

REVISED PRELIMINARY OFFICIAL STATEMENT DATED APRIL 29, 2026

NEW ISSUE
BANK QUALIFIED

BOOK ENTRY ONLY
STANDARD & POOR'S RATING "AA+"

In the opinion of Taft Stettinius & Hollister LLP, Bond Counsel, based on present federal and Minnesota laws, regulations, rulings, and decisions, at the time of the issuance of the Bonds, the interest on the Bonds is excluded from gross income for federal income tax purposes and is excluded, to the same extent, from both gross income and taxable net income for State of Minnesota income tax purposes (other than Minnesota franchise taxes measured by income and imposed on corporations and financial institutions). Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or for purposes of the Minnesota alternative minimum tax applicable to individuals, estates or trusts; however, interest on the Bonds is taken into account in determining "annual adjusted financial statement income" for the purpose of computing the federal alternative minimum tax imposed on certain corporations. No opinion will be expressed by Bond Counsel regarding other state or federal tax consequences. See "Tax Exemption" and "Other Federal and State Tax Considerations" herein for additional information.

CITY OF HASTINGS, MINNESOTA

\$6,985,000*

General Obligation Bonds, Series 2026A

Dated Date: Date of Delivery (Estimated to be June 3, 2026)

**Interest Due: Each February 1 and August 1
Commencing February 1, 2027**

<i>Maturity*</i>	<i>Amount*</i>	<i>Rate</i>	<i>Yield</i>	<i>Price</i>	<i>Maturity*</i>	<i>Amount*</i>	<i>Rate</i>	<i>Yield</i>	<i>Price</i>
2/1/2027	\$420,000	_____ %	_____ %	_____	2/1/2033	\$705,000	_____ %	_____ %	_____
2/1/2028	620,000	_____	_____	_____	2/1/2034	735,000	_____	_____	_____
2/1/2029	640,000	_____	_____	_____	2/1/2035	755,000	_____	_____	_____
2/1/2030	650,000	_____	_____	_____	2/1/2036	790,000	_____	_____	_____
2/1/2031	670,000	_____	_____	_____	2/1/2037	305,000	_____	_____	_____
2/1/2032	695,000	_____	_____	_____					

The General Obligation Bonds, Series 2026A (the "Bonds" or the "Issue") are being issued by the City of Hastings, Minnesota (the "City" or the "Issuer") pursuant to Minnesota Statutes, Chapters 429, 444 and 475, as amended. Proceeds of the Bonds will be used to finance the City's 2026 street and utility projects and to pay costs associated with issuance of the Bonds. See *Authority and Purpose* herein for additional information.

The Bonds are valid and binding general obligations of the City and are payable from special assessments levied against benefited properties, net revenues of the City's water, sewer and storm sewer utilities and ad valorem taxes. The full faith and credit of the City is also pledged to their payment. In the event of any deficiency in the Debt Service Account established for this Issue, the City has validly obligated itself to levy additional ad valorem taxes upon all of the taxable property within the City, without limitation of amount. See *Security/Sources and Uses of Funds* herein for additional information.

The Bonds maturing on February 1, 2035 and thereafter are subject to redemption, in whole or in part, on February 1, 2034 and on any date thereafter at a price of par plus accrued interest.

Principal due with respect to the Bonds is payable annually on February 1, commencing February 1, 2027. Interest due with respect to the Bonds is payable semiannually on February 1 and August 1, commencing February 1, 2027. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or any whole multiple thereof. Purchasers will not receive physical delivery of Bonds. See "Book-Entry System" in *Description of the Bonds* herein for additional information. The Paying Agent/Registrar will be U.S. Bank Trust Company, National Association, St. Paul, Minnesota.

Proposals: Monday, May 4, 2026 10:00 A.M., Central Time

Award: Monday, May 4, 2026 7:00 P.M., Central Time

Bids may contain a maturity schedule providing for any combination of serial or term bonds. All term bonds shall be subject to mandatory sinking fund redemption and must conform to the maturity schedule set forth above at a price of par plus accrued interest. Bids must be for not less than \$6,908,165 (98.90%) and accrued interest on the total principal amount of the Bonds. **Bids will not be subject to cancellation – see "Establishment of Issue Price" in the Notice of Sale herein for additional details.** The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. A Good Faith Deposit (the "Deposit") in the amount of \$139,700, in the form of a federal wire transfer payable to the order of the City, will only be required from the apparent winning bidder, and must be received within two hours after the receipt of bids. See Notice of Sale for additional details. Award of the Bonds will be on the basis of True Interest Cost (TIC).

* Preliminary, subject to change.



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The Bonds are offered, subject to prior sale when, as and if accepted by the underwriter(s) named on the front cover of this official statement and subject to an opinion as to validity of the Bonds by Bond Counsel. Subject to applicable securities laws and prevailing market conditions, the underwriter(s) intends, but is not obligated, to effect secondary market trading for the Bonds. Closing Date is estimated to be June 3, 2026.

No person has been authorized to give any information or to make any representations other than those contained in this official statement in connection with the offers made hereby, and if given or made, such information or representations must not be relied upon as having been authorized by the Issuer or the underwriter(s). This official statement does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which the person makes such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation.

The information set forth herein has been obtained from the Issuer and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the underwriter(s). Neither the delivery of this official statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer since the date hereof.

Within the meaning of Securities and Exchanges Commission Rule 15c2-12, the information included in the preliminary official statement is deemed final by the Issuer as of its date and is accurate and complete in all material respects, except for the omission of the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery date, rating(s), other terms of the issue depending on such matters, and the identity of the underwriter(s).

References herein to laws, rules, regulations, resolutions, agreements, reports, and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Preliminary Official Statement or the Final Official Statement, they will be furnished upon request.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for the purposes of, and as that term is defined in, Securities and Exchange Commission Rule 15c2-12.

The Bonds are considered securities and have not been approved or disapproved by the Securities and Exchange Commission or any state or federal regulatory authority nor has any state or federal regulatory authority confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary may be a criminal offense. Investors must rely on their own examination of this Official Statement, the security pledged to repay the Bonds, the Issuer and the merits and risks of the investment opportunity.

FORWARD-LOOKING STATEMENTS

This Official Statement, including its appendices, contains statements which should be considered "forward-looking statements," meaning they refer to possible future events or conditions. Such statements are generally identifiable by the words such as "plan," "expect," "estimate," "budget," "may," or similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause a deviation from the actual results, performance or achievements expressed or implied by such forward-looking statements. The Issuer does not expect or intend to update or revise any forward-looking statements contained herein if or when its expectations, or events, conditions, or circumstances on which such statements are based occur.

SUMMARY OF OFFERING

City of Hastings, Minnesota
\$6,985,000 *
General Obligation Bonds, Series 2026A
(Book-Entry Only)

AMOUNT -	\$6,985,000*																								
ISSUER -	City of Hastings, Minnesota (the “City” or the “Issuer”)																								
AWARD DATE -	May 4, 2026																								
MUNICIPAL ADVISOR -	Northland Securities, Inc. (the “Municipal Advisor”), 150 South 5th Street, Suite 3300, Minneapolis, Minnesota 55402, telephone: 612-851-5900 or 800-851-2920																								
TYPE OF ISSUE -	General Obligation Bonds, Series 2026A (the “Bonds” or the “Issue”)																								
AUTHORITY, PURPOSE & SECURITY -	The General Obligation Bonds, Series 2026A (the “Bonds”) are being issued by the City of Hastings, Minnesota (the “City”) pursuant to Minnesota Statutes, Chapters 429, 444 and 475, as amended. Proceeds of the Bonds will be used to finance the City's 2026 street and utility projects and to pay costs associated with issuance of the Bonds. The Bonds are valid and binding general obligations of the City and are payable from special assessments levied against benefited properties, net revenues of the City's water, sewer and storm sewer utilities and ad valorem taxes. The full faith and credit of the City is also pledged to their payment. In the event of any deficiency in the Debt Service Account established for this Issue, the City has validly obligated itself to levy additional ad valorem taxes upon all of the taxable property within the City, without limitation of amount. See <i>Authority and Purpose</i> as well as <i>Security/Sources and Uses of Funds</i> herein for additional information.																								
DATE OF ISSUE -	Date of Delivery (Estimated to be June 3, 2026)																								
INTEREST PAID -	Semiannually on each February 1 and August 1, commencing February 1, 2027, to registered owners of the Bonds appearing of record in the bond register as of the close of business on the fifteenth day (whether or not a business day) of the calendar month next preceding such interest payment date (the “Record Date”).																								
MATURITIES* -																									
	<table><tr><td>2/1/2027</td><td>\$420,000</td><td>2/1/2030</td><td>\$650,000</td><td>2/1/2033</td><td>\$705,000</td><td>2/1/2036</td><td>\$790,000</td></tr><tr><td>2/1/2028</td><td>620,000</td><td>2/1/2031</td><td>670,000</td><td>2/1/2037</td><td>735,000</td><td>2/1/2037</td><td>305,000</td></tr><tr><td>2/1/2029</td><td>640,000</td><td>2/1/2032</td><td>695,000</td><td>2/1/2035</td><td>755,000</td><td></td><td></td></tr></table>	2/1/2027	\$420,000	2/1/2030	\$650,000	2/1/2033	\$705,000	2/1/2036	\$790,000	2/1/2028	620,000	2/1/2031	670,000	2/1/2037	735,000	2/1/2037	305,000	2/1/2029	640,000	2/1/2032	695,000	2/1/2035	755,000		
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2/1/2029	640,000	2/1/2032	695,000	2/1/2035	755,000																				
REDEMPTION -	The Bonds maturing on February 1, 2035 and thereafter are subject to redemption, in whole or in part, on February 1, 2034 and on any date thereafter at a price of par plus accrued interest. See <i>Description of the Bonds</i> herein for additional information.																								
BOOK-ENTRY -	The Bonds will be issued as fully registered and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, to which principal and interest payments will be made. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or any whole multiple thereof. Purchasers will not receive physical delivery of the Bonds.																								
PAYING AGENT/REGISTRAR -	U.S. Bank Trust Company, National Association, St. Paul, Minnesota																								
TAX DESIGNATIONS -	<u>NOT Private Activity Bonds</u> - The Bonds are not “private activity bonds” as defined in Section 141 of the Internal Revenue Code of 1986, as amended (the “Code”). <u>Bank Qualified Tax-Exempt Obligations</u> - The City will designate the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.																								
LEGAL OPINION -	Taft Stettinius & Hollister LLP, Minneapolis, Minnesota (“Bond Counsel”)																								
BOND RATING -	The City received an underlying rating of “AA+” from S&P Global Ratings (“S&P”). See <i>Bond Rating</i> herein for additional information.																								
CLOSING -	Estimated to be June 3, 2026																								
PRIMARY CONTACTS -	Chris Eitemiller, Finance Manager, City of Hastings, Minnesota 651-480-2347 Tammy Omdal, Managing Director, Northland Securities, Inc., 612-851-4964 Jessica Green, Managing Director, Northland Securities, Inc., 612-851-5930																								

* Preliminary, subject to change.

CITY OF HASTINGS, MINNESOTA

PRINCIPAL CITY OFFICIALS

Elected Officials

City Council

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
Mary Fasbender	Mayor	12/31/2026
DawnMarie Vihrachoff	Ward 1 Council Member	12/31/2028
Mya Beck	Ward 2 Council Member	12/31/2028
Lisa Leifeld	Ward 3 Council Member	12/31/2028
Tim Lawrence	Ward 4 Council Member	12/31/2028
Angie Haus	At Large Council Member	12/31/2026
Dave Pemble	At Large Council Member	12/31/2026

Primary Contacts

Dan Wietecha	City Administrator
Chris Eitemiller	City Finance Manager
Cynthia Kirchoff	City Attorney

BOND COUNSEL

Taft Stettinius & Hollister LLP
Minneapolis, Minnesota

MUNICIPAL ADVISOR

Northland Securities, Inc.
Minneapolis, Minnesota

NOTICE OF SALE

\$6,985,000*
GENERAL OBLIGATION BONDS, SERIES 2026A

CITY OF HASTINGS, MINNESOTA
(Book-Entry Only)

NOTICE IS HEREBY GIVEN that these Bonds will be offered for sale according to the following terms:

TIME AND PLACE:

Proposals (also referred to herein as “bids”) will be opened by the City’s Finance Manager, or designee, on Monday, May 4, 2026, at 10:00 A.M., CT, at the offices of Northland Securities, Inc. (the Issuer’s “Municipal Advisor”), 150 South 5th Street, Suite 3300, Minneapolis, Minnesota 55402. Consideration of the Proposals for award of the sale will be by the City Council at its meeting at the City Offices beginning Monday, May 4, 2026 at 7:00 P.M., CT.

SUBMISSION OF PROPOSALS

Proposals may be:

- a) submitted to the office of Northland Securities, Inc.,
- b) emailed to PublicSale@northlandsecurities.com
- c) submitted electronically.

Notice is hereby given that electronic proposals will be received via PARITY™, or its successor, in the manner described below, until 10:00 A.M., CT, on Monday, May 4, 2026. Proposals may be submitted electronically via PARITY™ or its successor, pursuant to this Notice until 10:00 A.M., CT, but no Proposal will be received after the time for receiving Proposals specified above. To the extent any instructions or directions set forth in PARITY™, or its successor, conflict with this Notice, the terms of this Notice shall control. For further information about PARITY™, or its successor, potential bidders may contact Northland Securities, Inc. or i-Deal® at 1359 Broadway, 2nd floor, New York, NY 10018, telephone 212-849-5021.

Neither the Issuer nor Northland Securities, Inc. assumes any liability if there is a malfunction of PARITY™ or its successor. All bidders are advised that each Proposal shall be deemed to constitute a contract between the bidder and the Issuer to purchase the Bonds regardless of the manner in which the Proposal is submitted.

BOOK-ENTRY SYSTEM

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in fully registered form and one bond certificate, representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of Depository Trust Company (“DTC”), New York, New York, which will act as securities depository of the Bonds.

Individual purchases of the Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the Issuer through U.S. Bank Trust Company, National Association, St. Paul, Minnesota (the “Paying Agent/Registrar”), to DTC, or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The successful bidder, as a condition of delivery of the Bonds, will be required to deposit the bond certificates with DTC. The Issuer will pay reasonable and customary charges for the services of the Paying Agent/Registrar.

