | 43,883         |
| Gain on sale of capital assets        | 765            | 119,784        | 17,600        | 68,681         | 53,459         | -              | -              | 22,960        | 215,590       | 34,007         |
| Transfers                             | (1,368,735)    | (1,695,327)    | (1,718,606)   | (1,722,377)    | (2,222,399)    | (1,710,331)    | (1,844,615)    | (1,732,957)   | 289,711       | (1,355,997)    |
| Total business-type activities        | \$ (1,028,128) | \$ (2,508,649) | \$ (102,559)  | \$ (1,243,329) | \$ (1,913,523) | \$ (1,327,847) | \$ (1,398,403) | \$ (581,586)  | \$ 1,065,150  | \$ (1,643,924) |
| Total primary government              | \$ 14,598,401  | \$ 12,814,237  | \$ 17,573,945 | \$ 16,151,989  | \$ 16,023,600  | \$ 16,198,710  | \$ 17,621,772  | \$ 20,082,603 | \$ 19,640,797 | \$ 18,727,230  |
| Change in Net Position                |                |                |               |                |                |                |                |               |               |                |
| Governmental activities               | \$ 3,887,908   | \$ 4,186,892   | \$ 12,285,830 | \$ 4,117,231   | \$ 4,279,099   | \$ 4,762,502   | \$ 4,852,284   | \$ 6,483,594  | \$ 38,313,768 | \$ 5,279,216   |
| Business-type activities              | 1,910,811      | 154,177        | 4,750,053     | 4,850,776      | 2,034,137      | 1,224,851      | 4,206,642      | 6,595,690     | 9,763,884     | 3,800,782      |
| Total primary government              | \$ 5,798,719   | \$ 4,341,069   | \$ 17,035,883 | \$ 8,968,007   | \$ 6,313,236   | \$ 5,987,353   | \$ 9,058,926   | \$ 13,079,284 | \$ 48,077,652 | \$ 9,079,998   |

**City of Austin, Minnesota**  
**Fund Balances of Governmental Funds**  
**Last Ten Years**  
**(modified accrual basis of accounting)**

|   | 2012                 | 2013                 | 2014                 | 2015                 | 2016                 | 2017                 | 2018                 | 2019                 | 2020                 | 2021                 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>General Fund</b>                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Reserved                                  | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Unreserved, designated                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Unreserved, undesignated                  | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Nonspendable                              | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 10,859               |
| Restricted                                | 151,149              | 151,172              | 115,975              | 129,924              | 163,374              | 163,810              | 198,825              | 186,361              | 172,423              | 90,321               |
| Committed                                 | 62,260               | 59,267               | 57,122               | 46,815               | 47,122               | 38,221               | 38,167               | 22,472               | 45,930               | 73,069               |
| Assigned                                  | 44,433               | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Unassigned                                | 6,332,000            | 6,582,477            | 6,869,995            | 7,579,428            | 6,397,461            | 6,724,890            | 8,272,001            | 8,904,380            | 12,206,746           | 11,009,087           |
| <b>Total general fund</b>                 | <b>\$ 6,589,842</b>  | <b>\$ 6,792,916</b>  | <b>\$ 7,043,092</b>  | <b>\$ 7,756,167</b>  | <b>\$ 6,607,957</b>  | <b>\$ 6,926,921</b>  | <b>\$ 8,508,993</b>  | <b>\$ 9,113,213</b>  | <b>\$ 12,425,099</b> | <b>\$ 11,183,336</b> |
| <b>All other governmental funds</b>       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Reserved                                  | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Unreserved, reported in:                  |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Special revenue funds                     | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Capital project funds                     | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Permanent funds                           | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Nonspendable                              | 721,124              | 531,883              | 886,052              | 961,052              | 970,952              | 136,052              | 136,052              | 865,098              | 807,232              | 136,052              |
| Restricted                                | 8,901,207            | 9,046,910            | 5,095,654            | 4,717,919            | 5,552,080            | 5,736,559            | 6,126,659            | 5,455,423            | 4,483,917            | 5,945,802            |
| Committed                                 | 1,012,850            | 1,033,695            | 626,252              | 613,224              | 595,776              | 650,786              | 733,795              | 805,606              | 938,423              | 1,125,572            |
| Assigned                                  | 4,267,315            | 4,278,476            | 5,403,076            | 5,163,858            | 5,754,710            | 5,903,651            | 7,122,659            | 6,020,209            | 5,817,546            | 7,682,541            |
| <b>Total all other governmental funds</b> | <b>\$ 14,902,496</b> | <b>\$ 14,890,964</b> | <b>\$ 12,011,034</b> | <b>\$ 11,456,053</b> | <b>\$ 12,873,518</b> | <b>\$ 12,427,048</b> | <b>\$ 14,119,165</b> | <b>\$ 13,146,336</b> | <b>\$ 12,047,118</b> | <b>\$ 14,889,967</b> |

**City of Austin, Minnesota**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Years**  
**(modified accrual basis of accounting)**

