

City of Austin, Minnesota

Annual Comprehensive Financial Report



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



City of Austin, Minnesota

Annual Comprehensive Financial Report

For the Year Ended December 31, 2023

Prepared by:

Finance Department

**CITY OF AUSTIN, MINNESOTA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023**

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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

April 29, 2024

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, 2023.

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, 2023. 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 4.0 percent (2020) to a decade low of 2.3 percent (2023). 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, 2023 was 2.3 percent compared to 3.5 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 2024.

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 \$53,835, matching the county's median family income, while the state's was \$68,840. The City's population increased in the last finalized census to 26,174 as of December 31, 2023, 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 2023, the median value of a single-family home in the vicinity of the City of Austin was \$160,000.

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 2023 a private developer completed the construction of a 91-unit market rate apartment complex. Additionally, construction was completed 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. A new 40-unit affordable housing complex is now under construction in downtown Austin that will provide both a place to live and will rehabilitate a distressed area of the city.

Residential construction continues to show improvement, as local government agencies continue to approve applications for abating local property taxes on new construction. This program 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 2023 include a 14.1% increase in collections from 2022, and has now exceeded \$24 million in revenue since inception. The City is gearing up for a major berm project in the near future at the wastewater treatment plant, along with a property acquisition or two. 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 increased to 58 percent (from 57%) of total general fund expenditures in 2023, 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 2023 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 2024 through 2028. Over \$176 million will be spent over the next five years on capital improvements within the City. Included in the planned improvements are nearly \$110 million for Wastewater Treatment Plant upgrades, \$11.5 million for flood mitigation projects, and over \$31 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 \$24 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, and other taxing authorities, have approved future tax abatements for Hormel Foods Corporation as they construct a daycare facility that will house 130 children in Austin. Daycare slots will be available for children of both Hormel Foods Corporation employees and the general public in an effort to help resolve shortages in the city. This facility will employ a professional management team, adding to the local employment base, and is expected to help local businesses recruit new employees.

Finally, the City realized significant construction costs for the nearly \$110 million wastewater treatment plant. A grant of \$14.5 million was secured through the State of Minnesota, along with a \$27 million loan at 1.912%. The major industrial user, will be contributing approximately half of the construction cost, with the remaining 50% being funded by the domestic users of the system. The Wastewater Treatment Plant has expended nearing one-third of the projected construction cost at December 31, 2023.

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 2023. Council will decide during 2024 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, 2022. This was the thirty-eighth 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,



Tom Dankert
Director of Administrative Services



Government Finance Officers Association

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

Presented to

**City of Austin
Minnesota**

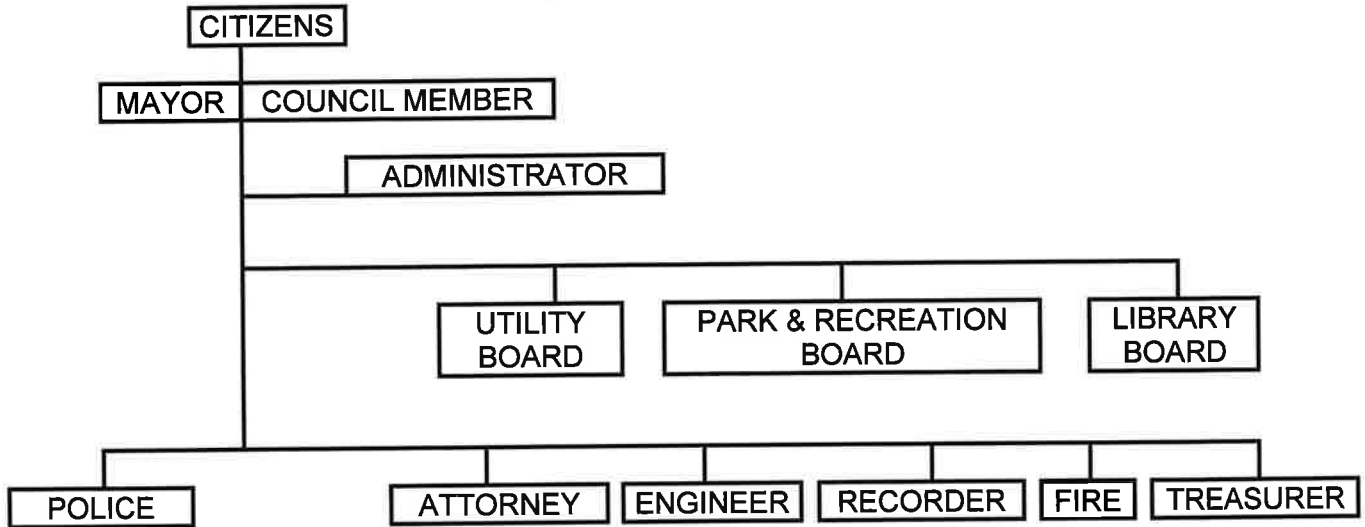
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morrill

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
2023**

Elected Officials

Stephen M. King	Mayor
Jeff Austin	Council Member-at-Large
Laura Helle	Council Member First Ward
Geoff Baker	Council Member First Ward
Jason Baskin	Council Member Second Ward
Mike Postma	Council Member Second Ward
Paul Fischer	Council Member Third Ward
Joyce Poshusta	Council Member Third Ward

Other City Officials

Craig Clark	City Administrator
Tom Dankert	Director of Administrative Services
Craig Byram	City Attorney
Steven Lang	Public Works Director
Jim McCoy	Fire Chief
David McKichan	Police Chief
Julie Clinefelter	Library Director
Jason Sehon	Parks and Recreation Director
Mark Nibaur	Austin Utilities General Manager

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, 2023, 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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof 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.

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.

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

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 budgetary comparison information for the General Fund, 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

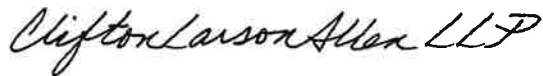
Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not 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 April 29, 2024, 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.



CliftonLarsonAllen LLP

Austin, Minnesota
April 29, 2024

**CITY OF AUSTIN, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

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, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 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 \$379,738,890 (*net position*). Of this amount \$51,007,400 (*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 \$42,506,244 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 \$30,898,658, an increase of \$2,412,025 in comparison with the prior year. Approximately 67% of this total amount, or \$20,598,716, 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 \$11,384,746, or 58.0% of total general fund expenditures.
- The City of Austin's total net bonded debt increased by \$3,189,103 (20.6 percent) during the current period. New debt was issued during 2023 for the reconstruction of nearly all of the wastewater treatment plant. Additionally, \$23,327,529 of available note proceeds are available for the three-year construction project.

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, 2023**

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*.

**CITY OF AUSTIN, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

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 schedule 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 types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of 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 44-99 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 general fund – budget and actual, OPEB liability plus progress in funding its Net Pension Liability. Required supplementary information can be found on pages 102-119 of this report.

**CITY OF AUSTIN, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

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 124-170 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 \$379,738,890 at the close of the most recent year.

By far the largest portion of the City of Austin's net position (83 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 \$51,007,400 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	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 50,683,559	\$ 49,635,501	\$ 60,232,613	\$ 53,804,768	\$ 110,916,172	\$ 103,440,269
Capital assets	178,620,802	176,399,748	160,044,029	121,917,858	338,664,831	298,317,606
Total assets	229,304,361	226,035,249	220,276,642	175,722,626	449,581,003	401,757,875
Deferred Outflow s of Resources	10,112,025	12,533,931	3,607,736	6,146,849	13,719,761	18,680,780
Total assets and outflow s of resources	239,416,386	238,569,180	223,884,378	181,869,475	463,300,764	420,438,655
Long-term liabilities outstanding	12,254,871	22,753,826	38,328,960	44,495,505	50,583,831	67,249,331
Other liabilities	2,960,277	3,524,859	14,718,065	10,582,030	17,678,342	14,106,889
Total liabilities	15,215,148	26,278,685	53,047,025	55,077,535	68,262,173	81,356,220
Deferred inflow s of Resources	10,214,806	839,516	5,084,895	1,010,273	15,299,701	1,849,789
Net position:						
Net investment in capital assets	178,012,300	175,196,908	137,828,195	106,126,997	315,840,495	281,323,905
Restricted	12,890,995	10,987,936	-	-	12,890,995	10,987,936
Unrestricted	23,083,137	25,266,135	27,924,263	19,654,670	51,007,400	44,920,805
Total net position	\$ 213,986,432	\$ 211,450,979	\$ 165,752,458	\$ 125,781,667	\$ 379,738,890	\$ 337,232,646

**CITY OF AUSTIN, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

The City of Austin's net position increased by \$42,506,244 during the current year. The increase in net investment in capital assets of \$34,516,590 (81% 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 \$1,903,059 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 \$6,086,595 largely reflects the degree to which revenues have outstripped similar expenses.

Governmental activities. During the current year, net position for governmental activities increased as a result of operations by \$2,535,453 from the prior year. The City's revenue stream came in as primarily budgeted for the General Fund, as revenue was \$1,072,571 above budget. Consistency among departments to not spend their entire budgets and continued staffing shortages are the other major reasons for the increase in net position. Total governmental revenues decreased during 2023 from 2022, primarily from reduced capital grant opportunities in 2023. Investment earnings rebounded from a negative situation in 2022, resulting in a major revenue source in 2023 that helped temper the overall revenue decrease. Other factors affecting the decrease in governmental net position are:

- Capital grants and contributions decreased \$4,757,634 as a result of the early-stage renovation costs of the wastewater treatment plant.
- Other revenues skyrocketed \$3,193,101 as a result of marking our investments to fair value and having an unrealized gain on those investments at year-end. Additionally, investment income was significantly higher in 2023.
- General government expense increased \$1,955,446 (92% of the net governmental activities expense increase) primarily due to the investment in affordable housing in a project in downtown Austin, east of the U.S. Post Office.
- Public safety expenses decreased \$268,554 (negative 13% of the net governmental activities expense increase) as staffing levels continued to show vacancies at the Police Department. 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 \$261,332 (12% of the net governmental activities expense increase) as street maintenance project costs have risen back to pre-Covid expenditure levels.
- Culture and recreation expenses increased \$257,945 (12% of the net governmental activities expense increase) primarily as a result of the completed "refreshment" of the Austin Public Library, a project started in 2022 and completed in 2023.
- Economic development, community development, and interest all had decreases from 2022 to 2023. These minimal decreases created the remaining negative 3% of the net increase in governmental activities expense increase.

**CITY OF AUSTIN, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

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

CITY OF AUSTIN'S CHANGES IN NET POSITION

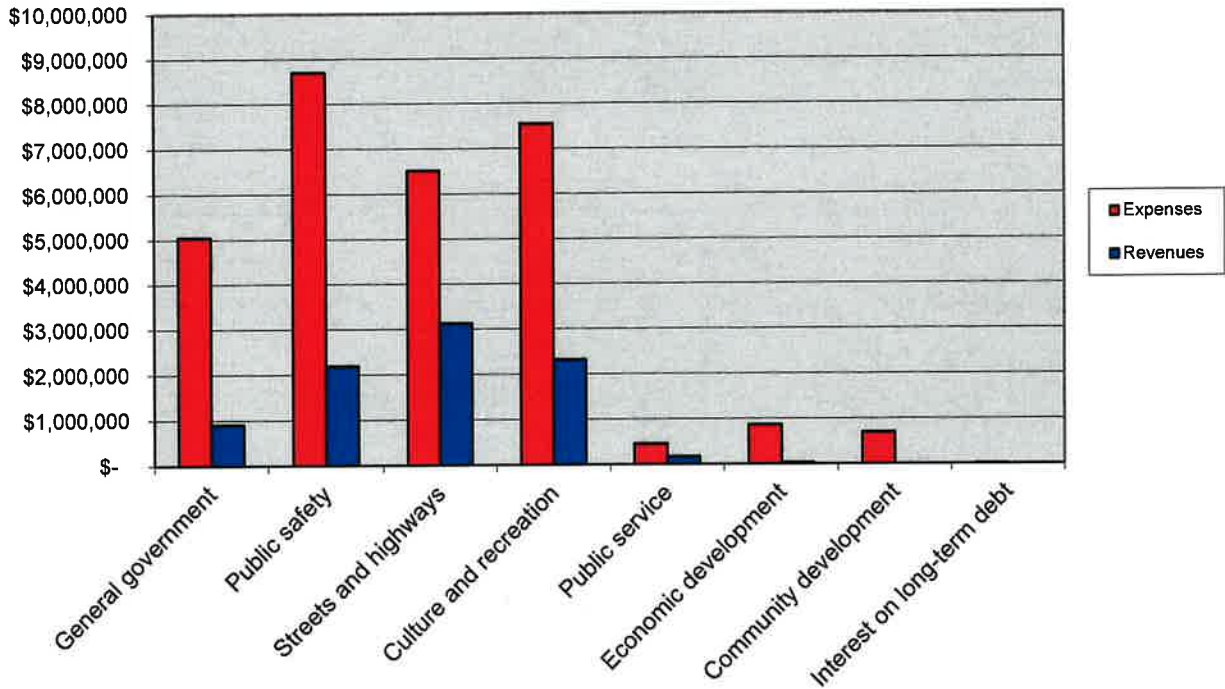
Condensed statement of activities highlights are as follows for the years ended December 31, 2023 and 2022:

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 2,870,928	\$ 2,572,911	\$ 75,219,745	\$ 74,188,679	\$ 78,090,673	\$ 76,761,590
Operating grants and contributions	1,895,315	3,401,844	30,156	-	1,925,471	3,401,844
Capital grants and contributions	3,971,948	8,729,582	31,725,875	5,790,219	35,697,823	14,519,801
General revenues:						
Property taxes	8,583,830	8,222,517	-	-	8,583,830	8,222,517
Other taxes	2,850,386	2,618,025	-	-	2,850,386	2,618,025
Grants and contributions not restricted to specific programs						
Other	9,011,940	8,763,647	-	-	9,011,940	8,763,647
	2,109,054	(1,084,047)	1,691,074	(2,286,870)	3,800,128	(3,370,917)
Total revenues	\$ 31,293,401	\$ 33,224,479	\$ 108,666,850	\$ 77,692,028	\$ 139,960,251	\$ 110,916,507
Expenses:						
General government	\$ 5,046,393	\$ 3,090,946	\$ -	\$ -	\$ 5,046,393	\$ 3,090,946
Public safety	8,701,654	8,970,208	-	-	8,701,654	8,970,208
Streets and highways	6,521,531	6,260,199	-	-	6,521,531	6,260,199
Culture and recreation	7,549,679	7,291,734	-	-	7,549,679	7,291,734
Public service	452,353	439,598	-	-	452,353	439,598
Economic development	862,895	948,051	-	-	862,895	948,051
Community development	690,612	703,230	-	-	690,612	703,230
Interest on long-term debt	6,730	8,121	-	-	6,730	8,121
Sewer	-	-	6,639,956	6,193,741	6,639,956	6,193,741
Waste transfer station	-	-	40,206	49,369	40,206	49,369
Storm water utility	-	-	403,443	413,216	403,443	413,216
Electric	-	-	36,465,911	34,240,215	36,465,911	34,240,215
Water	-	-	5,179,884	5,830,345	5,179,884	5,830,345
Gas	-	-	18,892,760	24,117,796	18,892,760	24,117,796
Total expenses	\$ 29,831,847	\$ 27,712,087	\$ 67,622,160	\$ 70,844,682	\$ 97,454,007	\$ 98,556,769
Increase in net position before transfers	\$ 1,461,554	\$ 5,512,392	\$ 41,044,690	\$ 6,847,346	\$ 42,506,244	\$ 12,359,738
Transfers	1,073,899	1,673,324	(1,073,899)	(1,673,324)	-	-
Increase in net position	\$ 2,535,453	\$ 7,185,716	\$ 39,970,791	\$ 5,174,022	\$ 42,506,244	\$ 12,359,738
Net position - beginning	211,450,979	204,265,263	125,781,667	120,607,645	337,232,646	324,872,908
Net position - ending	\$ 213,986,432	\$ 211,450,979	\$ 165,752,458	\$ 125,781,667	\$ 379,738,890	\$ 337,232,646

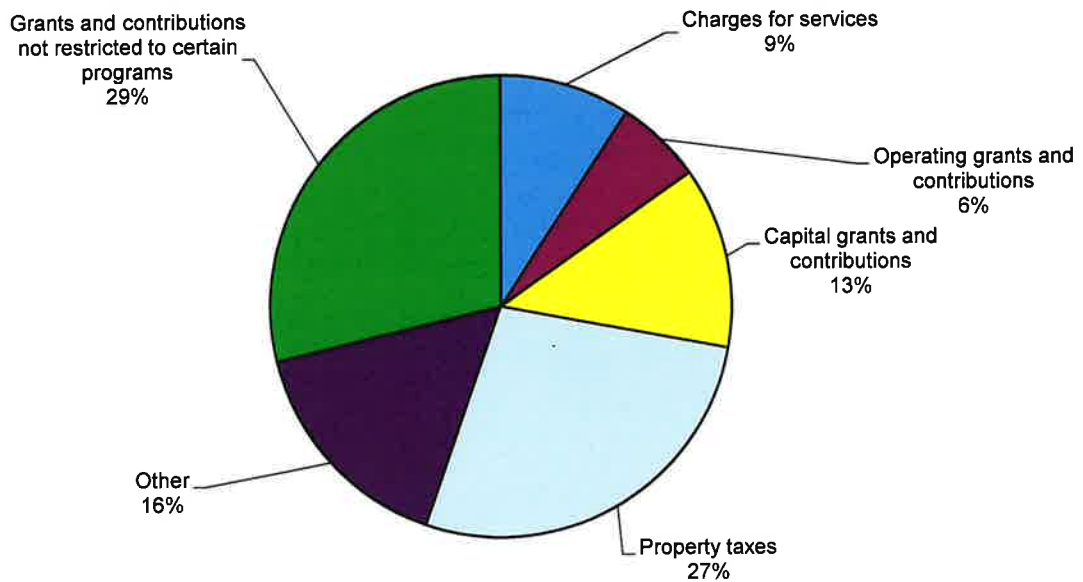
**CITY OF AUSTIN, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

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.

Expenses and Program Revenues – Governmental Activities



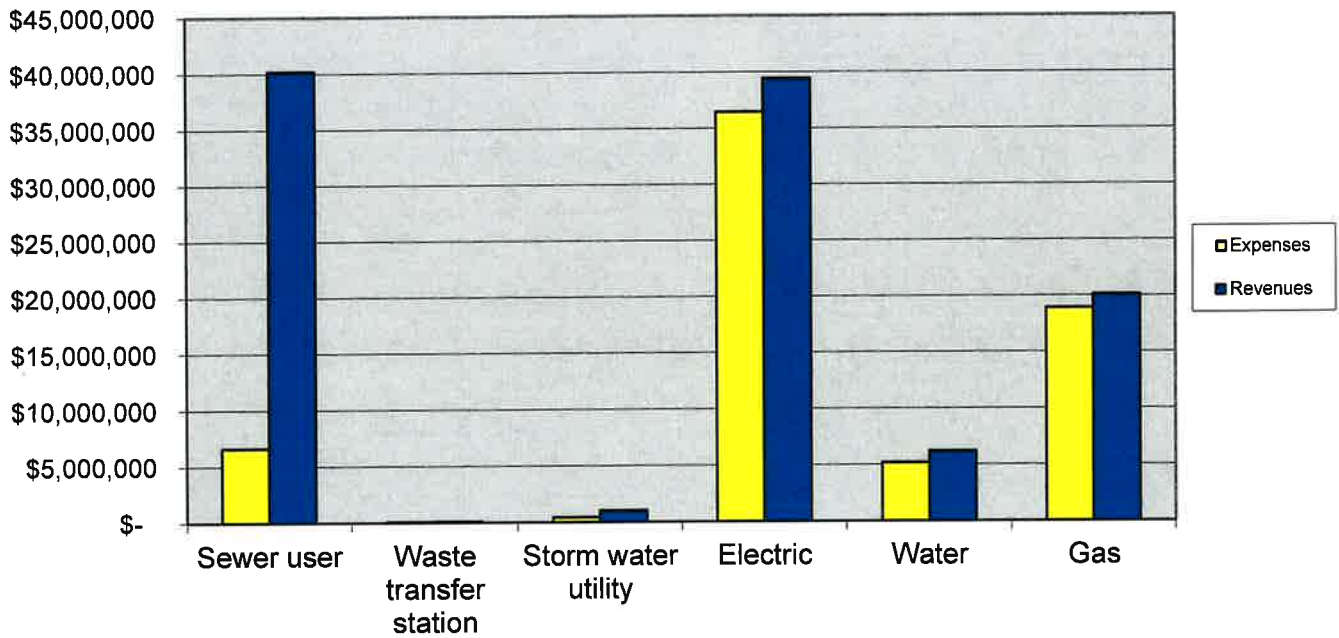
Revenues by Source – Governmental Activities



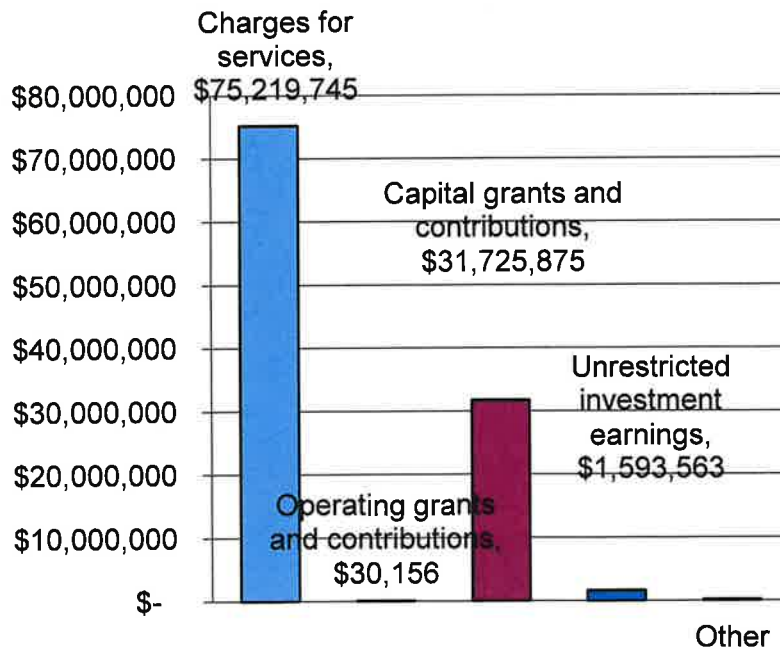
**CITY OF AUSTIN, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

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.

Expenses and Program Revenues – Business-type Activities



Revenues by Source – Business-type Activities



**CITY OF AUSTIN, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

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 \$165,752,458. Key elements of this operational increase are as follows:

- Overall rate increases in the sewer department (7.0% rate increase) and a 9% increase in the water department created higher revenue for those services in 2023. The gas department did not have a rate increase in 2023, but had positive purchased cost adjustments in 6 of the 12 months, creating a significant reduction in revenue.
- Water expenses decreased by \$650,461, offsetting higher production expenses with an even larger decrease in meter expenses and maintenance of water mains and services. Additionally, there was a decrease in employee pensions and benefits in the water department in 2023.
- Electric expenses increased by \$2,225,696 as there was an increase in costs associated with the power supply.
- Gas expenses decreased by \$5,225,036 primarily as a result of the decrease in the purchasing of natural gas, as a warm winter season has lessened the need for natural gas to heat homes and businesses.

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 \$30,898,658, an increase of \$2,412,025. Approximately 36% of this total amount, or \$11,112,405, 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 \$11,384,746, while the total fund balance increased to \$11,821,095. 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 58.0 percent of total general fund expenditures, while total fund balance represents 60.0 percent of that same amount.

The fund balance of the City of Austin's general fund increased by \$879,286 during the current year. During 2023, departments did not spend their full allotment of budget dollars, saving \$618,130 in the process. Included in this savings is over \$400,000 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 2023 resulting in a \$1,072,571 increase. Included in this increase, was a \$361,593 of investment

**CITY OF AUSTIN, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

earnings and unrealized market value gains. Transfers in came in \$76,915 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, even though the City of Austin budgeted for the usage of fund balance.

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 \$7,503,057 exists for the city's share of future flood projects. The fund balance increased \$2,072,398 as the city banked revenue for a future large flood berm project.

The state aid street fund has a total fund balance of \$1,906,924, all of which is assigned for capital street projects on specific roads that qualify for this funding. The decrease in fund balance during the current year was \$229,023 and was the result of street project costs that did not have state participation in the cost.

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 \$20,065,434 (sewer user) and \$5,894,163 (utility fund). The sewer user fund and utility fund both had an increase in net position for 2023. The sewer user fund realized an increase of \$33,998,648 mainly due to capital contributions for the reconstruction of the wastewater treatment plant 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 \$4,751,731 was a direct result of increased revenues in the electric and water departments outpacing the expenditures, plus a significant decrease in the cost of providing gas to their customers.

The sewer, electric, and water utility rates were both increased during 2023. Gas rates were not increased during 20223 but there was a positive purchased cost adjustment in six of the twelve months for the year ended December 31, 2023.

GENERAL FUND BUDGETARY HIGHLIGHTS:

Original budget compared to final budget. During the year there was \$366,595 of increases in appropriations between the original and final amended budget. Following is the component of the appropriation increase:

- \$550,950 supplemental appropriations for minor capital to be funded by fund balance.
- \$184,355 supplemental reallocation of funds set aside for union negotiations. The net \$184,355 reduction in the budget was transferred out to help cover insurance costs in an Internal Service Fund.

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

- Overall revenues came in at \$19,438,867 on a budget of \$18,366,296. There were minor fluctuations amongst the different categories, but also a large increase in marking the investments to fair value, plus higher than expected investment earnings. Overall, the revenue target was achieved as expected, resulting in just over 100% of the budgeted revenues collected during the year.

**CITY OF AUSTIN, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

- Expenditures amongst the different governmental activities were below the amended budget for all activities except public service and economic development, due to some capital items being re-evaluated and not purchased, and some department staff shortages. Only 97% of the amended expenditure budget was spent during 2023, resulting in an increase to the fund balance.

During the year \$734,500 was budgeted to be used from fund balance. However, expenditures came in under the budgeted amounts by \$618,130 (3%) as a direct result of expenditure reductions amongst all departments. Additionally, revenues collected were \$1,072,571 higher than budgeted. Transfers in were \$76,915 under budget. This resulted in a net fund balance increase of \$879,286 for the year.