* The Issuer reserves the right to increase or decrease the principal amount of the Bonds. Any such increase or decrease will be made in multiples of \$5,000 and may be made in any maturity. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread.

DATE OF ORIGINAL ISSUE OF BONDS

Date of Delivery (Estimated to be June 3, 2026)

AUTHORITY/PURPOSE/SECURITY

The Bonds are being issued pursuant to Minnesota Statutes, Chapters 429, 444 and 475, as amended. Proceeds will be used to finance the City's 2026 street improvement and utility projects and to pay costs associated with the issuance of the Bonds. The Bonds are payable from special assessments levied against benefited properties, net revenues of the City's sanitary sewer, water and storm sewer utilities and additionally secured by ad valorem taxes on all taxable property within the City. The full faith and credit of the Issuer is pledged to their payment and the Issuer has validly obligated itself to levy ad valorem taxes in the event of any deficiency in the debt service account established for this issue.

INTEREST PAYMENTS

Interest is due semiannually on each February 1 and August 1, commencing February 1, 2027, to registered owners of the Bonds appearing of record in the Bond Register as of the close of business on the fifteenth day (whether or not a business day) of the calendar month next preceding such interest payment date.

MATURITIES

Principal is due annually on February 1, inclusive, in each of the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2027	\$420,000	2033	\$705,000
2028	620,000	2034	735,000
2029	640,000	2035	755,000
2030	650,000	2036	790,000
2031	670,000	2037	305,000
2032	695,000		

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

INTEREST RATES

All rates must be in integral multiples of 1/20th or 1/8th of 1%. *The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity.* All Bonds of the same maturity must bear a single uniform rate from date of issue to maturity.

ESTABLISHMENT OF ISSUE PRICE (HOLD-THE-OFFERING-PRICE RULE MAY APPLY – BIDS NOT CANCELLABLE)

The winning bidder shall assist the Issuer in establishing the issue price of the Bonds and shall execute and deliver to the Issuer at closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the Issuer and Bond Counsel. All actions to be taken by the Issuer under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the Issuer by the Issuer's Municipal Advisor and any notice or report to be provided to the Issuer may be provided to the Issuer's Municipal Advisor.

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

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

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

In the event that the competitive sale requirements are not satisfied, the Issuer shall promptly so advise the winning bidder. The Issuer may then determine to treat the initial offering price to the public as of the award date of the Bonds as the issue price of each maturity by imposing on the winning bidder the Hold-the-Offering-Price Rule as described in the following paragraph (the “Hold-the-Offering-Price Rule”). Bids will not be subject to cancellation in the event that the Issuer determines to apply the Hold-the-Offering-Price Rule to the Bonds. **Bidders should prepare their bids on the assumption that the Bonds will be subject to the Hold-the-Offering-Price Rule in order to establish the issue price of the Bonds.**

By submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the “Initial Offering Price”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the Hold-the-Offering Price Rule shall apply to any person at a price that is higher than the Initial Offering Price to the public during the period starting on the award date for the Bonds and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the award date; or
- (2) the date on which the underwriters have sold at least 10% of a maturity of the Bonds to the public at a price that is no higher than the Initial Offering Price to the public (the “10% Test”), at which time only that particular maturity will no longer be subject to the Hold-the-Offering-Price Rule.

The Issuer acknowledges that, in making the representations set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Bonds, including but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule if applicable to the Bonds.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, (A) to comply with the Hold-the-Offering-Price Rule, if applicable if and for so long as directed by the winning bidder and as set forth in the related pricing wires, (B) to promptly notify the winning bidder of any sales of Bonds that to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and (C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public, and (ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or the underwriter and as set forth in the related pricing wires.

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

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

ADJUSTMENTS TO PRINCIPAL AMOUNT AFTER PROPOSALS

The Issuer reserves the right to increase or decrease the principal amount of the Bonds. Any such increase or decrease will be made in multiples of \$5,000 and may be made in any maturity. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread. Such adjustments shall be made promptly after the sale and prior to the award of Proposals by the Issuer and shall be at the sole discretion of the Issuer. The successful bidder may not withdraw or modify its Proposal once submitted to the Issuer for any reason, including post-sale adjustment. Any adjustment shall be conclusive and shall be binding upon the successful bidder.

OPTIONAL REDEMPTION

Bonds maturing on and after February 1, 2035 are subject to redemption and prepayment at the option of the Issuer on February 1, 2034 and any date thereafter, at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the maturities and principal amounts within each maturity to be redeemed shall be determined by the Issuer and if only part of the Bonds having a common

maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar.

CUSIP NUMBERS

If the Bonds qualify for assignment of CUSIP numbers such numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder thereof to accept delivery of and pay for the Bonds in accordance with terms of the purchase contract. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the successful bidder.

DELIVERY

Delivery of the Bonds will be within thirty-five days after award, subject to an approving legal opinion by Taft, Stettinius & Hollister LLP, Bond Counsel. The legal opinion will be paid by the Issuer and delivery will be anywhere in the continental United States without cost to the successful bidder at DTC.

TYPE OF PROPOSAL

Proposals of not less than \$6,908,165 (98.90%) and accrued interest on the principal sum of \$6,985,000 must be filed with the undersigned prior to the time of sale. Proposals must be unconditional except as to legality. Proposals for the Bonds should be delivered to Northland Securities, Inc. and addressed to:

Chris Eitemiller, Finance Manager
101 4th Street East
Hastings, Minnesota 55033

A good faith deposit (the "Deposit") in the amount of \$139,700 in the form of a federal wire transfer (payable to the order of the Issuer) is only required from the apparent winning bidder, and must be received within two hours after the time stated for the receipt of Proposals. The apparent winning bidder will receive notification of the wire instructions from the Municipal Advisor promptly after the sale. If the Deposit is not received from the apparent winning bidder in the time allotted, the Issuer may choose to reject their Proposal and then proceed to offer the Bonds to the next lowest bidder based on the terms of their original proposal, so long as said bidder wires funds for the Deposit amount within two hours of said offer.

The Issuer will retain the Deposit of the successful bidder, the amount of which will be deducted at settlement and no interest will accrue to the successful bidder. In the event the successful bidder fails to comply with the accepted Proposal, said amount will be retained by the Issuer. No Proposal can be withdrawn after the time set for receiving Proposals unless the meeting of the Issuer scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

AWARD

The Bonds will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis. The Issuer's computation of the interest rate of each Proposal, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The Issuer will reserve the right to: (i) waive non-substantive informalities of any Proposal or of matters relating to the receipt of Proposals and award of the Bonds, (ii) reject all Proposals without cause, and (iii) reject any Proposal which the Issuer determines to have failed to comply with the terms herein.

INFORMATION FROM SUCCESSFUL BIDDER

The successful bidder will be required to provide, in a timely manner, certain information relating to the initial offering price of the Bonds necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended.

OFFICIAL STATEMENT

By awarding the Bonds to any underwriter or underwriting syndicate submitting a Proposal therefor, the Issuer agrees that, no more than seven business days after the date of such award, it shall provide to the senior managing underwriter of the syndicate to which the Bonds are awarded, the Final Official Statement in an electronic format as prescribed by the Municipal Securities Rulemaking Board (MSRB).

FULL CONTINUING DISCLOSURE UNDERTAKING

The Issuer will covenant in the resolution awarding the sale of the Bonds and in a Continuing Disclosure Undertaking to provide, or cause to be provided, annual financial information, including audited financial statements of the Issuer, and notices of certain material events, as required by SEC Rule 15c2-12.

BANK QUALIFIED

The Issuer will designate the Bonds as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

BOND INSURANCE AT UNDERWRITER'S OPTION

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the successful bidder, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the successful bidder of the Bonds. Any increase in the costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the successful bidder, except that, if the Issuer has requested and received a rating on the Bonds from a rating agency, the Issuer will pay that rating fee. Any other rating agency fees shall be the responsibility of the successful bidder. Failure of the municipal bond insurer to issue the policy after the Bonds have been awarded to the successful bidder shall not constitute cause for failure or refusal by the successful bidder to accept delivery on the Bonds.

The Issuer reserves the right to reject any and all Proposals, to waive informalities and to adjourn the sale.

Dated: April 6, 2026

BY ORDER OF THE HASTING CITY COUNCIL

/s/ Chris Eitemiller
Finance Manager

Additional information may be obtained from:
Northland Securities, Inc.
150 South 5th Street, Suite 3300
Minneapolis, Minnesota 55402
Telephone No.: 612-851-5900

EXHIBIT A

[FORM OF ISSUE PRICE CERTIFICATE – COMPETITIVE SALE SATISFIED]

The undersigned, on behalf of _____ (the "Underwriter"), hereby certifies as set forth below with respect to the sale of the General Obligation Bonds, Series 2026A (the "Bonds") of the City of Hastings, Minnesota (the "Issuer").

1. Reasonably Expected Initial Offering Price.

As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Underwriter are the prices listed in **Schedule A** (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Underwriter in formulating its bid to purchase the Bonds. Attached as **Schedule B** is a true and correct copy of the bid provided by the Underwriter to purchase the Bonds.

The Underwriter was not given the opportunity to review other bids prior to submitting its bid.

The bid submitted by the Underwriter constituted a firm offer to purchase the Bonds.

2. Defined Terms.

"Maturity" means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

"Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

"Sale Date" means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____.

"Underwriter" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Nonarbitrage Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Taft Stettinius & Hollister LLP, Bond Counsel in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: June 3, 2026.

[FORM OF ISSUE PRICE CERTIFICATE – HOLD-THE-OFFERING-PRICE RULE APPLIES]

The undersigned, on behalf of _____ (the "Underwriter"), on behalf of itself, hereby certifies as set forth below with respect to the sale and issuance of General Obligation Bonds, Series 2026A (the "Bonds") of the City of Hastings, Minnesota (the "Issuer").

Initial Offering Price of the Bonds.

The Underwriter offered each Maturity of the Bonds to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

As set forth in the Notice of Sale and bid award, the Underwriter has agreed in writing that, (i) for each Maturity of the Bonds, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

Defined Terms.

"Holding Period" means, for each Maturity of the Bonds, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (_____), or (ii) the date on which the Underwriter has sold at least 10% of such Maturity of the Bonds to the Public at prices that are no higher than the Initial Offering Price for such Maturity.

"Maturity" means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

"Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

"Sale Date" means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____.

"Underwriter" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Nonarbitrage Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Taft Stettinius & Hollister LLP, Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: June 3, 2026.

AUTHORITY AND PURPOSE

The General Obligation Bonds, Series 2026A (the “Bonds” or the “Issue”) are being issued by the City of Hastings, Minnesota (the “City”) pursuant to Minnesota Statutes, Chapters 429, 444 and 475, as amended. Proceeds from issuance of the Bonds will be used to finance the City's 2026 street and utility projects and to pay costs associated with issuance of the Bonds.

SECURITY/SOURCES AND USES OF FUNDS

Security

The Bonds are valid and binding general obligations of the City and are payable from special assessments levied against benefited properties, net revenues of the City's water, sewer and storm sewer utilities and ad valorem taxes. The full faith and credit of the City is also pledged to their payment. In the event of any deficiency in the Debt Service Account established for this Issue, the City has validly obligated itself to levy additional ad valorem taxes upon all of the taxable property within the City, without limitation of amount.

Sources and Uses of Funds

Following are the sources and uses of funds in connection with the issuance of the Bonds.

Sources of Funds

Par Amount of Bonds	<u>\$ 6,985,000*</u>
Total Sources of Funds:	<u>\$ 6,985,000</u>

Uses of Funds

Deposit to Project Fund	\$ 6,775,000
Costs of Issuance/Underwriter's Discount	155,131
Deposit to Capitalized Interest Fund	54,829
Rounding Amount	<u>40</u>
Total Uses of Funds:	<u>\$ 6,985,000</u>

BONDHOLDERS' RISKS

An investment in the Bonds involves an element of risk. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement (including the appendices hereto) in order to make a judgment as to whether the Bonds are an appropriate investment.

Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history of economic prospects connected with a particular issue, any secondary marketing practices in connection with a particular bond issue are suspended or terminated. Additionally, prices of bond issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price of the Bonds.

* Preliminary, subject to change.

Ratings Loss

S&P Global Ratings has assigned a rating of “AA+” to the Bonds. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the rating will continue for any given period of time, or that such rating will not be revised, suspended or withdrawn, if, in the judgment of S&P, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

Additional regulation of rating agencies could materially alter the methodology, rating levels, and types of ratings available, for example, and these changes, if ever, could materially affect the market value of the Bonds.

Forward-Looking Statements

This Official Statement contains statements relating to future results that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words “estimate,” “forecast,” “intend,” “expect” and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward-looking statements and the actual results. These differences could be material and could impact the availability of funds of the Issuer to pay debt service when due on the Bonds.

Tax Exemption, Bank Qualification and Loss of Tax Exemption

If the federal government or the State of Minnesota taxes all or a portion of the interest on municipal obligations, directly or indirectly, or if there is a change in federal or state tax policy, the value of the Bonds may fall for purposes of resale. Noncompliance following the issuance of the Bonds with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”) and post-issuance tax covenants of the Issuer may result in the inclusion of interest on the Bonds in gross income of the recipient for federal income tax purposes or in taxable net income of individuals, estates or trusts for State of Minnesota income tax purposes. No provision has been made for redemption of the Bonds, or for an increase in the interest rate on the Bonds, in the event that interest on the Bonds becomes subject to federal or State of Minnesota income taxation, retroactive to the date of issuance.

The Bonds are designated as “qualified tax-exempt obligations” under the exception provided in Section 265(b)(3) of the Code, and the Issuer has further covenanted to comply with certain other requirements, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code. Actions, or inactions, by the Issuer in violation of its covenants could affect the designation, which could also affect the pricing and marketability of the Bonds.

It is also possible that actions of the Issuer after the closing of the Bonds will alter the tax status of the Bonds, and, in the extreme, remove the tax exempt status from the Bonds. In that instance, the Bonds are not subject to mandatory prepayment, and the interest rate on the Bonds does not increase or otherwise reset.