|   | 2012                 | 2013                  | 2014                  | 2015                  | 2016                 | 2017                  | 2018                 | 2019                  | 2020                 | 2021                 |
|---|----------------------|-----------------------|-----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|----------------------|
| <b>Revenues</b>   |                      |                       |                       |                       |                      |                       |                      |                       |                      |                      |
| Taxes   | \$ 6,257,536         | \$ 6,723,378          | \$ 6,825,763          | \$ 7,014,083          | \$ 7,196,533         | \$ 6,976,901          | \$ 8,172,728         | \$ 9,484,744          | \$ 9,530,235         | \$ 10,115,434        |
| Special assessments                                       | 864,437              | 762,933               | 808,726               | 846,070               | 705,785              | 988,532               | 801,534              | 755,643               | 845,871              | 1,111,190            |
| Licenses and permits                                      | 488,726              | 346,374               | 455,857               | 586,348               | 467,724              | 405,766               | 476,812              | 630,064               | 512,918              | 675,434              |
| Intergovernmental   | 9,699,780            | 11,446,161            | 18,120,697            | 10,907,846            | 11,633,819           | 11,278,358            | 10,967,151           | 13,430,725            | 13,310,999           | 14,034,419           |
| Charges for services                                      | 654,270              | 632,923               | 626,056               | 641,566               | 693,694              | 670,218               | 1,043,990            | 701,547               | 392,277              | 839,359              |
| Fines and forfeits  | 223,930              | 206,199               | 257,104               | 210,935               | 197,504              | 180,474               | 177,559              | 208,822               | 120,726              | 122,395              |
| Miscellaneous   | 1,694,838            | 738,282               | 1,805,765             | 2,409,248             | 4,673,724            | 3,271,165             | 2,201,404            | 1,669,166             | 1,944,561            | 1,922,765            |
| Total revenues  | <u>\$ 19,883,517</u> | <u>\$ 20,856,250</u>  | <u>\$ 28,899,968</u>  | <u>\$ 22,616,096</u>  | <u>\$ 25,568,783</u> | <u>\$ 23,771,414</u>  | <u>\$ 23,841,178</u> | <u>\$ 26,880,711</u>  | <u>\$ 26,657,587</u> | <u>\$ 28,820,996</u> |
| <b>Expenditures</b>                                       |                      |                       |                       |                       |                      |                       |                      |                       |                      |                      |
| Current   |                      |                       |                       |                       |                      |                       |                      |                       |                      |                      |
| General government  | \$ 1,898,437         | \$ 1,890,867          | \$ 1,836,120          | \$ 1,930,264          | \$ 2,073,258         | \$ 2,145,323          | \$ 2,039,277         | \$ 2,017,661          | \$ 2,154,946         | \$ 2,338,422         |
| Public safety   | 5,685,437            | 6,319,790             | 6,196,006             | 6,465,704             | 6,676,874            | 6,876,792             | 6,467,091            | 7,127,871             | 7,789,088            | 8,006,195            |
| Streets and highways                                      | 3,290,445            | 3,303,846             | 3,325,106             | 3,212,373             | 3,316,358            | 3,428,750             | 3,456,573            | 3,581,472             | 3,439,336            | 3,539,929            |
| Culture and recreation                                    | 3,850,381            | 3,735,839             | 4,158,995             | 4,071,540             | 4,326,011            | 4,404,245             | 4,360,915            | 4,737,129             | 4,078,605            | 5,374,699            |
| Public service  | 73,829               | 85,602                | 110,600               | 97,975                | 89,505               | 80,136                | 93,133               | 115,932               | 111,237              | 80,234               |
| Economic development                                      | 166,447              | 300,130               | 217,322               | 206,355               | 231,964              | 519,730               | 270,792              | 278,629               | 194,072              | 246,028              |
| Community development                                     | 20,556               | 13,964                | 44,299                | 60,116                | 287,159              | 2,400                 | -                    | 28,632                | 45,573               | 8,515                |
| Capital outlay  | 3,836,072            | 5,850,828             | 16,548,448            | 7,153,565             | 8,275,972            | 7,374,723             | 5,029,660            | 9,719,514             | 7,510,704            | 7,484,416            |
| Debt service  |                      |                       |                       |                       |                      |                       |                      |                       |                      |                      |
| Principal retirement                                      | 940,000              | 600,000               | 590,000               | 420,000               | 115,000              | 115,000               | 285,000              | 35,000                | 340,000              | -                    |
| Interest and fiscal charges                               | 196,708              | 188,669               | 150,932               | 491,988               | 629,478              | 112,152               | 256,463              | 290,437               | 292,131              | 273,015              |
| Debt issuance costs                                       | -                    | -                     | -                     | -                     | -                    | -                     | -                    | -                     | -                    | -                    |
| Total expenditures  | <u>\$ 19,958,312</u> | <u>\$ 22,289,535</u>  | <u>\$ 33,177,828</u>  | <u>\$ 24,109,880</u>  | <u>\$ 26,021,579</u> | <u>\$ 25,059,251</u>  | <u>\$ 22,258,904</u> | <u>\$ 27,932,277</u>  | <u>\$ 25,955,692</u> | <u>\$ 27,351,453</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ (74,795)</u>   | <u>\$ (1,433,285)</u> | <u>\$ (4,277,860)</u> | <u>\$ (1,493,784)</u> | <u>\$ (452,796)</u>  | <u>\$ (1,287,837)</u> | <u>\$ 1,582,274</u>  | <u>\$ (1,051,566)</u> | <u>\$ 701,895</u>    | <u>\$ 1,469,543</u>  |
| <b>Other financing sources (uses)</b>                     |                      |                       |                       |                       |                      |                       |                      |                       |                      |                      |
| Proceeds of bonds and loans                               | \$ -                 | \$ -                  | \$ -                  | \$ -                  | \$ -                 | \$ -                  | \$ -                 | \$ -                  | \$ -                 | \$ -                 |
| Premiums on bonds   | -                    | -                     | -                     | -                     | -                    | -                     | -                    | -                     | -                    | -                    |
| Proceeds from sale of assets                              | -                    | -                     | -                     | -                     | -                    | -                     | -                    | -                     | -                    | -                    |
| Payments from escrow agent                                | -                    | -                     | -                     | -                     | -                    | -                     | -                    | -                     | -                    | -                    |
| Transfers in  | 2,006,177            | 2,684,827             | 2,531,156             | 1,957,878             | 2,473,051            | 1,780,391             | 1,696,915            | 1,911,957             | 3,457,815            | 3,838,741            |
| Transfers out   | (1,163,000)          | (1,060,000)           | (883,050)             | (306,000)             | (1,751,000)          | (620,060)             | (5,000)              | (1,229,000)           | (1,947,042)          | (3,674,000)          |
| Total other financing sources (uses)                      | <u>\$ 843,177</u>    | <u>\$ 1,624,827</u>   | <u>\$ 1,648,106</u>   | <u>\$ 1,651,878</u>   | <u>\$ 722,051</u>    | <u>\$ 1,160,331</u>   | <u>\$ 1,691,915</u>  | <u>\$ 682,957</u>     | <u>\$ 1,510,773</u>  | <u>\$ 164,741</u>    |
| Net change in fund balance                                | <u>\$ 768,382</u>    | <u>\$ 191,542</u>     | <u>\$ (2,629,754)</u> | <u>\$ 158,094</u>     | <u>\$ 269,255</u>    | <u>\$ (127,506)</u>   | <u>\$ 3,274,189</u>  | <u>\$ (368,609)</u>   | <u>\$ 2,212,668</u>  | <u>\$ 1,634,284</u>  |
| Debt service as a percentage of non capital expenditures  | 7.13%                | 4.91%                 | 4.64%                 | 5.49%                 | 4.34%                | 1.32%                 | 3.19%                | 1.81%                 | 3.06%                | 1.36%                |