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, 2023, amounts to \$338,664,831 (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 13.5% 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 construction in the Sewer Fund for the wastewater treatment plant overhaul.

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

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 27,612,814	\$ 27,569,654	\$ 780,686	\$ 781,210	\$ 28,393,500	\$ 28,350,864
Buildings	42,538,656	42,394,054	37,152,605	36,227,854	79,691,261	78,621,908
Improvements	32,986,659	33,579,521	894,390	943,305	33,881,049	34,522,826
Machinery and equipment	10,884,987	10,819,861	55,949,439	53,056,639	66,834,426	63,876,500
Construction in progress	8,188,112	10,042,054	43,096,469	9,734,428	51,284,581	19,776,482
Infrastructure	56,409,574	51,994,604	22,170,440	21,174,423	78,580,014	73,169,027
Total capital assets	\$ 178,620,802	\$ 176,399,748	\$ 160,044,029	\$ 121,917,859	\$ 338,664,831	\$ 298,317,607

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, 2023**

Long-term debt. At the end of the current year, the City of Austin had total bonded and direct borrowing debt outstanding of \$18,644,103. Of this amount \$12,655,000 comprises capital improvement plan debt that was issued for the Austin Utilities for their new Central Facility. Another \$1,650,000 comprises a water revenue bond issue that was issued to construct a new water tower. The remainder of the City of Austin's long-term obligations represents the wastewater treatment plant note from the Minnesota Public Facilities Authority (PFA).

**CITY OF AUSTIN'S OUTSTANDING DEBT
General Obligation and Revenue Bonds**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
G.O. sewer revenue						
PFA note	\$ 4,339,103	\$ -	\$ -	\$ -	\$ 4,339,103	\$ -
G.O. capital improvement						
plan debt	-	-	12,655,000	13,415,000	12,655,000	13,415,000
Revenue debt	-	-	1,650,000	2,040,000	1,650,000	2,040,000
Total liabilities	\$ 4,339,103	\$ -	\$ 14,305,000	\$ 15,455,000	\$ 18,644,103	\$ 15,455,000

The City of Austin's total net bonded and direct borrowing debt increased by \$3,189,103 (20.6 percent) during the current year as a result of the new PFA note. An additional \$23,327,529 of note proceeds is available to complete the wastewater treatment plant project.

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 69-77 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES:

- The unemployment rate for the City of Austin is currently 2.3 percent, which is 0.5% lower than it was a year ago. This is slightly lower than the state's average unemployment rate of 2.6 percent, and is favorable compared to the national average of 3.5 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 the new 91-unit apartment building is complete and renting up.
- Interest rates have increased drastically in the last year, and will help the rate of return on our investments. While we still have some investments that are at lower interest rates than are currently available, most of our portfolio is invested less than 5 years (99%) and will see a turnover in the investments at these lower rates.

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 4th Avenue NE, Austin, Minnesota, 55912.

Basic Financial Statements

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City of Austin, Minnesota
Statement of Net Position
December 31, 2023

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Housing Authority	Port Authority
Assets					
Cash and investments	\$ 40,212,598	\$ 44,029,919	\$ 84,242,517	\$ 6,574,485	\$ 2,986,690
Taxes receivable	201,646	-	201,646	-	1,309
Accounts receivable (net)	228,226	8,658,218	8,886,444	-	15,240
Special assessments receivable	3,442,695	926,730	4,369,425	-	-
Other receivables	-	-	-	138,614	-
Interest receivable	272,533	1,079	273,612	-	1,060
Due from other governments	3,818,644	1,136,131	4,754,775	264,100	641
Internal balances	(117,266)	117,266	-	-	-
Notes receivable (net)	117,255	9,725	126,980	658,457	610,047
Leases receivable	128,491	606,503	734,994	765,134	215,513
Prepaid items	210,893	314,514	525,407	-	-
Inventory	94,109	2,238,000	2,332,109	-	-
Other assets	-	48,339	48,339	-	-
Restricted cash and investments	1,777,810	2,146,189	3,923,999	358,934	-
Advances to component units	495,925	-	495,925	-	-
Land held for resale	-	-	-	911,924	840,265
Capital assets:					
Nondepreciable	35,800,926	43,877,155	79,678,081	2,560,242	-
Depreciable, net	142,819,876	116,166,874	258,986,750	11,777,844	20,097,615
Total assets	\$ 229,304,361	\$ 220,276,642	\$ 449,581,003	\$ 24,009,734	\$ 24,768,380
Deferred Outflows of Resources					
Pension related	\$ 9,971,106	\$ 1,719,417	\$ 11,690,523	\$ -	\$ -
OPEB related	140,919	1,888,319	2,029,238	-	-
Total deferred outflows of resources	\$ 10,112,025	\$ 3,607,736	\$ 13,719,761	\$ -	\$ -
Total assets and deferred outflows of resources	\$ 239,416,386	\$ 223,884,378	\$ 463,300,764	\$ 24,009,734	\$ 24,768,380
Liabilities					
Vouchers payable	\$ 785,079	\$ 6,043,776	\$ 6,828,855	\$ 170,410	\$ 620
Contractors' retained percentage	440,057	1,769,107	2,209,164	-	-
Interest payable	-	-	-	19,704	-
Deposits	94,341	-	94,341	-	-
Accrued expenses	730,146	1,502,474	2,232,620	-	-
Due to other governments	91,174	-	91,174	139,964	20,000
Unearned revenues	1,500	-	1,500	162,666	-
Other current liabilities	-	484,186	484,186	285,313	-
Long-term liabilities:					
Other:					
Due within one year	757,448	3,801,413	4,558,861	491,836	-
Due in more than one year	1,388,810	16,994,743	18,383,553	3,449,519	-
Net pension liability:					
Due in more than one year	9,811,972	6,423,378	16,235,350	-	-
OPEB related:					
Due within one year	60,532	1,117,109	1,177,641	-	-
Due in more than one year	1,054,089	14,910,839	15,964,928	-	-
Advances from primary gov't	-	-	-	-	495,925
Total liabilities	\$ 15,215,148	\$ 53,047,025	\$ 68,262,173	\$ 4,719,412	\$ 516,545
Deferred Inflows of Resources					
Community Solar Related	\$ -	\$ 23,360	\$ 23,360	\$ -	\$ -
Pension related	9,663,653	2,176,816	11,840,469	-	-
OPEB related	422,662	2,278,216	2,700,878	-	-
Lease receivable related	128,491	606,503	734,994	741,578	215,513
Gain on bond refunding	-	-	-	40,132	-
Total deferred inflows of resources	\$ 10,214,806	\$ 5,084,895	\$ 15,299,701	\$ 781,710	\$ 215,513
Net Position					
Net investment in capital assets	\$ 178,012,300	\$ 137,828,195	\$ 315,840,495	\$ 10,489,423	\$ 20,097,615
Restricted for:					
Police	161,038	-	161,038	-	-
Fire	1,296,308	-	1,296,308	-	-
Parks and recreation	12,718	-	12,718	-	-
Other capital projects	9,925,484	-	9,925,484	-	-
Other purposes	358,396	-	358,396	23,235	-
Library purposes	973,262	-	973,262	-	-
Permanent funds:					
Expendable	27,737	-	27,737	-	-
Non-expendable	136,052	-	136,052	-	-
Unrestricted	23,083,137	27,924,263	51,007,400	7,995,954	3,938,707
Total net position	\$ 213,986,432	\$ 165,752,458	\$ 379,738,890	\$ 18,508,612	\$ 24,036,322
Total liabilities, deferred inflows of resources, and net position	\$ 239,416,386	\$ 223,884,378	\$ 463,300,764	\$ 24,009,734	\$ 24,768,380

See accompanying Notes to Financial Statements.

City of Austin, Minnesota
Statement of Activities
For the Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	\$ 5,046,393	\$ 838,382	\$ 40,500	\$ 28,066
Public safety	8,701,654	1,220,620	949,919	20,811
Streets and highways	6,521,531	54,098	333,567	2,744,608
Culture and recreation	7,549,679	687,943	473,849	1,159,112
Public service	452,353	45,585	97,480	19,351
Economic development	862,895	24,300	-	-
Community development	690,612	-	-	-
Interest on long-term debt	6,730	-	-	-
Total governmental activities	<u>\$ 29,831,847</u>	<u>\$ 2,870,928</u>	<u>\$ 1,895,315</u>	<u>\$ 3,971,948</u>
Business-type activities:				
Sewer user	\$ 6,639,956	\$ 9,181,524	\$ -	\$ 31,004,666
Waste transfer station	40,206	47,382	-	-
Storm water utility	403,443	347,913	30,156	615,186
Electric	36,465,911	39,348,706	-	78,774
Water	5,179,884	6,215,729	-	4,799
Gas	18,892,760	20,078,491	-	22,450
Total business-type activities	<u>\$ 67,622,160</u>	<u>\$ 75,219,745</u>	<u>\$ 30,156</u>	<u>\$ 31,725,875</u>
Total primary government	<u>\$ 97,454,007</u>	<u>\$ 78,090,673</u>	<u>\$ 1,925,471</u>	<u>\$ 35,697,823</u>
Component units:				
Housing and Redevelopment Authority	\$ 6,082,461	\$ 3,495,525	\$ 1,618,352	\$ 749,357
Port Authority	765,385	95,769	-	-
Total component units	<u>\$ 6,847,846</u>	<u>\$ 3,591,294</u>	<u>\$ 1,618,352</u>	<u>\$ 749,357</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

Net position - ending

See accompanying Notes to Financial Statements.

Net (Expense) Revenue and
Changes in Net Position

Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Housing Authority	Port Authority
\$ (4,139,445)	\$ -	\$ (4,139,445)	\$ -	\$ -
(6,510,304)	-	(6,510,304)	-	-
(3,389,258)	-	(3,389,258)	-	-
(5,228,775)	-	(5,228,775)	-	-
(289,937)	-	(289,937)	-	-
(838,595)	-	(838,595)	-	-
(690,612)	-	(690,612)	-	-
(6,730)	-	(6,730)	-	-
<u>\$ (21,093,656)</u>	<u>\$ -</u>	<u>\$ (21,093,656)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 33,546,234	\$ 33,546,234	\$ -	\$ -
-	7,176	7,176	-	-
-	589,812	589,812	-	-
-	2,961,569	2,961,569	-	-
-	1,040,644	1,040,644	-	-
-	1,208,181	1,208,181	-	-
<u>\$ -</u>	<u>\$ 39,353,616</u>	<u>\$ 39,353,616</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ (21,093,656)</u>	<u>\$ 39,353,616</u>	<u>\$ 18,259,960</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (219,227)	\$ -
-	-	-	-	(669,616)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (219,227)</u>	<u>\$ (669,616)</u>
\$ 8,583,830	\$ -	\$ 8,583,830	\$ 242,573	\$ 40,561
402,639	-	402,639	-	-
1,994,668	-	1,994,668	-	-
453,079	-	453,079	-	-
9,011,940	-	9,011,940	-	-
2,079,295	1,593,563	3,672,858	116,223	130,132
29,759	46,764	76,523	307,511	140,411
-	50,747	50,747	-	350,000
1,073,899	(1,073,899)	-	-	-
<u>\$ 23,629,109</u>	<u>\$ 617,175</u>	<u>\$ 24,246,284</u>	<u>\$ 666,307</u>	<u>\$ 661,104</u>
\$ 2,535,453	\$ 39,970,791	\$ 42,506,244	\$ 447,080	\$ (8,512)
<u>211,450,979</u>	<u>125,781,667</u>	<u>337,232,646</u>	<u>18,061,532</u>	<u>24,044,834</u>
<u>\$ 213,986,432</u>	<u>\$ 165,752,458</u>	<u>\$ 379,738,890</u>	<u>\$ 18,508,612</u>	<u>\$ 24,036,322</u>

City of Austin, Minnesota
Balance Sheet
Governmental Funds
December 31, 2023

	General	Local Option Sales Tax	State Aid Street
Assets			
Cash and investments	\$ 11,585,615	\$ 7,149,011	\$ 2,151,615
Taxes receivable	140,011	-	-
Accounts receivable	197,372	-	-
Notes receivable, net of allowance for uncollectibles	117,255	-	-
Special assessments receivable	342,614	-	639,320
Accrued interest receivable	263,846	-	-
Due from other funds	544,650	-	-
Due from other governments	332,250	409,482	2,250,759
Leases receivable	128,491	-	-
Advances to component unit	-	-	-
Total assets	\$ 13,652,104	\$ 7,558,493	\$ 5,041,694
Liabilities			
Vouchers payable	\$ 206,518	\$ 55,436	\$ 68,620
Contractors' retained percentage	7,077	-	176,482
Deposits	94,341	-	-
Accrued expenditures	561,453	-	-
Due to other funds	140,242	-	-
Due to other governments	91,507	-	549
Unearned revenues	1,500	-	-
Total liabilities	\$ 1,102,638	\$ 55,436	\$ 245,651
Deferred inflows of resources			
Unavailable revenue	\$ 599,880	\$ -	\$ 2,889,119
Leases receivable related	128,491	-	-
Total deferred inflows of resources	\$ 728,371	\$ -	\$ 2,889,119
Fund balance			
Nonspendable:			
Permanent fund principal	\$ -	\$ -	\$ -
Restricted for:			
Police - operations	161,038	-	-
Fire - operations	12,013	-	-
Parks and recreation	12,718	-	-
Other capital projects	172,627	7,503,057	-
Library - programming	94	-	-
Committed to:			
Other capital projects	77,859	-	-
Library - programming	-	-	-
Parks and recreation - programming	-	-	-
Assigned to:			
Police - capital projects	-	-	-
Streets and highways - capital projects	-	-	1,906,924
Other capital projects	-	-	-
Economic development projects	133,200	-	-
Library - programming	-	-	-
Unassigned:	11,251,546	-	-
Total fund balance	\$ 11,821,095	\$ 7,503,057	\$ 1,906,924
Total liabilities, deferred inflows of resources, and fund balance	\$ 13,652,104	\$ 7,558,493	\$ 5,041,694

See accompanying Notes to Financial Statements.

Other Governmental Funds	Total Governmental Funds
\$ 9,333,874	\$ 30,220,115
61,635	201,646
30,854	228,226
325,000	442,255
2,460,761	3,442,695
8,687	272,533
8,059	552,709
622,561	3,615,052
-	128,491
494,012	494,012
<u>\$ 13,345,443</u>	<u>\$ 39,597,734</u>
\$ 255,378	\$ 585,952
256,498	440,057
-	94,341
36,283	597,736
282,306	422,548
325,000	417,056
-	1,500
<u>\$ 1,155,465</u>	<u>\$ 2,559,190</u>
\$ 2,522,396	\$ 6,011,395
-	128,491
<u>\$ 2,522,396</u>	<u>\$ 6,139,886</u>
\$ 136,052	\$ 136,052
-	161,038
229,297	241,310
-	12,718
-	7,675,684
973,168	973,262
24,015	101,874
843,280	843,280
154,724	154,724
801	801
-	1,906,924
7,418,450	7,418,450
-	133,200
26,936	26,936
(139,141)	11,112,405
<u>\$ 9,667,582</u>	<u>\$ 30,898,658</u>
<u>\$ 13,345,443</u>	<u>\$ 39,597,734</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, 2023

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

Total governmental fund balances (page 23)	\$ 30,898,658
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Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the funds.

Cost of capital assets	246,418,194	
Less accumulated depreciation	<u>(75,990,783)</u>	
		170,427,411

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Compensated absences payable	(2,146,258)	
Total OPEB liability	(1,067,449)	
Net pension liability	<u>(9,513,474)</u>	
		(12,727,181)

Some receivables are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.	6,011,394
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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	19,326,894
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Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future reporting periods and, therefore, are not reported in the funds

Deferred outflows related to pensions	9,885,443	
Deferred outflows related to OPEB	134,955	
Deferred inflows related to pensions	(9,566,367)	
Deferred inflows related to OPEB	<u>(404,775)</u>	
		<u>49,256</u>

Net position of governmental activities (page 19)	<u><u>\$ 213,986,432</u></u>
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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, 2023

	<u>General</u>	<u>Local Option Sales Tax</u>	<u>State Aid Street</u>
Revenues			
Taxes	\$ 6,274,024	\$ 1,994,668	\$ -
Special assessments	52,153	-	320,408
Licenses and permits	903,634	-	-
Intergovernmental	10,217,362	-	3,162,581
Charges for services	808,231	-	-
Fines and forfeits	170,672	-	-
Miscellaneous	1,012,791	166,918	108,995
Total revenues	<u>\$ 19,438,867</u>	<u>\$ 2,161,586</u>	<u>\$ 3,591,984</u>
Expenditures			
Current			
General government	\$ 2,465,811	\$ -	\$ -
Public safety	8,578,098	-	-
Streets and highways	3,857,177	-	-
Culture and recreation	4,277,707	-	-
Public service	114,007	-	-
Economic development	401,010	-	-
Capital outlay	-	89,188	3,821,007
Debt service			
Interest and fiscal charges	-	-	-
Total expenditures	<u>\$ 19,693,810</u>	<u>\$ 89,188</u>	<u>\$ 3,821,007</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (254,943)</u>	<u>\$ 2,072,398</u>	<u>\$ (229,023)</u>
Other financing sources (uses)			
Transfers in	\$ 1,639,085	\$ -	\$ -
Transfers out	(504,856)	-	-
Total other financing sources (uses)	<u>\$ 1,134,229</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance	\$ 879,286	\$ 2,072,398	\$ (229,023)
Fund balance - beginning	<u>10,941,809</u>	<u>5,430,659</u>	<u>2,135,947</u>
Fund balance - ending	<u>\$ 11,821,095</u>	<u>\$ 7,503,057</u>	<u>\$ 1,906,924</u>

See accompanying Notes to Financial Statements.

Other Governmental Funds	Total Governmental Funds
\$ 2,933,546	\$ 11,202,238
680,570	1,053,131
-	903,634
794,677	14,174,620
139,449	947,680
1,399	172,071
2,073,734	3,362,438
<u>\$ 6,623,375</u>	<u>\$ 31,815,812</u>
\$ -	\$ 2,465,811
32,321	8,610,419
-	3,857,177
1,813,574	6,091,281
-	114,007
-	401,010
5,365,001	9,275,196
468,615	468,615
<u>\$ 7,679,511</u>	<u>\$ 31,283,516</u>
<u>\$ (1,056,136)</u>	<u>\$ 532,296</u>
\$ 745,500	\$ 2,384,585
-	(504,856)
<u>\$ 745,500</u>	<u>\$ 1,879,729</u>
\$ (310,636)	\$ 2,412,025
9,978,218	28,486,633
<u>\$ 9,667,582</u>	<u>\$ 30,898,658</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, 2023

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

Net change in fund balances - total governmental funds (page 27)	\$ 2,412,025
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 \$7,976,242 exceeded depreciation (\$6,131,346) in the current period.	1,844,896
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 \$123,600 less disposal of capital assets (\$15,812).	107,788
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(1,462,373)
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.	(1,312,835)
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>945,952</u>
Change in net position of governmental activities (page 21)	<u><u>\$ 2,535,453</u></u>

See accompanying Notes to Financial Statements.

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City of Austin, Minnesota
Statement of Net Position
Proprietary Funds
December 31, 2023

	Business-type Activities - Enterprise		
	Sewer User	Utilities	Other Enterprise Funds
Assets			
Current assets			
Cash and investments	\$ 17,129,475	\$ 25,188,362	\$ 1,712,082
Accounts receivable, net	2,235,693	6,420,940	1,585
Accrued interest receivable	418	-	661
Special assessments receivable, current portion	102,258	-	-
Notes receivable, current portion	-	9,725	-
Due from other funds	754,879	257,043	114,860
Due from other governments	1,105,975	-	30,156
Lease receivable, current portion	16,103	33,738	48,439
Inventory	-	2,238,000	-
Prepaid items	-	314,514	-
Total current assets	\$ 21,344,801	\$ 34,462,322	\$ 1,907,783
Noncurrent assets			
Restricted investments	\$ -	\$ 2,146,189	\$ -
Special assessments receivable, noncurrent portion	824,472	-	-
Other assets	-	48,339	-
Lease receivable, noncurrent portion	151,074	165,318	191,831
Capital assets:			
Capital assets	\$ 61,738,425	\$ 127,862,397	\$ 8,494,211
Accumulated depreciation	(23,937,420)	(55,659,248)	(1,550,804)
Net	\$ 37,801,005	\$ 72,203,149	\$ 6,943,407
Construction in progress	42,174,901	-	921,567
Net capital assets	\$ 79,975,906	\$ 72,203,149	\$ 7,864,974
Total noncurrent assets	\$ 80,951,452	\$ 74,562,995	\$ 8,056,805
Total assets	\$ 102,296,253	\$ 109,025,317	\$ 9,964,588
Deferred outflows of resources			
Pension related	\$ 335,235	\$ 1,360,436	\$ 23,746
OPEB related	23,557	1,863,055	1,707
Total deferred outflows of resources	\$ 358,792	\$ 3,223,491	\$ 25,453
Total assets and deferred outflows of resources	\$ 102,655,045	\$ 112,248,808	\$ 9,990,041

See accompanying Notes to Financial Statements.

<u>Funds</u>	<u>Governmental Activities - Internal Service Funds</u>
<u>Totals</u>	
\$ 44,029,919	\$ 11,770,291
8,658,218	-
1,079	-
102,258	-
9,725	-
1,126,782	-
1,136,131	-
98,280	-
2,238,000	94,109
314,514	210,893
<u>\$ 57,714,906</u>	<u>\$ 12,075,293</u>
\$ 2,146,189	\$ -
824,472	-
48,339	-
508,223	-
\$ 198,095,033	\$ 18,129,277
(81,147,472)	(10,039,775)
<u>\$ 116,947,561</u>	<u>\$ 8,089,502</u>
43,096,468	103,890
<u>\$ 160,044,029</u>	<u>\$ 8,193,392</u>
<u>\$ 163,571,252</u>	<u>\$ 8,193,392</u>
<u>\$ 221,286,158</u>	<u>\$ 20,268,685</u>
\$ 1,719,417	\$ 85,663
<u>1,888,319</u>	<u>5,964</u>
<u>\$ 3,607,736</u>	<u>\$ 91,627</u>
<u>\$ 224,893,894</u>	<u>\$ 20,360,312</u>

(continued)

City of Austin, Minnesota
Statement of Net Position (continued)
Proprietary Funds
December 31, 2023

	Business-type Activities - Enterprise		
	Sewer User	Utilities	Other Enterprise Funds
Liabilities			
Current liabilities			
Vouchers payable	\$ 1,920,800	\$ 4,099,709	\$ 23,267
Contractors' retained percentage	1,769,107	-	-
Accrued expenses	91,612	1,404,848	6,014
Lease payable, current portion	-	16,877	-
Bonds payable, current portion	1,962,632	1,185,000	-
Compensated absences, current portion	133,891	500,000	3,013
Other postemployment benefits payable, current portion	10,122	1,106,252	735
Due to other funds	105,718	1,144,297	2,453
Other current liabilities	-	484,186	-
Total current liabilities	<u>\$ 5,993,882</u>	<u>\$ 9,941,169</u>	<u>\$ 35,482</u>
Noncurrent liabilities			
Lease payable	\$ -	\$ 1,532	\$ -
Bonds payable	2,376,471	13,280,009	-
Net pension liability	1,168,139	5,172,496	82,743
Other postemployment benefits payable	176,208	14,721,861	12,770
Compensated absences	12,871	1,323,860	-
Total noncurrent liabilities	<u>\$ 3,733,689</u>	<u>\$ 34,499,758</u>	<u>\$ 95,513</u>
Total liabilities	<u>\$ 9,727,571</u>	<u>\$ 44,440,927</u>	<u>\$ 130,995</u>
Deferred inflows of resources			
Community Solar Program Related	\$ -	\$ 23,360	\$ -
Pension related	380,717	1,769,132	26,967
OPEB related	70,656	2,202,439	5,121
Lease receivable related	167,177	199,056	240,270
Total deferred inflows of resources	<u>\$ 618,550</u>	<u>\$ 4,193,987</u>	<u>\$ 272,358</u>
Net position			
Net investment in capital assets	\$ 72,243,490	\$ 57,719,731	\$ 7,864,974
Restricted	-	-	-
Unrestricted	20,065,434	5,894,163	1,721,714
Total net position	<u>\$ 92,308,924</u>	<u>\$ 63,613,894</u>	<u>\$ 9,586,688</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 102,655,045</u>	<u>\$ 112,248,808</u>	<u>\$ 9,990,041</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 Activities - Internal Service Funds</u>
<u>Totals</u>	
\$ 6,043,776	\$ 189,577
1,769,107	-
1,502,474	137,483
16,877	-
3,147,632	-
636,904	-
1,117,109	2,562
1,252,468	4,475
484,186	-
<u>\$ 15,970,533</u>	<u>\$ 334,097</u>
\$ 1,532	\$ -
15,656,480	-
6,423,378	298,498
14,910,839	44,610
1,336,731	-
<u>\$ 38,328,960</u>	<u>\$ 343,108</u>
<u>\$ 54,299,493</u>	<u>\$ 677,205</u>
\$ 23,360	\$ -
2,176,816	97,286
2,278,216	17,887
606,503	-
<u>\$ 5,084,895</u>	<u>\$ 115,173</u>
\$ 137,828,195	\$ 8,193,392
-	1,054,998
<u>27,681,311</u>	<u>10,319,544</u>
<u>\$ 165,509,506</u>	<u>\$ 19,567,934</u>
<u>\$ 224,893,894</u>	<u>\$ 20,360,312</u>
<u>242,952</u>	
<u>\$ 165,752,458</u>	

City of Austin, Minnesota
Statement of Revenues, Expenses, and
Changes in Net Position - Proprietary Funds
For the Year Ended December 31, 2023