Pending Federal and State Tax Legislation

From time to time, there is State legislation proposed, as well as Presidential proposals, proposals of various federal committees, and legislative proposals pending in Congress that could, if enacted, alter or amend one or more of the federal or state tax matters described herein in certain respects or would adversely affect the market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what forms any of such proposals, either pending or that may be introduced, may be enacted and there can be no assurance that such proposals will not apply to the Bonds. In addition, regulatory actions are from time to time announced or proposed, and litigation threatened or commenced, which if implemented or concluded in a particular manner, could adversely affect the market value, marketability

or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Tax Levy Procedures

The Bonds are general obligations of the Issuer, payable from and secured by a continuing ad valorem tax levied against all of the property valuation within the Issuer. A failure on the part of the Issuer to make a timely levy request or a levy request by the Issuer that is inaccurate or is insufficient to make full payments of the debt service of the Bonds for a particular fiscal year may cause Bondholders to experience delay in the receipt of distributions of principal of and/or interest on the Bonds. In the event of a default in the payment of principal of or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the Issuer and certain other public officials to perform the terms of the resolution for the Bonds) may have to be enforced from year to year.

Factors Beyond Issuer's Control

A combination of epidemic, pandemic, economic, climatic, political or civil disruptions outside of the control of the Issuer, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local governments. Real or perceived threats to the financial stability of the Issuer may have an adverse effect on the value of the Bonds in the secondary market. State of Minnesota cash flow problems could also affect local governments, including reductions in, or delayed payments of, local government state aid (LGA) and possibly increase Issuer property taxes.

Cybersecurity

The Issuer, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the Issuer will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant.

Suitability of Investment

The interest rate borne by the Bonds is intended to compensate the investor for assuming the risk of investing in the Bonds. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

Summary

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

DESCRIPTION OF THE BONDS

Details of Certain Terms

The Bonds will be dated, as originally issued, as of the date of delivery (estimated to be June 3, 2026), and will be issued as fully registered Bonds in the denominations of \$5,000 or any integral multiple thereof. Principal, including mandatory redemptions on the Bonds, if applicable, will be payable annually February 1, commencing February 1, 2027. Interest on the Bonds will be payable semiannually on each February 1 and August 1, commencing February

1, 2027. The Bonds when issued, will be registered in the name of Cede & Co. (the “Registered Holder”), as nominee of The Depository Trust Company, New York, New York (“DTC”), the initial custodian for the Bonds, to which principal and interest payments on the Bonds will be made so long as Cede & Co. is the Registered Holder of the Bonds. See “Book-Entry System” in *Description of the Bonds* herein for additional information. So long as the Book-Entry Only System is used, individual purchases of the Bonds will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof (“Authorized Denominations”). Individual purchasers (“Beneficial Owners”) of the Bonds will not receive physical delivery of bond certificates, and registration, exchange, transfer, tender and redemption of the Bonds with respect to Beneficial Owners shall be governed by the Book-Entry Only System.

So long as the Book-Entry Only System is used, payments from Cede & Co., as the Registered Holder, to the Beneficial Owners shall be governed by the Book-Entry Only System. If the Book-Entry Only System is discontinued, the principal of and premium, if any, on the Bonds will be payable upon presentation and surrender at the offices of the Paying Agent and Bond Registrar or a duly appointed successor. Interest on the Bonds will be paid by check or draft mailed by the Bond Registrar to the registered holders thereof as such appear on the registration books maintained by the Bond Registrar as of the close of business on the fifteenth day (whether or not a business day) of the calendar month next preceding such interest payment date (the “Record Date”).

Registration, Transfer and Exchange

So long as the Book-Entry Only System is used, payments from Cede & Co., as the Registered Holder, to the Beneficial Owners shall be governed by the Book-Entry Only System. If the Book-Entry Only System is discontinued, the Bonds may be transferred upon surrender of the Bonds at the principal office of the Bond Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his or her attorney duly authorized in writing. The Bonds, upon surrender thereof at the principal office of the Bond Registrar, may also be exchanged for other Bonds of the same series, of any authorized denominations having the same form, terms, interest rates and maturities as the Bonds being exchanged. The Bond Registrar will require the payment by the Bond holder requesting such exchange or transfer of any tax or governmental charge required to be paid with respect to such exchange or transfer. The Bond Registrar is not required to (i) issue, transfer or exchange any Bond during a period beginning at the opening of business fifteen days before any selection of Bonds of a particular stated maturity for redemption in accordance with the provisions of the Bond resolution and ending on the day of the first mailing of the relevant notice of redemption or (ii) to transfer any Bonds or portion thereof selected for redemption.

Optional Redemption

The Bonds maturing on February 1, 2035 and thereafter are subject to redemption, in whole or in part, on February 1, 2034 and on any date thereafter at a price of par plus accrued interest. If redemption is in part, the selection of the amounts and maturities of the Bonds to be prepaid shall be at the discretion of the City. Notice of redemption shall be given by written notice to the registered owner of the Bonds not less than 30 days prior to such redemption date.

Book-Entry System

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds (the “Bonds”). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants

("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtcc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bonds ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and

disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

[A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to [Tender/Remarketing] Agent's DTC account.]

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Bonds are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates for the Bonds will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City of Hastings takes no responsibility for the accuracy thereof.

FULL CONTINUING DISCLOSURE

In order to assist the Underwriter(s) in complying with SEC Rule 15c2-12 (the "Rule"), pursuant to a resolution awarding the Issue and a Continuing Disclosure Certificate (the "Certificate") to be executed on behalf of the City on or before Bond closing, the City has and will covenant for the benefit of holders of the Bonds to annually provide certain financial and operating data, relating to the City to the Municipal Securities Rulemaking Board ("MSRB") in an electronic format prescribed by the MSRB, and to provide notices of the occurrence of certain events enumerated in the Rule to the MSRB. The specific nature of the Certificate, as well as the information to be contained in the annual report or the notices of material events is set forth in the Continuing Disclosure Certificate in substantially the form attached hereto as Appendix B.

Within the previous five years the City inadvertently failed to timely file notice of the incurrence of a financial obligation. The notice of the incurrence of a financial obligation and notice of failure to file have since been posted. Prior continuing disclosure agreements of the City required the City to file its Annual Report "as soon as available," but not later than December 31 of the following fiscal year. The City has always provided its Annual Report, consisting of Financial and Operating Data and its Audited Financial Statements, prior to the December 31 deadline, although certain portions of the Annual Report information may have been available earlier. A failure by the City to comply with the Certificate will not constitute an event of default on the Bonds (although holders will have an enforceable right to specific performance). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price. Please see *Appendix B – Continuing Disclosure Certificate* herein for additional information.

The City has implemented disclosure policies and procedures to be followed by the City in relation to the financial disclosures and reportable events for which the City must provide notice to the MSRB's Electronic Municipal Market Access system. The City has retained a Dissemination Agent for its continuing disclosure filings.

UNDERWRITER

The Bonds are being purchased by _____ (the "Underwriter") at a purchase price of \$ _____, which is the par amount of the Bonds of \$ _____ less the Underwriter's discount of \$ _____, plus the original issue premium of \$ _____.

MUNICIPAL ADVISOR

The City has retained Northland Securities, Inc. as municipal advisor (the “Municipal Advisor”) in connection with the issuance of the Bonds. Northland Securities, Inc. is registered as a municipal advisor with both the Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB). In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources that have access to relevant data to provide accurate information for the Official Statement, and the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the City to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards.

Northland Securities, Inc., is a subsidiary of Northland Capital Holdings, Inc. First National of Nebraska, Inc., is the parent company of Northland Capital Holdings, Inc. and First National Bank of Omaha.

FUTURE FINANCING

The City does not anticipate the need to issue any additional general obligation debt within the next three months.

BOND RATING

The City received an underlying rating of “AA+” from S&P Global Ratings (“S&P”). No application was made to any other rating agency for the purpose of obtaining an additional rating on the Bonds. This rating reflects only the opinion of S&P and any explanation of the significance of this rating may be obtained only from S&P. There is no assurance that a rating will continue for any given period of time, or that such rating will not be revised or withdrawn, if in the judgment of S&P, circumstances so warrant. A revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds. This rating is not a recommendation to buy, sell or hold the Bonds, and such rating may be subject to revision or withdrawal at any time by the rating agency.

LITIGATION

As of the date of this Official Statement, the City is not aware of any threatened or pending litigation that questions the organization or boundaries of the City or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Bonds or otherwise questioning the validity of the Bonds.

CERTIFICATION

The City will furnish a statement to the effect that this Official Statement to the best of its knowledge and belief, as of the date of sale and the date of delivery, is true and correct in all material respects, and does not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

The City has always promptly met all payments of principal and interest on its indebtedness when due.

LEGALITY

Legal matters incident to the authorization and issuance of the Bonds are subject to the approving opinion of Taft Stettinius & Hollister LLP, Minneapolis, Minnesota (“Bond Counsel”) as to validity and tax exemption. A copy of such opinion will be available at the time of the delivery of the Bonds. See *Appendix A – Form of Legal Opinion*.

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

TAX EXEMPTION

On the date of issuance of the Bonds, Taft Stettinius & Hollister LLP, Bond Counsel, will render an opinion, that, based on present federal and Minnesota laws, regulations, rulings, and decisions, at the time of the issuance of the Bonds, the interest on the Bonds is excluded from gross income for federal income tax purposes and is excluded, to the same extent, from both gross income and taxable net income for State of Minnesota income tax purposes (other than Minnesota franchise taxes measured by income and imposed on corporations and financial institutions). Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or for purposes of the Minnesota alternative minimum tax applicable to individuals, estates or trusts; however, interest on the Bonds is taken into account in determining “annual adjusted financial statement income” for the purpose of computing the federal alternative minimum tax imposed on certain corporations. The opinions are subject to the condition that the Issuer complies with all applicable federal tax requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income and taxable net income, retroactive to their date of issuance. No opinion will be expressed by Bond Counsel regarding other state or federal tax consequences.

OTHER FEDERAL AND STATE TAX CONSIDERATIONS

Other Tax Considerations

Though excluded from gross income, interest on the Bonds is subject to federal income taxation for certain types of taxpayers and certain income taxes, including without implied limitation, taxation to the extent it is included as part of (a) the adjusted current earnings of a corporation for purposes of the alternative minimum tax, (b) effectively connected earnings and profits of a foreign corporation for purposes of the branch profits tax on dividend equivalent amounts, (c) excess net passive income of an S Corporation which has Subchapter C earnings and profits, or (d) minimum effectively connected net investment income of a foreign insurance company. Interest on the Bonds is also taken into account in other ways for federal income tax purposes, including without implied limitation, (a) reducing loss reserve deductions of property and casualty insurance companies, (b) reducing interest expense deductions of financial institutions, and (c) causing certain taxpayers to include in gross income a portion of social security benefits and railroad retirement benefits. Ownership of the Bonds may result in other collateral federal income tax consequences to certain taxpayers. Bond Counsel expresses no opinion as to any of such consequences, and prospective purchasers who may be subject to such collateral consequences should consult their tax advisors.

Original Issue Discount

Some of the Bonds (“OID Bonds”) may be sold at initial public offering prices which are less than the principal amounts payable at maturity. For each maturity of OID Bonds, original issue discount is the excess of the stated redemption price at maturity of such Bonds over the initial offering price to the public, excluding underwriters and other intermediaries, at which price a substantial amount of such Bonds were sold. The appropriate portion of such original issue discount allocable to the original and each subsequent holder will be treated as interest and excluded from gross income for federal income tax purposes and will increase a holder’s tax basis in such Bonds for purposes of determining gain or loss upon sale, exchange, redemption, or payment at maturity. Owners of such Bonds should consult their own tax advisors with respect to the computation and determination of the portion of original issue discount which will be treated as interest and added to a holder’s tax basis during the period such Bonds are held.

Original Issue Premium

Some of the Bonds may be sold at initial public offering prices which are greater than the principal amounts payable at maturity. Bondholders who acquire Bonds at a premium should consult their tax advisors concerning the calculation of bond premium and the timing and rate of premium amortization, as well as the federal, state and local tax consequences of owning and selling Bonds acquired at a premium.

Proposed Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters

referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. No prediction is made whether such provisions will be enacted as proposed or concerning other future legislation affecting the tax treatment of interest on the Bonds. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Qualified Tax-Exempt Obligations

The City will designate the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

The above is not a comprehensive list of all federal tax consequences that may arise from the receipt of interest on the Bonds. The receipt of interest on the Bonds may otherwise affect the federal or State of Minnesota income tax liability of the recipient based on the particular taxes to which the recipient is subject and the particular tax status of other items or deductions. Bond Counsel expresses no opinion regarding any such consequences. All prospective purchasers of the Bonds are advised to consult their own tax advisors as to the tax consequences of, or tax considerations for, purchasing or holding the Bonds.

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CITY OF HASTINGS, MINNESOTA

GENERAL INFORMATION

Location and Access

The City of Hastings is located in Dakota and Washington Counties. The seat of Dakota County, the City is situated approximately 20 miles south of St. Paul and is part of the Twin Cities Metropolitan Area.

Population

2000 Census	18,204	2020 Census	22,154
2010 Census	22,172	2026 City Estimate	22,610

Labor Force Data¹

Comparative average labor force and unemployment rate figures for year-end 2025 and year-end 2024 are listed below. Figures are not seasonally adjusted, and numbers of people are estimated by place of residence.

	2025		2024	
	<i>Civilian Labor Force</i>	<i>Unemployment Rate</i>	<i>Civilian Labor Force</i>	<i>Unemployment Rate</i>
Dakota County	252,125	3.4%	241,933	2.9%
Minneapolis-St. Paul- Bloomington MSA	2,086,848	3.6	2,012,564	3.1
Minnesota	3,159,240	3.8	3,129,802	3.0

Income Data²

Comparative income levels are listed below for the City, the State of Minnesota and the United States.

	City of Hastings	State of Minnesota	United States
Median Family Income	\$113,351	\$113,993	\$99,999
Per Capita Income	44,593	48,247	44,673

City Government

Hastings, incorporated in 1857, is governed by a Home Rule Charter adopted in 1973. It has a mayor-council form of government. The Mayor is a voting member of the council and is elected at-large for a four-year term. One council member is elected from each of the City's four wards and two council members are elected at large, all serving overlapping four-year terms. The City employs approximately 155 people. The professional staff is appointed and consists of a City Administrator, Assistant City Administrator/Human Resources Director, Finance Manager, Public Works Director, City Engineer, Community Development Director, Building Official, Police Chief, and Fire and EMS Director.