**City of Austin, Minnesota**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Years**

| Year | Residential<br>Property | Commercial<br>Property | Industrial<br>Property | Total Taxable<br>Assessed<br>Value | Tax Exempt<br>Property <sup>(1)</sup> | Estimated<br>Actual<br>Value | Assessed<br>Value <sup>(2)</sup> as a<br>Percentage of<br>Actual Value | Total<br>Direct<br>Tax<br>Rate |
|------|-------------------------|------------------------|------------------------|------------------------------------|---------------------------------------|------------------------------|--|--------------------------------|
| 2013 | \$ 6,155,468            | \$ 3,792,528           | \$ 716,134             | \$ 10,664,130                      | \$ 3,747,579                          | \$ 1,049,276,700             | 1.37 %   | \$ 41.431                      |
| 2014 | 6,401,016               | 3,659,422              | 679,912                | 10,740,350                         | 3,747,579                             | 1,052,658,900                | 1.38   | 40.797                         |
| 2015 | 7,309,849               | 4,293,773              | 846,411                | 12,450,033                         | 3,747,579                             | 1,119,132,275                | 1.45   | 40.947                         |
| 2016 | 7,268,830               | 2,954,898              | 849,473                | 11,073,201                         | 3,747,579                             | 930,510,879                  | 1.59   | 45.016                         |
| 2017 | 7,568,979               | 2,843,862              | 808,360                | 11,221,201                         | 3,747,579                             | 1,117,958,300                | 1.34   | 48.419                         |
| 2018 | 7,970,394               | 2,890,404              | 970,889                | 11,831,687                         | 3,747,579                             | 1,171,110,900                | 1.33   | 51.577                         |
| 2019 | 8,493,979               | 3,083,360              | 729,253                | 12,306,592                         | 3,734,102                             | 1,230,828,400                | 1.30   | 56.613                         |
| 2020 | 9,119,854               | 2,919,463              | 769,601                | 12,808,918                         | 3,574,660                             | 1,294,218,700                | 1.27   | 55.799                         |
| 2021 | 9,859,417               | 3,053,785              | 790,800                | 13,704,002                         | 3,603,378                             | 1,627,381,000                | 1.06   | 54.240                         |
| 2022 | 10,917,082              | 3,086,156              | 801,987                | 14,805,225                         | 3,742,792                             | 1,482,770,000                | 1.25   | 53.385                         |

Source: Office of County Treasurer

Note: Property in the county is reassessed annually. The county assesses property at full market value, however, taxable assessed value is limited based upon Minnesota State Statutes. Tax rates are per \$1,000 of assessed value.

<sup>(1)</sup> Tax-exempt property is not included in any of the assessed property categories.

<sup>(2)</sup> Includes tax-exempt property for the years provided.

**City of Austin, Minnesota**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Years**

| Taxes<br>Payable<br>Year | City of Austin    |                      |               | School<br>District | Mower<br>County | Other    | Total      |
|--------------------------|-------------------|----------------------|---------------|--------------------|-----------------|----------|------------|
|                          | Operating<br>Rate | Debt Service<br>Rate | Total<br>Rate |                    |                 |          |            |
| 2013                     | \$ 39.742         | \$ 1.689             | \$ 41.431     | \$ 28.436          | \$ 47.178       | \$ 3.127 | \$ 120.172 |
| 2014                     | 39.283            | 1.514                | 40.797        | 26.298             | 38.546          | 2.930    | 108.571    |
| 2015                     | 39.578            | 1.369                | 40.947        | 28.374             | 41.992          | 3.262    | 114.575    |
| 2016                     | 44.137            | 0.879                | 45.016        | 26.773             | 44.242          | 2.574    | 118.605    |
| 2017                     | 47.566            | 0.853                | 48.419        | 25.898             | 46.289          | 2.944    | 123.550    |
| 2018                     | 50.760            | 0.817                | 51.577        | 26.077             | 49.616          | 2.926    | 130.196    |
| 2019                     | 56.613            | -                    | 56.613        | 26.639             | 50.116          | 2.872    | 136.240    |
| 2020                     | 55.799            | -                    | 55.799        | 30.573             | 50.599          | 2.569    | 139.540    |
| 2021                     | 54.240            | -                    | 54.240        | 28.060             | 47.335          | 2.632    | 132.267    |
| 2022                     | 53.385            | -                    | 53.385        | 28.111             | 46.160          | 2.728    | 130.384    |

Source: Office of County Treasurer

Note: Tax rates are per \$1,000 of tax capacity. Tax capacity is equal to market value multiplied by the applicable class rate (as set by the State of Minnesota) for the type of property being taxed.