	Business-type Activities - Enterprise		
	Sewer User	Utilities	Other Enterprise Funds
Operating revenues			
Charges for services	\$ 9,181,523	\$ 64,846,290	\$ 963,099
Other operating revenues	-	796,636	45,798
Total operating revenues	<u>\$ 9,181,523</u>	<u>\$ 65,642,926</u>	<u>\$ 1,008,897</u>
Operating expenses			
Salaries and benefits	\$ 2,286,253	\$ -	\$ 136,964
Supplies and maintenance	2,810,958	-	138,624
Administrative and general	245,729	-	81,015
Claims	-	-	-
Retirement benefits	-	-	-
Insurance premiums	-	-	-
Utilities expense	-	56,496,854	-
Total operating expenses, excluding depreciation	<u>\$ 5,342,940</u>	<u>\$ 56,496,854</u>	<u>\$ 356,603</u>
Depreciation	1,278,550	3,561,011	138,321
Total operating expenses	<u>\$ 6,621,490</u>	<u>\$ 60,057,865</u>	<u>\$ 494,924</u>
Operating income (loss)	<u>\$ 2,560,033</u>	<u>\$ 5,585,061</u>	<u>\$ 513,973</u>
Non-operating revenues (expenses)			
Investment income	\$ 405,488	\$ 1,129,675	\$ 53,169
Interest earnings on note	5,231	-	-
Interest expense	(6,120)	(480,690)	-
Other grants	-	-	-
Gain on disposal of capital assets	-	50,747	-
Miscellaneous revenues	29,350	-	49,155
Total non-operating revenues (expenses)	<u>\$ 433,949</u>	<u>\$ 699,732</u>	<u>\$ 102,324</u>
Net income before contributions and transfers	<u>\$ 2,993,982</u>	<u>\$ 6,284,793</u>	<u>\$ 616,297</u>
Capital contributions	\$ 31,004,666	\$ 106,023	\$ 615,186
Transfers in	-	-	-
Transfers out	-	(1,639,085)	-
Change in net position	<u>\$ 33,998,648</u>	<u>\$ 4,751,731</u>	<u>\$ 1,231,483</u>
Total net position - beginning	<u>58,310,276</u>	<u>58,862,163</u>	<u>8,355,205</u>
Total net position - ending	<u><u>\$ 92,308,924</u></u>	<u><u>\$ 63,613,894</u></u>	<u><u>\$ 9,586,688</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 Activities - Internal Service Funds</u>
<u>Totals</u>	
\$ 74,990,912	\$ 4,486,834
842,434	-
<u>\$ 75,833,346</u>	<u>\$ 4,486,834</u>
\$ 2,423,217	\$ 552,219
2,949,582	600,414
326,744	200,437
-	393,548
-	140,298
-	2,220,799
<u>56,496,854</u>	-
<u>\$ 62,196,397</u>	<u>\$ 4,107,715</u>
4,977,882	807,835
<u>\$ 67,174,279</u>	<u>\$ 4,915,550</u>
<u>\$ 8,659,067</u>	<u>\$ (428,716)</u>
\$ 1,588,332	\$ 424,863
5,231	-
(486,810)	-
-	1,054,998
50,747	59,919
78,505	64,124
<u>\$ 1,236,005</u>	<u>\$ 1,603,904</u>
<u>\$ 9,895,072</u>	<u>\$ 1,175,188</u>
\$ 31,725,875	\$ -
-	484,356
(1,639,085)	(725,000)
\$ 39,981,862	\$ 934,544
<u>125,527,644</u>	<u>18,633,390</u>
<u>\$ 165,509,506</u>	<u>\$ 19,567,934</u>
<u>(11,071)</u>	
<u>\$ 39,970,791</u>	

City of Austin, Minnesota
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023

	<u>Business-type Activities</u>	
	<u>Sewer User</u>	<u>Utilities</u>
Cash flows from operating activities		
Receipts from customers and users	\$ 7,468,807	\$ 65,692,462
Payments to suppliers	(3,137,218)	(48,241,256)
Payments to employees	(2,153,453)	(8,350,866)
Payments to retirees	-	-
Other receipts	29,350	-
Other expenses	-	(1,250,143)
Net cash provided by operating activities	<u>\$ 2,207,486</u>	<u>\$ 7,850,197</u>
Cash flows from non-capital financing activities		
Transfers to other funds	\$ -	\$ (1,639,085)
Transfers from other funds	-	-
Net cash used by non-capital financing activities	<u>\$ -</u>	<u>\$ (1,639,085)</u>
Cash flows from capital and related financing activities		
Capital asset acquisitions	\$ (33,083,662)	\$ (5,858,660)
Capital contributions	31,019,174	106,023
Proceeds from the sales of capital assets	-	50,747
Proceeds from the issuance of debt	4,389,104	-
Reduction of long-term debt	(50,001)	(1,166,494)
Interest paid on bonds and notes	(6,120)	(494,267)
Net cash provided (used) by capital and related financing activities	<u>\$ 2,268,495</u>	<u>\$ (7,362,651)</u>
Cash flows from investing activities		
Investment income	\$ 405,527	\$ 266,708
Payments from issuance of notes receivable	-	(9,725)
Principal and interest received on note receivable	5,232	-
Purchases of other investments and special funds	-	(5,294,804)
Sales of other investments and special funds	-	4,490,195
Net cash flows provided (used) by investing activities	<u>\$ 410,759</u>	<u>\$ (547,626)</u>
Net increase (decrease) in cash and cash equivalents	\$ 4,886,740	\$ (1,699,165)
Cash and cash equivalents - beginning	12,242,735	4,598,766
Cash and cash equivalents - ending	<u>\$ 17,129,475</u>	<u>\$ 2,899,601</u>

See accompanying Notes to Financial Statements.

<u>- Enterprise Funds</u>		<u>Governmental Activities - Internal Service Funds</u>	
<u>Other Enterprise Funds</u>	<u>Totals</u>		
\$ 980,255	\$ 74,141,524	\$ 4,487,748	
(209,405)	(51,587,879)	(3,487,798)	
(159,118)	(10,663,437)	(564,214)	
-	-	(140,298)	
49,155	78,505	1,119,122	
-	(1,250,143)	-	
<u>\$ 660,887</u>	<u>\$ 10,718,570</u>	<u>\$ 1,414,560</u>	
\$ -	\$ (1,639,085)	\$ (725,000)	
-	-	484,356	
<u>\$ -</u>	<u>\$ (1,639,085)</u>	<u>\$ (240,644)</u>	
\$ (153,232)	\$ (39,095,554)	\$ (1,076,205)	
-	31,125,197	-	
-	50,747	59,919	
-	4,389,104	-	
-	(1,216,495)	-	
-	(500,387)	-	
<u>\$ (153,232)</u>	<u>\$ (5,247,388)</u>	<u>\$ (1,016,286)</u>	
\$ 53,294	\$ 725,529	\$ 424,863	
-	(9,725)	-	
-	5,232	-	
-	(5,294,804)	-	
-	4,490,195	-	
<u>\$ 53,294</u>	<u>\$ (83,573)</u>	<u>\$ 424,863</u>	
\$ 560,949	\$ 3,748,524	\$ 582,493	
1,151,133	17,992,634	11,187,798	
<u>\$ 1,712,082</u>	<u>\$ 21,741,158</u>	<u>\$ 11,770,291</u>	

(continued)

City of Austin, Minnesota
Statement of Cash Flows (continued)
Proprietary Funds
For the Year Ended December 31, 2023

	Business-type Activities	
	Sewer User	Utilities
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 2,560,033	\$ 5,585,061
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	1,278,550	3,561,011
Miscellaneous revenues	29,350	-
Miscellaneous expenses	-	(12,274)
Change in net pension liability	(479,358)	(2,367,375)
Change in deferred inflows of resources - pension related	356,417	1,657,922
Change in deferred inflows of resources - OPEB related	(12,004)	2,141,831
Change in deferred outflows of resources - pension related	224,024	1,021,278
Change in deferred outflows of resources - OPEB related	4	1,264,624
Change in deferred inflows of resources - community solar related	-	3,643
Change in other postemployment benefits payable	24,957	(3,933,849)
(Increase) decrease in assets:		
Accounts receivable	(680,571)	542,729
Due from other funds	(82,358)	(59,305)
Due from other governments	(949,787)	-
Inventory	-	85,032
Prepaid items	-	(15,211)
Other assets	-	3,538
Increase (decrease) in liabilities:		
Vouchers payable	58,348	(1,464,333)
Contractors' retained percentage	(119,234)	-
Accrued expenses	18,760	(222,749)
Due to other funds	(19,645)	82,427
Other current liabilities	-	(23,803)
Net cash provided by operating activities	\$ 2,207,486	\$ 7,850,197
Noncash investing, capital, and financing activities:		
Change in fair value of investments	\$ -	\$ 841,389
Receipt of contributed capital assets	-	-
Capital asset acquisitions in vouchers payable	1,624,206	-
Capital asset acquisitions in retainage payable	1,769,107	-
Reconciliation of total cash and cash equivalents to cash and investments:		
Cash and cash equivalents	\$ 17,129,475	\$ 2,899,601
Other unrestricted investments	-	22,288,761
Total cash and investments	\$ 17,129,475	\$ 25,188,362

See accompanying Notes to Financial Statements.

<u>- Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
<u>Other Enterprise Funds</u>	<u>Totals</u>		
\$ 513,973	\$ 8,659,067	\$	(428,716)
138,321	4,977,882		807,835
47,570	76,920		1,119,122
-	(12,274)		-
(71,627)	(2,918,360)		(183,857)
24,690	2,039,029		90,172
(2,715)	2,127,112		(7,247)
28,656	1,273,958		78,078
527	1,265,155		1,201
-	3,643		-
(1,793)	(3,910,685)		(1,895)
3,120	(134,722)		914
(21)	(141,684)		-
(30,156)	(979,943)		-
-	85,032		(11,163)
-	(15,211)		-
-	3,538		-
13,050	(1,392,935)		(50,108)
(1,881)	(121,115)		-
306	(203,683)		1,666
(1,133)	61,649		(1,442)
-	(23,803)		-
<u>\$ 660,887</u>	<u>\$ 10,718,570</u>	<u>\$</u>	<u>1,414,560</u>
\$ -	\$ 841,389	\$	-
615,186	615,186		-
-	1,624,206		-
-	1,769,107		-
\$ 1,712,082	\$ 21,741,158	\$	11,770,291
-	22,288,761		-
<u>\$ 1,712,082</u>	<u>\$ 44,029,919</u>	<u>\$</u>	<u>11,770,291</u>

City of Austin, Minnesota
Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2023

	<u>Custodial Fund</u>
Assets	
Cash and cash equivalents	\$ 463,313
Receivables	
Loans receivable, net of allowance of \$15,474	176,145
Accrued interest	<u>348</u>
Total assets	<u>\$ 639,806</u>
Liabilities	
Accounts payable	<u>\$ 4,794</u>
Total liabilities	<u>\$ 4,794</u>
Net Position	
Restricted for other governments	<u>\$ 635,012</u>
Total net position	<u><u>\$ 635,012</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, 2023

	<u>Custodial Fund</u>
Additions	
Investment income	
Interest earned on loans	\$ 4,584
Interest earned on investments	19,696
Miscellaneous	<u>840</u>
Total additions	<u>\$ 25,120</u>
 Deductions	
Administration	<u>\$ 6,474</u>
Total deductions	<u>\$ 6,474</u>
Net increase	\$ 18,646
Net position - beginning	<u>616,366</u>
Net position - ending	<u><u>\$ 635,012</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, 2023**

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, 2023. Copies of the HRA's financial statements may be obtained at 308 2nd 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 4th Avenue NE, Austin, Minnesota 55912.

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Reporting Entity (continued)

Blended Component Unit

Austin Utilities (Utilities) serves all the citizens of the City and is governed by a board composed of the Utilities' board of commissioners. The rates for user charges and bond issuance authorizations are approved by the Utilities' board of commissioners and the City is legally obligated to provide resources in case there are deficiencies in debt service payments and resources are not available from any other remedies. The Utilities is reported as an enterprise fund and issues separate financial statements. Copies of the Utilities' financial statements may be obtained at 1908 14th Street NE, Austin, Minnesota 55912.

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, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports the following major proprietary funds and blended component units:

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, 2023**

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 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, 2023**

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.

2. Excess of Expenditures over Appropriations

For the year ended December 31, 2023, the Recreation Programs Fund had expenditures over budget by \$14,782 as a result of some unexpected operational costs due to additional program participation. This expenditure in excess of the 2023 budget was funded by excess revenues collected in those programs, plus fund balance.

3. Deficit Fund Balance

For the year ended December 31, 2023, the Tax Increment Revenue Pool Fund has a deficit fund balance. The deficit is the result of a debt issuance that was paid off in prior years, using an advance from the General Fund. The fund balance will turn positive as future tax increments are collected by the Tax Increment Revenue Pool Fund.

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.

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

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.

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.

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

3. Allowance for Uncollectible Accounts

The City calculates its allowance for uncollectible accounts using specific account analysis. The allowance at December 31, 2023 is composed of the following:

Governmental Funds:	
Notes Receivable	\$ 2,635,989
Total Allowance for Uncollectible Accounts	<u>\$ 2,635,989</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.

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.

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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:

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

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

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*, represent a consumption of net assets that applies to future periods 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*, represent an acquisition of net assets that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has six 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 this reporting is lease related. The fifth and sixth 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. The sixth item that qualifies as this reporting element is related to leases receivable. 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, 2023**

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, 2023**

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, 2023**

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 1st. 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, 2023**

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, 2023 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.
- d. Bankers acceptances of the United States banks eligible for purchase by the Federal Reserve System.

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

A. Deposits and investments (continued)

Investments (continued)

- 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, 2023 are as follows:

Investments Held at Amortized Cost

Investments Held at Amortized Cost

Bankers Acceptances	\$ 989,577
Mutual Funds (4M Fund)	<u>9,893,836</u>
Total	<u><u>\$ 10,883,413</u></u>

Investments Held at Fair Value

Investments Held at Fair Value

Federal Home Loan Bank Notes	\$ 36,373,097
Federal National Mortgage Association Notes	1,681,423
Federal Home Loan Mortgage Corporate Discount Notes	12,343,493
Federal Farm Credit Bank Notes	4,526,406
Development Bonds	3,343,982
Negotiable Certificates of Deposit	2,180,404
USB Select Treasury Institutional Fund	<u>1,073,777</u>
Total	<u><u>\$ 61,522,582</u></u>

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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, 2023 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	\$ 36,373,097	\$ 17,207,002	\$ 19,166,095	\$ -	\$ -
Federal National Mortgage Association Notes	1,681,423	1,180,913	500,510	-	-
Federal Home Loan Mortgage Corporate Discount Notes	12,343,493	6,970,221	5,373,272	-	-
Federal Farm Credit Bank Notes	4,526,406	3,327,040	1,199,366	-	-
Development Bonds	3,343,982	548,914	2,795,068	-	-
Negotiable Certificates of Deposit	2,180,404	2,180,404	-	-	-
Bankers Acceptances	989,577	989,577	-	-	-
USB Select Treasury Institutional Fund	1,073,777	1,073,777	-	-	-
Mutual Funds (4M Fund)	9,893,836	9,893,836	-	-	-
	<u>\$ 72,405,995</u>	<u>\$ 43,371,684</u>	<u>\$ 29,034,311</u>	<u>\$ -</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.

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, 2023, 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 is not rated.

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

A. Deposits and investments (continued)

Investments (continued)

Credit Risk (continued)

As of December 31, 2023, the City had invested \$9,893,836 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 \$1,073,777 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, and Mutual Funds. These investments are 50.23%, 17.05%, 6.25%, and 13.66%, 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, 2023 all investments and collateral were listed in the name of the City.

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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	\$	15,758,721
Petty Cash		1,800
Investments		72,405,995
Total		88,166,516
Statement of Net Position:		
Cash and Investments – Primary Government	\$	84,242,517
Restricted Cash and Investments – Primary Government		3,923,999
Total		88,166,516

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, 2023**

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, 2023 are as follows:

As of December 31, 2023	Level 1	Level 2	Level 3	Total
Federal Home Loan Bank Notes	\$ -	\$ 36,373,097	\$ -	\$ 36,373,097
Federal National Mortgage Association Notes	-	1,681,423	-	1,681,423
Federal Home Loan Mortgage Corporate Discount Notes	-	12,343,493	-	12,343,493
Federal Farm Credit Bank Notes	-	4,526,406	-	4,526,406
Development Bonds	-	3,343,982	-	3,343,982
Negotiable Certificates of Deposit	-	2,180,404	-	2,180,404
	\$ -	\$ 60,448,805	\$ -	
Investments measured at Net Asset Value (NAV)				1,073,777
Total				\$ 61,522,582

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, 2023**

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, 2023 can be summarized as follows:

Governmental Activities:

General Fund

Murphy Creek Townhomes of Austin Limited Partnership	\$ 2,310,989
Murphy's Creek Homes, LLC	117,255
Less: allowance for uncollectibles	(2,310,989)
Subtotal General Fund	\$ 117,255

Other Nonmajor Governmental Funds

Nu-Tek BioSciences, LLC	\$ 325,000
Less: allowance for uncollectibles	(325,000)
Subtotal Other Nonmajor Governmental Funds	\$ -
Subtotal Governmental Activities	\$ 117,255

Business-Type Activities:

Enterprise Fund

Partnering in Energy Loan	\$ 9,725
Subtotal Business-Type Activities	\$ 9,725
Total Notes Receivable, net of allowance	\$ 126,980

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.

Nu-Tek BioSciences, LLC.

On March 1, 2022 the City issued a note receivable in the amount of \$325,000 to Nu-Tek BioSciences, LLC for the development of their project at the Creekside Business Park. The note receivable will be forgiven if certain job goals are created within the first three years after construction. If the criteria are not met, penalty provisions will be applied to the repayment of the loan.

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

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, 2023, and descriptions are as follows:

<u>Governmental activities</u>	
Fire PERA	\$ 229,926
Public Safety Aid	104,300
Housing Aid	120,070
Other purposes - expendable	105,532
Other police purposes - nonexpendable	30,691
Library purposes – expendable	947,746
Library purposes – Nonexpendable	161,686
Senior Citizens Center	77,859
Total governmental activities	<u>\$ 1,777,810</u>
<u>Business-type activities</u>	
Utilities employee sick pay benefits fund	<u>\$ 2,146,189</u>
Total business-type activities	<u>\$ 2,146,189</u>
Total Restricted Assets	<u><u>\$ 3,923,999</u></u>

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

E. Capital Assets

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

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 27,569,654	\$ 43,160	\$ -	\$ 27,612,814
Construction in progress	10,042,054	7,006,074	8,860,016	8,188,112
Total capital assets, not being depreciated	<u>\$ 37,611,708</u>	<u>\$ 7,049,234</u>	<u>\$ 8,860,016</u>	<u>\$ 35,800,926</u>
Capital assets, being depreciated:				
Buildings	\$ 57,624,766	\$ 1,595,842	\$ -	\$ 59,220,608
Improvements other than buildings	42,652,530	779,267	-	43,431,797
Infrastructure	93,552,621	7,111,833	-	100,664,454
Machinery and Equipment	24,790,992	1,499,888	757,305	25,533,575
Total capital assets, being depreciated	<u>\$ 218,620,909</u>	<u>\$ 10,986,830</u>	<u>\$ 757,305</u>	<u>\$ 228,850,434</u>
Less accumulated depreciation for:				
Buildings	\$ 15,230,712	\$ 1,451,240	\$ -	\$ 16,681,952
Improvements other than buildings	9,073,009	1,372,129	-	10,445,138
Infrastructure	41,558,017	2,696,863	-	44,254,880
Machinery and Equipment	13,971,131	1,418,950	741,493	14,648,588
Total accumulated depreciation	<u>\$ 79,832,869</u>	<u>\$ 6,939,182</u>	<u>\$ 741,493</u>	<u>\$ 86,030,558</u>
Total capital assets, being depreciated, net	<u>\$ 138,788,040</u>	<u>\$ 4,047,648</u>	<u>\$ 15,812</u>	<u>\$ 142,819,876</u>
Governmental activities capital assets, net	<u>\$ 176,399,748</u>	<u>\$ 11,096,882</u>	<u>\$ 8,875,828</u>	<u>\$ 178,620,802</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 781,210	\$ -	\$ 524	\$ 780,686
Construction in progress	9,734,428	33,375,620	13,579	43,096,469
Total capital assets, not being depreciated	<u>\$ 10,515,638</u>	<u>\$ 33,375,620</u>	<u>\$ 14,103</u>	<u>\$ 43,877,155</u>
Capital assets, being depreciated:				
Buildings	\$ 57,698,652	\$ 2,195,018	\$ -	\$ 59,893,670
Improvements other than buildings	1,923,690	-	-	1,923,690
Infrastructure	24,121,610	1,410,844	-	25,532,454
Machinery and Equipment	105,286,404	6,136,674	1,509,894	109,913,184
Right-to-use asset - equipment	51,347	-	-	51,347
Total capital assets, being depreciated	<u>\$ 189,081,703</u>	<u>\$ 9,742,536</u>	<u>\$ 1,509,894</u>	<u>\$ 197,314,345</u>
Less accumulated depreciation for:				
Buildings	\$ 21,470,798	\$ 1,270,267	\$ -	\$ 22,741,065
Improvements other than buildings	980,385	48,915	-	1,029,300
Infrastructure	2,947,188	414,826	-	3,362,014
Machinery and Equipment	52,264,897	3,227,659	1,509,894	53,982,662
Right-to-use asset - equipment	16,215	16,215	-	32,430
Total accumulated depreciation	<u>\$ 77,679,483</u>	<u>\$ 4,977,882</u>	<u>\$ 1,509,894</u>	<u>\$ 81,147,471</u>
Total capital assets, being depreciated, net	<u>\$ 111,402,220</u>	<u>\$ 4,764,654</u>	<u>\$ -</u>	<u>\$ 116,166,874</u>
Business-type activities capital assets, net	<u>\$ 121,917,858</u>	<u>\$ 38,140,274</u>	<u>\$ 14,103</u>	<u>\$ 160,044,029</u>

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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	\$ 356,348
Public safety	287,471
Streets and highways	2,415,026
Culture and recreation	2,045,831
Public Service	336,058
Community development	690,613
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of assets	807,835

Total depreciation expense – governmental activities	\$ 6,939,182
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Business-type activities:

Sewer	\$ 1,278,550
Waste Transfer Station	11,860
Storm Water	126,461
Utilities	3,561,011

Total depreciation expense – business-type activities	\$ 4,977,882
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Construction Commitments

The City has active construction projects as of December 31, 2023. The projects include street improvements, airport improvements, building improvements, storm water improvements, and wastewater treatment improvements. At year-end the City's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Street improvements	\$ 8,173,158	\$ 815,770
Sewer System improvements	35,382,146	64,618,654
Total	\$ 43,555,304	\$ 65,434,424

The commitment for street improvements are being funded primarily by fund balance and by State and Federal grants. The sewer system improvements are being financed partially by a 1.912% loan from the Minnesota Public Facilities Authority (PFA) that is in process of approval, state and federal grants, and cash contributions by the major industrial user of the wastewater treatment plant.

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

E. Capital Assets (continued)

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

Discretely presented component units

	Beginning Balance	Increases	Decreases	Ending Balance
Housing Authority:				
Capital assets, not being depreciated:				
Land	\$ 2,550,940	\$ -	\$ -	\$ 2,550,940
Construction in progress	-	750,759	741,457	9,302
Total capital assets, not being depreciated	<u>\$ 2,550,940</u>	<u>\$ 750,759</u>	<u>\$ 741,457</u>	<u>\$ 2,560,242</u>
Capital assets, being depreciated:				
Buildings and Improvements	\$ 35,259,677	\$ 599,866	\$ 259,985	\$ 35,599,558
Equipment	1,414,268	441,651	229,666	1,626,253
Total capital assets, being depreciated	<u>\$ 36,673,945</u>	<u>\$ 1,041,517</u>	<u>\$ 489,651</u>	<u>\$ 37,225,811</u>
Less accumulated depreciation for:				
Buildings and Improvements	\$ 23,745,165	\$ 1,160,401	\$ 259,985	\$ 24,645,581
Equipment	955,976	76,076	229,666	802,386
Total accumulated depreciation	<u>\$ 24,701,141</u>	<u>\$ 1,236,477</u>	<u>\$ 489,651</u>	<u>\$ 25,447,967</u>
Total capital assets, being depreciated, net	<u>\$ 11,972,804</u>	<u>\$ (194,960)</u>	<u>\$ -</u>	<u>\$ 11,777,844</u>
Housing Authority capital assets, net	<u>\$ 14,523,744</u>	<u>\$ 555,799</u>	<u>\$ 741,457</u>	<u>\$ 14,338,086</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Port Authority:				
Capital assets, being depreciated:				
Buildings	\$ 23,454,467	\$ 56,137	\$ -	\$ 23,510,604
Improvements other than buildings	553,784	-	-	553,784
Machinery and Equipment	2,108,645	-	-	2,108,645
Total capital assets, being depreciated	<u>\$ 26,116,896</u>	<u>\$ 56,137</u>	<u>\$ -</u>	<u>\$ 26,173,033</u>
Less accumulated depreciation for:				
Buildings	\$ 4,090,393	\$ 587,504	\$ -	\$ 4,677,897
Improvements other than buildings	190,784	27,110	-	217,894
Machinery and Equipment	1,084,722	94,905	-	1,179,627
Total accumulated depreciation	<u>\$ 5,365,899</u>	<u>\$ 709,519</u>	<u>\$ -</u>	<u>\$ 6,075,418</u>
Port Authority capital assets, net	<u>\$ 20,750,997</u>	<u>\$ (653,382)</u>	<u>\$ -</u>	<u>\$ 20,097,615</u>

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

F. Leases Receivable:

The City, acting as lessor, leases land, towers, and antenna space under long-term lease agreements. The leases expire at various dates through 2040 and provide renewal options for up to five years.