Municipal Enterprise Services

Municipal enterprise services provided by the City include the water utility system, the sewer utility system and the storm water system.

¹ Source: Minnesota Department of Employment and Economic Development.

² Source: 2020-2024 American Community Survey, U.S. Census Bureau.

Bargaining Units/Labor Contracts

The labor unions representing certain City employee groups are shown below.

<u>Employee Group</u>	<u>Contract Expiration Date</u>
Fire Fighters	12/31/2028
Fire Captains	12/31/2025*
LELS (Law Enforcement Labor Services)	12/31/2026
LELS - Supervisors	12/31/2026
Local 49ers	12/31/2026

**The Fire Captains contract is under negotiation.*

Employee Pension Programs

All full-time and certain part-time employees of the City are covered by defined benefit plans administered by the Public Employees' Retirement Association (PERA) of Minnesota. PERA administers the General Employee's Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF), which are cost-sharing, multiple-employer retirement plans. These plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356.

GERF members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security. All police officers, firefighters, and peace officers who qualify for membership by statute are covered by the PEPFF.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by state statute, and vest after five years of credited service. The defined retirement benefits are based on member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERF (formerly "PERF") and PEPFF. That report may be obtained at www.mnpera.org, or by writing to PERA at 60 Empire Drive, #200, St. Paul, MN 55103-2088 or by calling 651-296-7460 or 800-652-9026.

The City makes annual contributions to the pension plans equal to the amount required by state statutes. GERF Coordinated Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2024 and the City was required to contribute 7.5% for Coordinated Plan members. PEPFF were required to contribute 11.8% of their annual covered salary in fiscal year 2024 and the City was required to contribute 17.7% for Police and Fire Plan members. The City's contributions were equal to the required contributions as set by state statute.

Volunteer firefighters of the City are eligible for pension benefits through membership in the Hastings Firefighter's Relief Association organized under Minnesota Statutes, Chapter 69, Chapter 424A and administered by a separate Board elected by the membership. State aids, investment earnings and City contributions fund the plan. State statute requires this plan to fund current service cost as it accrues and prior service cost amortized over a period of ten years.

The Volunteer Firefighter Plan provides retirement, death, and supplemental benefits to covered firefighters and survivors. Benefits are paid based on the number of years of service multiplied by a benefit level approved by the City. Members are eligible for a lump-sum retirement benefit at 50 years of age with either five or ten years of service, depending on the vesting schedule selected. Plan provisions include a pro-rated vesting schedule that increases from vesting schedule: (1) 5 years at 40 percent through 20 years at 100 percent

Other Post-Employment Benefits (“OPEB”)

In December 31, 2018, the City implemented GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other than Pension Plans and GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.

The City provides a single-employer defined benefit healthcare plan to eligible retirees and their spouses. The plan offers medical coverage. All postemployment benefits are based on contractual agreements with employee groups. These contractual agreements do not include any specific contribution or funding requirements. As of January 1, 2023, the City had 27 retirees or beneficiaries receiving benefits and 102 active plan members receiving benefits for the City’s health plan.

Changes in the City’s net OPEB liability for the fiscal year ended December 31, 2024 are as follows:

	<u>Total OPEB Liability</u>
Balance at January 1, 2024	\$ 3,603,609
Service Cost	102,211
Interest	138,275
Changes of Assumption	179,052
Differences between expected and actual experience	725,473
Benefit Payments	(<u>502,817</u>)
Net Change in OPEB Liability	<u>642,194</u>
Balances at December 31, 2024	<u>\$ 4,245,803</u>

Additional information regarding the City’s OPEB obligations is provided in the City’s Comprehensive Annual Financial Report, excerpts of which are provided in Appendix C of this Official Statement, with particular reference to Note 10.

Estimated Cash/Investment Balances as of February 28, 2026 (unaudited)

Fund Name

General Fund	\$9,265,050
Special Revenue Fund	2,665,510
Debt Service Funds	4,463,281
Capital Projects Funds	(127,465)
Enterprise Funds	8,679,875
Internal Service Fund	3,226,557
HEDRA Fund	<u>825,763</u>
Total Estimated Cash/Investment Balances	28,998,571

General Fund Budget Summary

	2025 Adopted Budget	2025 Unaudited Final	2026 Adopted Budget
Revenues:			
Property Taxes	\$11,945,121	\$11,953,658	\$12,577,107
Licenses and Permits	688,450	588,199	608,000
Intergovernmental Revenue	2,643,554	6,611,126	2,759,321
Charges for Services	967,979	650,704	999,353
Fines and Forfeits	100,500	81,030	80,500
Investment Income	45,000	388,694	245,000
Miscellaneous	523,000	740,673	683,000
Transfers In	870,003	666,682	380,625
Total Revenues	\$17,783,607	\$21,680,766	\$18,332,906
Expenditures:			
General Government	\$4,009,135	\$4,177,603	\$4,413,903
Public Safety	8,327,216	8,178,729	8,974,500
Public Works	1,967,292	1,665,291	1,947,601
Health and Sanitation	25,078	8,354	62,499
Culture and recreation	103,203	155,826	109,338
Capital Outlay	2,592,883	4,643,634	2,566,265
Transfers Out	758,800	758,800	758,800
Total Expenditures	\$17,783,607	\$19,588,237	\$18,832,906
Revenues Over (Under) Expenditures	\$0	\$2,092,529	(\$500,000)
Beginning Fund Balance (January 1)	\$9,906,954 ¹	\$8,703,386	\$10,795,615
Ending Fund Balance (December 31)	\$9,906,954	\$10,795,615	\$10,295,615

¹ Based on 2024 budgeted ending balance.

Residential Development

There are 9,414 households located within the City as of December 31, 2025, based on estimates provided by the Metropolitan Council. There were 36 single-family homes and six manufactured homes constructed in 2025.

Subdivisions planned or constructed within the past three years are as follows:

<u>Subdivision Name</u>	<u>Total Lots/Units</u>	<u>Vacant Lots/Units</u>	<u>Year Constructed</u>	<u>Status (% Developed)</u>
Wallin 18 th -19 th Addition*	24	8	2020-24	66%
Vermillion Acres - Senior Housing – Affordable Living	75	75	2022-26	100%
Heritage Ridge 1 st -3 rd Additions* - Single-Family and Villa Homes	80	2	2021-24	98%
Current 33 (Enclave)	211	211	2022-24	100%
Suite Living – Senior Assisted and Memory Care	32	32	2026	Approved for Construction
Walden at Hastings	189	189	2026	Concept Review Granted
South Oaks of Hastings 4 th Addition	35	31	2024	11%
Pleasant Valley Farms	375	375	2026	Under Review
Sunset Hills	26	26	2026	Under Review

**These subdivisions are part of larger, previously approved, developments. New plats are established as prior subdivisions are fully developed.*

Business – Industrial Park

The City has one industrial park totaling approximately 250 acres. Currently there are approximately 50 enterprises occupying the park, the larger of which include Innovative Surfaces, Quality One Woodwork, Intek Plastics, and Cranky Ape. There are currently approximately 60 acres available for sale and development. In the past year, one lot has been sold for development with one lot pending final sale.

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Commercial/Industrial Development

Building construction and commercial/industrial development completed within the past three years and a portion of this year have been as follows:

<u>Name</u>	<u>Product/Service</u>	<u>Description of Construction</u>	<u>Year Completed</u>
Gregg Lowe Auto	Auto Repair	6,000 s.f.	2024
United Heroes League	Stadium	New Hockey Rink & Locker Rooms	2025
Storage Werks	Mini Storage	New Facility	2025
Chase Bank	Bank	New Building	2026
Rio Gran Trucking	Trucking	New Office & Garage	2026

Building Permits

Building permits issued for the past five years has been as follows:

<u>Year</u>	<u>Commercial/ Industrial Number of Permits</u>	<u>Residential Number of Permits</u>	<u>Total Number of Permits</u>	<u>Total Permit Valuation</u>
2025	55	36	97	\$22,610,672
2024	81	43	124	31,457,019
2023	78	207	285	67,449,011
2022	75	264	339	172,684,642
2021	84	129	213	28,081,000

Banking/Financial Institutions

Banking and financial services providers within the City include First National Bank; Frandsen Bank & Trust; Merchants Bank, National Association; Midcountry Bank; North American Banking Company; Premier Bank Minnesota; Vermillion State Bank; and Wells Fargo Bank, National Association.

Education

Hastings is served by Independent School District No. 200, Hastings, which operates three elementary schools, one middle school and a senior high school.

Major Employers¹

Following are some of the major employers within the City:

<u>Employer Name</u>	<u>Product/Service</u>	<u>Number of Employees²</u>
Dakota County	Government	707
School District #200, Hastings	Education	551
Allina Health System	Medical Services	470
Walmart Super Center	Department Store	293
Intek Plastics, Inc.	Plastics Products	230
Hastings Senior Health/Living	Health Care	163
City of Hastings	Local Government	155
YMCA	Fitness Center	146
Quality One Woodwork, LLC	Woodworking	130
Ardent Mills	Flour Mill	130

Largest Taxpayers³

Following are ten of the largest taxpayers within the City:

<u>Name</u>	<u>Classification</u>	<u>2025/2026 Tax Capacity</u>	<u>Percent of Total Tax Capacity (\$33,179,512)⁴</u>
Current33 Apartments Two LLC	Apartment	\$ 252,847	0.76
Current33 Apartments LLC	Apartment	239,366	0.72
VMA 1000 LLC	Apartment	216,549	0.65
Hastings Marketplace Station LLC	Commercial	213,990	0.64
Walmart Real Estate Business Trust	Commercial	210,938	0.64
Lake Isabelle Flats LLC	Apartment	201,250	0.61
Voyageur Estates LLC	Apartment	185,208	0.56
Hastings Medical Office Building	Commercial	176,022	0.53
Quality One Woodwork LLC	Industrial	163,906	0.49
Casey Capital V LLC	Apartment	158,118	0.48
Siewert Brothers Investment LLC	Industrial	<u>152,245</u>	<u>0.46</u>
		<u>\$ 2,170,439</u>	<u>6.54%</u>

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¹ Source: The City and Data Axle Reference Solutions.

² Includes full-time, part-time and seasonal employees.

³ As reported by Dakota and Washington Counties.

⁴ Before tax increment adjustment.

MINNESOTA VALUATIONS; PROPERTY TAX CLASSIFICATIONS

Market Value

State Law defines the “market value” of real property as the usual selling price at the place where the property to which the term is applied shall be at the time of assessment; being the price which could be obtained at a private sale or an auction sale, if it is determined by the assessor that the price from the auction sale represents an arm's-length transaction. The assessor uses sales and market value income trends to estimate the value of property in an open market transaction. This value is also called “estimated market value”. This value is set on January 2 of each year. Property taxes levied each year are based on the value of property on January 2 of the preceding year. According to Minnesota Statutes, Chapter 273, all real property subject to taxation is to be appraised at maximum intervals of five years.

Taxable Market Value

The “taxable market value” is the amount used for calculating property taxes. The taxable market value may differ from the estimated market value due to the application of special programs that exclude value from taxation. These programs currently include, but are not limited to, Homestead Market Value Exclusion and Green Acres.

Market Value Exclusion

In 2011, the State Legislature eliminated the Homestead Market Value Credit. The Credit was an amount paid by the State to local taxing jurisdictions to reduce taxes paid by homesteaded property. The Credit has been replaced by a Homestead Market Value Exclusion. The Exclusion reduces the taxable market value (beginning with taxes payable 2012) of a jurisdiction by excluding a portion of the value of homesteaded property from taxation. For a homestead valued at \$95,000 or less, the exclusion is 40 percent of market value, yielding a maximum exclusion of \$38,000 at \$95,000 of market value. For a homestead valued between \$95,000 and \$517,200, the exclusion is \$38,000 minus nine percent of the valuation over \$95,000. For a homestead valued at \$517,200 or more, there is no valuation exclusion.

Sales Ratio

The Minnesota Department of Revenue conducts the Assessment Sales Ratio Study to compare real estate sales prices to local assessor valuations. The State uses the study results to ensure consistency in property assessments across the state. There are three different sales ratio studies that cover three distinct time periods. The 12-month study includes sales that occur from October 1st of a given year to September 30th of the following year and are compared to market values used for property taxation. The median ratio from the 12-month study is the sales ratio used to calculate indicated and economic market values.

Economic and Indicated Market Value

“Economic market value” and “indicated market value” reflect adjustments made to account for the effects of the sales ratio. The economic market value is determined by dividing the estimated market value of the jurisdiction by the sales ratio. Economic market value provides an estimation of the full value of property if it were valued at 100% of its value in the marketplace (prior to the application of legislatively mandated exclusions). The indicated market value is determined by dividing the taxable market value of the jurisdiction by the sales ratio. This value represents an estimation of the “full value” of property for taxation, after the deduction of legislative exclusions.

Net Tax Capacity

Property taxes are calculated on the basis of the “net tax capacity value”. Net tax capacity is calculated by multiplying the taxable market value of a parcel by the statutory class rate for the use classification of the property. These class rates are subject to revisions by the State Legislature. The table following this section contains current and historical class rates for primary property classifications.

Tax Cycle

Minnesota local government ad valorem property taxes are extended and collected by the various counties within the state. The process begins in the fall of every year with the certification, to the county auditor, of all local taxing districts' property tax levies. Local tax rates are calculated by dividing each taxing district's levy by its net tax capacity. One percentage point of local tax rate represents one dollar of tax per \$100 net tax capacity. A list of taxes due is then prepared by the county auditor and turned over to the county treasurer on or before the first Monday in January.

The county treasurer is responsible for collecting all property taxes within the county. Real estate and personal property tax statements (excluding manufactured homes) are to be mailed out no later than March 31, and manufactured home property tax statements no later than July 15. The due dates for payment of real and personal property taxes (excluding manufactured homes) are one-half on or before May 15 (May 31 for resorts) and one-half on or before October 15 (November 15 for farm property). Personal property taxes for manufactured homes become due one-half on or before August 31 and one-half on or before November 15. Delinquent property taxes are penalized at various rates depending on the type of property and the length of delinquency.

Tax Levies for General Obligation Bonds (Minnesota Statutes, Section 475.61)

State Law requires the governing body of any municipality issuing general obligations, prior to delivery of the obligations, to levy by resolution a direct general ad valorem tax upon all taxable property in the municipality to be spread upon the tax rolls for each year of the term of the obligations. The tax levies for all years shall be specified and such that if collected in full will, together with estimated collections of special assessments and other revenues pledged for the payment of said obligations, produce at least five percent in excess of the amount needed to meet the principal and interest payments on the obligations when due.