**City of Austin, Minnesota  
Principal Property Taxpayers  
December 31, 2021**

| Taxpayer                           | Type of Business | 2020/2021                    |      | Percentage of<br>Total Net Tax<br>Capacity<br>Value | 2011/2012                    |      |   |
|------------------------------------|------------------|------------------------------|------|---|------------------------------|------|---|
|                                    |                  | Net Tax<br>Capacity<br>Value | Rank |   | Net Tax<br>Capacity<br>Value | Rank | Percentage of<br>Total Net Tax<br>Capacity<br>Value |
| Hormel Foods                       | Food Processor   | \$ 742,766                   | 1    | 5.42 %  | \$ 602,269                   | 1    | 5.65 %  |
| Walmart Stores, Inc.               | Retail Complex   | 171,194                      | 2    | 1.25  | 226,864                      | 2    | 2.13  |
| Exchangeright Net Leased Portfolio | Retail Complex   | 156,984                      | 3    | 1.15  | 81,652                       | 6    | 0.77  |
| Austin Medical Clinic              | Clinic           | 156,720                      | 4    | 1.14  | -                            |      | -   |
| ATI Hotel Inc.                     | Hotel            | 98,692                       | 5    | 0.72  | 131,764                      | 3    | 1.24  |
| Flats on 21 LLC                    | Apartments       | 64,710                       | 6    | 0.47  | -                            |      | -   |
| Keystone Austin 15th Ave LLC       | Apartments       | 62,787                       | 7    | 0.46  | 66,256                       | 7    | 0.62  |
| Austin Hotel Group LLC             | Hotel            | 61,560                       | 8    | 0.45  | -                            |      | -   |
| Austin MN LLC                      | Retail Complex   | 58,408                       | 9    | 0.43  | -                            |      | -   |
| Convenience Store Investments      | Retail Complex   | 54,712                       | 10   | 0.40  | -                            |      | -   |
| Centro Saturn Holding SPE LLC      | Retail Complex   | -                            |      | -   | 122,222                      | 4    | 1.15  |
| Dayton Hudson Corporation          | Retail Complex   | -                            |      | -   | 99,639                       | 5    | 0.93  |
| Shopko Properties SPE RE LLC       | Retail Complex   | -                            |      | -   | 64,678                       | 8    | 0.61  |
| Oak Park Mall Limited Partnership  | Retail Complex   | -                            |      | -   | 56,113                       | 9    | 0.53  |
| Podawiltz Development Corporation  | Apartments       | -                            |      | -   | 51,649                       | 10   | 0.48  |
| Totals                             |                  | <u>\$ 1,628,533</u>          |      | <u>11.9 %</u>                                       | <u>\$ 1,503,106</u>          |      | <u>14.1 %</u>                                       |

Source: Office of County Treasurer

**City of Austin, Minnesota  
Property Tax Levies and Collections  
Last Ten Years**

| Year | Tax Levy, As<br>Adjusted | Collected within the<br>Year of the Levy |                       | Collections in<br>Subsequent Years | Total Collections<br>to Date |                       |
|------|--------------------------|--|-----------------------|------------------------------------|------------------------------|-----------------------|
|      |                          | Amount                                   | Percentage<br>of Levy |                                    | Amount                       | Percentage<br>of Levy |
| 2012 | \$ 3,972,572             | \$ 3,868,655                             | 97.38 %               | \$ 103,714                         | \$ 3,972,369                 | 99.99 %               |
| 2013 | 4,193,983                | 4,088,701                                | 97.49                 | 63,620                             | 4,152,321                    | 99.01                 |
| 2014 | 4,169,870                | 4,052,843                                | 97.19                 | 62,051                             | 4,114,894                    | 98.68                 |
| 2015 | 4,350,453                | 4,244,363                                | 97.56                 | 64,568                             | 4,308,931                    | 99.05                 |
| 2016 | 4,944,597                | 4,823,818                                | 97.56                 | 97,597                             | 4,921,415                    | 99.53                 |
| 2017 | 5,418,461                | 5,296,733                                | 97.75                 | 88,913                             | 5,385,646                    | 99.39                 |
| 2018 | 5,966,633                | 5,830,519                                | 97.72                 | 120,913                            | 5,951,432                    | 99.75                 |
| 2019 | 7,130,642                | 6,871,230                                | 96.36                 | 83,167                             | 6,954,397                    | 97.53                 |
| 2020 | 7,259,967                | 7,145,250                                | 98.42                 | 78,873                             | 7,224,123                    | 99.51                 |
| 2021 | 7,537,637                | 7,438,100                                | 98.68                 | -                                  | 7,438,100                    | 98.68                 |