The total future minimum lease payments to be received under lease agreements are as follows:

<u>Year Ending December 31</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 13,829	\$ 4,919	\$ 100,465	\$ 17,504
2025	11,495	4,394	105,993	14,331
2026	14,042	3,943	100,664	11,065
2027	14,641	3,390	95,227	8,026
2028	15,263	2,813	124,544	6,992
2029 - 2033	40,051	6,351	79,610	4,661
2034 - 2038	15,558	2,322	-	-
2039	3,612	126	-	-
Total	<u>\$ 128,491</u>	<u>\$ 28,258</u>	<u>\$ 606,503</u>	<u>\$ 62,579</u>

Discretely presented component units

The total future minimum lease payments to be received under lease agreements are as follows:

Housing Authority:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 48,518	\$ 18,426
2025	54,244	17,141
2026	58,028	15,727
2027	59,496	14,259
2028	61,000	12,755
2029 - 2033	261,410	43,260
2034 - 2038	162,109	17,652
2039 - 2040	60,329	1,183
Total	<u>\$ 765,134</u>	<u>\$ 140,403</u>

Port Authority:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 104,222	\$ 7,175
2025	111,291	2,314
Total	<u>\$ 215,513</u>	<u>\$ 9,489</u>

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

G. Interfund Balances and Transfers

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

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Utilities	\$ 266,499
General	Nonmajor Governmental Funds	278,151
Sewer User	Utilities	754,879
Utilities	General	140,242
Utilities	Sewer User	105,718
Utilities	Nonmajor Enterprise Funds	2,453
Utilities	Nonmajor Internal Service Funds	4,475
Utilities	Nonmajor Governmental Funds	4,155
Nonmajor Enterprise Funds	Utilities	114,860
Nonmajor Governmental Funds	Utilities	8,059
Total		\$ 1,679,491

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	\$ 494,012

Advances were made to component units to finance various projects. The amount reported as advances to component units is \$495,925. 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, 2023 is as follows:

<u>Transfers to (Fund):</u>	<u>Transfers Out (Fund)</u>			<u>Total</u>
	<u>General Fund</u>	<u>Internal Service</u>	<u>Utilities</u>	
General	\$ -	\$ -	\$ 1,639,085	\$ 1,639,085
Nonmajor Governmental	20,500	725,000	-	745,500
Internal Service Funds	484,356	-	-	484,356
Total	\$ 504,856	\$ 725,000	\$ 1,639,085	\$ 2,868,941

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

G. 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.

H. 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. The net revenues of the water system are pledged as security for the payment of these bonds. The Utilities also pledge to apply net revenues of the electric system and gas system in the event that the net revenues of the water system are not sufficient to make the annual payments on the bonds. The bonds contain a provision that if the Utilities are unable to make payment, the City shall levy an ad valorem tax upon all taxable property in the City to pay such principal and interest as they become due. Pledged revenues are expected to cover future principal and interest payments of \$400,000 and \$38,206, respectively. Pledged revenue for the current year was \$2,054,858 and principal and interest paid was \$390,000 and \$46,006, respectively. 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%	\$1,650,000
Total			<u>\$1,650,000</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>
2024	\$ 400,000	\$ 38,207
2025	410,000	29,706
2026	415,000	20,482
2027	425,000	10,625
Total	<u>\$ 1,650,000</u>	<u>\$ 99,020</u>

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

H. Long-term debt (continued)

Primary Government (continued)

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. The net revenues of the water, electric and gas systems are pledged as security for the payment of these bonds. The bonds contain a provision that if the Utilities are unable to make payment, the City shall levy an ad valorem tax all taxable property in the City to pay such principal and interest as they become due. Pledged revenues are expected to cover future principal and interest payments of \$785,000 and \$425,087, respectively. Pledged revenue for the current year was \$7,818,813 and principal and interest paid was \$760,000 and \$448,262, respectively. 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.

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%	\$ 12,655,000
Total			<u>\$ 12,655,000</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>
2024	\$ 785,000	\$ 425,087
2025	810,000	393,062
2026	850,000	355,813
2027	885,000	325,538
2028	910,000	298,613
2029 - 2033	4,995,000	1,032,194
2034 - 2036	3,420,000	186,038
Total	<u>\$ 12,655,000</u>	<u>\$ 3,016,345</u>

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

H. Long-term debt (continued)

Primary Government (continued)

General Obligation Sewer Revenue PFA Loan

The general obligation sewer revenue PFA loan currently outstanding is as follows:

<u>Business-type Activities</u>	<u>Matures</u>	<u>Interest Rates</u>	<u>Balance</u>
G.O. Sewer Revenue PFA Note, 2023, (direct borrowing)	2042	1.912%	\$ 4,339,103
Total			<u>\$ 4,339,103</u>

Annual debt service requirements to maturity will not be established until the project is complete, or the loan is fully disbursed.

On January 9, 2023, the City issued \$42,216,633 G.O. Sewer Revenue Note through the Minnesota Public Facilities Authority. This overall loan approval was subsequently lowered to \$27,716,633 after the city received a state bonding grant in the amount of \$14,500,000 to be used on the Wastewater Treatment Plant project. At December 31, 2023, the City had only drawn \$4,389,104 on this Note. The City pledged to impose and collect rates and charges in compliance with Minnesota Statutes and in accordance with the City's service charge system, so that sufficient gross revenues are available, together with other sources as may be applicable, for the payment of system costs, including operation and maintenance expenses and principal, interest and servicing fees due on any outstanding debt payable from those revenues. The amortization schedule on the previous page represents the entire Note liability. The remaining balance is expected to be drawn in 2024 and 2025.

Lease Payable

The Utilities entered into a lease for the use of equipment. Due to the implementation of GASB 87, this asset was capitalized as an intangible right-to-use asset.

The following is a schedule of the future long-term minimum lease payments required under the lease and the present value of the minimum lease payments as of December 31, 2023:

<u>Year Ending December 31</u>	<u>Business- type Activities</u>
2024	\$ 17,086
2025	1,535
Total	<u>\$ 18,621</u>
Less amount representing interest	(212)
Present value of net minimum lease payments	<u>\$ 18,409</u>

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

H. Long-term debt (continued)

Primary Government (continued)

Long-term Liability Activity

Long-term liability activity for the year ended December 31, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Compensated Absences	\$ 2,128,091	\$ 1,593,500	\$ 1,575,333	\$ 2,146,258	\$ 757,448
Governmental activities Long-term liabilities	<u>\$ 2,128,091</u>	<u>\$ 1,593,500</u>	<u>\$ 1,575,333</u>	<u>\$ 2,146,258</u>	<u>\$ 757,448</u>
Business-type activities:					
Revenue Bonds	\$ 2,040,000	\$ -	\$ 390,000	\$ 1,650,000	\$ 400,000
Capital Improvement Plan Bonds	13,415,000	-	760,000	12,655,000	785,000
G.O. Revenue Notes (direct borrowing)	-	4,389,104	50,001	4,339,103	1,962,632
Lease Payable	34,903	-	16,494	18,409	16,877
Bond Premium	186,290	-	26,281	160,009	-
Compensated Absences	2,149,461	274,877	450,703	1,973,635	636,904
Business-type activities Long-term liabilities	<u>\$ 17,825,654</u>	<u>\$ 4,663,981</u>	<u>\$ 1,693,479</u>	<u>\$ 20,796,156</u>	<u>\$ 3,801,413</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, 2023, there was one series of Industrial Revenue Bonds outstanding, with original issue amounts of \$13,335,000 and an aggregate principal amount outstanding of \$12,670,000.

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

H. 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 2023 was \$103,066 for forty-nine 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. 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. 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.

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.

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

H. Long-term debt (continued)

Primary Government (continued)

Tax Increment District Disclosure (continued)

Tax Increment District No. 15, Nu-Tek Project, is located within Municipal Development District No. 1. This economic development district was established in 2021 pursuant to Minnesota Statutes Chapter 469. The first tax increment is estimated to be received in 2023, and the duration of the district is through the year 2031. The agreement calls for 100% of the property tax increments collected to be returned to the developers.

Tax Increment District No. 16, Mill-on-Main Project, is located within Municipal Development District No. 1. This redevelopment district was established in 2022 pursuant to Minnesota Statutes Chapter 469. The first tax increment is estimated to be received in 2024, and the duration of the district is through the year 2049. The agreement calls for 79% of the property tax increments collected to be returned to the developers.

<u>Tax Increment District</u>	<u>No. 10</u>	<u>No. 12</u>	<u>No. 13</u>
Original net tax capacity	\$ 14,565	\$ 2,261	\$ 29,757
Current net tax capacity	\$ 69,738	\$ 54,965	\$ 184,156
Captured net tax capacity:			
Retained by authority	\$ 55,173	\$ 52,704	\$ 154,399
Shared with other taxing districts	\$ -	\$ -	\$ -
<u>Tax Increment returned to developers</u>	\$ -	\$ 54,771	\$ 169,993
 <u>Bonds Outstanding:</u>			
General obligation tax increment bonds issued	\$ 1,405,000	\$ -	\$ -
Bond principal retired	1,405,000	-	-
Bonds outstanding 12/31/23	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>No. 14</u>	<u>No. 15</u>	<u>No. 16</u>
Original net tax capacity	\$ 1,988	\$ 780	\$ 8,141
Current net tax capacity	\$ 28,869	\$ 60,036	\$ 79,127
Captured net tax capacity:			
Retained by authority	\$ 26,881	\$ 59,256	\$ 70,986
Shared with other taxing districts	\$ -	\$ -	\$ -
<u>Tax Increment returned to developers</u>	\$ 29,600	\$ 62,447	\$ -
 <u>Bonds Outstanding:</u>			
General obligation tax increment bonds issued	\$ -	\$ -	\$ -
Bond principal retired	-	-	-
Bonds outstanding 12/31/23	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

H. 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 Maturity Dates</u>	<u>Interest Rate</u>	<u>Due Within One Year</u>	<u>Total</u>
Gross Revenue Refunding Bonds	2018 - 2029	3.15%	\$ 430,000	\$ 2,502,000
			<u>\$ 430,000</u>	<u>\$ 2,502,000</u>
Notes from Direct Borrowing:				
	Publicly Owned Housing Program Loan Agreement		-	1,271,531
	Deferred Loan Agreement		-	35,000
	PTO Payable		61,836	61,836
	Banked PTO Payable		-	70,988
	Total Long-Term Liabilities		<u>\$ 491,836</u>	<u>\$ 3,941,355</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:

Year Ending September 30	<u>Bonds Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 430,000	\$ 75,458
2025	447,000	61,772
2026	462,000	47,581
2027	476,000	32,933
2028	485,000	17,829
2029	202,000	3,182
	<u>\$ 2,502,000</u>	<u>\$ 238,755</u>

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

H. 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.

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.

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 \$71,431 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, 2023 was \$392,443. 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.

On July 22, 2021, the HRA entered into a publicly owned housing program deferred loan repayment agreement with MHFA for \$206,361 for the purpose of replacing room exhaust regulators and update air units and fire smoke dampers to the Picket Place Building. The HRA started drawing on the loan during 2023. The total outstanding as of September 30, 2023 was \$1,402. 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, 2023**

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

H. Long-term debt (continued)

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

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, 2023.

Changes in Long-Term Debt

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Notes from Direct Borrowing:					
Deferred Loan Agreement	\$ 35,000	\$ -	\$ -	\$ 35,000	\$ -
POHP Loan Agreement	1,270,129	1,402	-	1,271,531	-
Bonds	3,269,000	-	767,000	2,502,000	430,000
Gain On Bond Refunding	47,775	-	7,643	40,132	-
	<u>\$ 4,621,904</u>	<u>\$ 1,402</u>	<u>\$ 774,643</u>	<u>\$ 3,848,663</u>	<u>\$ 430,000</u>
PTO Payable	56,171	85,506	79,841	61,836	61,836
Banked PTO Payable	64,487	6,501	-	70,988	-
Total discretely-presented component unit	<u>\$ 4,742,562</u>	<u>\$ 93,409</u>	<u>\$ 854,484</u>	<u>\$ 3,981,487</u>	<u>\$ 491,836</u>

Port Authority

Long-term liability activity for the year ended December 31, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Port Authority:					
Advances with City of Austin	\$ 553,670	\$ 5,342	\$ 65,000	\$ 494,012	\$ -
Long-Term Liabilities	<u>\$ 553,670</u>	<u>\$ 5,342</u>	<u>\$ 65,000</u>	<u>\$ 494,012</u>	<u>\$ -</u>

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 OTHER INFORMATION

A. Commitments and 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 signed purchase agreements for the acquisition of two fire trucks, making a \$200,000 advance payment in 2023 on one of the trucks. The outstanding commitment is \$100,000 on one of the fire trucks, and \$1,645,000 on the second one.

The Austin Utilities purchases power from Southern Minnesota Municipal Power Agency (SMMPA) 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 1,354,512 thousand cubic feet of natural gas through October 2028 for a total commitment of \$5,372,304 at December 31, 2023.

During the year ended December 31, 2023, net sales to Hormel Foods Corporation amounted to \$22,280,253. Sales to this customer accounted for 34% of the total revenue of the Utilities in 2023.

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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 are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

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.

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 OTHER INFORMATION (CONTINUED)

B. Retirement systems (continued)

Defined Benefit Pension Plans – Statewide (continued)

Benefits Provided (continued)

1. General Employees Plan Benefits (continued)

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSAQ, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity of benefit for at least one month but less than a full year as of June 30 before the effective date of the increase will receive a reduced prorated increase. In 2023, legislation repealed the statute delaying the increase for members retiring before full retirement age.

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 is 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. Recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

In 2023, the legislature allocated funding for a one-time lump-sum payment to General Employee and Police and Fire Plan benefit recipients. Eligibility criteria and the payment amount is specified in statute. The one-time payment is non-compounding towards future benefits.

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 2023 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, 2023, were \$1,128,810. 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, 2023**

NOTE 3 OTHER INFORMATION (CONTINUED)

B. Retirement systems (continued)

Defined Benefit Pension Plans – Statewide (continued)

Contributions (continued)

2. Police and Fire Fund Contributions

Police and Fire members were required to contribute 11.80% of their annual covered salary in fiscal year 2023 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, 2023 were \$761,141. The City's contributions were equal to the required contributions as set by state statute.

Pension Costs

1. General Employees Fund Pension Costs

At December 31, 2023 the City reported a liability of \$10,579,852 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 \$291,476.

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0967% at the end of the measurement period and 0.0976% for the beginning of the period. At June 30, 2023, the Austin Utilities' proportionate share was 0.0925% at the end of the measurement period and 0.0952% for the beginning of the period.

Description	Amount
City's Proportionate share of the PERA Net Pension Liability	\$ 10,579,852
State's Proportionate Share of the PERA Net Pension Liability Associated with the City	\$ 291,476
	<u>\$ 10,871,328</u>

For the year ended December 31, 2023, the City recognized pension expense of \$1,864,773 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional \$1,309 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, 2023**

NOTE 3 OTHER INFORMATION (CONTINUED)

B. Retirement systems (continued)

Defined Benefit Pension Plans – Statewide (continued)

Pension Costs (continued)

At December 31, 2023, the City reported its proportionate share of the General Employees Plan’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Economic Experience	\$ 347,446	\$ 72,884
Changes in Actuarial Assumptions	1,712,730	2,899,849
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	395,651
Changes in Proportion	262,128	163,102
City Contributions Subsequent to the Measurement Date	589,946	-
	<u>\$ 2,912,250</u>	<u>\$ 3,531,486</u>

The \$589,946 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, 2024. 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>
2024	\$ 389,864
2025	(1,562,182)
2026	192,647
2027	(229,511)

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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, 2023 the City reported a liability of \$5,655,499 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022, through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.3275% at the end of the measurement period and 0.3344% 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, 2023. 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, 2022. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached 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.

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:

Description	Amount
City's Proportionate share of the PERA Net Pension Liability	\$ 5,655,499
State's Proportionate Share of the PERA Net Pension Liability Associated with the City	\$ 227,813
	\$ 5,883,312

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, 2023, the City recognized pension expense of \$1,712,735 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized (\$13,721) as grant revenue and pension expense for its proportionate share of the State of Minnesota's pension expense for the contribution of \$9 million to the Police and Fire Fund.

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 OTHER INFORMATION (CONTINUED)

B. Retirement systems (continued)

Defined Benefit Pension Plans – Statewide (continued)

Pension Costs (continued)

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 \$29,475 for the year ended December 31, 2023 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.

At December 31, 2023, the City reported its proportionate share of the Police and Fire Plan’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Economic Experience	\$ 1,559,411	\$ -
Changes in Actuarial Assumptions	6,562,749	7,951,699
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	271,492
Changes in Proportion	252,395	85,793
City Contributions Subsequent to the Measurement Date	403,719	-
	<u>\$ 8,778,274</u>	<u>\$ 8,308,984</u>

The \$403,719 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, 2024. 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>
2024	\$ 311,608
2025	122,081
2026	1,433,305
2027	(381,100)
2028	(1,420,323)

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 OTHER INFORMATION (CONTINUED)

B. Retirement systems (continued)

Defined Benefit Pension Plans – Statewide (continued)

Pension Costs (continued)

At December 31, 2023, the City reported the following aggregate amounts related to pensions for all plans to which it contributes:

<u>Statement of Net Position and Statement of Activities</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net Pension Liability	\$ 9,811,972	\$ 6,423,378	\$ 16,235,350
Deferred Outflow of Resources	9,971,106	1,719,417	11,690,523
Deferred Inflow of Resources	9,663,653	2,176,816	11,840,469
Pension Expense	2,466,965	1,098,131	3,565,096

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>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of 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, 2023, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 7.0%. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 7.0% was deemed to be within that range of reasonableness for financial reporting purposes.

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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 27 years of service. In the Police and Fire Plan, salary growth assumptions range from 11.75% after one year of service to 3.0% after 24 years of service.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. Mortality rates for the Police and Fire Plan 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 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 actuarial valuation. The most recent four-year experience study for the Police and Fire Plan was completed in 2020 and was adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

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

General Employees Fund

Changes in Actuarial Assumptions:

- The investment return assumption and single discount rate were changed from 6.50% to 7.00%.

Changes in Plan Provisions:

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

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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 assumption was changed from 6.50% to 7.00%.
- The single discount rate changed from 5.40% to 7.00%.

Changes in Plan Provisions:

- Additional one-time direct state aid contribution of \$19.4 million will be contributed to the Plan on October 1, 2023
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50% vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, non-compounding benefit increase of 3% will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

Discount Rate

The discount rate used to measure the total pension liability in 2023 was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees and Police and Fire Plans were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 OTHER INFORMATION (CONTINUED)

B. Retirement systems (continued)

Defined Benefit Pension Plans – Statewide (continued)

Actuarial Assumptions (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 in Discount <u>Rate</u>	Current Discount <u>Rate</u>	1% Increase in Discount <u>Rate</u>
Discount Rate	6.0%	7.0%	8.0%
City's Proportionate share of the General Employees Fund Net Pension Liability	\$ 18,716,609	\$ 10,579,852	\$ 3,887,061
Discount Rate	6.0%	7.0%	8.0%
City's Proportionate share of the Police and Fire Fund Net Pension Liability	\$ 11,221,185	\$ 5,655,499	\$ 1,079,761

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.

**CITY OF AUSTIN, MINNESOTA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2023**

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Other Employee Benefits

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 a third-party insurer. 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 retirement. Coverage extends for the life of the retiree, the retiree's spouse or surviving spouse. Retiree's must contribute 100% of the insurance premium, except for public safety members disabled in the line of duty, in which the City contributes the same amount the City contributes to active employees toward single or family medical premiums until Medicare eligibility.

Employees Covered by Benefit Terms

At December 31, 2023, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefit Payments	4
 Inactive Plan Members Entitled to But Not Yet Receiving Benefit Payments	 -
 Active Plan Members	 135
	<hr style="border-top: 1px solid black;"/>
	<hr style="border-top: 3px double black;"/>
	139

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Other Employee Benefits (continued)

Other Postemployment Benefit Plan

Total OPEB Liability

The City's total OPEB liability for the year ended December 31, 2023, was determined by an actuarial valuation dated December 31, 2021 with a measurement date of December 31, 2023.

Actuarial assumptions

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

Inflation	2.25%
Salary Increases	Range from 11.75% down to 3.40% over an 18-year period.
Healthcare Cost Trend Rates	9.00% as of December 31, 2023 grading to 3.94% over 18 years.

Mortality rates were based on the Pub-2010 General Employee Mortality Tables and Public Safety Employee Mortality Table adjusted for mortality improvements using projection scale MP-2020.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.26% (3.72% at the prior measurement date), which reflects the index rate for a 20-year high quality, tax-exempt general obligation municipal bond as of the measurement date.

Changes in Total OPEB Liability

	<u>2023</u>
Balance at December 31, 2022	\$ 1,165,102
Changes for the year:	
Service Cost	94,402
Interest on the Total OPEB Liability	45,800
Changes of Benefit Terms	33,960
Changes in Assumptions	37,864
Difference between Projected and Actual Experience	(5,503)
Benefit Payments	(57,169)
Balance at December 31, 2023	<u>\$ 1,314,456</u>

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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 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:

	<u>1% Decrease (2.26%)</u>	<u>Current (3.26%)</u>	<u>1% Increase (4.26%)</u>
Total OPEB Liability	\$ 1,401,635	\$ 1,314,456	\$ 1,228,688

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:

	<u>1% Decrease (8.00% decreasing to 2.94%)</u>	<u>Current (9.00% decreasing to 3.94%)</u>	<u>1% Increase (10.00% decreasing to 4.94%)</u>
Total OPEB Liability	\$ 1,161,871	\$ 1,314,456	\$ 1,509,814

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

For the year ended December 31, 2023, the City recognized OPEB expense of \$112,089. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Actuarial Assumptions	\$ 146,870	\$ 154,228
Differences between Expected and Actual Experience	19,313	344,211
	<u>\$ 166,183</u>	<u>\$ 498,439</u>

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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)

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

<u>Year Ended December 31,</u>	<u>Pension Expense Amount</u>
2024	\$ (62,073)
2025	(57,696)
2026	(60,552)
2027	(72,066)
2028	(53,752)
2029	(28,700)
2030	2,583

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, 2023**

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 2023 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, 2023, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefit Payments	90
Inactive Plan Members Entitled to But Not	
Yet Receiving Benefit Payments	-
Active Plan Members	74
	164
	164

Total OPEB Liability

The Utilities' total OPEB liability for the year ended December 31, 2023, was measured as of January 1, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2022 and rolled forward to a measurement date of January 1, 2023.

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00%
Investment Rate of Return	2.90%
Medical Trend Rate	6.25% in 2023 grading to 4.00% over the 48 years.

Mortality rates were based on the Pub-2010 Public Retirement Plans General Headcount-Weighted Mortality Tables with MP-2021 Generational Improvement Scale.

Discount Rate

The discount rate used to measure the total OPEB liability at January 1, 2023 was 4.00% (2.00% at the prior 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 Liability</u>
Balance at December 31, 2022	\$ 19,761,962
Changes for the year:	
Service Cost	67,154
Interest Cost on the Total OPEB Liability	385,357
Changes in Assumptions	(3,258,203)
Benefit Payments	<u>(1,128,157)</u>
Balance at December 31, 2023	<u>\$ 15,828,113</u>

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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 (3.00%)	Discount Rate (4.00%)	1% Increase (5.00%)
Total OPEB Liability	\$ 17,349,354	\$ 15,828,113	\$ 14,521,012

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 (5.25% decreasing to 3.00%)	Healthcare Cost Trend Rates (6.25% decreasing to 4.00%)	1% Increase (7.25% decreasing to 5.00%)
Total OPEB Liability	\$ 15,387,235	\$ 15,828,113	\$ 16,313,105

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

For the year ended December 31, 2023, the Utilities recognized OPEB expense of \$578,858. At December 31, 2023, the Utilities reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Actuarial Assumptions	\$ -	\$ 2,202,439
Differences between Expected and Actual Experience	756,803	-
Contributions Subsequent to the Measurement Date	1,106,252	-
	\$ 1,863,055	\$ 2,202,439

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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)

\$1,106,252 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, 2024.

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

Year Ended December 31,	Pension Expense Amount
2024	\$ (359,569)
2025	(1,086,067)
	<u>\$ (1,445,636)</u>

At December 31, 2023, the City reported the following aggregate amounts related to OPEB for all plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities	Business-Type Activities	Total
Total OPEB Liability	\$ 1,114,621	\$ 16,027,948	\$ 17,142,569
Deferred Outflow of Resources	140,919	1,888,319	2,029,238
Deferred Inflow of Resources	422,662	2,278,216	2,700,878
OPEB Expense	95,040	595,907	690,947

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, 2023 for governmental and business-type activities are \$711,480 and \$159,653 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 \$91,936 and \$25,741 for business-type activities.

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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 \$1,342,842.

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, 2023, the total accumulated sick pay of \$1,823,860 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, 2023, the Utilities has specifically restricted investments equal to 117% 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 4th 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 \$38,146 for the year ended December 31, 2023.

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 \$1,011,132 (City) and \$474,985 (Utilities) for the year ended December 31, 2023.

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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.

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 2023 were based on expected costs as set by the Medica Plan. During the year 2023, 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.

**CITY OF AUSTIN, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 OTHER INFORMATION (CONTINUED)

D. Risk Management (continued)

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, 2023.

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.

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Required Supplementary Information

City of Austin, Minnesota
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 6,294,466	\$ 6,294,466	\$ 6,274,024	\$ (20,442)
Special assessments	49,000	49,000	52,153	3,153
Licenses and permits	675,605	675,605	903,634	228,029
Intergovernmental	9,863,460	9,863,460	10,217,362	353,902
Charges for services	717,440	717,440	808,231	90,791
Fines and forfeits	159,200	159,200	170,672	11,472
Miscellaneous	544,175	607,125	1,012,791	405,666
Total revenues	<u>\$ 18,303,346</u>	<u>\$ 18,366,296</u>	<u>\$ 19,438,867</u>	<u>\$ 1,072,571</u>
Expenditures				
Current				
General government	\$ 2,434,547	\$ 2,509,359	\$ 2,465,811	\$ 43,548
Public safety	8,678,694	8,856,197	8,578,098	278,099
Streets and highways	3,901,045	4,028,737	3,857,177	171,560
Culture and recreation	4,488,331	4,474,919	4,277,707	197,212
Public service	99,442	99,442	114,007	(14,565)
Economic development	343,286	343,286	401,010	(57,724)
Total expenditures	<u>\$ 19,945,345</u>	<u>\$ 20,311,940</u>	<u>\$ 19,693,810</u>	<u>\$ 618,130</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,641,999)</u>	<u>\$ (1,945,644)</u>	<u>\$ (254,943)</u>	<u>\$ 1,690,701</u>
Other financing sources (uses)				
Transfers in	\$ 1,716,000	\$ 1,716,000	\$ 1,639,085	\$ (76,915)
Transfers out	(120,500)	(504,856)	(504,856)	-
Total other financing sources (uses)	<u>\$ 1,595,500</u>	<u>\$ 1,211,144</u>	<u>\$ 1,134,229</u>	<u>\$ (76,915)</u>
Net change in fund balance	\$ (46,499)	\$ (734,500)	\$ 879,286	\$ 1,613,786
Fund balance - beginning	<u>10,941,809</u>	<u>10,941,809</u>	<u>10,941,809</u>	<u>-</u>
Fund balance - ending	<u>\$ 10,895,310</u>	<u>\$ 10,207,309</u>	<u>\$ 11,821,095</u>	<u>\$ 1,613,786</u>

See accompanying Notes to Financial Statements.

**CITY OF AUSTIN, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

BUDGETARY COMPARISON SCHEDULE – GENERAL FUND

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund.