Such resolution shall irrevocably appropriate the taxes so levied and any special assessments or other revenues so pledged to the municipality's debt service fund or a special debt service fund or account created for the payment of one or more issues of obligations.

The governing body may, at its discretion, at any time after the obligations have been authorized, adopt a resolution levying only a portion of such taxes, to be filed, assessed, extended, collected and remitted, and the amount therein levied shall be credited against the tax required to be levied prior to delivery of the obligations.

The recording officer of the municipality shall file in the office of the county auditor of each county in which any part of the municipality is located a certified copy of the resolution, together with full information regarding the obligations for which the tax is levied. No further action by the municipality is required to authorize the extension, assessment and collection of the tax, but the municipality's liability on the obligations is not limited thereto and its governing body shall levy and cause to be extended, assessed and collected any additional taxes found necessary for full payment of the principal and interest. The auditor shall annually assess and extend upon the tax rolls the amount specified for such year in the resolution, unless the amount has been reduced as authorized below or, if the municipality is located in more than one county, the portion thereof that bears the same ratio to the whole amount as the tax capacity value of taxable property in that part of the municipality located in the county bears to the tax capacity value of all taxable property in the municipality.

Tax levies so made and filed shall be irrevocable, except that if the governing body in any year makes an irrevocable appropriation to the debt service fund of moneys actually on hand or if there is on hand any excess amount in the debt service fund, the recording officer may certify to the county auditor the fact and amount thereof and the auditor shall reduce by the amount so certified the amount otherwise to be included in the rolls next thereafter prepared.

All such taxes shall be collected and remitted to the municipality by the county treasurer as other taxes are collected and remitted, and shall be used only for payment of the obligations on account of that levied or to repay advances from other funds used for such payments, except that any surplus remaining in the debt service fund when the obligations and interest thereon are paid may be appropriated to any other general purpose by the municipality.

Levy Limits

The State Legislature periodically enacts limitations on the ability of cities and counties to levy property taxes. Levy limits were reenacted in 2013 and applied to all counties with a population over 5,000 and all cities with a population over 2,500 for taxes payable in 2014 only. Levies “to pay the costs of the principal and interest on bonded indebtedness” and “to provide for the bonded indebtedness portion of payments made to another political subdivision of the State of Minnesota” are designated special levies and can be levied in addition to the amount allowed by levy limitations.

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The following is a partial summary of these factors:

Property Tax Classifications

<u>Class</u>	<u>Type of Property</u>	<u>Class Rate Schedule</u>		
		<u>2023/ 2024</u>	<u>2024/ 2025</u>	<u>2025/ 2026</u>
1a	<u>Residential Homestead</u> : First \$500,000	1.00%	1.00%	1.00%
	Over \$500,000	1.25	1.25	1.25
1c	<u>Commercial seasonal-residential recreational-</u> under 250 days and includes homestead			
	First \$600,000	.50	.50	.50
	\$600,001-2,300,000	1.00	1.00	1.00
	Over \$2,300,000 [†]	1.25	1.25	1.25
2a	<u>Agricultural Homestead – House, Garage, One Acre:</u>			
	First \$500,000	1.00	1.00	1.00
	Over \$500,000	1.25	1.25	1.25
	Remainder of Farm* –			
	First \$2,150,000	0.50		
	Over \$2,150,000	1.00		
	First \$3,500,000		.50	
	Over \$3,500,000		1.00	
	First \$3,800,000			.50
	Over \$3,800,000			1.00
2b	<u>Non-Homestead Rural Vacant Land</u> ¹	1.00	1.00	1.00
3a	<u>Commercial/Industrial and Public Utility</u>			
	First \$150,000 [†]	1.50	1.50	1.50
	Over \$150,000 [†]	2.00	2.00	2.00
4a	<u>Apartment</u> (4+ units, incl. private for-profit hospitals)	1.25	1.25	1.25
4bb(1)	<u>Residential Non-Homestead (Single Unit)</u>			
	First \$500,000	1.00	1.00	1.00
	Over \$500,000	1.25	1.25	1.25
4c(1)	<u>Seasonal Residential Recreational/Commercial</u> [†]			
	(Resort): First \$500,000	1.00	1.00	1.00
	Over \$500,000	1.25	1.25	1.25
4c(12)	<u>Seasonal Residential Recreational</u> [†]			
	Non-Commercial (Cabin): First \$500,000*	1.00	1.00	1.00
	Over \$500,000*	1.25	1.25	1.25
4d	<u>Qualifying Low-Income Rental Housing</u>			
	First \$100,000	.75	.25	.25
	Over \$100,000	.25	.25	.25

[†] Subject to the state general property tax.

* Exempt from referendum market value-based taxes.

¹ Homestead remainder & non-homestead; includes minor ancillary structures.

CITY OF HASTINGS, MINNESOTA

ECONOMIC AND FINANCIAL INFORMATION¹

Valuations

	<i>Estimated Market Value 2025/2026</i>	<i>Net Tax Capacity 2025/2026</i>
Real Property		
Dakota County	\$ 3,114,644,200	\$ 32,882,746
Washington County	3,405,800	57,602
	\$3,118,050,000	\$32,940,348
Personal Property		
Dakota County	12,444,100	238,662
Washington County	25,100	502
	<u>12,469,200</u>	239,164
Less Tax Increment Deductions		
Dakota County	N/A	(313,758)
Washington County	N/A	(0)
		(313,758)
Fiscal Disparity Contribution ²		
Dakota County	N/A	(2,116,233)
Washington County	N/A	(19,161)
		(2,135,394)
Fiscal Disparity Distribution ²		
Dakota County	N/A	5,331,179
Washington County	N/A	524
		<u>5,331,703</u>
 Total Valuation	 <u>\$3,130,519,200</u>	 <u>\$36,062,063</u>

Valuation Trends (Real and Personal Property)

<i>Levy Year/ Collection Year</i>	<i>Economic Market Value</i>	<i>Sales Ratio</i>	<i>Estimated Market Value</i>	<i>Taxable Market Value</i>	<i>Tax Capacity Before Tax Increments & Fiscal Disparities</i>	<i>Tax Capacity After Tax Increments & Fiscal Disparities</i>
2025/2026	N/A	N/A	\$3,130,519,200	\$2,984,912,451	\$33,179,512	\$36,062,063
2024/2025	\$3,209,827,280	92.55%	2,967,046,900	2,818,982,347	31,382,985	34,278,572
2023/2024	2,901,500,714	94.95	2,751,290,300	2,655,928,068	29,535,721	32,347,986
2022/2023	2,583,535,347	89.88	2,320,059,000	2,204,090,273	24,591,252	27,833,740
2021/2022	2,351,534,244	95.22	2,236,862,500	2,118,921,611	23,785,585	26,696,035

¹ Property valuations, tax rates, and tax levies and collections are provided by Dakota and Washington Counties. Economic market value and sales ratio are provided by the Minnesota Department of Revenue. The 2025/2026 economic market value and sales ratio are not yet available.

² *Fiscal Disparities Law*

The 1971 Legislature enacted a “fiscal disparities law” which allows all the Twin Cities Metropolitan Area Municipalities to share in commercial/industrial growth, regardless of where the growth occurred geographically. Forty percent (40%) of every metropolitan municipality’s growth in commercial/industrial assessed valuation is pooled then redistributed to all municipalities on the basis of population and per capita valuation *after* the tax increment and fiscal disparity adjustments.

Breakdown of Valuations

2025/2026 Tax Capacity, Real and Personal Property (before tax increment and fiscal disparities adjustments):

Residential Homestead	\$ 24,406,575	73.56%
Agricultural	46,750	0.14
Commercial & Industrial	5,471,718	16.49
Public Utility	29,310	0.09
Railroad	76,490	0.23
Residential Non-Homestead	2,901,787	8.75
Rural Vacant	7,718	0.02
Personal Property	<u>239,164</u>	<u>0.72</u>
Totals:	<u>\$ 33,179,512</u>	<u>100.00%</u>

Tax Capacity Rates

Tax capacity rates for a City resident within Dakota County for the past five-assessable/collection years have been as follows:

<i>Levy Year/ Collection Year</i>	<i>2021/22 Tax Capacity Rates</i>	<i>2022/23 Tax Capacity Rates</i>	<i>2023/24 Tax Capacity Rates</i>	<i>2024/25 Tax Capacity Rates</i>	<i>2025/26 Tax Capacity Rates</i>
Dakota County	21.630%	18.816%	18.323%	19.948%	21.031%
City of Hastings	58.807	53.267	55.230	59.080	60.136
ISD No. 200, Hastings	16.214	14.207	16.733	16.316	15.610
Metropolitan Council	0.649	0.564	0.620	0.549	0.594
Mosquito Control	0.372	0.325	0.315	0.320	0.332
CDA	1.391	1.176	1.309	1.360	1.331
Vermillion River Watershed	0.348	0.287	0.270	0.271	0.270
Hastings HRA	<u>1.491</u>	<u>1.310</u>	<u>1.531</u>	<u>1.575</u>	<u>1.513</u>
Totals:	<u>100.902%</u>	<u>89.952%</u>	<u>94.331%</u>	<u>99.419%</u>	<u>100.817%</u>
<i>Market Value Rates:</i>	<i><u>2021/2022</u></i>	<i><u>2022/2023</u></i>	<i><u>2023/2024</u></i>	<i><u>2024/2025</u></i>	<i><u>2024/2025</u></i>
ISD No. 200 (Hastings)	0.22247%	0.22290%	0.21167%	0.20313%	0.18883%

Tax Levies and Collections¹

<u>Levy/Collect</u>	<u>Net Levy</u>	<u>Collected During Collection Year</u>		<u>Collected and/or Abated as of 2/28/26</u>	
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
2025/2026	\$18,480,252		In Process of Collection		
2024/2025	17,132,754	\$16,993,466	99.19%	\$16,995,690	99.20%
2023/2024	16,115,956	16,009,222	99.34	16,054,011	99.62
2022/2023	14,669,714	14,597,166	99.51	14,649,183	99.86
2021/2022	13,403,882	13,327,366	99.43	13,400,887	99.98

¹ 2025/2026 property taxes are currently in the process of collection/reporting and updated figures are not yet available from Dakota and Washington counties.

SUMMARY OF DEBT AND DEBT STATISTICS

Statutory Debt Limit¹

Minnesota Statutes, Section 475.53 states that a city or county may not incur or be subject to a net debt in excess of three percent (3%) of its estimated market value. Net debt is, with limited exceptions, debt paid solely from ad valorem taxes.

Computation of Legal Debt Margin as of May 2, 2026:

2025/2026 Estimated Market Value	\$ 3,130,519,200
Multiplied by 3%	<u> x .03</u>
Statutory Debt Limit	<u>\$ 93,915,576</u>
Less outstanding debt applicable to debt limit:	
\$3,295,000 General Obligation Bonds, Series 2016B	\$ 235,000
\$3,820,000 General Obligation Bonds, Series 2018A	335,000
\$6,215,000 General Obligation Bonds, Series 2022A	730,000
\$3,125,000 General Obligation Bonds, Series 2023A	2,615,000
\$9,330,000 General Obligation Charter Bonds, Series 2024A	<u>8,440,000</u>
Total Debt applicable to debt limit:	\$ 12,355,000
Legal debt margin	<u>\$ 81,560,576</u>

¹ Effective June 2, 1997 and pursuant to Minnesota Statutes 465.71, any lease revenue or public project revenue bond issues/agreements of \$1,000,000 or more are subject to the statutory debt limit. Lease revenue or public project revenue bond issues/agreements less than \$1,000,000 are not subject to the statutory debt limit.

CITY OF HASTINGS, MINNESOTA
GENERAL OBLIGATION DEBT PAYABLE FROM TAXES
(As of May 2, 2026)

Purpose:	G.O. Bonds, Series 2016B	G.O. Bonds, Series 2018A	G.O. Bonds, Series 2022A	G.O. Bonds, Series 2023A	G.O. Charter Bonds, Series 2024A			
Dated:	11/03/16	07/18/18	06/01/22	06/29/23	04/17/24			
Original Amount:	\$2,300,000	\$980,000	\$975,000	\$3,125,000	\$9,330,000			
Maturity:	1-Feb	1-Feb	1-Feb	1-Feb	1-Feb	TOTAL	TOTAL	
Interest Rates:	2.00%	3.00-4.00%	3.00-5.00%	4.00-5.00%	4.00-5.00%	PRINCIPAL:	PRIN & INT:	
2026	\$0	\$0	\$0	\$0	\$0	\$0	\$282,900	2026
2027	235,000	110,000	90,000	275,000	780,000	1,490,000	2,023,175	2027
2028		110,000	95,000	290,000	825,000	1,320,000	1,788,650	2028
2029		115,000	100,000	300,000	865,000	1,380,000	1,783,400	2029
2030			105,000	320,000	910,000	1,335,000	1,671,675	2030
2031			110,000	335,000	955,000	1,400,000	1,669,400	2031
2032			115,000	350,000	1,005,000	1,470,000	1,671,650	2032
2033			115,000	365,000	1,055,000	1,535,000	1,667,400	2033
2034				380,000	1,105,000	1,485,000	1,552,300	2034
2035					940,000	940,000	958,800	2035
	\$235,000	\$335,000	\$730,000	\$2,615,000	\$8,440,000	\$12,355,000	\$15,069,350	
	(1)	(2)	(3)	(4)				

NOTE: 100% OF GENERAL OBLIGATION DEBT PAYABLE FROM TAXES WILL BE RETIRED WITHIN TEN YEARS.

- (1) This schedule represents a portion of the \$3,295,000 General Obligation Bonds, Series 2016B, dated November 3, 2016, consisting of \$995,000 backed by special assessments and \$2,300,000 backed by ad valorem taxes.
- (2) This schedule represents a portion of the \$3,820,000 General Obligation Bonds, Series 2018A, dated July 18, 2018, consisting of \$1,580,000 backed by special assessments, \$1,260,000 backed by utility revenues, and
- (3) This schedule represents a portion of the \$5,815,000 General Obligation Bonds, Series 2022A, dated June 1, 2022, consisting of \$3,135,000 backed by special assessments, \$1,705,000 backed by utility revenues, and
- (4) This schedule represents a portion of the \$4,095,000 General Obligation Bonds, Series 2023A, dated June 29, 2023, consisting of \$610,000 backed by water utility revenues, \$360,000 backed by sewer utility revenues and \$3,125,000 backed by ad valorem taxes.