**City of Austin, Minnesota**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Years**

| Year | Governmental Activities   |                                |                                 |                   | Business-Type Activities  |                              |                                 |                           | Total<br>Primary<br>Government | Percentage<br>of Personal<br>Income <sup>(1)</sup> | Per<br>Capita <sup>(1)</sup> |
|------|---------------------------|--------------------------------|---------------------------------|-------------------|---------------------------|------------------------------|---------------------------------|---------------------------|--------------------------------|--|------------------------------|
|      | Tax<br>Increment<br>Bonds | Special<br>Assessment<br>Bonds | Capital<br>Improvement<br>Bonds | Leases<br>Payable | Sewer<br>Utility<br>Bonds | Electric<br>Revenue<br>Bonds | Capital<br>Improvement<br>Bonds | Water<br>Revenue<br>Bonds |                                |  |                              |
| 2012 | \$ 1,395,000              | \$ 1,105,000                   | \$ -                            | \$ -              | \$ 7,430,000              | \$ -                         | \$ -                            | \$ 5,600,000              | \$ 15,530,000                  | 0.92%  | 626                          |
| 2013 | 1,100,000                 | 800,000                        | -                               | -                 | 6,485,000                 | -                            | -                               | 5,295,000                 | 13,680,000                     | 0.85%  | 552                          |
| 2014 | 800,000                   | 510,000                        | -                               | -                 | 5,525,000                 | -                            | -                               | 4,950,000                 | 11,785,000                     | 0.74%  | 475                          |
| 2015 | 480,000                   | 410,000                        | -                               | -                 | 4,535,000                 | -                            | 17,986,514                      | 4,665,293                 | 28,076,807                     | 1.69%  | 1,132                        |
| 2016 | 445,000                   | 330,000                        | -                               | -                 | 3,505,000                 | -                            | 17,968,939                      | 4,309,814                 | 26,558,753                     | 1.53%  | 1,071                        |
| 2017 | 410,000                   | 250,000                        | -                               | -                 | 2,435,000                 | -                            | 17,286,364                      | 3,949,334                 | 24,330,698                     | 1.38%  | 981                          |
| 2018 | 375,000                   | -                              | -                               | -                 | 1,635,000                 | -                            | 16,593,789                      | 3,583,854                 | 22,187,643                     | 1.15%  | 895                          |
| 2019 | 340,000                   | -                              | -                               | -                 | 1,180,000                 | -                            | 15,886,214                      | 3,213,375                 | 20,619,589                     | 1.08%  | 831                          |
| 2020 | -                         | -                              | -                               | 66,863            | -                         | -                            | 15,158,639                      | 2,837,895                 | 18,063,397                     | 0.89%  | 690                          |
| 2021 | -                         | -                              | -                               | 51,050            | -                         | -                            | 14,406,063                      | 2,457,415                 | 16,914,528                     | 0.83%  | 646                          |

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

(1) See the Schedule of Demographic and Economic Statistics table for personal income and population data.

Personal income data is not yet available for 2021. For purposes of this schedule, the personal income from 2020 was used in calculating these ratios until updated figures are available.



**City of Austin, Minnesota**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Years**

| <u>Year</u> | <u>Gross General<br/>Bonded Debt <sup>(1)</sup></u> | <u>Less: Amounts<br/>Available for Debt<br/>Service</u> | <u>Net General<br/>Bonded Debt</u> | <u>Percentage of<br/>Assessed<br/>Value <sup>(2)</sup></u> | <u>Per<br/>Capita <sup>(3)</sup></u> |
|-------------|---|---|------------------------------------|--|--------------------------------------|
| 2012        | \$ -  | \$ -  | \$ -                               | - %  | -                                    |
| 2013        | -   | -   | -                                  | -  | -                                    |
| 2014        | -   | -   | -                                  | -  | -                                    |
| 2015        | 17,635,000  | -   | 17,635,000                         | 141.65   | 711                                  |
| 2016        | 17,635,000  | -   | 17,635,000                         | 159.26   | 711                                  |
| 2017        | 16,970,000  | -   | 16,970,000                         | 151.23   | 684                                  |
| 2018        | 16,295,000  | -   | 16,295,000                         | 137.72   | 657                                  |
| 2019        | 15,605,000  | -   | 15,605,000                         | 126.80   | 629                                  |
| 2020        | 14,895,000  | -   | 14,895,000                         | 116.29   | 569                                  |
| 2021        | 14,160,000  | -   | 14,160,000                         | 103.33   | 541                                  |

(1) Gross General Bonded Debt represents bond issues that are applicable to Legal Debt Limit.

(2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

(3) Population data can be found in the Schedule of Demographic and Economic Statistics table.

**City of Austin, Minnesota**  
**Direct and Overlapping Governmental Activities Debt**  
**December 31, 2021**

| Jurisdiction                      | Debt<br>Outstanding       | Estimated<br>Percentage<br>Applicable | Estimated<br>Share of<br>Overlapping<br>Debt |
|-----------------------------------|---------------------------|---------------------------------------|--|
| School District #492              | 29,822,810 <sup>(1)</sup> | 68.6% <sup>(2)</sup>                  | \$ 20,458,448                                |
| Mower County                      | 655,835 <sup>(1)</sup>    | 29.4% <sup>(3)</sup>                  | 192,815                                      |
| Subtotal, overlapping debt        |                           |                                       | \$ 20,651,263                                |
| City of Austin Direct Debt        |                           |                                       | -  |
| Total direct and overlapping debt |                           |                                       | \$ 20,651,263                                |

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 of Austin. This process recognizes that, when considering the government'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.

- (1) Excludes the amount available in the escrow funds to repay the outstanding debt.
- (2) Represents the percent of the City of Austin Net Tax Capacity to School District #492 Net Tax Capacity.
- (3) Represents the percent of the City of Austin Net Tax Capacity to Mower County Net Tax Capacity.

**City of Austin, Minnesota  
Legal Debt Margin Information  
Last Ten Years**

|   | <u>2012</u>          | <u>2013</u>          | <u>2014</u>          | <u>2015</u>          | <u>2016</u>          | <u>2017</u>          | <u>2018</u>          | <u>2019</u>          | <u>2020</u>          | <u>2021</u>          |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Debt limit  | \$ 31,478,565        | \$ 31,579,767        | \$ 33,573,968        | \$ 27,915,326        | \$ 33,538,749        | \$ 35,133,327        | \$ 36,924,852        | \$ 38,826,561        | \$ 48,821,430        | \$ 44,483,100        |
| Total net debt applicable to limit                                      | <u>-</u>             | <u>-</u>             | <u>-</u>             | <u>17,635,000</u>    | <u>17,635,000</u>    | <u>16,970,000</u>    | <u>16,295,000</u>    | <u>15,605,000</u>    | <u>14,895,000</u>    | <u>14,160,000</u>    |
| Legal debt margin   | <u>\$ 31,478,565</u> | <u>\$ 31,579,767</u> | <u>\$ 33,573,968</u> | <u>\$ 10,280,326</u> | <u>\$ 15,903,749</u> | <u>\$ 18,163,327</u> | <u>\$ 20,629,852</u> | <u>\$ 23,221,561</u> | <u>\$ 33,926,430</u> | <u>\$ 30,323,100</u> |
| Total net debt applicable to the limit<br>as a percentage of debt limit | 0.00%                | 0.00%                | 0.00%                | 171.54%              | 110.89%              | 93.43%               | 78.99%               | 67.20%               | 43.90%               | 46.70%               |