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.

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.

City of Austin, Minnesota
Schedule of Changes in Total OPEB Liability and Related Ratios
December 31, 2023

<u>City:</u>	<u>2023</u>	<u>2022</u>
Measurement Date	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Total OPEB Liability		
Service Cost	\$ 94,402	\$ 116,539
Interest	45,800	26,391
Changes of Benefit Terms	33,960	-
Differences Between Expected and Actual Experience	(5,503)	(128,831)
Changes in Assumptions	37,864	(188,101)
Benefit Payments	(57,169)	(40,068)
Net Change in Total OPEB Liability	\$ 149,354	\$ (214,070)
Total OPEB Liability - Beginning	<u>1,165,102</u>	<u>1,379,172</u>
Total OPEB Liability - Ending	<u><u>1,314,456</u></u>	<u><u>1,165,102</u></u>
Covered Employee Payroll	\$ 12,387,569	\$ 10,144,797
Citys' Net OPEB Liability as a Percentage of the Covered Employee Payroll	11%	11%

Utilities:

	<u>January 1, 2023</u>	<u>January 1, 2022</u>
Measurement Date		
Total OPEB Liability		
Service Cost	\$ 67,154	\$ 109,549
Interest	385,357	334,330
Changes of Benefit Terms	-	1,021,013
Differences Between Expected and Actual Experience	-	2,270,409
Changes in Assumptions	(3,258,203)	(90,912)
Benefit Payments	(1,128,157)	(973,966)
Net Change in Total OPEB Liability	\$ (3,933,849)	\$ 2,670,423
Total OPEB Liability - Beginning	<u>19,761,962</u>	<u>17,091,539</u>
Total OPEB Liability - Ending	<u><u>15,828,113</u></u>	<u><u>19,761,962</u></u>
Covered Employee Payroll	\$ 6,841,990	\$ 6,642,709
Utilities' Net OPEB Liability as a Percentage of the Covered Employee Payroll	231%	297%

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.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>December 31, 2018</u>
\$ 102,521	\$ 94,835	\$ 72,289	\$ 81,174
28,292	32,649	55,347	47,189
-	-	-	-
30,217	(457,640)	-	-
5,926	113,309	145,733	(69,335)
(39,426)	(37,915)	(81,822)	(68,989)
<u>\$ 127,530</u>	<u>\$ (254,762)</u>	<u>\$ 191,547</u>	<u>\$ (9,961)</u>
1,251,642	1,506,404	1,314,857	1,324,818
<u>1,379,172</u>	<u>1,251,642</u>	<u>1,506,404</u>	<u>1,314,857</u>
\$ 9,233,870	\$ 9,901,406	\$ 8,727,287	\$ 9,100,343
15%	13%	17%	14%
<u>January 1, 2021</u>	<u>January 1, 2020</u>	<u>January 1, 2019</u>	<u>January 1, 2018</u>
\$ 119,093	\$ 91,618	\$ 88,177	\$ 98,046
454,111	553,743	516,175	525,521
-	(77,857)	-	-
-	857,955	-	-
1,457,748	555,524	(793,300)	-
(951,811)	(889,990)	(879,159)	(914,365)
<u>\$ 1,079,141</u>	<u>\$ 1,090,993</u>	<u>\$ (1,068,107)</u>	<u>\$ (290,798)</u>
16,012,398	14,921,405	15,989,512	16,280,310
<u>17,091,539</u>	<u>16,012,398</u>	<u>14,921,405</u>	<u>15,989,512</u>
\$ 6,543,875	\$ 6,337,893	\$ 5,779,485	\$ 5,611,150
261%	253%	258%	285%

City of Austin, Minnesota
Schedule of Citys' Proportionate Share of the Net Pension Liability
December 31, 2023

Fiscal Year	<u>2023</u>	<u>2022</u>	<u>2021</u>
Measurement Date	6/30/2023	6/30/2022	6/30/2021
General Employees Plan			
Citys' Proportion of the Net Pension Liability	0.0967%	0.0976%	0.0941%
Citys' Proportionate Share of the Net Pension Liability	\$ 5,407,356	\$ 7,729,952	\$ 4,018,491
State's Proportionate Share of the Net Pension Liability Associated with the City	148,963	226,706	122,623
Total	<u>\$ 5,556,319</u>	<u>\$ 7,956,658</u>	<u>\$ 4,141,114</u>
Citys' Covered Payroll	\$ 7,716,099	\$ 7,350,148	\$ 9,792,254
Citys' Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	70.08%	105.17%	41.04%
Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability	83.10%	76.70%	87.00%
Utilities' Proportion of the Net Pension Liability	0.0925%	0.0952%	0.0931%
Utilities' Proportionate Share of the Net Pension Liability	\$ 5,172,496	\$ 7,539,871	\$ 3,975,787
State's Proportionate Share of the Net Pension Liability Associated with the Utilities	142,513	221,067	121,358
Total	<u>\$ 5,315,009</u>	<u>\$ 7,760,938</u>	<u>\$ 4,097,145</u>
Utilities' Covered Payroll	\$ 7,354,867	\$ 7,130,573	\$ 6,702,333
Utilities' Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	70.33%	105.74%	59.32%
Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability	76.67%	76.70%	87.00%
Police and Fire Plan			
Citys' Proportion of the Net Pension Liability	0.3275%	0.3344%	0.3284%
Citys' Proportionate Share of the Net Pension Liability	\$ 5,655,499	\$ 14,551,767	\$ 2,534,900
States' Proportionate Share of the Net Pension Liability	\$ 227,813	\$ 635,687	\$ 113,974
Citys' Covered Payroll	\$ 4,300,232	\$ 4,062,639	\$ 3,881,706
Citys' Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	131.52%	358.19%	65.30%
Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability	86.50%	70.50%	93.70%

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.

2020	2019	2018	2017	2016	2015
6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
0.0878%	0.0843%	0.0853%	0.0874%	0.0860%	0.0876%
\$ 5,264,011	\$ 4,660,758	\$ 4,732,094	\$ 5,579,558	\$ 6,982,773	\$ 4,539,887
162,489	144,827	155,225	70,121	91,198	-
\$ 5,426,500	\$ 4,805,585	\$ 4,887,319	\$ 5,649,679	\$ 7,073,971	\$ 4,539,887
\$ 6,284,120	\$ 5,955,760	\$ 5,734,155	\$ 5,651,768	\$ 5,339,321	\$ 5,146,702
83.77%	78.26%	82.52%	98.72%	130.78%	88.21%
79.10%	80.20%	79.50%	75.90%	68.90%	78.19%
0.0924%	0.0867%	0.0898%	0.0937%	0.0989%	0.0989%
\$ 5,539,802	\$ 4,793,449	\$ 4,981,736	\$ 5,981,746	\$ 7,973,353	\$ 5,125,511
170,919	148,994	163,329	75,183	104,049	-
\$ 5,710,721	\$ 4,942,443	\$ 5,145,065	\$ 6,056,929	\$ 8,077,402	\$ 5,125,511
\$ 6,593,067	\$ 6,368,951	\$ 6,035,606	\$ 5,934,560	\$ 6,099,106	\$ 6,056,621
84.02%	75.26%	82.54%	100.80%	130.73%	84.63%
79.10%	80.20%	79.50%	75.90%	68.90%	78.20%
0.3058%	0.3052%	0.3033%	0.3080%	0.3070%	0.3170%
\$ 4,030,771	\$ 3,249,162	\$ 3,232,866	\$ 4,158,367	\$ 12,320,444	\$ 3,601,862
\$ 94,957	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 3,447,336	\$ 3,221,340	\$ 3,196,569	\$ 3,166,122	\$ 2,954,160	\$ 2,904,778
116.92%	100.86%	101.14%	131.34%	417.05%	124.00%
87.20%	89.30%	88.80%	85.40%	63.90%	86.61%

**City of Austin, Minnesota
Schedule of City Contributions
December 31, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>
General Employees Plan			
<u>City</u>			
Contractually Required Contribution	\$ 576,495	\$ 553,938	\$ 515,963
Contributions in Relation to the Contractually Required Contribution	(576,495)	(553,938)	(515,963)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Citys' Covered Payroll	\$ 8,008,680	\$ 7,385,836	\$ 6,879,507
Contributions as a Percentage of Covered Payroll	7.20%	7.50%	7.50%
<u>Utilities</u>			
Contractually Required Contribution	\$ 551,615	\$ 534,793	\$ 502,675
Contributions in Relation to the Contractually Required Contribution	(551,615)	(534,793)	(502,675)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Utilities' Covered Payroll	\$ 7,354,867	\$ 7,130,573	\$ 6,702,233
Contributions as a Percentage of Covered Payroll	7.50%	7.50%	7.50%
Police and Fire Plan			
Contractually Required Contribution	\$ 761,141	\$ 737,655	\$ 680,678
Contributions in Relation to the Contractually Required Contribution	(761,141)	(737,655)	(680,678)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Citys' Covered Payroll	\$ 4,370,407	\$ 4,167,542	\$ 3,845,638
Contributions as a Percentage of Covered Payroll	17.42%	17.70%	17.70%

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.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 517,117 (517,117)	\$ 454,419 (454,419)	\$ 436,324 (436,324)	\$ 425,940 (425,940)	\$ 413,244 (413,244)	\$ 397,511 (397,511)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,894,887	\$ 6,060,569	\$ 5,817,608	\$ 5,678,596	\$ 5,509,921	\$ 5,304,463
7.50%	7.50%	7.50%	7.50%	7.50%	7.49%
\$ 494,480 (494,480)	\$ 460,156 (460,156)	\$ 448,995 (448,995)	\$ 456,619 (456,619)	\$ 456,720 (456,720)	\$ 442,817 (442,817)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,593,067	\$ 6,135,413	\$ 5,986,595	\$ 6,089,520	\$ 6,090,354	\$ 5,915,410
7.50%	7.50%	7.50%	7.50%	7.50%	7.49%
\$ 610,178 (610,178)	\$ 545,741 (545,741)	\$ 527,013 (527,013)	\$ 513,690 (513,690)	\$ 498,050 (498,050)	\$ 471,481 (471,481)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,447,336	\$ 3,219,706	\$ 3,253,165	\$ 3,170,925	\$ 3,074,385	\$ 2,910,376
17.70%	16.95%	16.20%	16.20%	16.20%	16.20%

**CITY OF AUSTIN, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

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:

General Employees Fund

2023 Changes

Changes in Actuarial Assumptions

The investment return assumption and single discount rate were changed from 6.5 percent to 7.00 percent.

Changes in Plan Provisions

An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.

The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.

The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.

A one-time, non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

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 percent to 2.25 percent.

The payroll growth assumption was decreased from 3.25 percent to 3.00 percent.

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 percent less than previous rates.

**CITY OF AUSTIN, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

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

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 percent Joint & Survivor option changed from 35 percent to 45 percent. The assumed number of married female new retirees electing the 100 percent Joint & Survivor option changed from 15 percent to 30 percent. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

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

2019 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

The employer supplemental contribution was changed prospectively, decreasing from \$31 million to \$21 million per year. The State's special funding contribution was changed prospectively, requiring \$16 million due per year through 2031.

2018 Changes

Changes in Actuarial Assumptions

The mortality projection scale was changed from MP-2015 to MP-2017.

The assumed benefit increase was changed from 1 percent per year through 2044 and 2.5 percent per year thereafter to 1.25 percent per year.

**CITY OF AUSTIN, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

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

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 percent to 3 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.

Annual increases were changed from 1 percent per year with a provision to increase to 2.5 percent upon attainment of 90 percent funding ratio to 50 percent of the Social Security Cost-of Living Adjustment, not less than 1 percent and not more than 1.5 percent, beginning January 1, 2019.

For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.

Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions

The combined service annuity (CSA) loads were changed from 0.80 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA load are now 0 percent for active member liability, 15 percent for vested deferred member liability, and 3 percent for non-vested deferred member liability.

The assumed annual increase rate was changed for 1 percent per year for all years to 1 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 \$16.0 million in 2017 and 2018 and \$6.0 million 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 annual increase rate was changed from 1 percent per year through 2035 and 2.50 percent per year thereafter to 1 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.

**CITY OF AUSTIN, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

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

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 annual increase rate was changed from 1 percent per year through 2030 and 2.5 percent per year thereafter to 1 percent per year through 2035 and 2.5 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 million, which meets the special funding situation definition, was due September 2015.

Police and Fire Plan

2023 Changes

Changes in Actuarial Assumptions

The investment return assumption was changed from 6.5 percent to 7.00 percent.

The single discount rate changed from 5.4 percent to 7.0 percent.

Changes in Plan Provisions

Additional one-time direct state aid contribution of 19.4 million will be contributed to the Plan on October 1, 2023.

Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50 percent vesting after five years, increasing incrementally to 100% after 10 years.

A one-time, non-compounding benefit increase of 3.0 percent will be payable in a lump sum for calendar year 2024 by March 31, 2024.

Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.

The total and permanent duty disability benefit was increased, effective July 1, 2023.

2022 Changes

Changes in Actuarial Assumptions

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

The single discount rate changed from 6.5 percent to 5.4 percent.

**CITY OF AUSTIN, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

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

Changes in Plan Provisions

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

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.

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.

**CITY OF AUSTIN, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

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

2019 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

There have been no changes since the prior valuation.

2018 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

Annual increases were changed to 1.00 percent for all years, with no trigger.

An end date of July 1, 2048, was added to the existing \$9 million state contribution.

New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9 million thereafter until the plan reaches 100 percent funding, or July 1, 2048, if earlier.

Member contributions were changed from 10.8 percent to 11.3 percent of pay, effective January 1, 2019, and 11.8 percent of pay, effective January 1, 2020.

Employer contributions were changed from 16.2 percent to 16.95 percent of pay, effective January 1, 2019, and 17.7 percent of pay, effective January 1, 2020.

Interest credited on member contributions decreased from 4 percent to 3 percent, beginning July 1, 2018.

Deferred augmentation was changed to 0 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.

Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 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 percent for vested and non-vested, deferred members. The CSA has been changed to 33 percent for vested members and 2 percent for nonvested members.

The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.

**CITY OF AUSTIN, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

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

Assumed termination rates were decreased to 3 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.

Assumed percentage of married female members was decreased from 65 percent to 60 percent.

Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.

The assumed percentage of female members electing joint and survivor annuities was increased.

The assumed annual benefit increase rate was changed from 1 percent for all years to 1 percent per year through 2064 and 2.5 percent thereafter.

The single discount rate was changed from 5.6 percent per annum to 7.5 percent per annum.

Changes in Plan Provisions

There have been no changes since the prior valuation.

2016 Changes:

Changes in Actuarial Assumptions

The assumed annual benefit increase rate was changed from 1 percent per year through 2037 and 2.5 percent per year thereafter to 1 percent per year for all future years.

The assumed investment return was changed from 7.9 percent to 7.5 percent.

The single discount rate changed from 7.9 percent to 5.6 percent.

The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.5 percent for inflation.

Changes in Plan Provisions

There have been no changes since the prior valuation.

2015 Changes:

Changes in Actuarial Assumptions

The assumed annual increase rate was changed from 1 percent per year through 2030 and 2.5 percent per year thereafter to 1 percent per year through 2037 and 2.5 percent per year thereafter.

Changes in Plan Provisions:

The annual increase to be paid after the attainment of the 90 percent funding threshold was changed from inflation up to 2.5 percent, to a fixed rate of 2.5 percent.

**CITY OF AUSTIN, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

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

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

2023

- The discount rate was changed from 3.72% to 3.26%

2022

- The discount rate was changed from 2.06% to 3.72%
- The general inflation rate was changed from 2.50% to 2.25%.
- Mortality rates were changed from RP-2014 Employee Generational Mortality Table using projection scale MP-2018 to Pub-2010 General Employee Mortality Tables and Public Safety Employee Mortality Table using projection scale MP-2020.
- 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%
- 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:

2023 Changes

Changes in Plan Provisions

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

**CITY OF AUSTIN, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

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

2022 Changes

Changes in Plan Provisions

- The employer contribution towards medical premiums for AFSCME and non-contract employees was changed from \$800 per month to \$1,200 per month for single coverage beginning in 2022.

Changes in Actuarial Assumptions

- The discount rate was changed from 2.50% to 2.00%.
- Medical trend rates were changed from Pub-2010 Public Retirement Plans General Headcount-Weighted Mortality Tables with MP-2019 Generational Improvement Scale to the Pub-2010 Public Retirement Plans General Headcount-Weighted Mortality Tables with MP-2021 Generational Improvement Scale.

2021 Changes

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-2019 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.

**CITY OF AUSTIN, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

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

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%.

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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, 2023**

	Special Revenue	Debt Service	Capital Projects
Assets			
Cash and investments	\$ 2,295,608	\$ 418,408	\$ 6,456,069
Taxes receivable	43,215	-	18,420
Accounts receivable	27,291	-	3,563
Notes receivable, net of allowance for uncollectibles	325,000	-	-
Special assessments receivable	-	188,804	2,271,957
Accrued interest receivable	8,687	-	-
Due from other funds	-	-	8,059
Due from other governments	22,921	278	599,362
Advances to component unit	-	-	494,012
Total assets	\$ 2,722,722	\$ 607,490	\$ 9,851,442
 Liabilities			
Vouchers payable	\$ 23,159	\$ 31,224	\$ 200,995
Contractors' retained percentage	-	-	256,498
Accrued expenditures	36,283	-	-
Due to other funds	104,155	178,151	-
Due to other governments	325,000	-	-
Total liabilities	\$ 488,597	\$ 209,375	\$ 457,493
 Deferred inflows of resources			
Unavailable revenue	\$ 43,215	\$ 188,804	\$ 2,290,377
Total deferred inflows of resources	\$ 43,215	\$ 188,804	\$ 2,290,377
 Fund balance			
Nonspendable:			
Permanent fund principal	\$ -	\$ -	\$ -
Restricted for:			
Fire	229,297	-	-
Library	973,168	-	-
Committed to:			
Other capital projects	24,015	-	-
Library	843,280	-	-
Parks and recreation	154,724	-	-
Assigned to:			
Police	-	-	-
Other capital projects	-	314,878	7,103,572
Library	-	-	-
Unassigned	(33,574)	(105,567)	-
Total fund balance	\$ 2,190,910	\$ 209,311	\$ 7,103,572
Total liabilities, deferred inflows of resources, and fund balance	\$ 2,722,722	\$ 607,490	\$ 9,851,442

<u>Permanent</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 163,789	\$ 9,333,874
-	61,635
-	30,854
-	325,000
-	2,460,761
-	8,687
-	8,059
-	622,561
-	494,012
<u>\$ 163,789</u>	<u>\$ 13,345,443</u>
\$ -	\$ 255,378
-	256,498
-	36,283
-	282,306
-	325,000
<u>\$ -</u>	<u>\$ 1,155,465</u>
<u>\$ -</u>	<u>\$ 2,522,396</u>
<u>\$ -</u>	<u>\$ 2,522,396</u>
\$ 136,052	\$ 136,052
-	229,297
-	973,168
-	24,015
-	843,280
-	154,724
801	801
-	7,418,450
26,936	26,936
-	(139,141)
<u>\$ 163,789</u>	<u>\$ 9,667,582</u>
<u>\$ 163,789</u>	<u>\$ 13,345,443</u>

City of Austin, Minnesota
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended December 31, 2023

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Revenues			
Taxes	\$ 1,066,901	\$ 402,639	\$ 1,464,006
Special assessments	-	19,290	661,280
Intergovernmental	199,242	-	595,435
Charges for services	139,449	-	-
Fines and forfeits	1,224	175	-
Miscellaneous	315,056	21,502	1,731,080
	<u>\$ 1,721,872</u>	<u>\$ 443,606</u>	<u>\$ 4,451,801</u>
Expenditures			
Current			
Public safety	\$ 32,321	\$ -	\$ -
Culture and recreation	1,813,574	-	-
Capital outlay	-	-	5,365,001
Debt service			
Interest and fiscal charges	-	468,615	-
	<u>\$ 1,845,895</u>	<u>\$ 468,615</u>	<u>\$ 5,365,001</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (124,023)</u>	<u>\$ (25,009)</u>	<u>\$ (913,200)</u>
Other financing sources			
Transfers in	\$ -	\$ -	\$ 745,500
Total other financing sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 745,500</u>
Net change in fund balance	\$ (124,023)	\$ (25,009)	\$ (167,700)
Fund balance - beginning	<u>2,314,933</u>	<u>234,320</u>	<u>7,271,272</u>
Fund balance - ending	<u>\$ 2,190,910</u>	<u>\$ 209,311</u>	<u>\$ 7,103,572</u>

<u>Permanent</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ 2,933,546
-	680,570
-	794,677
-	139,449
-	1,399
<u>6,096</u>	<u>2,073,734</u>
<u>\$ 6,096</u>	<u>\$ 6,623,375</u>
\$ -	\$ 32,321
-	1,813,574
-	5,365,001
-	<u>468,615</u>
<u>\$ -</u>	<u>\$ 7,679,511</u>
<u>\$ 6,096</u>	<u>\$ (1,056,136)</u>
<u>\$ -</u>	<u>\$ 745,500</u>
<u>\$ -</u>	<u>\$ 745,500</u>
\$ 6,096	\$ (310,636)
<u>157,693</u>	<u>9,978,218</u>
<u>\$ 163,789</u>	<u>\$ 9,667,582</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, 2023**

	<u>Library</u>	<u>Recreation Programs</u>	<u>Community Development</u>	<u>Fire PERA</u>
Assets				
Cash and investments	\$ 874,046	\$ 156,287	\$ 24,015	\$ 227,790
Taxes receivable	43,215	-	-	-
Accounts receivable	-	1,080	-	-
Notes receivable, net of allowance for uncollectibles	-	-	325,000	-
Accrued interest receivable	-	-	-	1,507
Due from other governments	22,921	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 940,182</u>	<u>\$ 157,367</u>	<u>\$ 349,015</u>	<u>\$ 229,297</u>
Liabilities				
Vouchers payable	\$ 14,238	\$ 1,654	\$ -	\$ -
Accrued expenditures	35,332	951	-	-
Due to other funds	4,117	38	-	-
Due to other governments	-	-	325,000	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>\$ 53,687</u>	<u>\$ 2,643</u>	<u>\$ 325,000</u>	<u>\$ -</u>
Deferred inflows of resources				
Unavailable revenue	\$ 43,215	\$ -	\$ -	\$ -
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>\$ 43,215</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance				
Restricted for:				
Fire	\$ -	\$ -	\$ -	\$ 229,297
Library	-	-	-	-
Committed to:				
Other capital projects	-	-	24,015	-
Library	843,280	-	-	-
Parks and recreation	-	154,724	-	-
Unassigned	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u>\$ 843,280</u>	<u>\$ 154,724</u>	<u>\$ 24,015</u>	<u>\$ 229,297</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 940,182</u>	<u>\$ 157,367</u>	<u>\$ 349,015</u>	<u>\$ 229,297</u>

<u>Expendable Floral Club</u>	<u>Expendable Memorial & Gifts</u>	<u>MN Foundation</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 2,660	\$ 993,557	\$ 17,253	\$ 2,295,608
-	-	-	43,215
-	26,211	-	27,291
-	-	-	325,000
-	7,180	-	8,687
-	-	-	22,921
<u>\$ 2,660</u>	<u>\$ 1,026,948</u>	<u>\$ 17,253</u>	<u>\$ 2,722,722</u>
\$ -	\$ 7,267	\$ -	\$ 23,159
-	-	-	36,283
-	100,000	-	104,155
-	-	-	325,000
<u>\$ -</u>	<u>\$ 107,267</u>	<u>\$ -</u>	<u>\$ 488,597</u>
\$ -	\$ -	\$ -	\$ 43,215
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,215</u>
\$ -	\$ -	\$ -	\$ 229,297
2,660	953,255	17,253	973,168
-	-	-	24,015
-	-	-	843,280
-	-	-	154,724
-	(33,574)	-	(33,574)
<u>\$ 2,660</u>	<u>\$ 919,681</u>	<u>\$ 17,253</u>	<u>\$ 2,190,910</u>
<u>\$ 2,660</u>	<u>\$ 1,026,948</u>	<u>\$ 17,253</u>	<u>\$ 2,722,722</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, 2023

	<u>Library</u>	<u>Recreation Programs</u>	<u>Community Development</u>	<u>Fire PERA</u>
Revenues				
Taxes	\$ 1,066,901	\$ -	\$ -	\$ -
Intergovernmental	199,242	-	-	-
Charges for services	10,917	128,532	-	-
Fines and forfeits	1,224	-	-	-
Miscellaneous	80,491	19,464	894	16,405
Total revenues	<u>\$ 1,358,775</u>	<u>\$ 147,996</u>	<u>\$ 894</u>	<u>\$ 16,405</u>
Expenditures				
Public safety	\$ -	\$ -	\$ -	\$ 32,321
Culture and recreation	1,329,092	141,968	-	-
Total expenditures	<u>\$ 1,329,092</u>	<u>\$ 141,968</u>	<u>\$ -</u>	<u>\$ 32,321</u>
Net change in fund balance	\$ 29,683	\$ 6,028	\$ 894	\$ (15,916)
Fund balance - beginning	813,597	148,696	23,121	245,213
Fund balance - ending	<u>\$ 843,280</u>	<u>\$ 154,724</u>	<u>\$ 24,015</u>	<u>\$ 229,297</u>

<u>Expendable Floral Club</u>	<u>Expendable Memorial & Gifts</u>	<u>MN Foundation</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ 1,066,901
-	-	-	199,242
-	-	-	139,449
-	-	-	1,224
<u>147</u>	<u>197,013</u>	<u>642</u>	<u>315,056</u>
<u>\$ 147</u>	<u>\$ 197,013</u>	<u>\$ 642</u>	<u>\$ 1,721,872</u>
\$ -	\$ -	\$ -	\$ 32,321
-	342,514	-	1,813,574
<u>\$ -</u>	<u>\$ 342,514</u>	<u>\$ -</u>	<u>\$ 1,845,895</u>
\$ 147	\$ (145,501)	\$ 642	\$ (124,023)
<u>2,513</u>	<u>1,065,182</u>	<u>16,611</u>	<u>2,314,933</u>
<u>\$ 2,660</u>	<u>\$ 919,681</u>	<u>\$ 17,253</u>	<u>\$ 2,190,910</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, 2023**