CITY OF HASTINGS, MINNESOTA
GENERAL OBLIGATION DEBT PAYABLE FROM SPECIAL ASSESSMENTS
(As of May 2, 2026, Plus a Portion of This Issue)

Purpose:	G.O. Improvement Bonds, Series 2016B	G.O. Improvement Bonds, Series 2017A	G.O. Bonds, Series 2018A	G.O. Bonds, Series 2019A	G.O. Bonds, Series 2020A	
Dated:	11/03/16	11/02/17	07/18/18	08/08/19	10/01/20	
Original Amount:	\$995,000	\$1,015,000	\$1,580,000	\$2,595,000	\$2,045,000	
Maturity:	1-Feb	1-Feb	1-Feb	1-Feb	1-Feb	
Interest Rates:	2.00%	2.75-2.875%	3.00-4.00%	5.00%	2.00-4.00%	
2026	\$0	\$0	\$0	\$0	\$0	2026
2027	110,000	105,000	165,000	285,000	210,000	2027
2028		110,000	170,000	295,000	220,000	2028
2029			175,000	310,000	225,000	2029
2030				330,000	235,000	2030
2031					240,000	2031
2032						2032
2033						2033
2034						2034
2035						2035
2036						2036
2037						2037
	\$110,000	\$215,000	\$510,000	\$1,220,000	\$1,130,000	
	(1)		(2)	(3)	(4)	

CONTINUED

Purpose:	Portion of This Issue				TOTAL PRINCIPAL:	TOTAL PRIN & INT:		
	G.O. Bonds, Series 2021A	G.O. Bonds, Series 2022A	G.O. Bonds, Series 2025A	G.O. Bonds, Series 2026A				
Dated:	08/26/21	06/01/22	06/26/25	06/03/26				
Original Amount:	\$925,000	\$3,135,000	\$2,105,000	\$2,650,000				
Maturity:	1-Feb	1-Feb	1-Feb	1-Feb				
Interest Rates:	1.00-3.00%	3.00-5.00%	4.00-5.00%					
	2026	\$0	\$0	\$0	\$0	\$165,054	2026	
	2027	90,000	290,000	165,000	0	1,420,000	1,817,336	2027
	2028	95,000	305,000	175,000	230,000	1,600,000	1,922,469	2028
	2029	100,000	320,000	185,000	240,000	1,555,000	1,812,733	2029
	2030	100,000	335,000	195,000	245,000	1,440,000	1,637,591	2030
	2031	100,000	355,000	205,000	250,000	1,150,000	1,302,663	2031
	2032	105,000	365,000	215,000	260,000	945,000	1,065,156	2032
	2033		375,000	225,000	265,000	865,000	954,314	2033
	2034			235,000	275,000	510,000	573,546	2034
	2035			245,000	285,000	530,000	572,304	2035
	2036			260,000	295,000	555,000	576,116	2036
	2037				305,000	305,000	310,414	2037
		\$590,000	\$2,345,000	\$2,105,000	\$2,650,000	\$10,875,000	\$12,709,694	
		(5)	(6)	(7)	(8)			

NOTE: 97% OF GENERAL OBLIGATION DEBT PAYABLE FROM SPECIAL ASSESSMENTS WILL BE RETIRED WITHIN TEN YEARS.

- (1) This schedule represents a portion of the \$3,295,000 General Obligation Bonds, Series 2016B, dated November 3, 2016, consisting of \$995,000 backed by special assessments and \$2,300,000 backed by ad valorem taxes.
- (2) This schedule represents a portion of the \$3,820,000 General Obligation Bonds, Series 2018A, dated July 18, 2018, consisting of \$1,580,000 backed by special assessments, \$1,260,000 backed by utility revenues, and \$980,000 backed by ad valorem taxes.
- (3) This schedule represents a portion of the \$3,270,000 General Obligation Bonds, Series 2019A, dated August 8, 2019, consisting of \$2,595,000 backed by special assessments and \$675,000 backed by water utility revenues.
- (4) This schedule represents a portion of the \$3,180,000 General Obligation Bonds, Series 2020A, dated October 1, 2020, consisting of \$2,045,000 backed by special assessments, \$470,000 backed by sewer utility revenues and \$665,000 backed by water utility revenues.
- (5) This schedule represents a portion of the \$2,070,000 General Obligation Bonds, Series 2021A, dated August 26, 2021, consisting of \$925,000 backed by special assessments, \$500,000 backed by sewer utility revenues and \$645,000 backed by water utility revenues.
- (6) This schedule represents a portion of the \$5,815,000 General Obligation Bonds, Series 2022A, dated June 1, 2022, consisting of \$3,135,000 backed by special assessments, \$1,705,000 backed by utility revenues, and \$975,000 backed by ad valorem taxes.
- (7) This schedule represents a portion of the \$4,140,000 General Obligation Bonds, Series 2025A, dated June 26, 2025, consisting of \$2,105,000 backed by special assessments and \$2,035,000 backed by utility revenues.
- (8) This schedule represents a portion of the \$6,985,000 General Obligation Bonds, Series 2026A, dated June 3, 2026, consisting of \$2,650,000 backed by special assessments and \$4,335,000 backed by utility revenues.

CITY OF HASTINGS, MINNESOTA
GENERAL OBLIGATION DEBT PAYABLE FROM TAX INCREMENTS
(As of May 2, 2026)

Purpose:	G.O. Tax Increment Revenue Bonds, Series 2016A			
Dated:	01/21/16			
Original Amount:	\$2,265,000			
Maturity:	1-Feb	TOTAL	TOTAL	
Interest Rates:	2.00-2.75%	PRINCIPAL:	PRIN & INT:	
2026	\$0	\$0	\$7,263	2026
2027	185,000	185,000	197,213	2027
2028	195,000	195,000	202,219	2028
2029	165,000	165,000	167,269	2029
	\$545,000	\$545,000	\$573,964	
	(1)			

NOTE: 100% OF GENERAL OBLIGATION DEBT PAYABLE FROM TAX INCREMENTS WILL BE RETIRED WITHIN TEN YEARS.

(1) These bonds are payable primarily from tax increments and additionally secured by ad valorem taxes on all taxable property within the City and without limitation of amount.

CITY OF HASTINGS, MINNESOTA
GENERAL OBLIGATION DEBT PAYABLE FROM REVENUES
(As of May 2, 2026, Plus a Portion of This Issue)

Purpose:	G.O. Refunding Bonds, Series 2013A	G.O. Bonds, Series 2018A	G.O. Bonds, Series 2019A	G.O. Bonds, Series 2020A	G.O. Bonds, Series 2021A	
Dated:	02/21/13	07/18/18	08/08/19	10/01/20	08/26/21	
Original Amount:	\$2,820,000	\$1,260,000	\$675,000	\$1,135,000	\$1,145,000	
Maturity:	1-Feb	1-Feb	1-Feb	1-Feb	1-Feb	
Interest Rates:	2.00%	3.00-4.00%	5.00%	2.00-4.00%	1.00-3.00%	
2026	\$0	\$0	\$0	\$0	\$0	2026
2027	275,000	140,000	75,000	115,000	115,000	2027
2028		140,000	75,000	120,000	115,000	2028
2029		145,000	80,000	125,000	125,000	2029
2030			85,000	130,000	125,000	2030
2031				135,000	125,000	2031
2032					125,000	2032
2033						2033
2034						2034
2035						2035
2036						2036
	\$275,000	\$425,000	\$315,000	\$625,000	\$730,000	
	(1)	(2)	(3)	(4)	(5)	

CONTINUED

Purpose:	Portion of This Issue					TOTAL PRINCIPAL:	TOTAL PRIN & INT:	
	G.O. Bonds, Series 2022A	G.O. Bonds, Series 2023A	G.O. Bonds, Series 2025A	G.O. Water Revenue Bonds, Series 2025B	G.O. Bonds, Series 2026A			
Dated:	06/01/22	06/29/23	06/26/25	09/24/25	06/03/26			
Original Amount:	\$1,705,000	\$970,000	\$2,035,000	\$4,947,593	\$4,335,000			
Maturity:	1-Feb	1-Feb	1-Feb	20-Aug	1-Feb			
Interest Rates:	3.00-5.00%	4.00-5.00%	4.00-5.00%	2.65%				
2026	\$0	\$0	\$0	\$102,593	\$0	\$102,593	\$340,201	2026
2027	155,000	85,000	165,000	200,000	420,000	1,745,000	2,665,047	2027
2028	165,000	95,000	175,000	205,000	390,000	1,480,000	2,292,888	2028
2029	175,000	95,000	185,000	210,000	400,000	1,540,000	2,307,797	2029
2030	185,000	105,000	190,000	216,000	405,000	1,441,000	2,160,992	2030
2031	185,000	105,000	205,000	222,000	420,000	1,397,000	2,085,696	2031
2032	200,000	110,000	215,000	227,000	435,000	1,312,000	1,973,134	2032
2033	205,000	120,000	225,000	233,000	440,000	1,223,000	1,847,168	2033
2034			235,000	240,000	460,000	935,000	1,541,621	2034
2035			245,000	246,000	470,000	961,000	1,543,920	2035
2036				252,000	495,000	747,000	1,325,872	2036
2037				259,000		259,000	327,663	2037
2038				266,000		266,000	327,807	2038
2039				273,000		273,000	327,766	2039
2040				280,000		280,000	327,540	2040
2041				288,000		288,000	328,129	2041
2042				295,000		295,000	327,505	2042
2043				303,000		303,000	327,697	2043
2044				311,000		311,000	327,676	2044
2045				319,000		319,000	327,444	2045
	\$1,270,000	\$715,000	\$1,840,000	\$4,947,593	\$4,335,000	\$15,477,593	\$23,033,563	
	(6)	(7)	(8)		(9)			

NOTE: 78% OF GENERAL OBLIGATION DEBT PAYABLE FROM REVENUES WILL BE RETIRED WITHIN TEN YI

- (1) This schedule represents a portion of the \$5,805,000 General Obligation Refunding Bonds, Series 2013A, dated February 21, 2013, consisting of \$2,470,000 backed by special assessments, \$2,770,000 backed by revenues and \$565,000 backed by ad valorem taxes.
- (2) This schedule represents a portion of the \$3,820,000 General Obligation Bonds, Series 2018A, dated July 18, 2018, consisting of \$1,580,000 backed by special assessments, \$1,260,000 backed by utility revenues, and \$980,000 backed by ad valorem taxes.
- (3) This schedule represents a portion of the \$3,270,000 General Obligation Bonds, Series 2019A, dated August 8, 2019, consisting of \$2,595,000 backed by special assessments and \$675,000 backed by water utility revenues.
- (4) This schedule represents a portion of the \$3,180,000 General Obligation Bonds, Series 2020A, dated October 1, 2020, consisting of \$2,045,000 backed by special assessments, \$470,000 backed by sewer utility revenues and \$665,000 backed by ad valorem taxes.
- (5) This schedule represents a portion of the \$2,070,000 General Obligation Bonds, Series 2021A, dated August 26, 2021, consisting of \$925,000 backed by special assessments, \$500,000 backed by sewer utility revenues and \$645,000 backed by ad valorem taxes.
- (6) This schedule represents a portion of the \$5,815,000 General Obligation Bonds, Series 2022A, dated June 1, 2022, consisting of \$3,135,000 backed by special assessments, \$1,705,000 backed by utility revenues, and \$975,000 backed by ad valorem taxes.
- (7) This schedule represents a portion of the \$4,095,000 General Obligation Bonds, Series 2023A, dated June 29, 2023, consisting of \$610,000 backed by water utility revenues, \$360,000 backed by sewer utility revenues and \$3,125,000 backed by ad valorem taxes.
- (8) This schedule represents a portion of the \$4,140,000 General Obligation Bonds, Series 2025A, dated June 26, 2025, consisting of \$2,105,000 backed by special assessments and \$2,035,000 backed by utility revenues.
- (9) This schedule represents a portion of the \$6,985,000 General Obligation Bonds, Series 2026A, dated June 3, 2026, consisting of \$2,650,000 backed by special assessments and \$4,335,000 backed by utility revenues.

Indirect Debt*

<i>Issuer</i>	<i>2025/2026 Tax Capacity Value⁽¹⁾</i>	<i>2025/2026 Tax Capacity Value in City⁽¹⁾</i>	<i>Percentage Applicable in City</i>	<i>Outstanding General Obligation Debt</i>	<i>Taxpayers' Share of Debt</i>
Dakota County	\$880,683,403	\$35,983,129	4.09%	\$35,640,000	\$ 1,457,676
Washington County	614,345,066	39,467	0.01	86,215,000	8,622
ISD No. 200, Hastings	63,952,354	36,022,596	56.33	38,819,659	21,867,114
Metropolitan Council	6,503,726,905	36,022,596	.55	12,100,000 ⁽²⁾	66,550
Metro Transit	5,665,367,373	36,022,596	.64	223,650,000 ⁽³⁾	<u>1,431,360</u>
				<i>Total Indirect Debt:</i>	<u>\$ 24,831,322</u>

(Remainder of page intentionally left blank)

* Only those taxing jurisdictions with general obligation debt outstanding that is not payable from revenues are included. Debt figures do not include non-general obligation debt, short-term general obligation debt, general obligation debt payable from revenues, or general obligation tax/aid anticipation certificates of indebtedness. Debt listed is as of May 2, 2026, unless otherwise noted.

(1) Tax Capacity Value is after tax increment deduction and fiscal disparity adjustments.

(2) Metropolitan Council has \$12,100,000 of general obligation debt outstanding as of December 31, 2025. This debt is payable from ad valorem taxes levied on all taxable property within the Metropolitan Taxing District. This amount excludes \$1,122,348,000 of general obligation debt payable from wastewater and sewer revenues, and lease agreements.

(3) Metropolitan Transit has \$223,650,000 of property tax supported general obligation debt outstanding as of December 31, 2025. Transit debt is issued by the Metropolitan Council for public transit operations and is payable from ad valorem taxes levied on all taxable property within the Metropolitan Transit District. This amount excludes \$181,410,000 of general obligation debt payable from revenues.