**Legal Debt Margin Calculation for 2021**

|   |                         |
|---|-------------------------|
| Estimated market value, 2020/2021                   | <u>\$ 1,482,770,000</u> |
| Debt limit, 3.0% of market value                    | \$ 44,483,100           |
| Debt applicable to debt limit:                      |                         |
| Total bonded debt                                   | <u>\$ 16,585,000</u>    |
| Less:   |                         |
| Obligations issued for revenue producing facilities | <u>2,425,000</u>        |
| Total debt applicable to debt limit                 | <u>14,160,000</u>       |
| Debt margin at December 31, 2021                    | <u>\$ 30,323,100</u>    |

Note: Computed in accordance with Chapter 475, State of Minnesota Statutes.

**City of Austin, Minnesota  
Pledged Revenue Coverage  
Last Ten Years**

| Electric Utility Revenue Bonds |                   |               |                             |              |          |          |
|--------------------------------|-------------------|---------------|-----------------------------|--------------|----------|----------|
|                                | Gross<br>Revenues | Expenses      | Net<br>Available<br>Revenue | Debt Service |          | Coverage |
|                                |                   |               |                             | Principal    | Interest |          |
| 2012                           | \$ 33,336,037     | \$ 32,315,636 | \$ 1,020,401                | \$ 160,000   | \$ 6,720 | 6.12 %   |
| 2013                           | -                 | -             | -                           | -            | -        | 0.00     |
| 2014                           | -                 | -             | -                           | -            | -        | 0.00     |
| 2015                           | -                 | -             | -                           | -            | -        | 0.00     |
| 2016                           | -                 | -             | -                           | -            | -        | 0.00     |
| 2017                           | -                 | -             | -                           | -            | -        | 0.00     |
| 2018                           | -                 | -             | -                           | -            | -        | 0.00     |
| 2019                           | -                 | -             | -                           | -            | -        | 0.00     |
| 2020                           | -                 | -             | -                           | -            | -        | 0.00     |
| 2021                           | -                 | -             | -                           | -            | -        | 0.00     |

| Water Utility Revenue Bonds |                   |              |                             |              |          |          |
|-----------------------------|-------------------|--------------|-----------------------------|--------------|----------|----------|
|                             | Gross<br>Revenues | Expenses     | Net<br>Available<br>Revenue | Debt Service |          | Coverage |
|                             |                   |              |                             | Principal    | Interest |          |
| 2012                        | \$ 2,862,934      | \$ 2,483,631 | \$ 379,303                  | \$ -         | \$ -     | 0.00 %   |
| 2013                        | 3,603,042         | 3,148,998    | 454,044                     | 305,000      | 166,042  | 0.00     |
| 2014                        | 4,133,100         | 3,358,990    | 774,110                     | 345,000      | 111,106  | 1.70     |
| 2015                        | 4,353,913         | 3,325,781    | 1,028,132                   | 350,000      | 104,208  | 2.26     |
| 2016                        | 4,567,064         | 3,422,222    | 1,144,842                   | 350,000      | 97,206   | 2.56     |
| 2017                        | 4,855,225         | 3,593,869    | 1,261,356                   | 355,000      | 90,206   | 2.83     |
| 2018                        | 4,914,730         | 3,429,436    | 1,485,294                   | 360,000      | 83,106   | 3.35     |
| 2019                        | 5,201,681         | 3,383,704    | 1,817,977                   | 365,000      | 75,906   | 4.12     |
| 2020                        | 5,661,175         | 4,003,417    | 1,657,758                   | 370,000      | 68,606   | 3.78     |
| 2021                        | 5,447,316         | 3,865,643    | 1,581,673                   | 375,000      | 61,206   | 3.63     |

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements. Total revenues include interest and miscellaneous. Expenses are operating expenses exclusive of depreciation.

**City of Austin, Minnesota  
Demographic and Economic Statistics  
Last Ten Years**

|      | <u>Population<br/>(1)</u> | <u>Personal<br/>Income<br/>(amounts expressed<br/>in thousands)</u> | <u>Per Capita<br/>Income<br/>(2)</u> | <u>Median<br/>Age<br/>(3)</u> | <u>School<br/>Enrollment<br/>(4)</u> | <u>Unemployment<br/>Rate %<br/>(5)</u> |
|------|---------------------------|---|--------------------------------------|-------------------------------|--------------------------------------|--|
| 2012 | 24,800                    | 1,682,174   | 42,725                               | 38.3                          | 4,582                                | 4.5                                    |
| 2013 | 24,800                    | 1,617,470   | 41,129                               | 36.9                          | 4,715                                | 3.9                                    |
| 2014 | 24,800                    | 1,594,035   | 40,537                               | 37.4                          | 4,797                                | 3.2                                    |
| 2015 | 24,800                    | 1,657,094   | 42,364                               | 37.8                          | 4,832                                | 2.9                                    |
| 2016 | 24,800                    | 1,733,905   | 44,274                               | 37.7                          | 4,901                                | 2.9                                    |
| 2017 | 24,800                    | 1,756,900   | 44,403                               | 37.3                          | 5,238                                | 2.4                                    |
| 2018 | 24,800                    | 1,937,438   | 48,423                               | 37.9                          | 5,293                                | 3.1                                    |
| 2019 | 24,800                    | 1,900,741   | 47,445                               | 38.7                          | 5,296                                | 3.0                                    |
| 2020 | 26,174                    | 2,029,077   | 50,537                               | 38.8                          | 5,034                                | 4.0                                    |
| 2021 | 26,174                    | Not Available Now   | Not Available Now                    | 37.9                          | 5,182                                | 2.4                                    |