	Tax Increment Revenue Pool	Improvement Bonds Debt Service	Total Nonmajor Debt Service Funds
Assets			
Cash and investments	\$ 103,808	\$ 314,600	\$ 418,408
Special assessments receivable	-	188,804	188,804
Due from other governments	-	278	278
Total assets	\$ 103,808	\$ 503,682	\$ 607,490
Liabilities			
Vouchers payable	\$ 31,224	\$ -	\$ 31,224
Due to other funds	178,151	-	178,151
Total liabilities	\$ 209,375	\$ -	\$ 209,375
Deferred inflows of resources			
Unavailable revenue	\$ -	\$ 188,804	\$ 188,804
Total deferred inflows of resources	\$ -	\$ 188,804	\$ 188,804
Fund balance			
Assigned to:			
Other capital projects	\$ -	\$ 314,878	\$ 314,878
Unassigned	(105,567)	-	(105,567)
Total fund balance	\$ (105,567)	\$ 314,878	\$ 209,311
Total liabilities, deferred inflows of resources, and fund balance	\$ 103,808	\$ 503,682	\$ 607,490

City of Austin, Minnesota
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Debt Service Funds
For the Year Ended December 31, 2023

	Tax Increment Revenue Pool	Improvement Bonds Debt Service	Total Nonmajor Debt Service Funds
Revenues			
Taxes	\$ 402,639	\$ -	\$ 402,639
Special assessments	-	19,290	19,290
Fines and forfeits	-	175	175
Miscellaneous	10,616	10,886	21,502
Total revenues	\$ 413,255	\$ 30,351	\$ 443,606
Expenditures			
Debt service			
Interest and fiscal charges	\$ 468,615	\$ -	\$ 468,615
Total expenditures	\$ 468,615	\$ -	\$ 468,615
Net change in fund balance	\$ (55,360)	\$ 30,351	\$ (25,009)
Fund balance - beginning	(50,207)	284,527	234,320
Fund balance - ending	\$ (105,567)	\$ 314,878	\$ 209,311

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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, 2023**

	<u>Building</u>	<u>Capital Improvements Revolving</u>	<u>Airport Improvements</u>	<u>Total Nonmajor Capital Project Funds</u>
Assets				
Cash and investments	\$ 2,541,271	\$ 3,503,588	\$ 411,210	\$ 6,456,069
Taxes receivable	-	18,420	-	18,420
Accounts receivable	-	3,563	-	3,563
Special assessments receivable	-	2,271,957	-	2,271,957
Due from other funds	-	8,059	-	8,059
Due from other governments	319,800	254,265	25,297	599,362
Advances to component unit	494,012	-	-	494,012
Total assets	<u>\$ 3,355,083</u>	<u>\$ 6,059,852</u>	<u>\$ 436,507</u>	<u>\$ 9,851,442</u>
Liabilities				
Vouchers payable	\$ 45,238	\$ 155,493	\$ 264	\$ 200,995
Contractors' retained percentage	-	256,498	-	256,498
Total liabilities	<u>\$ 45,238</u>	<u>\$ 411,991</u>	<u>\$ 264</u>	<u>\$ 457,493</u>
Deferred inflows of resources				
Unavailable revenue	\$ -	\$ 2,290,377	\$ -	\$ 2,290,377
Total deferred inflows of resources	<u>\$ -</u>	<u>\$ 2,290,377</u>	<u>\$ -</u>	<u>\$ 2,290,377</u>
Fund balance				
Assigned to:				
Other capital projects	\$ 3,309,845	\$ 3,357,484	\$ 436,243	\$ 7,103,572
Total fund balance	<u>\$ 3,309,845</u>	<u>\$ 3,357,484</u>	<u>\$ 436,243</u>	<u>\$ 7,103,572</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 3,355,083</u>	<u>\$ 6,059,852</u>	<u>\$ 436,507</u>	<u>\$ 9,851,442</u>

City of Austin, Minnesota
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Capital Projects Funds
For the Year Ended December 31, 2023

	Building	Capital Improvements Revolving	Airport Improvements	Total Nonmajor Capital Projects Funds
Revenues				
Taxes	\$ -	\$ 1,464,006	\$ -	\$ 1,464,006
Special assessments	-	661,280	-	661,280
Intergovernmental revenues	319,800	226,043	49,592	595,435
Miscellaneous revenues				
Investment income	\$ 118,575	\$ 86,907	\$ -	\$ 205,482
Miscellaneous	1,395,670	129,928	-	1,525,598
Total miscellaneous revenues	\$ 1,514,245	\$ 216,835	\$ -	\$ 1,731,080
Total revenues	\$ 1,834,045	\$ 2,568,164	\$ 49,592	\$ 4,451,801
Expenditures				
Capital outlay	\$ 2,950,431	\$ 2,355,033	\$ 59,537	\$ 5,365,001
Total expenditures	\$ 2,950,431	\$ 2,355,033	\$ 59,537	\$ 5,365,001
Excess (deficiency) of revenues over expenditures	\$ (1,116,386)	\$ 213,131	\$ (9,945)	\$ (913,200)
Other financing sources				
Transfers in	\$ -	\$ 725,000	\$ 20,500	\$ 745,500
Total other financing sources	\$ -	\$ 725,000	\$ 20,500	\$ 745,500
Net change in fund balance	\$ (1,116,386)	\$ 938,131	\$ 10,555	\$ (167,700)
Fund balance - beginning	4,426,231	2,419,353	425,688	7,271,272
Fund balance - ending	\$ 3,309,845	\$ 3,357,484	\$ 436,243	\$ 7,103,572

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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, 2023**

	<u>Non-Expendable Memorial and Gift</u>	<u>Non-Expendable Floral Club</u>	<u>Junior Police Program</u>	<u>Total</u>
Assets				
Cash and investments	\$ 140,328	\$ 21,358	\$ 2,103	\$ 163,789
Total assets	<u>\$ 140,328</u>	<u>\$ 21,358</u>	<u>\$ 2,103</u>	<u>\$ 163,789</u>
Fund balance				
Nonspendable:				
Permanent fund principal	\$ 122,750	\$ 12,000	\$ 1,302	\$ 136,052
Assigned to:				
Police	-	-	801	801
Library	<u>17,578</u>	<u>9,358</u>	<u>-</u>	<u>26,936</u>
Total fund balance	<u>\$ 140,328</u>	<u>\$ 21,358</u>	<u>\$ 2,103</u>	<u>\$ 163,789</u>

City of Austin, Minnesota
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Permanent Funds
For the Year Ended December 31, 2023

	Non-Expendable Memorial and Gift	Non-Expendable Floral Club	Junior Police Program	Total
Revenues				
Investment income	\$ 5,223	\$ 795	\$ 78	\$ 6,096
Total revenues	<u>\$ 5,223</u>	<u>\$ 795</u>	<u>\$ 78</u>	<u>\$ 6,096</u>
Net change in fund balance	\$ 5,223	\$ 795	\$ 78	\$ 6,096
Fund balance - beginning	<u>135,105</u>	<u>20,563</u>	<u>2,025</u>	<u>157,693</u>
Fund balance - ending	<u><u>\$ 140,328</u></u>	<u><u>\$ 21,358</u></u>	<u><u>\$ 2,103</u></u>	<u><u>\$ 163,789</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Taxes				
General property, current	\$ 5,743,466	\$ 5,743,466	\$ 5,735,966	\$ (7,500)
General property, delinquent	55,000	55,000	62,072	7,072
Penalty and interest on delinquent	10,000	10,000	8,216	(1,784)
Mobile home	6,000	6,000	14,691	8,691
Hotel - Motel tax	190,000	190,000	176,829	(13,171)
Cablevision franchise fee	285,000	285,000	262,684	(22,316)
Lawful gaming tax	5,000	5,000	13,566	8,566
Total taxes	\$ 6,294,466	\$ 6,294,466	\$ 6,274,024	\$ (20,442)
Special assessments	\$ 49,000	\$ 49,000	\$ 52,153	\$ 3,153
Licenses and permits				
Business licenses and permits	\$ 93,355	\$ 93,355	\$ 121,445	\$ 28,090
Non-Business licenses and permits	412,250	412,250	607,218	194,968
Rental housing licenses and permits	170,000	170,000	174,971	4,971
Total licenses and permits	\$ 675,605	\$ 675,605	\$ 903,634	\$ 228,029
Intergovernmental revenues				
State				
Local government aid	\$ 8,882,778	\$ 8,882,778	\$ 8,882,778	\$ -
Fire relief association amortization aid	149,000	149,000	174,804	25,804
PERA Aid	-	-	29,475	29,475
Highway maintenance	55,000	55,000	57,588	2,588
Police training reimbursement	35,000	35,000	31,316	(3,684)
Airport maintenance	51,075	51,075	59,716	8,641
Mobile home homestead credit	-	-	254	254
State and federal grants	163,224	163,224	403,981	240,757
Police insurance premium aid	320,000	320,000	340,295	20,295
School district liaison aid	207,383	207,383	237,155	29,772
Total intergovernmental revenues	\$ 9,863,460	\$ 9,863,460	\$ 10,217,362	\$ 353,902
Charges for services				
License late fees	\$ 760	\$ 760	\$ 1,823	\$ 1,063
Winter gym program	-	-	16	16
Booklet and map sales	500	500	2,565	2,065
Plans and specifications	250	250	23	(227)
Photocopies and accident copies	20	20	2	(18)
Special services, police	4,500	4,500	6,869	2,369
Autopawn system revenues	2,000	2,000	1,227	(773)
Special services, fire	4,000	4,000	5,832	1,832
Rural fire fees	132,000	132,000	143,504	11,504
Fire Hydrant fees	108,750	108,750	109,924	1,174
Impounding and adoption fee	1,500	1,500	1,362	(138)
Plat and changes of use fees	3,000	3,000	2,200	(800)
Zoning review and variance fees	1,500	1,500	2,948	1,448
Investigation fees	1,000	1,000	2,590	1,590
Interest earnings on loan	-	-	6,730	6,730
Satisfaction fees	4,250	4,250	4,094	(156)
School crossing guards	19,159	19,159	19,326	167

City of Austin, Minnesota
General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Charges for services (continued)				
Assessment searches	\$ 19,000	\$ 19,000	\$ 15,040	\$ (3,960)
Building investigation fees	500	500	-	(500)
Building seminar program fees	4,000	4,000	4,400	400
Parking lot lease revenues	5,000	5,000	4,523	(477)
Airport hangar rental	16,500	16,500	17,923	1,423
Swimming pool	104,000	104,000	117,759	13,759
Park and recreation facilities	17,201	17,201	23,056	5,855
Nature center public school rentals	6,000	6,000	12,474	6,474
Ruby Rupner Auditorium rentals	14,000	14,000	24,592	10,592
Riverside and Packer Arena	248,050	248,050	277,429	29,379
Total charges for services	<u>\$ 717,440</u>	<u>\$ 717,440</u>	<u>\$ 808,231</u>	<u>\$ 90,791</u>
Fines and forfeits				
Court fines	\$ 110,000	\$ 110,000	\$ 110,192	\$ 192
Other fines	29,200	29,200	49,419	20,219
Parking violations	20,000	20,000	11,061	(8,939)
Total fines and forfeits	<u>\$ 159,200</u>	<u>\$ 159,200</u>	<u>\$ 170,672</u>	<u>\$ 11,472</u>
Miscellaneous revenues				
Investment income	\$ 30,000	\$ 30,000	\$ 355,210	\$ 325,210
Contributions, private sources	136,534	159,534	187,227	27,693
County Contribution, Senior Center	40,000	40,000	40,000	-
Other miscellaneous revenues	120,441	160,391	225,360	64,969
Administration fees	155,000	155,000	145,000	(10,000)
Accounting fees	62,200	62,200	59,994	(2,206)
Total miscellaneous revenues	<u>\$ 544,175</u>	<u>\$ 607,125</u>	<u>\$ 1,012,791</u>	<u>\$ 405,666</u>
Total revenues	<u>\$ 18,303,346</u>	<u>\$ 18,366,296</u>	<u>\$ 19,438,867</u>	<u>\$ 1,072,571</u>
Other financing sources				
Transfers in	\$ 1,716,000	\$ 1,716,000	\$ 1,639,085	\$ (76,915)
Total other financing sources	<u>\$ 1,716,000</u>	<u>\$ 1,716,000</u>	<u>\$ 1,639,085</u>	<u>\$ (76,915)</u>
Total revenues and other sources	<u>\$ 20,019,346</u>	<u>\$ 20,082,296</u>	<u>\$ 21,077,952</u>	<u>\$ 995,656</u>

City of Austin, Minnesota
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
General government				
Council	\$ 272,544	\$ 272,628	\$ 281,604	\$ (8,976)
Mayor	16,975	16,987	17,197	(210)
Administrator	284,061	299,188	290,867	8,321
Clerk	201,466	214,096	211,692	2,404
Finance	536,271	556,272	555,367	905
Assessor	250	250	-	250
Attorney	168,701	184,354	166,987	17,367
Prosecuting attorney	188,468	188,468	212,712	(24,244)
Human resources	155,555	162,238	158,163	4,075
Planner	279,665	295,040	288,791	6,249
City hall	162,676	162,676	175,359	(12,683)
Cable TV access channel	3,000	3,000	7,581	(4,581)
Contingency	64,877	64,877	37,491	27,386
Capital outlay	100,038	89,285	62,000	27,285
Total general government	<u>\$ 2,434,547</u>	<u>\$ 2,509,359</u>	<u>\$ 2,465,811</u>	<u>\$ 43,548</u>
Public safety				
Police	\$ 4,800,408	\$ 4,950,146	\$ 4,780,130	\$ 170,016
Law enforcement center	550,000	550,000	550,000	-
Canine program	3,400	3,400	264	3,136
Crossing guards	19,159	19,159	19,326	(167)
Police explorer	1,200	1,200	-	1,200
Community service officers	218,138	213,561	200,063	13,498
Ellis School Liaison	115,399	120,070	124,296	(4,226)
Fire	2,008,721	2,065,047	2,111,831	(46,784)
Building inspection	366,667	374,646	357,852	16,794
Rental housing inspection	190,015	189,978	184,146	5,832
Civil defense	40,392	40,392	32,183	8,209
Capital outlay	340,456	303,859	211,002	92,857
Contingency	24,739	24,739	7,005	17,734
Total public safety	<u>\$ 8,678,694</u>	<u>\$ 8,856,197</u>	<u>\$ 8,578,098</u>	<u>\$ 278,099</u>
Streets and highways				
Engineering	\$ 743,580	\$ 765,994	\$ 757,578	\$ 8,416
Streets and highways	2,791,657	2,874,726	2,762,002	112,724
Sidewalk, curb and gutter	16,000	16,000	14,215	1,785
Highway lighting	170,000	170,000	154,277	15,723
Sign shop	112,171	134,380	127,871	6,509
Parking lots	21,500	21,500	14,828	6,672
Contingency	46,137	46,137	26,406	19,731
Total streets and highways	<u>\$ 3,901,045</u>	<u>\$ 4,028,737</u>	<u>\$ 3,857,177</u>	<u>\$ 171,560</u>

**City of Austin, Minnesota
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Culture and recreation				
Park and recreation				
Recreation and nature center	\$ 1,214,851	\$ 1,221,956	\$ 1,183,036	\$ 38,920
Swimming pool	203,236	203,236	196,272	6,964
Recreation facilities	173,563	173,563	245,943	(72,380)
Park maintenance	1,243,034	1,310,002	1,337,337	(27,335)
Weed control	2,550	2,550	7,177	(4,627)
Contingency	1,747	1,747	1,527	220
Capital outlay	946,105	844,406	586,362	258,044
Downtown flowers	50,378	50,378	58,697	(8,319)
Total park and recreation	<u>\$ 3,835,464</u>	<u>\$ 3,807,838</u>	<u>\$ 3,616,351</u>	<u>\$ 191,487</u>
Arenas				
Riverside and Packer Arena	<u>\$ 572,867</u>	<u>\$ 587,081</u>	<u>\$ 583,091</u>	<u>\$ 3,990</u>
Senior citizen's activities				
Senior Citizen's Center	<u>\$ 80,000</u>	<u>\$ 80,000</u>	<u>\$ 78,265</u>	<u>\$ 1,735</u>
Total culture and recreation	<u>\$ 4,488,331</u>	<u>\$ 4,474,919</u>	<u>\$ 4,277,707</u>	<u>\$ 197,212</u>
Public service				
Airport maintenance	<u>\$ 99,442</u>	<u>\$ 99,442</u>	<u>\$ 114,007</u>	<u>\$ (14,565)</u>
Total public service	<u>\$ 99,442</u>	<u>\$ 99,442</u>	<u>\$ 114,007</u>	<u>\$ (14,565)</u>
Economic development	<u>\$ 343,286</u>	<u>\$ 343,286</u>	<u>\$ 401,010</u>	<u>\$ (57,724)</u>
Total expenditures	<u>\$ 19,945,345</u>	<u>\$ 20,311,940</u>	<u>\$ 19,693,810</u>	<u>\$ 618,130</u>
Other financing uses				
Transfers out	<u>\$ 120,500</u>	<u>\$ 504,856</u>	<u>\$ 504,856</u>	<u>\$ -</u>
Total other financing uses	<u>\$ 120,500</u>	<u>\$ 504,856</u>	<u>\$ 504,856</u>	<u>\$ -</u>
Total expenditures and other uses	<u>\$ 20,065,845</u>	<u>\$ 20,816,796</u>	<u>\$ 20,198,666</u>	<u>\$ 618,130</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes				
General property, current	\$ 1,053,534	\$ 1,053,534	\$ 1,052,158	\$ (1,376)
Delinquent property taxes	10,000	10,000	12,048	2,048
Mobile home	-	-	2,695	2,695
Total taxes	<u>\$ 1,063,534</u>	<u>\$ 1,063,534</u>	<u>\$ 1,066,901</u>	<u>\$ 3,367</u>
Intergovernmental revenues				
State				
Mobile home homestead credit	\$ -	\$ -	\$ 47	\$ 47
County				
Apportionment	\$ 200,750	\$ 200,750	\$ 199,195	\$ (1,555)
Total intergovernmental revenues	<u>\$ 200,750</u>	<u>\$ 200,750</u>	<u>\$ 199,242</u>	<u>\$ (1,508)</u>
Charges for services				
Room and picture rentals	\$ -	\$ -	\$ 235	\$ 235
Photocopies	2,500	2,500	4,267	1,767
Book sales	1,000	1,000	6,415	5,415
Total charges for services	<u>\$ 3,500</u>	<u>\$ 3,500</u>	<u>\$ 10,917</u>	<u>\$ 7,417</u>
Fines and forfeits				
Book fines	\$ 1,500	\$ 1,500	\$ 1,224	\$ (276)
Miscellaneous revenues				
Investment income	\$ 500	\$ 500	\$ 30,173	\$ 29,673
Revenue from other sources	50,000	56,005	50,318	(5,687)
Total miscellaneous revenues	<u>\$ 50,500</u>	<u>\$ 56,505</u>	<u>\$ 80,491</u>	<u>\$ 23,986</u>
Total revenues	<u>\$ 1,319,784</u>	<u>\$ 1,325,789</u>	<u>\$ 1,358,775</u>	<u>\$ 32,986</u>
Expenditures				
Culture and recreation				
Library	<u>\$ 1,366,048</u>	<u>\$ 1,418,267</u>	<u>\$ 1,329,092</u>	<u>\$ 89,175</u>
Total expenditures	<u>\$ 1,366,048</u>	<u>\$ 1,418,267</u>	<u>\$ 1,329,092</u>	<u>\$ 89,175</u>
Net change in fund balance	\$ (46,264)	\$ (92,478)	\$ 29,683	\$ 122,161
Fund balance - beginning	<u>813,597</u>	<u>813,597</u>	<u>813,597</u>	<u>-</u>
Fund balance - ending	<u>\$ 767,333</u>	<u>\$ 721,119</u>	<u>\$ 843,280</u>	<u>\$ 122,161</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, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services				
Adult softball	\$ 16,324	\$ 16,324	\$ 11,972	\$ (4,352)
Adult volleyball	3,050	3,050	1,865	(1,185)
Community gardens	2,500	2,500	2,734	234
Disc golf	1,100	1,100	1,172	72
Horseshoe club	1,000	1,000	-	(1,000)
Farmers Market	19,500	19,500	9,073	(10,427)
Player fees	6,180	6,180	3,752	(2,428)
Youth basketball camp fees	8,276	8,276	8,229	(47)
Summer programs	15,411	15,411	23,289	7,878
Austin Area Volleyball Club	10,025	10,025	33,436	23,411
Youth wrestling	5,000	5,000	5,215	215
Bike club	2,000	2,000	5,096	3,096
Canoe rental	1,000	1,000	2,817	1,817
Crafts program	1,200	1,200	2,000	800
Cross country skiing	3,407	3,407	2,028	(1,379)
Special events	8,713	8,713	15,854	7,141
Total charges for services	<u>\$ 104,686</u>	<u>\$ 104,686</u>	<u>\$ 128,532</u>	<u>\$ 23,846</u>
Miscellaneous Revenues				
Investment income	\$ -	\$ -	\$ 5,970	\$ 5,970
Concessions commissions	20,000	20,000	10,994	(9,006)
Nature Center donations	2,500	2,500	2,500	-
Total miscellaneous	<u>\$ 22,500</u>	<u>\$ 22,500</u>	<u>\$ 19,464</u>	<u>\$ (3,036)</u>
 Total revenues	 <u>\$ 127,186</u>	 <u>\$ 127,186</u>	 <u>\$ 147,996</u>	 <u>\$ 20,810</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, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
Culture and recreation				
Adult softball	\$ 36,324	\$ 36,324	\$ 35,455	\$ 869
Adult volleyball	3,050	3,050	1,051	1,999
Community gardens	2,500	2,500	2,838	(338)
Disc golf	1,100	1,100	4,407	(3,307)
Horseshoe club	1,000	1,000	332	668
Farmers Market	19,500	19,500	6,141	13,359
Player fees	6,180	6,180	6,180	-
Southern Minny fast pitch	-	-	4,731	(4,731)
Youth basketball camp fees	8,276	8,276	7,085	1,191
Summer programs	15,411	15,411	13,933	1,478
Austin Area Volleyball club	10,025	10,025	20,127	(10,102)
Youth wrestling	5,000	5,000	6,443	(1,443)
Bike club	2,000	2,000	4,832	(2,832)
Canoe rental	1,000	1,000	1,811	(811)
Crafts program	1,200	1,200	1,542	(342)
Cross country skiing	5,907	5,907	15,948	(10,041)
Special events	8,713	8,713	9,112	(399)
	<u>\$ 127,186</u>	<u>\$ 127,186</u>	<u>\$ 141,968</u>	<u>\$ (14,782)</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,028</u>	<u>\$ 6,028</u>
Other financing uses				
Transfers out	<u>\$ (6,000)</u>	<u>\$ (6,000)</u>	<u>\$ -</u>	<u>\$ (6,000)</u>
Total other financing uses	<u>\$ (6,000)</u>	<u>\$ (6,000)</u>	<u>\$ -</u>	<u>\$ (6,000)</u>
Net change in fund balance	\$ (6,000)	\$ (6,000)	\$ 6,028	\$ 12,028
Fund balance - beginning	<u>148,696</u>	<u>148,696</u>	<u>148,696</u>	<u>-</u>
Fund balance - ending	<u>\$ 142,696</u>	<u>\$ 142,696</u>	<u>\$ 154,724</u>	<u>\$ 12,028</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Investment income	\$ 300	\$ 300	\$ 16,405	\$ 16,105
Total revenues	<u>\$ 300</u>	<u>\$ 300</u>	<u>\$ 16,405</u>	<u>\$ 16,105</u>
Expenditures				
Public safety				
Capital outlay	\$ 33,000	\$ 33,000	\$ 32,321	\$ 679
Total expenditures	<u>\$ 33,000</u>	<u>\$ 33,000</u>	<u>\$ 32,321</u>	<u>\$ 679</u>
Net change in fund balance	\$ (32,700)	\$ (32,700)	\$ (15,916)	\$ 16,784
Fund balance - beginning	<u>245,213</u>	<u>245,213</u>	<u>245,213</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 212,513</u></u>	<u><u>\$ 212,513</u></u>	<u><u>\$ 229,297</u></u>	<u><u>\$ 16,784</u></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, 2023

	Waste Transfer Station	Storm Water Utility	Total Nonmajor Enterprise Funds
Assets			
Current assets			
Cash and investments	\$ 467,872	\$ 1,244,210	\$ 1,712,082
Interest receivable	661	-	661
Accounts receivable	1,585	-	1,585
Due from other governments	-	30,156	30,156
Lease receivable, current portion	48,439	-	48,439
Due from other funds	-	114,860	114,860
Total current assets	\$ 518,557	\$ 1,389,226	\$ 1,907,783
Noncurrent assets			
Lease receivable, noncurrent portion	\$ 191,831	\$ -	\$ 191,831
Total noncurrent assets	\$ 191,831	\$ -	\$ 191,831
Capital assets			
Capital assets	\$ 505,965	\$ 7,988,246	\$ 8,494,211
Accumulated depreciation	(350,272)	(1,200,532)	(1,550,804)
Net	\$ 155,693	\$ 6,787,714	\$ 6,943,407
Construction in progress	-	921,567	921,567
Net capital assets	\$ 155,693	\$ 7,709,281	\$ 7,864,974
Total assets	\$ 866,081	\$ 9,098,507	\$ 9,964,588
Deferred outflows of resources			
Pension related	\$ -	\$ 23,746	\$ 23,746
OPEB related	-	1,707	1,707
Total deferred outflows of resources	\$ -	\$ 25,453	\$ 25,453
Total assets and deferred outflows of resources	\$ 866,081	\$ 9,123,960	\$ 9,990,041

	Waste Transfer Station	Storm Water Utility	Total Nonmajor Enterprise Funds
Liabilities			
Current liabilities			
Vouchers payable	\$ -	\$ 23,267	\$ 23,267
Accrued expenses	-	6,014	6,014
Compensated absences, current portion	-	3,013	3,013
Other postemployment benefits payable, current portion	-	735	735
Due to other funds	-	2,453	2,453
Total current liabilities	<u>\$ -</u>	<u>\$ 35,482</u>	<u>\$ 35,482</u>
Noncurrent liabilities			
Net pension liability	\$ -	\$ 82,743	\$ 82,743
Other postemployment benefits payable	-	12,770	12,770
Total noncurrent liabilities	<u>\$ -</u>	<u>\$ 95,513</u>	<u>\$ 95,513</u>
Total liabilities	<u>\$ -</u>	<u>\$ 130,995</u>	<u>\$ 130,995</u>
Deferred inflows of resources			
Pension related	\$ -	\$ 26,967	\$ 26,967
OPEB related	-	5,121	5,121
Lease receivable related	240,270	-	240,270
Total deferred inflows of resources	<u>\$ 240,270</u>	<u>\$ 32,088</u>	<u>\$ 272,358</u>
Net position			
Net investment in capital assets	\$ 155,693	\$ 7,709,281	\$ 7,864,974
Unrestricted	470,118	1,251,596	1,721,714
Total net position	<u>\$ 625,811</u>	<u>\$ 8,960,877</u>	<u>\$ 9,586,688</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 866,081</u>	<u>\$ 9,123,960</u>	<u>\$ 9,990,041</u>