General Obligation Debt

Bonds secured by taxes	\$ 12,355,000
Bonds secured by special assessments (includes a Portion of This Issue)	10,875,000
Bonds secured by tax increments/abatements	545,000
Bonds secured by water/sewer revenues (includes a Portion of This Issue)	<u>15,477,593</u>
Subtotal	\$ 39,252,593
Less bonds secured by water/sewer revenues	(<u>15,477,593</u>)
<i>Direct General Obligation Debt</i>	23,775,000
Add taxpayers' share of indirect debt	<u>24,831,322</u>
<i>Direct and Indirect Debt</i>	<u>\$ 48,606,322</u>

Facts for Ratio Computations

2024/2025 Economic Market Value	\$3,209,827,280
2025/2026 Estimated Market Value	\$3,130,519,200
Population (2026 City estimate)	22,610

Debt Ratios Excluding Revenue-Supported Debt

	<i>Direct Debt</i>	<i>Indirect Debt</i>	<i>Direct and Indirect Debt</i>
To Economic Market Value	0.74%	0.77%	1.51%
To Estimated Market Value	0.76%	0.79%	1.55%
Per Capita	\$1,052	\$1,098	\$2,150

APPENDIX A

Form of Legal Opinion

PROPOSED FORM OF LEGAL OPINION

\$6,985,000
GENERAL OBLIGATION BONDS, SERIES 2026A
CITY OF HASTINGS
DAKOTA AND WASHINGTON COUNTIES
MINNESOTA

We have acted as bond counsel in connection with the issuance by the City of Hastings, Dakota and Washington Counties, Minnesota (the "Issuer"), of its \$6,985,000 General Obligation Bonds, Series 2026A, bearing a date of original issue of June 3, 2026 (the "Bonds"). We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion.

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

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon such examinations, and assuming the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such documents, and the accuracy of the statements of fact contained in such documents, and based upon present Minnesota and federal laws (which excludes any pending legislation which may have a retroactive effect on or before the date hereof), regulations, rulings and decisions, it is our opinion that:

(1) The proceedings show lawful authority for the issuance of the Bonds according to their terms under the Constitution, Charter of the Issuer and laws of the State of Minnesota now in force.

(2) The Bonds are valid and binding general obligations of the Issuer, and all of the taxable property within the Issuer's jurisdiction is subject to the levy of an ad valorem tax to pay the same without limitation as to rate or amount; provided that the enforceability (but not the validity) of the Bonds and the pledge of taxes for the payment of the principal and interest thereon is subject to the exercise of judicial discretion in accordance with general principles of equity, to the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

(3) At the time of the issuance and delivery of the Bonds to the original purchaser, the interest on the Bonds is excluded from gross income for United States income tax purposes and is excluded, to the same extent, from both gross income and taxable net income for State of Minnesota income tax purposes (other than Minnesota franchise taxes measured by income and imposed on corporations and financial institutions), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or the Minnesota alternative minimum tax applicable to individuals, estates or trusts; however, interest on the Bonds is taken into account in determining "annual adjusted financial statement income" for the purpose of computing the federal alternative minimum tax imposed on certain corporations. The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes and from both gross income and taxable net income for State of Minnesota income tax purposes. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income and taxable net income retroactive to the date of issuance of the Bonds.

We express no opinion regarding other state or federal tax consequences caused by the receipt or accrual of interest on the Bonds or arising with respect to ownership of the Bonds.

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

TAFT STETTINIUS & HOLLISTER LLP

APPENDIX B

Form of Continuing Disclosure Undertaking

PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the "Disclosure Undertaking") is executed and delivered by the City of Hastings, Minnesota (the "Issuer"), in connection with the issuance of its \$6,985,000 General Obligation Bonds, Series 2026A (the "Bonds"). The Bonds are being issued pursuant to a Resolution adopted on May 4, 2026 (the "Resolution"). Pursuant to the Resolution and this Disclosure Undertaking, the Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the Issuer for the benefit of the Owners and in order to assist the Participating Underwriters in complying with SEC Rule 15c2-12(b)(5).

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

"Annual Report" shall mean any annual financial information provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Undertaking.

"Audited Financial Statements" shall mean the financial statements of the Issuer audited annually by an independent certified public accounting firm, prepared pursuant to generally accepted accounting principles promulgated by the Financial Accounting Standards Board, modified by governmental accounting standards promulgated by the Government Accounting Standards Board.

"Dissemination Agent" shall mean such party from time to time designated in writing by the Issuer to act as information dissemination agent and which has filed with the Issuer a written acceptance of such designation.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). This term shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" shall be the fiscal year of the Issuer.

"Governing Body" shall, with respect to the Bonds, have the meaning given that term in Minnesota Statutes, Section 475.51, Subdivision 9.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Occurrence(s)" shall mean any of the events listed in Section 5 of this Disclosure Undertaking.

"Official Statement" shall be the Official Statement dated _____, 2026, prepared in connection with the Bonds.

"Owners" shall mean the registered holders and, if not the same, the beneficial owners of any Bonds.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Resolution" shall mean the resolution or resolutions adopted by the Governing Body of the Issuer providing for, and authorizing the issuance of, the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time or interpreted by the Securities and Exchange Commission.

SECTION 3. Provision of Annual Reports.

A. If Audited Financial Statements of the Issuer for the Fiscal Year ended December 31, 2025, are not included in the Final Official Statement, then the Issuer shall provide, or shall cause the Dissemination Agent to provide, to the MSRB by filing at www.emma.msrb.org, together with such identifying information as prescribed by the MSRB, an Annual Report consisting only of Audited Financial Statements for such Fiscal Year that are consistent with the requirements of Section 4B of this Disclosure Undertaking by not later than December 31, 2026.

B. Beginning in connection with the Fiscal Year ending on December 31, 2026, the Issuer shall, or shall cause the Dissemination Agent to provide to the MSRB by filing at www.emma.msrb.org, together with such identifying information as prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Undertaking by not later than December 31, 2027, and by December 31 of each year thereafter.

C. If the Issuer is unable to provide to the MSRB an Annual Report by the dates required in subsections A or B, the Issuer shall send a notice of such delay and estimated date of delivery to the MSRB.

SECTION 4. Content and Format of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the financial information and operating data pertaining to the Issuer listed below as of the end of the preceding Fiscal Year. The Annual Report may be submitted to the MSRB as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Disclosure Undertaking.

The following financial information and operating data shall be supplied:

A. An update of the operating and financial data of the type of information contained in the Official Statement under the captions: Economic and Financial Information – "Valuations," "Tax Capacity Rates" and "Tax Levies and Collections;" and Summary of Debt and Debt Statistics.

B. Audited Financial Statements of the Issuer. The Audited Financial Statements of the Issuer may be submitted to the MSRB separately from the balance of the Annual Report. In the event Audited Financial Statements of the Issuer are not available on or before the date for filing the Annual Report with the MSRB as set forth in Section 3.A. above, unaudited financial

statements shall be provided as part of the Annual Report. The accounting principles pursuant to which the financial statements will be prepared will be pursuant to generally accepted accounting principles promulgated by the Financial Accounting Standards Board, as such principles are modified by the governmental accounting standards promulgated by the Government Accounting Standards Board, as in effect from time to time. If Audited Financial Statements are not provided because they are not available on or before the date for filing the Annual Report, the Issuer shall promptly provide them to the MSRB when available.

SECTION 5. Reporting of Significant Events. This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Bonds:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of security holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Issuer;
- (13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and,
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

Whenever an event listed above has occurred, the Issuer shall promptly, which may not be in excess of the ten (10) business days after the Occurrence, file a notice of such Occurrence with the MSRB, by filing at www.emma.msrb.org, together with such identifying information as prescribed by the MSRB.

The Issuer agrees to provide or cause to be provided, in a timely manner, to the MSRB notice of a failure by the Issuer to provide the Annual Reports described in Section 4.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the Issuer may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, if (a) a change in law or change in the ordinary business or operation of the Issuer has occurred, (b) such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule, and (c) such amendment or waiver is supported by an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not materially impair the interests of Owners.

SECTION 9. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of an Occurrence, in addition to that which is required by this Disclosure Undertaking. If the Issuer chooses to include any information in any Annual Report or notice of an Occurrence in addition to that which is specifically required by this Disclosure Undertaking, the Issuer shall have no obligation under this Disclosure Undertaking to update such information or include it in any future Annual Report or notice of an Occurrence.

SECTION 10. Default. In the event of a failure of the Issuer to provide information required by this Disclosure Undertaking, any Owner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations to provide information under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Undertaking in the event of any failure of the Issuer to comply with this Disclosure Undertaking shall be an action to compel performance.

SECTION 11. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Participating Underwriters and Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 12. Reserved Rights. The Issuer reserves the right to discontinue providing any information required under the Rule if a final determination should be made by a court of competent jurisdiction that the Rule is invalid or otherwise unlawful or, subject to the provisions

of Section 8 hereof, to modify the undertaking under this Disclosure Undertaking if the Issuer determines that such modification is required by the Rule or by a court of competent jurisdiction.

Dated: June 3, 2026.

CITY OF HASTINGS, MINNESOTA

By _____
Its Mayor

By _____
Its Clerk

APPENDIX C

City's Financial Statement

Following is the annual financial report for the year ended December 31, 2024. The financial reports for the prior two years are available for inspection at the Hastings City Hall and the office of Northland Securities. The reader of this Official Statement should be aware that the complete financial report may have further data relating to the excerpts presented in the appendix which may provide additional explanation, interpretation or modification of the excerpts.



City of Hastings, MN Annual Comprehensive Financial Report

For the year ended December 31, 2024



ANNUAL
COMPREHENSIVE
FINANCIAL
REPORT

OF

THE CITY OF HASTINGS
MINNESOTA

For the Year Ended
December 31, 2024

Prepared by the City's Finance Department

City of Hastings
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INTRODUCTORY SECTION

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June 16, 2025

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

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

Minnesota state law requires that every city with a population in excess of 2,500 publish within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. This report is published to fulfill that requirement for the fiscal year ended December 31, 2024.

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

The City of Hastings' financial statements were audited by BerganKDV, a firm of licensed certified public accountants who issued an unmodified ("clean") opinion on the financial statements of the City of Hastings for the fiscal year ended December 31, 2024. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and the significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, there was a reasonable basis for rendering an unmodified opinion the City of Hastings' financial statements for the fiscal year ended December 31, 2024, are fairly presented in conformity with GAAP. The Independent Auditors' Report is presented as the first component of the financial section of this report.

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

City Profile

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

As a part of the seven-county Minneapolis/St. Paul Metropolitan area, Hastings is within the jurisdiction of the Metropolitan Council, a regional planning agency for the Twin Cities Metropolitan region. The City's population continues to grow from 15,478 in 1990 to an estimated 22,477 in 2024. The Metropolitan Council projects that the city's population will grow to 25,500 by the year 2030. The City encompasses an area of 12.05 square miles.

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

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

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

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

All departments are required to submit requests for appropriation to the City Administrator, who must balance the competing needs against available resources. Based upon direction from the City Council and the requests made, a proposed budget is prepared with input from the City's Finance Committee (a three-member committee of the council) and submitted to the City Council. The preliminary levy is adopted no later than September 30th. The City Council may only make adjustments that reduce the final levy from the adopted preliminary levy and is required to adopt a final budget no later than December 31st, the close of the City of Hastings' fiscal year.

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

Local Economy

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

We experienced a decrease in the number of permits and the overall value of work done from the prior year for a second straight year. While these numbers declined from 2023, they still represent the third highest value of permits in the City's recent history. Below is a chart that gives a brief building permit history.

Permits	2024	2023	2022	2021	2020	2019
New Residential	43	25	33	34	56	14
New Commercial	1	2	5	3	2	2
Residential remodel	67	88	100	77	71	77
Commercial remodel	80	76	68	55	81	48
All other permits	1,972	2,357	2,438	3,265	2,430	1,503
TOTAL	2,163	2,548	2,644	3,434	2,640	1,644
Dollar value of Permits (in millions)	\$ 52.6	\$ 75.5	\$ 87.0	\$ 47.9	\$ 45.4	\$ 41.7

Major Initiatives

In 2024, the City issued permits to construct 43 new residential units and 81 permits for commercial and industrial expansion and development. Development included completion of two apartment buildings that were completed in 2024. A 6,000 square foot auto repair building was completed in 2024 as well.

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

Long-Term Financial Planning

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

Council strategic planning goals and efforts center around Financial Resilience, Operational Effectiveness, Responsive Community Development, Infrastructure Sustainability, and Strategic Communication.

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

Beginning in 2021/2022, the City developed a five-year model to use as part of its budget planning process. The City also conducts periodic rate studies to analyze water, sanitary sewer, and storm sewer budgets, last updated in March 2025.