**Sources:**

- (1) United States Census Bureau.
- (2) Office of the State Demographer; which uses U.S. Department of Commerce, Bureau of Economic Analysis, Washington, D.C. Represents per capita income for Mower County.
- (3) Office of the State Demographer; which uses U.S. Department of Commerce, Bureau of Economic Analysis, Washington, D.C. Represents median age for Mower County.
- (4) Austin Public School District #492.
- (5) Minnesota Department of Employment and Economic Development.

**City of Austin, Minnesota  
Principal Employers  
Current Year and Nine Years Ago**

| Taxpayer                        | Type of Business         | 2021         |      |   | 2012         |      |   |
|---------------------------------|--------------------------|--------------|------|---|--------------|------|---|
|                                 |                          | Employees    | Rank | Percentage of<br>Total City<br>Employment | Employees    | Rank | Percentage of<br>Total City<br>Employment |
| Hormel Foods                    | Food processor           | 3,255        | 1    | 26.7 %                                    | 2,689        | 1    | 20.7 %                                    |
| Quality Pork Processors         | Meat packing plant       | 1,225        | 2    | 10.0                                      | 1,300        | 2    | 10.0                                      |
| Mayo Clinic Health System       | Health care              | 900          | 3    | 7.4                                       | 985          | 3    | 7.6                                       |
| Independent School District 492 | Public education         | 850          | 4    | 7.0                                       | 627          | 4    | 4.8                                       |
| Walmart Stores                  | Retail                   | 325          | 5    | 2.7                                       | 350          | 6    | 2.7                                       |
| Hy Vee Inc.                     | Retail                   | 300          | 6    | 2.5                                       | 373          | 5    | 2.9                                       |
| Mower County                    | County government        | 274          | 7    | 2.2                                       | 243          | 8    | 1.9                                       |
| Riverland Community College     | Post-secondary education | 240          | 8    | 2.0                                       | 243          | 8    | 1.9                                       |
| City of Austin                  | Municipal government     | 214          | 9    | 1.8                                       | -            |      | 0.0                                       |
| Cedar Valley Services           | Residential care         | 192          | 10   | 1.6                                       | -            |      | 0.0                                       |
| Austin Packaging Company        | Food processor           | -            |      | 0.0                                       | 285          | 7    | 2.2                                       |
| St. Mark's Lutheran Home        | Nursing Home             | -            |      | 0.0                                       | 225          | 10   | 1.7                                       |
| Totals                          |                          | <u>7,775</u> |      | <u>63.7 %</u>                             | <u>7,320</u> |      | <u>56.4 %</u>                             |

Source: As presented in the City's official statement for each year presented above or from Austin Area Chamber of Commerce.

**City of Austin, Minnesota**  
**Full-time Equivalent City Government Employees by Function**  
**Last Ten Years**

| Function/Program             | Full-time Equivalent Employees as of December 31 |               |               |               |               |               |               |               |               |               |
|------------------------------|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                              | 2012   | 2013          | 2014          | 2015          | 2016          | 2017          | 2018          | 2019          | 2020          | 2021          |
| General government           | 11.10  | 11.50         | 12.00         | 12.00         | 12.00         | 12.00         | 12.00         | 12.00         | 11.50         | 11.50         |
| Public safety                | 48.00  | 48.00         | 49.00         | 49.00         | 51.00         | 51.50         | 53.00         | 53.00         | 53.00         | 53.00         |
| Streets and highways         | 26.00  | 26.00         | 26.00         | 26.00         | 26.00         | 26.00         | 27.00         | 27.00         | 26.00         | 25.00         |
| Culture and recreation       | 25.80  | 26.80         | 27.80         | 27.80         | 28.75         | 28.75         | 28.75         | 28.75         | 26.25         | 25.25         |
| Sewer user                   | 25.50  | 24.50         | 23.50         | 23.50         | 23.50         | 23.50         | 23.50         | 23.50         | 23.50         | 23.50         |
| Storm water utility district | -  | -             | -             | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          |
| Electric                     | 32.00  | 31.00         | 32.00         | 31.00         | 30.00         | 22.00         | 21.00         | 21.00         | 19.00         | 21.00         |
| Water                        | 19.00  | 10.00         | 9.00          | 9.00          | 9.00          | 14.00         | 13.00         | 14.00         | 13.00         | 12.00         |
| Gas                          | 10.00  | 20.00         | 19.00         | 20.00         | 20.00         | 22.00         | 21.00         | 21.00         | 21.00         | 21.00         |
| Utilities administration     | 23.00  | 23.00         | 25.00         | 22.00         | 22.00         | 23.00         | 25.00         | 25.00         | 24.00         | 21.00         |
| Total                        | <u>220.40</u>                                    | <u>220.80</u> | <u>223.30</u> | <u>221.30</u> | <u>223.25</u> | <u>223.75</u> | <u>225.25</u> | <u>226.25</u> | <u>218.25</u> | <u>214.25</u> |

Source: Finance Department, Truth in Taxation Reports and  
Austin Utilities payroll department.