City of Austin, Minnesota
Combining Statement of Revenues, Expenses,
and Changes in Net Position - Nonmajor Enterprise Funds
For the Year Ended December 31, 2023

	Waste Transfer Station	Storm Water Utility	Total Nonmajor Enterprise Funds
Operating revenues			
Charges for services	\$ -	\$ 963,099	\$ 963,099
Other operating revenues	45,798	-	45,798
Total operating revenues	\$ 45,798	\$ 963,099	\$ 1,008,897
Operating expenses			
Salaries and benefits	\$ -	\$ 136,964	\$ 136,964
Supplies and maintenance	28,177	110,447	138,624
Administrative and general	10,503	70,512	81,015
Total operating expenses, excluding depreciation	\$ 38,680	\$ 317,923	\$ 356,603
Depreciation	11,860	126,461	138,321
Total operating expenses	\$ 50,540	\$ 444,384	\$ 494,924
Operating income (loss)	\$ (4,742)	\$ 518,715	\$ 513,973
Non-operating revenues			
Investment income	\$ 25,495	\$ 27,674	\$ 53,169
Miscellaneous	1,585	47,570	49,155
Total non-operating revenues	\$ 27,080	\$ 75,244	\$ 102,324
Net income before contributions	\$ 22,338	\$ 593,959	\$ 616,297
Capital contributions	\$ -	\$ 615,186	\$ 615,186
Change in net position	\$ 22,338	\$ 1,209,145	\$ 1,231,483
Total net position - beginning	603,473	7,751,732	8,355,205
Total net position - ending	\$ 625,811	\$ 8,960,877	\$ 9,586,688

City of Austin, Minnesota
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2023

	Waste Transfer Station	Storm Water Utility	Total Nonmajor Enterprise Funds
Cash flows from operating activities			
Receipts from customers and users	\$ 44,213	\$ 936,042	\$ 980,255
Payments to suppliers	(45,304)	(164,101)	(209,405)
Payments to employees	-	(159,118)	(159,118)
Other receipts	1,585	47,570	49,155
Net cash provided by operating activities	<u>\$ 494</u>	<u>\$ 660,393</u>	<u>\$ 660,887</u>
Cash flows from capital and related financing activities			
Capital assets acquisitions	<u>\$ -</u>	<u>\$ (153,232)</u>	<u>\$ (153,232)</u>
Net cash used by capital and related financing activities	<u>\$ -</u>	<u>\$ (153,232)</u>	<u>\$ (153,232)</u>
Cash flows from investing activities			
Investment income	<u>\$ 25,620</u>	<u>\$ 27,674</u>	<u>\$ 53,294</u>
Net cash flows provided by investing activities	<u>\$ 25,620</u>	<u>\$ 27,674</u>	<u>\$ 53,294</u>
Net increase in cash and cash equivalents	\$ 26,114	\$ 534,835	\$ 560,949
Cash and cash equivalents - beginning	<u>441,758</u>	<u>709,375</u>	<u>1,151,133</u>
Cash and cash equivalents - ending	<u><u>\$ 467,872</u></u>	<u><u>\$ 1,244,210</u></u>	<u><u>\$ 1,712,082</u></u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (4,742)	\$ 518,715	\$ 513,973
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	11,860	126,461	138,321
Miscellaneous revenues	-	47,570	47,570
Change in net pension liability	-	(71,627)	(71,627)
Change in deferred inflows of resources - pension related	-	24,690	24,690
Change in deferred inflows of resources - OPEB related	-	(2,715)	(2,715)
Change in deferred outflows of resources - pension related	-	28,656	28,656
Change in deferred outflows of resources - OPEB related	-	527	527
Other postemployment benefits payable	-	(1,793)	(1,793)
(Increase) decrease in assets:			
Accounts receivable	-	3,120	3,120
Due from other funds	-	(21)	(21)
Due from other governments	-	(30,156)	(30,156)
Increase (decrease) in liabilities:			
Vouchers payable	(6,624)	19,674	13,050
Contractors' retained percentage	-	(1,881)	(1,881)
Accrued expenses	-	306	306
Due to other funds	-	(1,133)	(1,133)
Net cash provided by operating activities	<u><u>\$ 494</u></u>	<u><u>\$ 660,393</u></u>	<u><u>\$ 660,887</u></u>
Noncash investing, capital, and financing activities:			
Contributions of capital assets	\$ -	\$ 615,186	\$ 615,186

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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, 2023

	<u>MIS Replacement</u>	<u>Central Garage</u>	<u>Risk Management</u>	<u>Total Internal Service Funds</u>
Assets				
Current assets				
Cash and investments	\$ 434,001	\$ 7,132,948	\$ 4,203,342	\$ 11,770,291
Inventory	-	94,109	-	94,109
Prepaid items	-	200,000	10,893	210,893
Total current assets	<u>\$ 434,001</u>	<u>\$ 7,427,057</u>	<u>\$ 4,214,235</u>	<u>\$ 12,075,293</u>
Noncurrent assets				
Capital assets	\$ 131,012	\$ 17,998,265	\$ -	\$ 18,129,277
Accumulated depreciation	(69,560)	(9,970,215)	-	(10,039,775)
Construction in progress	-	103,890	-	103,890
Total noncurrent assets	<u>\$ 61,452</u>	<u>\$ 8,131,940</u>	<u>\$ -</u>	<u>\$ 8,193,392</u>
Total assets	<u>\$ 495,453</u>	<u>\$ 15,558,997</u>	<u>\$ 4,214,235</u>	<u>\$ 20,268,685</u>
Deferred outflows of resources				
Pension related	\$ 15,483	\$ 67,637	\$ 2,543	\$ 85,663
OPEB related	1,084	4,702	178	5,964
Total deferred outflows of resources	<u>\$ 16,567</u>	<u>\$ 72,339</u>	<u>\$ 2,721</u>	<u>\$ 91,627</u>
Total assets and deferred outflows of resources	<u>\$ 512,020</u>	<u>\$ 15,631,336</u>	<u>\$ 4,216,956</u>	<u>\$ 20,360,312</u>
Liabilities				
Current liabilities				
Vouchers payable	\$ 385	\$ 184,829	\$ 4,363	\$ 189,577
Accrued expenses	14,191	46,387	76,905	137,483
Other postemployment benefits payable, current portion	464	2,020	78	2,562
Due to other funds	-	4,475	-	4,475
Total current liabilities	<u>\$ 15,040</u>	<u>\$ 237,711</u>	<u>\$ 81,346</u>	<u>\$ 334,097</u>
Noncurrent liabilities				
Net pension liability	\$ 53,952	\$ 235,685	\$ 8,861	\$ 298,498
Other postemployment benefits payable	8,111	35,170	1,329	44,610
Total noncurrent liabilities	<u>\$ 62,063</u>	<u>\$ 270,855</u>	<u>\$ 10,190</u>	<u>\$ 343,108</u>
Total liabilities	<u>\$ 77,103</u>	<u>\$ 508,566</u>	<u>\$ 91,536</u>	<u>\$ 677,205</u>
Deferred inflows of resources				
Pension related	\$ 17,584	\$ 76,814	\$ 2,888	\$ 97,286
OPEB related	3,251	14,102	534	17,887
Total deferred inflows of resources	<u>\$ 20,835</u>	<u>\$ 90,916</u>	<u>\$ 3,422</u>	<u>\$ 115,173</u>
Net position				
Net investment in capital assets	\$ 61,452	\$ 8,131,940	\$ -	\$ 8,193,392
Restricted	-	1,054,998	-	1,054,998
Unrestricted	352,630	5,844,916	4,121,998	10,319,544
Total net position	<u>\$ 414,082</u>	<u>\$ 15,031,854</u>	<u>\$ 4,121,998</u>	<u>\$ 19,567,934</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 512,020</u>	<u>\$ 15,631,336</u>	<u>\$ 4,216,956</u>	<u>\$ 20,360,312</u>

City of Austin, Minnesota
Combining Statement of Revenues, Expenses, and
Changes in Net Position - Internal Service Funds
For the Year Ended December 31, 2023

	MIS Replacement	Central Garage	Risk Management	Total Internal Service Funds
Operating revenues				
Charges for services	\$ 260,000	\$ 1,927,001	\$ 2,299,833	\$ 4,486,834
Total operating revenues	<u>\$ 260,000</u>	<u>\$ 1,927,001</u>	<u>\$ 2,299,833</u>	<u>\$ 4,486,834</u>
Operating expenses				
Salaries and benefits	\$ 100,387	\$ 434,533	\$ 17,299	\$ 552,219
Supplies and maintenance	1,359	598,640	415	600,414
Administrative and general	127,505	29,067	43,865	200,437
Claims	-	-	393,548	393,548
Retirement benefits	-	-	140,298	140,298
Insurance premiums	-	-	2,220,799	2,220,799
Total operating expenses, excluding depreciation	<u>\$ 229,251</u>	<u>\$ 1,062,240</u>	<u>\$ 2,816,224</u>	<u>\$ 4,107,715</u>
Depreciation	16,224	791,611	-	807,835
Total operating expenses	<u>\$ 245,475</u>	<u>\$ 1,853,851</u>	<u>\$ 2,816,224</u>	<u>\$ 4,915,550</u>
Operating income (loss)	<u>\$ 14,525</u>	<u>\$ 73,150</u>	<u>\$ (516,391)</u>	<u>\$ (428,716)</u>
Non-operating revenues				
Investment income	\$ 3,987	\$ 255,003	\$ 165,873	\$ 424,863
Gain on disposal of capital assets	-	59,919	-	59,919
State grant	-	1,054,998	-	1,054,998
Other revenues	-	-	64,124	64,124
Total non-operating revenues	<u>\$ 3,987</u>	<u>\$ 1,369,920</u>	<u>\$ 229,997</u>	<u>\$ 1,603,904</u>
Net income (loss) before transfers	<u>\$ 18,512</u>	<u>\$ 1,443,070</u>	<u>\$ (286,394)</u>	<u>\$ 1,175,188</u>
Other financing sources (uses)				
Transfers in	\$ 200,000	\$ -	\$ 284,356	\$ 484,356
Transfers out	-	(725,000)	-	(725,000)
Total other financing sources (uses)	<u>\$ 200,000</u>	<u>\$ (725,000)</u>	<u>\$ 284,356</u>	<u>\$ (240,644)</u>
Change in net position	\$ 218,512	\$ 718,070	\$ (2,038)	\$ 934,544
Net position - beginning	<u>195,570</u>	<u>14,313,784</u>	<u>4,124,036</u>	<u>18,633,390</u>
Net position - ending	<u>\$ 414,082</u>	<u>\$ 15,031,854</u>	<u>\$ 4,121,998</u>	<u>\$ 19,567,934</u>

City of Austin, Minnesota
Combining Statement of Cash Flows - Internal Service Funds
For the Year Ended December 31, 2023

	MIS Replacement	Central Garage	Risk Management	Total Internal Service Funds
Cash flows from operating activities				
Receipts from customers and users	\$ 260,000	\$ 1,927,001	\$ 2,300,747	\$ 4,487,748
Payments to suppliers	(128,888)	(688,025)	(2,670,885)	(3,487,798)
Payments to employees	(98,792)	(447,981)	(17,441)	(564,214)
Payments to retirees	-	-	(140,298)	(140,298)
Other receipts	-	1,054,998	64,124	1,119,122
Net cash provided (used) by operating activities	<u>\$ 32,320</u>	<u>\$ 1,845,993</u>	<u>\$ (463,753)</u>	<u>\$ 1,414,560</u>
Cash flows from noncapital financing activities				
Transfers to other funds	\$ -	\$ (725,000)	\$ -	\$ (725,000)
Transfers from other funds	200,000	-	284,356	484,356
Net cash provided (used) by noncapital financing activities	<u>\$ 200,000</u>	<u>\$ (725,000)</u>	<u>\$ 284,356</u>	<u>\$ (240,644)</u>
Cash flows from capital and related financing activities				
Capital asset acquisitions	\$ -	\$ (1,076,205)	\$ -	\$ (1,076,205)
Proceeds from sale of capital assets	-	59,919	-	59,919
Net cash used by capital and related financing activities	<u>\$ -</u>	<u>\$ (1,016,286)</u>	<u>\$ -</u>	<u>\$ (1,016,286)</u>
Cash flows from investing activities				
Investment income	\$ 3,987	\$ 255,003	\$ 165,873	\$ 424,863
Net cash flows provided by investing activities	<u>\$ 3,987</u>	<u>\$ 255,003</u>	<u>\$ 165,873</u>	<u>\$ 424,863</u>
Net increase (decrease) in cash and cash equivalents	\$ 236,307	\$ 359,710	\$ (13,524)	\$ 582,493
Cash and cash equivalents - beginning	197,694	6,773,238	4,216,866	11,187,798
Cash and cash equivalents - ending	<u>\$ 434,001</u>	<u>\$ 7,132,948</u>	<u>\$ 4,203,342</u>	<u>\$ 11,770,291</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 14,525	\$ 73,150	\$ (516,391)	\$ (428,716)
Depreciation	16,224	791,611	-	807,835
Miscellaneous revenues	-	1,054,998	64,124	1,119,122
Change in net pension liability	(33,583)	(145,432)	(4,842)	(183,857)
Change in deferred inflows of resources - pension related	16,293	71,193	2,686	90,172
Change in deferred inflows of resources - OPEB related	(1,474)	(5,610)	(163)	(7,247)
Change in deferred outflows of resources - pension related	14,232	61,737	2,109	78,078
Change in deferred outflows of resources - OPEB related	263	917	21	1,201
Other postemployment benefits payable	(649)	(1,293)	47	(1,895)
(Increase) Decrease in assets:				
Accounts receivable	-	-	914	914
Inventory	-	(11,163)	-	(11,163)
Increase (Decrease) in liabilities:				
Vouchers payable	(24)	(47,713)	(2,371)	(50,108)
Accrued expenses	6,513	5,040	(9,887)	1,666
Due to other funds	-	(1,442)	-	(1,442)
Net cash provided (used) by operating activities	<u>\$ 32,320</u>	<u>\$ 1,845,993</u>	<u>\$ (463,753)</u>	<u>\$ 1,414,560</u>

City of Austin, Minnesota
Combining Schedule of Net Position
Internal Service Funds - Central Garage Fund
December 31, 2023

	Streets and Highways	Parks and Forestry	Fire Vehicles and Equipment	Total
Assets				
Current assets				
Cash and investments	\$ 2,144,981	\$ 1,514,981	\$ 3,472,986	\$ 7,132,948
Inventory	94,109	-	-	94,109
Prepaid items	-	-	200,000	200,000
Total current assets	\$ 2,239,090	\$ 1,514,981	\$ 3,672,986	\$ 7,427,057
Noncurrent assets				
Capital assets	\$ 13,379,595	\$ 2,252,539	\$ 2,366,131	\$ 17,998,265
Accumulated depreciation	(7,143,979)	(1,425,786)	(1,400,450)	(9,970,215)
Construction in progress	-	-	103,890	103,890
Total noncurrent assets	\$ 6,235,616	\$ 826,753	\$ 1,069,571	\$ 8,131,940
Total assets	\$ 8,474,706	\$ 2,341,734	\$ 4,742,557	\$ 15,558,997
Deferred outflows of resources				
Pension related	\$ 61,177	\$ 6,460	\$ -	\$ 67,637
OPEB related	4,253	449	-	4,702
Total deferred outflows of resources	\$ 65,430	\$ 6,909	\$ -	\$ 72,339
Total assets and deferred outflows of resources	\$ 8,540,136	\$ 2,348,643	\$ 4,742,557	\$ 15,631,336
Liabilities				
Current liabilities				
Vouchers payable	\$ 63,297	\$ 121,507	\$ 25	\$ 184,829
Accrued expenses	40,413	5,804	170	46,387
Other postemployment benefits payable, current portion	1,827	193	-	2,020
Due to other funds	4,475	-	-	4,475
Total current liabilities	\$ 110,012	\$ 127,504	\$ 195	\$ 237,711
Noncurrent liabilities				
Net pension liability	\$ 213,177	\$ 22,508	\$ -	\$ 235,685
Other postemployment benefits payable	31,811	3,359	-	35,170
Total noncurrent liabilities	\$ 244,988	\$ 25,867	\$ -	\$ 270,855
Total liabilities	\$ 355,000	\$ 153,371	\$ 195	\$ 508,566
Deferred inflows of resources				
Pension related	\$ 69,478	\$ 7,336	\$ -	\$ 76,814
OPEB related	12,755	1,347	-	14,102
Total deferred inflows of resources	\$ 82,233	\$ 8,683	\$ -	\$ 90,916
Net position				
Net investment in capital assets	\$ 6,235,616	\$ 826,753	\$ 1,069,571	\$ 8,131,940
Restricted	-	-	1,054,998	1,054,998
Unrestricted	1,867,287	1,359,836	2,617,793	5,844,916
Total net position	\$ 8,102,903	\$ 2,186,589	\$ 4,742,362	\$ 15,031,854
Total liabilities, deferred inflows of resources, and net position	\$ 8,540,136	\$ 2,348,643	\$ 4,742,557	\$ 15,631,336

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, 2023

	<u>Streets and Highways</u>	<u>Parks and Forestry</u>	<u>Fire Vehicles and Equipment</u>	<u>Total Central Garage Fund</u>
Operating revenues				
Charges for services	<u>\$ 1,390,572</u>	<u>\$ 316,429</u>	<u>\$ 220,000</u>	<u>\$ 1,927,001</u>
Total operating revenues	<u>\$ 1,390,572</u>	<u>\$ 316,429</u>	<u>\$ 220,000</u>	<u>\$ 1,927,001</u>
Operating expenses				
Salaries and benefits	\$ 398,010	\$ 36,523	\$ -	\$ 434,533
Supplies and maintenance	394,605	128,816	75,219	598,640
Administrative and general	<u>22,947</u>	<u>6,120</u>	<u>-</u>	<u>29,067</u>
Total operating expenses, excluding depreciation	<u>\$ 815,562</u>	<u>\$ 171,459</u>	<u>\$ 75,219</u>	<u>\$ 1,062,240</u>
Depreciation	<u>578,850</u>	<u>121,408</u>	<u>91,353</u>	<u>791,611</u>
Total operating expenses	<u>\$ 1,394,412</u>	<u>\$ 292,867</u>	<u>\$ 166,572</u>	<u>\$ 1,853,851</u>
Operating income (loss)	<u>\$ (3,840)</u>	<u>\$ 23,562</u>	<u>\$ 53,428</u>	<u>\$ 73,150</u>
Non-operating revenues				
Investment income	\$ 90,685	\$ 55,580	\$ 108,738	\$ 255,003
Gain on disposal of capital assets	43,434	16,485	-	59,919
State grant	<u>-</u>	<u>-</u>	<u>1,054,998</u>	<u>1,054,998</u>
Total non-operating revenues	<u>\$ 134,119</u>	<u>\$ 72,065</u>	<u>\$ 1,163,736</u>	<u>\$ 1,369,920</u>
Net income before transfers	<u>\$ 130,279</u>	<u>\$ 95,627</u>	<u>\$ 1,217,164</u>	<u>\$ 1,443,070</u>
Other financing uses				
Transfers out	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (725,000)</u>	<u>\$ (725,000)</u>
Total other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (725,000)</u>	<u>\$ (725,000)</u>
Change in net position	\$ 130,279	\$ 95,627	\$ 492,164	\$ 718,070
Net position - beginning	<u>7,972,624</u>	<u>2,090,962</u>	<u>4,250,198</u>	<u>14,313,784</u>
Net position - ending	<u>\$ 8,102,903</u>	<u>\$ 2,186,589</u>	<u>\$ 4,742,362</u>	<u>\$ 15,031,854</u>

City of Austin, Minnesota
Combining Schedule of Net Position
Internal Service Funds - Risk Management Fund
December 31, 2023

	Health Insurance	Property and Liability	Workers' Compensation Insurance	Sick Leave Program	Total Risk Management Fund
Assets					
Current assets					
Cash and investments	\$ 615,629	\$ 1,097,564	\$ 1,220,916	\$ 1,269,233	\$ 4,203,342
Prepaid items	10,893	-	-	-	10,893
Total current assets	\$ 626,522	\$ 1,097,564	\$ 1,220,916	\$ 1,269,233	\$ 4,214,235
Deferred outflows of resources					
Pension related	\$ -	\$ 1,271	\$ 1,272	\$ -	\$ 2,543
OPEB related	-	89	89	-	178
Total deferred outflows of resources	\$ -	\$ 1,360	\$ 1,361	\$ -	\$ 2,721
Total assets and deferred outflows of resources	\$ 626,522	\$ 1,098,924	\$ 1,222,277	\$ 1,269,233	\$ 4,216,956
Liabilities					
Current liabilities					
Vouchers payable	\$ 3,169	\$ -	\$ 1,194	\$ -	\$ 4,363
Accrued expenses	73,973	793	2,139	-	76,905
Other postemployment benefits payable, current portion	-	39	39	-	78
Total current liabilities	\$ 77,142	\$ 832	\$ 3,372	\$ -	\$ 81,346
Noncurrent liabilities					
Net pension liability	\$ -	\$ 4,430	\$ 4,431	\$ -	\$ 8,861
Other postemployment benefits payable	-	665	664	-	1,329
Total noncurrent liabilities	\$ -	\$ 5,095	\$ 5,095	\$ -	\$ 10,190
Total liabilities	\$ 77,142	\$ 5,927	\$ 8,467	\$ -	\$ 91,536
Deferred inflows of resources					
Pension related	\$ -	\$ 1,444	\$ 1,444	\$ -	\$ 2,888
OPEB related	-	267	267	-	534
Total deferred inflows of resources	\$ -	\$ 1,711	\$ 1,711	\$ -	\$ 3,422
Net position					
Unrestricted	\$ 549,380	\$ 1,091,286	\$ 1,212,099	\$ 1,269,233	\$ 4,121,998
Total net position	\$ 549,380	\$ 1,091,286	\$ 1,212,099	\$ 1,269,233	\$ 4,121,998
Total liabilities, deferred inflows of resources, and net position	\$ 626,522	\$ 1,098,924	\$ 1,222,277	\$ 1,269,233	\$ 4,216,956

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, 2023

	Health Insurance	Property and Liability	Workers' Compensation Insurance	Sick Leave Program	Total Risk Management Fund
Operating revenues					
Charges for services	\$ 1,398,614	\$ 294,480	\$ 500,839	\$ 105,900	\$ 2,299,833
Total operating revenues	<u>\$ 1,398,614</u>	<u>\$ 294,480</u>	<u>\$ 500,839</u>	<u>\$ 105,900</u>	<u>\$ 2,299,833</u>
Operating expenses					
Salaries and benefits	\$ -	\$ 8,649	\$ 8,650	\$ -	\$ 17,299
Supplies and maintenance	415	-	-	-	415
Administrative and general	-	-	43,865	-	43,865
Claims	277,568	33,442	11,803	70,735	393,548
Retirement benefits	-	-	-	140,298	140,298
Insurance premiums	1,412,889	332,039	475,871	-	2,220,799
Total operating expenses	<u>\$ 1,690,872</u>	<u>\$ 374,130</u>	<u>\$ 540,189</u>	<u>\$ 211,033</u>	<u>\$ 2,816,224</u>
Operating loss	<u>\$ (292,258)</u>	<u>\$ (79,650)</u>	<u>\$ (39,350)</u>	<u>\$ (105,133)</u>	<u>\$ (516,391)</u>
Non-operating revenues					
Investment income	\$ 25,908	\$ 40,573	\$ 30,934	\$ 68,458	\$ 165,873
Other revenues					
Refunds	\$ -	\$ 16,489	\$ -	\$ -	\$ 16,489
Miscellaneous	9,591	30,314	7,730	-	47,635
Total other revenues	<u>\$ 9,591</u>	<u>\$ 46,803</u>	<u>\$ 7,730</u>	<u>\$ -</u>	<u>\$ 64,124</u>
Total non-operating revenues	<u>\$ 35,499</u>	<u>\$ 87,376</u>	<u>\$ 38,664</u>	<u>\$ 68,458</u>	<u>\$ 229,997</u>
Net income (loss) before transfers	\$ (256,759)	\$ 7,726	\$ (686)	\$ (36,675)	\$ (286,394)
Other financing sources					
Transfers in	\$ 284,356	\$ -	\$ -	\$ -	\$ 284,356
Total other financing sources	<u>\$ 284,356</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 284,356</u>
Change in net position	\$ 27,597	\$ 7,726	\$ (686)	\$ (36,675)	\$ (2,038)
Net position - beginning	<u>521,783</u>	<u>1,083,560</u>	<u>1,212,785</u>	<u>1,305,908</u>	<u>4,124,036</u>
Net position - ending	<u>\$ 549,380</u>	<u>\$ 1,091,286</u>	<u>\$ 1,212,099</u>	<u>\$ 1,269,233</u>	<u>\$ 4,121,998</u>

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
2024	\$ 400,000	\$ 38,207	\$ 438,207
2025	410,000	29,706	439,706
2026	415,000	20,482	435,482
2027	425,000	10,625	435,625
	<u>\$ 1,650,000</u>	<u>\$ 99,020</u>	<u>\$ 1,749,020</u>

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

Year	Series 2015A		
	Principal	Interest	Total
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	208,132	1,208,132
2032	1,030,000	174,500	1,204,500
2033	1,065,000	139,148	1,204,148
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>\$ 12,655,000</u>	<u>\$ 3,016,345</u>	<u>\$ 15,671,345</u>

City of Austin, Minnesota
General Obligation Sewer Revenue PFA Note
Debt Service Requirements to Maturity