**City of Austin, Minnesota  
Operating Indicators by Function  
Last Ten Years**

|  | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Function/Program</b>                                    |             |             |             |             |             |             |             |             |             |             |
| <b>Police</b>  |             |             |             |             |             |             |             |             |             |             |
| Adult arrests  | 1,125       | 1,159       | 1,144       | 1,227       | 1,286       | 1,230       | 1,238       | 1,123       | 1,222       | 1,176       |
| Juvenile arrests   | 640         | 395         | 612         | 450         | 318         | 429         | 427         | 314         | 254         | 110         |
| Citations  | 4,220       | 4,363       | 4,368       | 4,878       | 4,784       | 4,267       | 4,447       | 2,664       | 2,415       | 1,432       |
| <b>Fire</b>  |             |             |             |             |             |             |             |             |             |             |
| Number of calls answered                                   | 489         | 547         | 729         | 900         | 954         | 944         | 914         | 1,123       | 1,131       | 1,597       |
| <b>Streets and highways</b>                                |             |             |             |             |             |             |             |             |             |             |
| Asphalt purchases for street repairs<br>(tons)             | 4,400       | 4,400       | 4,400       | 3,925       | 4,500       | 4,500       | 3,920       | 3,479       | 4,903       | 4,223       |
| <b>Culture and recreation</b>                              |             |             |             |             |             |             |             |             |             |             |
| Municipal pool admissions                                  | 16,614      | 15,976      | 12,951      | 16,661      | 11,555      | 10,779      | 11,762      | 10,078      | -           | 16,137      |
| Fall/Winter programs participants                          | 79          | 78          | 72          | 136         | 164         | 156         | 132         | 196         | 165         | 121         |
| Self supporting programs participants                      | 995         | 1,085       | 1,219       | 1,166       | 1,654       | 1,530       | 2,163       | 1,855       | 728         | 933         |
| Library annual circulation                                 | 310,928     | 267,394     | 228,045     | 209,693     | 203,303     | 187,368     | 178,293     | 169,011     | 103,622     | 118,108     |
| Library-number of items held                               | 97,136      | 86,190      | 82,834      | 83,415      | 82,875      | 82,604      | 88,756      | 90,718      | 93,051      | 95,750      |
| <b>Sewer user</b>  |             |             |             |             |             |             |             |             |             |             |
| Average daily sewage treatment<br>(thousands of gallons)   | 4,376       | 5,480       | 5,210       | 6,050       | 7,000       | 6,450       | 6,080       | 6,450       | 5,770       | 4,370       |
| <b>Electric</b>  |             |             |             |             |             |             |             |             |             |             |
| Average daily consumption<br>(thousands of kilowatt hours) | 961         | 921         | 910         | 920         | 928         | 920         | 925         | 918         | 922         | 935         |
| <b>Water</b>   |             |             |             |             |             |             |             |             |             |             |
| Average daily consumption<br>(thousands of cubic feet)     | 386         | 680         | 724         | 723         | 700         | 700         | 650         | 665         | 692         | 671         |
| <b>Gas</b>   |             |             |             |             |             |             |             |             |             |             |
| Average daily consumption<br>(thousands of cubic feet)     | 6,074       | 6,720       | 7,238       | 6,411       | 6,155       | 6,364       | 6,675       | 6,992       | 6,614       | 6,508       |

Sources: Various government departments.

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



**City of Austin, Minnesota  
Capital Asset Statistics by Function  
Last Ten Years**

|                                     | 2012   | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   | 2021   |
|-------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Function/Program</b>             |        |        |        |        |        |        |        |        |        |        |
| Public Safety:                      |        |        |        |        |        |        |        |        |        |        |
| Police:                             |        |        |        |        |        |        |        |        |        |        |
| Stations                            | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Patrol units                        | 20     | 20     | 20     | 20     | 20     | 20     | 20     | 20     | 20     | 20     |
| Fire:                               |        |        |        |        |        |        |        |        |        |        |
| Stations                            | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Fire/Rescue Vehicles                | 10     | 10     | 10     | 10     | 10     | 10     | 10     | 10     | 10     | 10     |
| Streets and highways                |        |        |        |        |        |        |        |        |        |        |
| Streets - paved and asphalt (miles) | 123    | 123    | 123    | 123    | 123    | 123    | 123    | 123    | 123    | 122    |
| Streets - unpaved (miles)           | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      |
| Culture and recreation              |        |        |        |        |        |        |        |        |        |        |
| Nature Center acreage               | 507    | 507    | 507    | 518    | 518    | 518    | 518    | 529    | 529    | 529    |
| Park acreage                        | 600    | 600    | 600    | 600    | 600    | 596    | 596    | 596    | 596    | 591    |
| Parks                               | 27     | 27     | 27     | 27     | 27     | 27     | 27     | 27     | 27     | 26     |
| Swimming pools                      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Library                             | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Sewer                               |        |        |        |        |        |        |        |        |        |        |
| Sanitary sewers (miles)             | 133    | 133    | 133    | 135    | 135    | 136    | 136    | 136    | 136    | 136    |
| Storm sewers (miles)                | 76     | 76     | 76     | 77     | 77     | 77     | 77     | 78     | 78     | 79     |
| Electric                            |        |        |        |        |        |        |        |        |        |        |
| Number of substations               | 7      | 7      | 7      | 7      | 7      | 7      | 7      | 7      | 7      | 7      |
| Water                               |        |        |        |        |        |        |        |        |        |        |
| Water mains (miles)                 | 135.08 | 135.59 | 135.64 | 137.33 | 138.33 | 138.26 | 138.64 | 138.96 | 138.97 | 139.14 |
| Gas                                 |        |        |        |        |        |        |        |        |        |        |
| Gas services                        | 10,274 | 10,281 | 10,269 | 10,260 | 10,255 | 10,260 | 10,300 | 10,303 | 10,304 | 10,307 |

Sources: Various city departments.

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

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