Year	Series 2023		
	Principal	Interest	Total
2024	\$ 1,962,632	\$ 85,335	\$ 2,047,967
2025	1,210,000	491,460	1,701,460
2026	1,233,000	468,326	1,701,326
2027	1,256,000	444,750	1,700,750
2028	1,281,000	420,736	1,701,736
2029-2033	6,779,000	1,726,899	8,505,899
2034-2038	7,454,000	1,053,512	8,507,512
2039-2043	6,491,000	313,205	6,804,205
	<u>\$ 27,666,632</u>	<u>\$ 5,004,223</u>	<u>\$ 32,670,855</u>
Less: Undisbursed commitments	<u>(23,327,529)</u>		
Outstanding Balance, 12/31/23	<u>\$ 4,339,103</u>		

Statistical Section

This part of the City of Austin's annual comprehensive 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> These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	177
<u>Revenue Capacity</u> These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	182
<u>Debt Capacity</u> 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.	186
<u>Demographic and Economic Information</u> These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	191
<u>Operating Information</u> 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.	193

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive 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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets										
Restricted	\$ 112,148,907	\$ 117,139,070	\$ 122,500,058	\$ 127,073,132	\$ 128,915,686	\$ 134,177,653	\$ 169,781,438	\$ 170,898,680	\$ 175,196,908	\$ 178,012,300
Unrestricted	5,378,069	5,020,295	6,214,116	6,373,158	6,780,954	6,071,317	5,249,584	8,837,718	10,987,936	12,890,995
Total governmental activities net position	<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>	<u>\$ 25,266,135</u>	<u>\$ 23,083,137</u>
	\$ 140,481,438	\$ 138,304,156	\$ 142,583,255	\$ 147,345,757	\$ 151,331,719	\$ 157,815,313	\$ 196,129,081	\$ 204,265,263	\$ 211,450,979	\$ 213,986,432
Business-type activities										
Net investment in capital assets										
Restricted	\$ 76,766,362	\$ 81,663,459	\$ 80,356,144	\$ 82,148,457	\$ 84,112,732	\$ 86,989,180	\$ 96,182,961	\$ 101,683,971	\$ 106,126,997	\$ 137,828,195
Unrestricted	28,628,842	53,703	25,793,299	25,225,837	14,580,443	20,053,799	20,623,902	18,923,674	19,654,670	27,924,263
Total business-type activities net position	<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>	<u>\$ 125,781,667</u>	<u>\$ 165,752,458</u>
	\$ 245,876,442	\$ 242,419,462	\$ 248,732,698	\$ 254,720,051	\$ 250,024,894	\$ 264,858,292	\$ 312,935,944	\$ 324,872,908	\$ 337,232,646	\$ 379,738,890
Primary government										
Net investment in capital assets										
Restricted	\$ 188,915,269	\$ 198,802,529	\$ 202,856,202	\$ 209,221,589	\$ 213,028,418	\$ 221,166,833	\$ 265,964,399	\$ 272,582,651	\$ 281,323,905	\$ 315,840,495
Unrestricted	5,378,069	5,073,998	6,214,116	6,373,158	6,780,954	6,071,317	5,249,584	8,837,718	10,987,936	12,890,995
Total primary government net position	<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>	<u>\$ 44,920,805</u>	<u>\$ 51,007,400</u>
	\$ 245,876,442	\$ 242,419,462	\$ 248,732,698	\$ 254,720,051	\$ 250,024,894	\$ 264,858,292	\$ 312,935,944	\$ 324,872,908	\$ 337,232,646	\$ 379,738,890

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 1,431,184	\$ 2,080,195	\$ 2,644,256	\$ 2,655,024	\$ 2,887,408	\$ 2,820,702	\$ 2,751,682	\$ 2,781,455	\$ 3,090,946	\$ 5,046,393
Public safety	6,388,332	6,609,642	8,560,538	7,304,029	6,561,588	7,057,993	7,666,925	7,246,791	8,970,208	8,701,654
Streets and highways	4,831,833	5,013,859	5,580,254	5,294,742	5,270,917	5,598,910	5,479,513	5,801,837	6,260,199	6,521,531
Culture and recreation	4,443,814	4,507,566	4,929,260	5,311,447	5,213,298	5,379,956	6,233,750	6,612,618	7,291,734	7,549,679
Public service	89,696	383,336	382,662	375,465	387,317	618,015	475,217	376,009	439,598	452,353
Economic development	310,287	653,608	833,150	608,228	505,254	555,633	468,836	509,743	948,051	862,895
Community development	859,301	1,134,686	889,103	773,616	539,363	509,697	755,257	1,709,977	703,230	690,612
Interest on long-term debt	52,949	35,220	29,971	25,729	14,973	12,937	12,018	9,300	8,121	6,730
Total governmental activities expenses	\$ 18,407,396	\$ 20,418,112	\$ 23,849,194	\$ 22,348,278	\$ 21,380,118	\$ 22,553,843	\$ 23,843,198	\$ 25,047,730	\$ 27,712,087	\$ 29,831,847
Business-type activities										
Sewer user	\$ 5,064,346	\$ 5,183,222	\$ 4,939,927	\$ 5,315,668	\$ 5,157,970	\$ 5,557,035	\$ 5,843,790	\$ 5,724,714	\$ 6,193,741	\$ 6,639,956
Waste transfer station	29,689	30,751	34,849	38,856	31,342	40,938	36,949	57,931	49,369	40,206
Storm water utility	263,999	313,016	322,100	372,669	315,603	369,193	321,430	448,724	413,216	403,443
Electric	31,704,826	32,273,865	34,450,475	35,196,329	37,584,354	33,182,000	32,288,251	33,102,114	34,240,215	36,465,911
Water	3,747,554	3,892,185	3,968,228	4,420,292	4,112,784	4,091,664	4,788,283	4,704,995	5,830,345	5,179,884
Gas	22,717,982	15,017,991	14,999,868	16,565,068	15,609,175	14,997,279	13,497,738	24,400,289	24,117,796	18,892,760
Total business-type activities expenses	\$ 63,528,396	\$ 56,711,030	\$ 58,715,447	\$ 61,909,882	\$ 62,811,228	\$ 58,238,109	\$ 56,776,441	\$ 68,438,767	\$ 70,844,682	\$ 67,622,160
Total primary government expenses	\$ 81,935,792	\$ 77,129,142	\$ 82,564,641	\$ 84,258,160	\$ 84,191,346	\$ 80,791,952	\$ 80,619,639	\$ 93,486,497	\$ 98,556,769	\$ 97,454,007
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 482,969	\$ 517,579	\$ 565,466	\$ 685,001	\$ 1,120,057	\$ 697,603	\$ 737,673	\$ 913,325	\$ 769,755	\$ 838,382
Public safety	793,585	864,408	753,980	646,527	741,367	913,116	697,076	967,699	1,037,579	1,220,620
Streets and highways	15,041	7,126	15,914	36,096	42,281	29,263	35,412	57,753	34,091	54,098
Culture and recreation	497,992	536,192	588,708	565,917	584,877	637,366	308,262	534,675	659,479	687,943
Public service	38,437	41,346	37,671	39,218	39,161	41,096	39,974	45,242	45,307	45,585
Economic development	49,177	34,585	33,754	25,924	25,900	27,025	27,025	26,700	26,700	24,300
Operating grants and contributions	1,187,211	1,041,820	1,722,121	984,257	1,091,641	1,316,659	3,289,769	2,926,182	3,401,844	1,895,315
Capital grants and contributions	9,952,310	4,096,969	6,503,556	6,601,283	3,566,943	4,711,120	38,446,128	4,484,216	8,729,582	3,971,948
Total governmental activities program revenues	\$ 13,016,722	\$ 7,140,025	\$ 10,191,170	\$ 9,584,223	\$ 7,212,227	\$ 8,373,248	\$ 43,581,319	\$ 9,955,792	\$ 14,704,337	\$ 8,738,191

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, designated	-	-	-	-	-	-	-	-	-	-
Unreserved, undesignated	-	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	10,859	12,234	-
Restricted	115,975	129,924	163,374	163,810	198,825	186,361	172,423	90,321	102,129	358,490
Committed	57,122	46,815	47,122	38,221	38,167	22,472	45,930	73,069	76,123	77,859
Assigned	-	-	-	-	-	-	-	-	-	133,200
Unassigned	6,869,995	7,579,428	6,397,461	6,724,890	8,272,001	8,904,380	12,206,746	11,009,087	10,751,323	11,251,546
Total general fund	\$ 7,043,092	\$ 7,756,167	\$ 6,607,957	\$ 6,926,921	\$ 8,508,993	\$ 9,113,213	\$ 12,425,099	\$ 11,183,336	\$ 10,941,809	\$ 11,821,095
All other governmental funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital project funds	-	-	-	-	-	-	-	-	-	-
Permanent funds	-	-	-	-	-	-	-	-	-	-
Nonspendable	886,052	961,052	970,952	1,36,052	136,052	865,098	807,232	136,052	136,052	136,052
Restricted	5,095,654	4,717,919	5,552,080	5,736,559	6,126,659	5,455,423	4,483,917	5,945,802	6,679,721	8,705,522
Committed	626,252	613,224	595,776	650,786	733,795	805,606	938,423	1,125,572	1,065,871	1,022,019
Assigned	5,403,076	5,163,858	5,754,710	5,903,651	7,122,659	6,020,209	5,817,546	7,682,541	9,713,387	9,353,111
Unassigned	-	-	-	-	-	-	-	-	(50,207)	(139,141)
Total all other governmental funds	\$ 12,011,034	\$ 11,456,053	\$ 12,873,518	\$ 12,427,048	\$ 14,119,165	\$ 13,146,336	\$ 12,047,118	\$ 14,889,967	\$ 17,544,824	\$ 19,077,563

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 6,825,763	\$ 7,014,083	\$ 7,196,533	\$ 6,976,901	\$ 8,172,728	\$ 9,484,744	\$ 9,530,235	\$ 10,115,434	\$ 10,635,105	\$ 11,202,238
Special assessments	808,726	846,070	705,785	988,532	801,534	755,643	845,871	1,111,190	1,105,912	1,053,131
Licenses and permits	455,857	586,348	467,724	405,766	476,812	630,064	512,918	675,434	732,122	903,634
Intergovernmental	18,120,697	10,907,846	11,633,819	11,278,358	10,967,151	13,430,725	13,310,999	14,034,419	15,458,216	14,174,620
Charges for services	626,056	641,566	693,694	670,218	1,043,990	701,547	392,277	839,359	875,802	947,680
Fines and forfeits	257,104	210,935	197,504	180,474	177,559	208,822	120,726	122,395	127,713	172,071
Miscellaneous	1,805,765	2,409,248	4,673,724	3,271,165	2,201,404	1,669,166	1,944,561	1,922,765	2,473,439	3,362,438
Total revenues	\$ 28,899,968	\$ 22,616,096	\$ 25,568,783	\$ 23,771,414	\$ 23,841,178	\$ 26,880,711	\$ 26,657,587	\$ 28,820,996	\$ 31,408,309	\$ 31,815,812
Expenditures										
Current										
General government	\$ 1,836,120	\$ 1,930,264	\$ 2,073,258	\$ 2,145,323	\$ 2,039,277	\$ 2,017,661	\$ 2,154,946	\$ 2,338,422	\$ 2,434,688	\$ 2,465,811
Public safety	6,196,006	6,465,704	6,676,874	6,876,792	6,467,091	7,127,871	7,789,088	8,006,195	8,283,139	8,610,419
Streets and highways	3,325,106	3,212,373	3,316,358	3,428,750	3,456,573	3,581,472	3,439,336	3,539,929	3,798,091	3,857,177
Culture and recreation	4,158,995	4,071,540	4,326,011	4,404,245	4,360,915	4,737,129	4,078,605	5,374,699	5,207,845	6,091,281
Public service	110,600	97,975	89,505	80,136	93,133	115,932	111,237	80,234	121,718	114,007
Economic development	217,322	206,355	231,964	519,730	270,792	278,629	194,072	246,028	299,263	401,010
Community development	44,299	60,116	287,159	2,400	27,792	28,632	45,573	8,515	333,343	-
Capital outlay	16,548,448	7,153,565	8,275,972	7,374,723	5,029,660	9,719,514	7,510,704	7,484,416	9,739,889	9,275,196
Debt service	-	-	-	-	-	-	-	-	-	-
Principal retirement	590,000	420,000	115,000	115,000	285,000	35,000	340,000	-	-	-
Interest and fiscal charges	150,932	491,988	629,478	112,152	256,463	290,437	292,131	273,015	331,909	468,615
Debt issuance costs	-	-	-	-	-	-	-	-	-	-
Total expenditures	\$ 33,177,828	\$ 24,109,880	\$ 26,021,579	\$ 25,059,251	\$ 22,258,904	\$ 27,932,277	\$ 25,955,692	\$ 27,351,453	\$ 30,549,885	\$ 31,283,516
Excess (deficiency) of revenues over (under) expenditures	\$ (4,277,860)	\$ (1,493,784)	\$ (452,796)	\$ (1,287,837)	\$ 1,582,274	\$ (1,051,566)	\$ 701,895	\$ 1,469,543	\$ 858,424	\$ 532,296
Other financing sources (uses)										
Proceeds of bonds and loans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Premiums on bonds	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
Payments from escrow agent	-	-	-	-	-	-	-	-	-	-
Transfers in	2,531,156	1,957,878	2,473,051	1,780,391	1,686,915	1,911,957	3,457,815	3,838,741	4,546,621	2,384,585
Transfers out	(883,050)	(306,000)	(1,751,000)	(620,060)	(5,000)	(1,229,000)	(1,947,042)	(3,674,000)	(2,991,715)	(504,856)
Total other financing sources (uses)	\$ 1,648,106	\$ 1,651,878	\$ 722,051	\$ 1,160,331	\$ 1,691,915	\$ 682,957	\$ 1,510,773	\$ 164,741	\$ 1,554,906	\$ 1,879,729
Net change in fund balance	\$ (2,629,754)	\$ 158,094	\$ 269,255	\$ (127,506)	\$ 3,274,189	\$ (368,609)	\$ 2,212,668	\$ 1,634,284	\$ 2,413,330	\$ 2,412,025
Debt service as a percentage of non capital expenditures	4.64%	5.49%	4.34%	1.32%	3.19%	1.81%	3.06%	1.36%	1.63%	2.01%

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

Year	Residential Property	Commercial Property	Industrial Property	Total Taxable Assessed Value	Tax Exempt Property ⁽¹⁾	Estimated Actual Value	Assessed Value ⁽²⁾ as a Percentage of Actual Value	Total Direct Tax Rate
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
2023	13,992,145	3,369,170	814,743	18,176,058	3,119,316	1,789,790,900	1.19	45.376
2024	14,374,763	3,689,331	868,269	18,932,363	3,131,741	1,857,268,900	1.19	45.946

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.

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

⁽²⁾ Includes tax-exempt property for the years provided.

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

Taxes Payable Year	City of Austin			School District	Mower County	Other	Total
	Operating Rate	Debt Service Rate	Total Rate				
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
2023	45.376	-	45.376	23.606	39.421	2.347	110.750
2024	45.946	-	45.946	19.683	33.530	2.354	101.513

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, 2023

Taxpayer	Type of Business	2022/2023			2013/2014		
		Net Tax Capacity Value	Rank	Percentage of Total Net Tax Capacity Value	Net Tax Capacity Value	Rank	Percentage of Total Net Tax Capacity Value
Hormel Foods	Food Processor	\$ 756,560	1	4.14 %	\$ 617,852	1	6.10 %
Walmart Stores, Inc.	Retail Complex	171,194	2	0.94	222,886	2	2.20
Exchangeright Net Leased Portfolio	Retail Complex	164,230	3	0.90	-	-	-
Austin Medical Clinic	Clinic	156,720	4	0.86	-	-	-
ATI Hotel Inc.	Hotel	91,064	5	0.50	-	-	-
Flats on 21 LLC	Apartments	78,320	6	0.43	-	-	-
COA Associates	Apartments	69,021	7	0.38	-	-	-
Austin Hotel Group LLC	Hotel	66,152	8	0.36	-	-	-
Convenience Store Investments	Retail Complex	65,344	9	0.36	-	-	-
Austin MN LLC	Retail Complex	60,398	10	0.33	-	-	-
BRE Retail Residual Owner 3 LLC	Retail Complex	-	-	-	122,222	3	1.21
Dayton Hudson Corporation	Retail Complex	-	-	-	97,446	4	0.96
Torgerson Properties Inc.	Retail Complex	-	-	-	95,226	5	0.94
HyVee Foods, Inc.	Retail Complex	-	-	-	81,652	6	0.81
Nationwide Health Properties	Retail Complex	-	-	-	85,355	7	0.84
Shopko Properties SPE RE LLC	Retail Complex	-	-	-	64,678	8	0.64
SMMPA	Retail Complex	-	-	-	53,794	9	0.53
Oak Park Mall Limited Partnership	Apartments	-	-	-	51,519	10	0.51
Totals		\$ 1,679,003		9.2 %	\$ 1,492,630		14.7 %

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

Year	Tax Levy, As Adjusted	Collected within the Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$ 4,169,870	\$ 4,052,843	97.19 %	\$ 116,551	\$ 4,169,394	99.99 %
2015	4,350,453	4,244,363	97.56	105,568	4,349,931	99.99
2016	4,944,597	4,823,818	97.56	101,225	4,925,043	99.60
2017	5,418,461	5,296,733	97.75	92,685	5,389,418	99.46
2018	5,966,633	5,830,519	97.72	127,399	5,957,918	99.85
2019	7,130,642	6,871,230	96.36	93,920	6,965,150	97.68
2020	7,259,967	7,145,250	98.42	96,292	7,241,542	99.75
2021	7,537,637	7,438,100	98.68	81,421	7,519,521	99.76
2022	8,063,351	7,933,751	98.39	77,289	8,011,040	99.35
2023	8,409,686	8,271,239	98.35	-	8,271,239	98.35

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

Year	Governmental Activities			Business-Type Activities				Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾
	Tax Increment Bonds	Special Assessment Bonds	Sewer Utility Bonds/Notes	Capital Improvement Bonds	Water Revenue Bonds	Leases Payable				
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	-	-	-	15,158,639	2,837,895	66,863	18,063,397	0.89%	690	
2021	-	-	-	14,406,063	2,457,415	51,050	16,914,528	0.83%	646	
2022	-	-	-	13,589,693	2,051,597	34,903	15,676,193	0.71%	599	
2023	-	-	4,339,103	12,807,091	1,657,918	18,409	18,822,521	0.87%	719	

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 2023. For purposes of this schedule, the personal income from 2022 was used in calculating these ratios until updated figures are available.

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

Year	Gross General Bonded Debt ⁽¹⁾	Less: Amounts Available for Debt Service	Net General Bonded Debt	Percentage of Assessed Value ⁽²⁾	Per Capita ⁽³⁾
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
2022	13,415,000	-	13,415,000	90.61	513
2023	16,994,103	-	16,994,103	93.50	649

(1) Gross General Bonded Debt represents bond/note 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, 2023

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
School District #492	30,183,153 ⁽¹⁾	65.7% ⁽²⁾	\$ 19,830,332
Mower County	1,022,716 ⁽¹⁾	26.3% ⁽³⁾	<u>268,974</u>
Subtotal, overlapping debt			\$ 20,099,306
City of Austin Direct Debt			<u>-</u>
Total direct and overlapping debt			<u>\$ 20,099,306</u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City 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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 33,573,968	\$ 27,915,326	\$ 33,538,749	\$ 35,133,327	\$ 36,924,852	\$ 38,826,561	\$ 48,821,430	\$ 44,483,100	\$ 44,483,100	\$ 53,693,727
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 33,573,968	\$ 27,915,326	\$ 33,538,749	\$ 35,133,327	\$ 36,924,852	\$ 38,826,561	\$ 48,821,430	\$ 44,483,100	\$ 44,483,100	\$ 53,693,727
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for 2023

Estimated market value, 2022/2023	\$ 1,789,790,900
Debt limit, 3.0% of market value	\$ 53,693,727
Debt applicable to debt limit:	
Total bonded debt	\$ 18,644,103
Less:	
Obligations issued for revenue producing facilities	18,644,103
Total debt applicable to debt limit	-
Debt margin at December 31, 2023	\$ 53,693,727

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						
	<u>Gross Revenues</u>	<u>Expenses</u>	<u>Net Available Revenue</u>	<u>Debt Service</u>		<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	
2014	\$ -	\$ -	\$ -	\$ -	\$ -	0.00 %
2015	-	-	-	-	-	0.00
2016	-	-	-	-	-	0.00
2017	-	-	-	-	-	0.00
2018	-	-	-	-	-	0.00
2019	-	-	-	-	-	0.00
2020	-	-	-	-	-	0.00
2021	-	-	-	-	-	0.00
2022	-	-	-	-	-	0.00
3						
2022	-	-	-	-	-	0.00

Water Utility Revenue Bonds						
	<u>Gross Revenues</u>	<u>Expenses</u>	<u>Net Available Revenue</u>	<u>Debt Service</u>		<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	
2014	\$ 4,133,100	\$ 3,358,990	\$ 774,110	\$ 345,000	\$ 111,106	0.00 %
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
2022	5,733,975	4,994,958	739,017	385,000	53,706	1.68
2023	6,486,224	4,221,745	2,264,479	390,000	46,006	5.19

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 (1)</u>	<u>Personal Income (amounts expressed in thousands)</u>	<u>Per Capita Income (2)</u>	<u>Median Age (3)</u>	<u>School Enrollment (4)</u>	<u>Unemployment Rate % (5)</u>
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	2,221,525	55,320	37.9	5,182	2.4
2022	26,174	2,160,946	53,835	38.7	5,120	2.8
2023	26,174	Not Available Now	Not Available Now	39.1	5,146	2.3

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**

	2023				2014			
	Type of Business	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment	
Hormel Foods	Food processor	2,600	1	21.0 %	2,700	1	21.3 %	
Quality Pork Processors	Meat packing plant	1,300	2	10.5	1,500	2	11.8	
Mayo Clinic Health System	Health care	953	3	7.7	900	3	7.1	
Independent School District 492	Public education	783	4	6.3	777	4	6.1	
Walmart Stores	Retail	350	5	2.8	350	5	2.8	
Hy Vee Inc.	Retail	300	6	2.4	350	5	2.8	
Riverland Community College	Post-secondary education	300	7	2.4	280	10	2.2	
Mower County	County government	240	8	1.9	285	9	2.2	
St. Marks Lutheran Home	Nursing home	225	9	1.8	-	-	0.0	
City of Austin	Municipal government	219	10	1.8	-	-	0.0	
Cedar Valley Services	Disabled employment	-	-	-	300	7	2.4	
Bellisio Foods	Food processor	-	-	0.0	296	8	2.3	
Totals		<u>7,270</u>		<u>58.7 %</u>	<u>7,738</u>		<u>61.0 %</u>	

Source: As presented in the City's official statement for each year presented above or from the Development Corporation of Austin.

City of Austin, Minnesota
Full-time Equivalent City Government Employees by Function
Last Ten Years

	Full-time Equivalent Employees as of December 31									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function/Program										
General government	12.00	12.00	12.00	12.00	12.00	12.00	11.50	11.50	12.00	12.00
Public safety	49.00	49.00	51.00	51.50	53.00	53.00	53.00	53.00	53.00	55.00
Streets and highways	26.00	26.00	26.00	26.00	27.00	27.00	26.00	25.00	26.00	26.00
Culture and recreation	27.80	27.80	28.75	28.75	28.75	28.75	26.25	25.25	28.75	28.88
Sewer user	23.50	23.50	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	1.00	1.00
Electric	32.00	31.00	30.00	22.00	21.00	21.00	19.00	21.00	21.00	19.00
Water	9.00	9.00	9.00	14.00	13.00	14.00	13.00	12.00	12.00	12.00
Gas	19.00	20.00	20.00	22.00	21.00	21.00	21.00	21.00	21.00	20.00
Utilities administration	25.00	22.00	22.00	23.00	25.00	25.00	24.00	21.00	21.00	22.00
Total	223.30	221.30	223.25	223.75	225.25	226.25	218.25	214.25	219.25	219.38

Source: Finance Department, Truth in Taxation Reports and Austin Utilities payroll department.

City of Austin, Minnesota
Operating Indicators by Function
Last Ten Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Adult arrests	1,144	1,227	1,286	1,230	1,238	1,123	1,222	1,176	1,121	960
Juvenile arrests	612	450	318	429	427	314	254	110	133	96
Citations	4,368	4,878	4,784	4,267	4,447	2,664	2,415	1,432	1,480	1,343
Fire										
Number of calls answered	729	900	954	944	914	1,123	1,131	1,597	2,189	2,298
Streets and highways										
Asphalt purchases for street repairs (tons)	4,400	3,925	4,500	4,500	3,920	3,479	4,903	4,223	3,181	2,781
Culture and recreation										
Municipal pool admissions	12,951	16,661	11,555	10,779	11,762	10,078	-	16,137	12,151	15,588
Fall/Winter programs participants	72	136	164	156	132	196	165	121	566	372
Self supporting programs participants	1,219	1,166	1,654	1,530	2,163	1,855	728	933	1,204	977
Library annual circulation	228,045	209,693	203,303	187,368	178,293	169,011	103,622	118,108	125,341	127,510
Library-number of items held	82,834	83,415	82,875	82,604	88,756	90,718	93,051	95,750	93,846	91,036
Sewer user										
Average daily sewage treatment (thousands of gallons)	5,210	6,050	7,000	6,450	6,080	6,450	5,770	4,370	4,930	5,270
Electric										
Average daily consumption (thousands of kilowatt hours)	910	920	928	920	925	918	922	935	899	900
Water										
Average daily consumption (thousands of cubic feet)	724	723	700	700	650	665	692	671	690	687
Gas										
Average daily consumption (thousands of cubic feet)	7,238	6,411	6,155	6,364	6,675	6,992	6,614	6,508	7,146	6,737

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**

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	122	123	123
Streets - unpaved (miles)	2	2	2	2	2	2	2	2	2	2
Culture and recreation										
Nature Center acreage	507	518	518	518	518	529	529	529	529	529
Park acreage	600	600	600	596	596	596	596	591	591	591
Parks	27	27	27	27	27	27	27	27	27	27
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	135	135	136	136	136	136	136	136	138
Storm sewers (miles)	76	77	77	77	77	78	78	79	78	80
Electric										
Number of substations	7	7	7	7	7	7	7	7	7	7
Water										
Water mains (miles)	135.64	137.33	138.33	138.26	138.64	138.96	138.97	139.14	139.00	139.00
Gas										
Gas services	10,269	10,260	10,255	10,260	10,300	10,303	10,304	10,307	10,330	10,347

Sources: Various city departments.

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