Relevant Financial Policies

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

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

Policy	2024 Year End
a.) Total annual debt service for G.O. debt obligations per legal debt limit to not exceed 25% of total budgeted expenditures.	8.07%
b.) Net bonded debt outstanding will not exceed 3.5% of Assessor's market value of taxable property.	.73%
c.) Gross bonded debt will not exceed \$1,800 per capita.	\$911

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Hastings for its Annual Comprehensive Financial Report (ACFR) for the year ended December 31, 2023. This was the 26th consecutive year the City received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Dan Wietecha
City Administrator



Chris Eitemiller
Finance Manager

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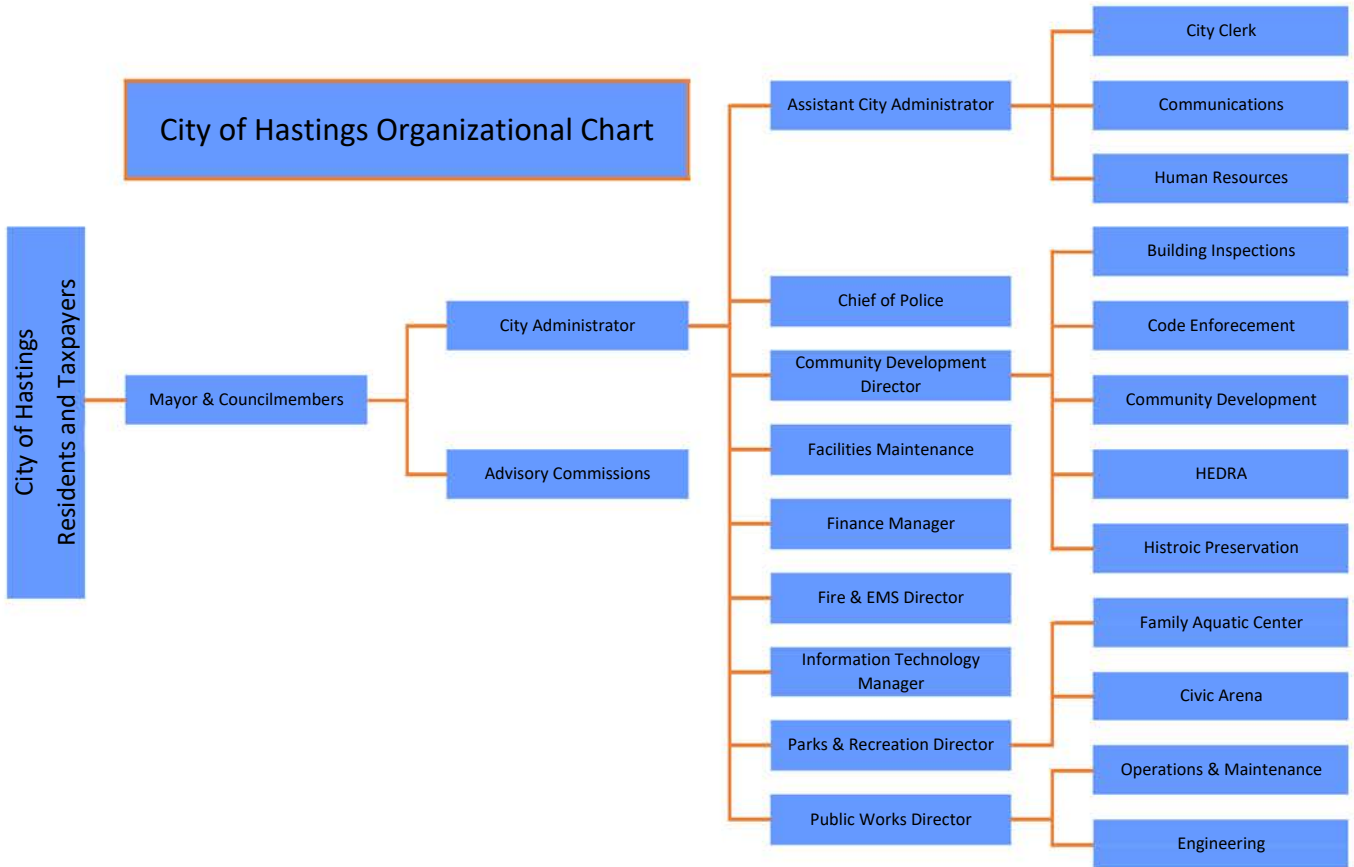
City of Hastings
Elected Officials and Administration
December 31, 2024

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

Administration

Dan Wietecha	City Administrator
Kelly Murtaugh	Assistant City Administrator
Lonell Johnson	Building Official
John Hinzman	Community Development Director
John Townsend	Fire and EMS Director
Chris Jenkins	Parks and Recreation Director
David Wilske	Police Chief
Ryan Stempski	Public Works Director
Chris Eitemiller	Finance Manager

City of Hastings
 City and Department Organizational Chart
 December 31, 2024





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Hastings
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hastings, Minnesota, as of and for the year ended December 31, 2024, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hastings, Minnesota, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund, the Fire and Ambulance Special Revenue Fund and the Ice Arena Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Hastings and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City of Hastings' management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Hastings' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City of Hastings' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Hastings' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, which follows this report letter, and Required Supplementary Information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Hastings' basic financial statements. The accompanying supplementary information as identified in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with ***Government Auditing Standards***, we have also issued our report dated June 11, 2025, on our consideration of the City of Hastings' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** in considering the City's internal control over financial reporting and compliance.

BerganKDV, Ltd.

Minneapolis, Minnesota

June 11, 2025

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City of Hastings Management's Discussion and Analysis

As management of the City of Hastings, Minnesota (the City), we offer readers of the City of Hastings financial statements this narrative overview and analysis of the financial activities of the City of Hastings for the fiscal year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3-7 of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City of Hastings exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year (December 31, 2024) by \$101,842,030 (*net position*). Of this amount, \$16,217,555 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens or creditors in accordance with the City's fund designations and fiscal policies.
- The City's total net position increased by \$4,908,765. Of this total, \$4.6 million was due to revenue increases in charges for services, state aid, local and county grants and property taxes.
- As of the close of the 2024 fiscal year, the City of Hastings governmental funds ending fund balances were \$21,042,087. Approximately 45% is restricted for special revenue-police activities, debt service, capital project programs, tax increment financing, escrow deposits and permanent trust fund—Leduc Historic Estate. Approximately 9.6% of the fund balance is non-spendable, primarily related to a long-term internal advance owed to the General Fund by TIF District 9. Approximately 18% is committed by City Council for the following activities: special revenue funds-parks, police, aquatic, cable television, heritage preservation, fire & ambulance, and the arena. Assigned fund balance for capital projects results in 1.87% of the fund balance, the remaining 25.5% is unassigned and is available for spending at the City's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$7,181,073 or 40.3% of the total 2024 General Fund expenditures.

Overview of the Financial Statements

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

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

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

City of Hastings
Management's Discussion and Analysis

Overview of the Financial Statements (Continued)

Government-Wide Financial Statements (Continued). The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, health and sanitation, economic development and culture and recreation. The business-type activities of the City include the following: water, sewer, storm, and hydro-electric operations.

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

The government-wide financial statements can be found on pages 30-33 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

City of Hastings
Management's Discussion and Analysis

Overview of the Financial Statements (Continued)

Governmental Funds (Continued). The City maintains 22 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances of the general fund, the fire and ambulance fund, the debt service fund, and the downtown redevelopment tax increment financing fund, all of which are considered to be major funds. Data from the other 16 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* in the supplementary information section of this report.

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

The basic governmental fund financial statements can be found on pages 34-45 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 46-52 of this report.

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

The basic fiduciary fund financial statements can be found on pages 54-55 of this report.

Notes to Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 57-99 of this report.

City of Hastings
Management's Discussion and Analysis

Government-Wide Financial Analysis (Continued)

Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information for the reader. The combining statements referred to earlier in connection with non-major governmental funds, internal service funds, and fiduciary funds are presented immediately following the notes to the financial report. Combining and individual fund statements and schedules can be found on pages 102-109 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of a government's financial position. In the case of the City of Hastings, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$101,842,030 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (72.4%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City of Hastings uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Hastings' investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Summary Statements of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2024	2023	2024	2023	2024
Current and other assets	\$ 37,038,069	\$ 40,116,534	\$ 13,305,011	\$ 14,182,742	\$ 50,343,080	\$ 54,299,276
Capital assets	65,252,467	72,248,008	31,981,375	32,419,747	97,233,842	104,667,755
Total assets	<u>102,290,536</u>	<u>112,364,542</u>	<u>45,286,386</u>	<u>46,602,489</u>	<u>147,576,922</u>	<u>158,967,031</u>
Total deferred outflows	<u>13,100,441</u>	<u>11,185,942</u>	<u>310,031</u>	<u>269,372</u>	<u>13,410,472</u>	<u>11,455,314</u>
Long-term liabilities outstanding	31,737,672	36,162,192	7,950,556	8,389,910	39,688,228	44,552,102
Other liabilities	7,951,274	8,023,599	1,565,774	1,630,813	9,517,048	9,654,412
Total liabilities	<u>39,688,946</u>	<u>44,185,791</u>	<u>9,516,330</u>	<u>10,020,723</u>	<u>49,205,276</u>	<u>54,206,514</u>
Total deferred inflows	<u>14,569,168</u>	<u>14,054,750</u>	<u>279,685</u>	<u>319,051</u>	<u>14,848,853</u>	<u>14,373,801</u>
Net position						
Net investment in capital assets	46,775,856	49,394,574	24,367,726	24,327,647	71,143,582	73,722,221
Restricted						
Police activities	226,081	157,308	-	-	226,081	157,308
Tax increment	53,131	82,323	-	-	53,131	82,323
Debt service	7,192,363	7,235,928	-	-	7,192,363	7,235,928
Capital projects	1,395,686	983,134	-	-	1,395,686	983,134
Escrow	26,832	43,892	-	-	26,832	43,892
Permanent endowment						
LeDuc Historic Estate	1,121,238	1,149,911	-	-	1,121,238	1,149,911
Fire relief pension	1,850,595	2,249,758	-	-	1,850,595	2,249,758
Unrestricted	<u>2,491,081</u>	<u>4,013,115</u>	<u>11,432,676</u>	<u>12,204,440</u>	<u>13,923,757</u>	<u>16,217,555</u>
Total net position	<u>\$ 61,132,863</u>	<u>\$ 65,309,943</u>	<u>\$ 35,800,402</u>	<u>\$ 36,532,087</u>	<u>\$ 96,933,265</u>	<u>\$ 101,842,030</u>

City of Hastings
Management's Discussion and Analysis

Government-Wide Financial Analysis (Continued)

City of Hastings' Net Position (Continued)

At the end of 2024, the City of Hastings had positive balances in the categories of net position for the government as a whole, as well as for its separate governmental and business-type activities. The unrestricted net position for the governmental activities continues to be positive due to positive results in several funds' operations.

Governmental Activities. Governmental activities increased the City of Hastings' net position by \$4,177,080. The key elements of this increase were in revenues. State aid increased \$564,831, property tax revenue increased by \$1.4 million, and local/county operating grants increased by \$562,200. Expenses increased by only 2%.

Summary of Changes in Net Position

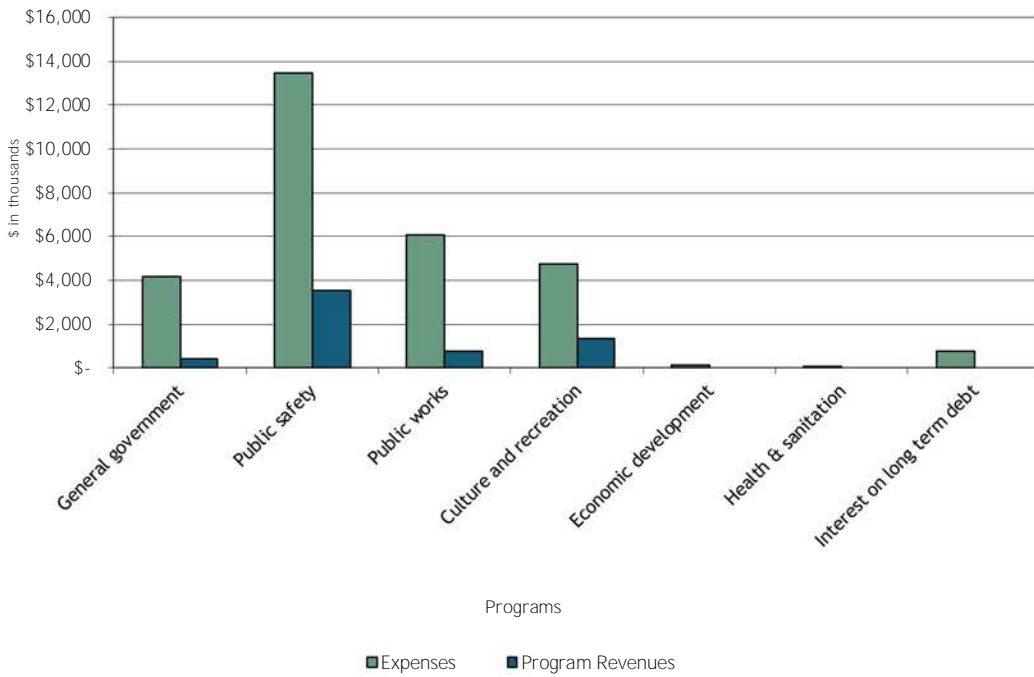
	Governmental Activities		Business-Type Activities		Total	
	2023	2024	2023	2024	2023	2024
Revenues						
Program revenues						
Charges for services	\$ 5,917,560	\$ 6,063,349	\$ 7,399,941	\$ 6,826,336	\$ 13,317,501	\$ 12,889,685
Operating grants and contributions	878,421	1,440,621	30,461	-	908,882	1,440,621
Capital grants and contributions	3,649,123	3,589,686	69,086	838,366	3,718,209	4,428,052
General revenues						
Property taxes	17,505,561	18,900,417	-	-	17,505,561	18,900,417
State aid	1,421,154	1,985,985	-	-	1,421,154	1,985,985
Other income (loss)	1,930,075	1,474,543	436,207	437,402	2,366,282	1,911,945
Total revenues	31,301,894	33,454,601	7,935,695	8,102,104	39,237,589	41,556,705
Expenses						
General government	3,846,332	4,164,543	-	-	3,846,332	4,164,543
Public safety	13,790,683	13,454,913	-	-	13,790,683	13,454,913
Public works	5,841,383	6,103,240	-	-	5,841,383	6,103,240
Culture and recreation	4,700,209	14,874	-	-	4,700,209	14,874
Economic development	34,090	4,743,701	-	-	34,090	4,743,701
Health and sanitation	69,481	163,742	-	-	69,481	163,742
Interest on long-term debt	536,545	758,510	-	-	536,545	758,510
Water	-	-	2,504,603	3,130,807	2,504,603	3,130,807
Sewer	-	-	2,815,475	2,958,603	2,815,475	2,958,603
Storm	-	-	609,981	533,541	609,981	533,541
Hydro	-	-	603,379	621,466	603,379	621,466
Total expenses	28,818,723	29,403,523	6,533,438	7,244,417	35,352,161	36,647,940
Change in Net Position Before						
Transfers and Contributions	2,483,171	4,051,078	1,402,257	857,687	3,885,428	4,908,765
Transfers and contributions	341,002	126,002	(341,002)	(126,002)	-	-
Change in net position	2,824,173	4,177,080	1,061,255	731,685	3,885,428	4,908,765
Net position-January 1	58,308,690	61,132,863	34,739,147	35,800,402	93,047,837	96,933,265
Net position-December 31	\$ 61,132,863	\$ 65,309,943	\$ 35,800,402	\$ 36,532,087	\$ 96,933,265	\$ 101,842,030

City of Hastings
 Management's Discussion and Analysis

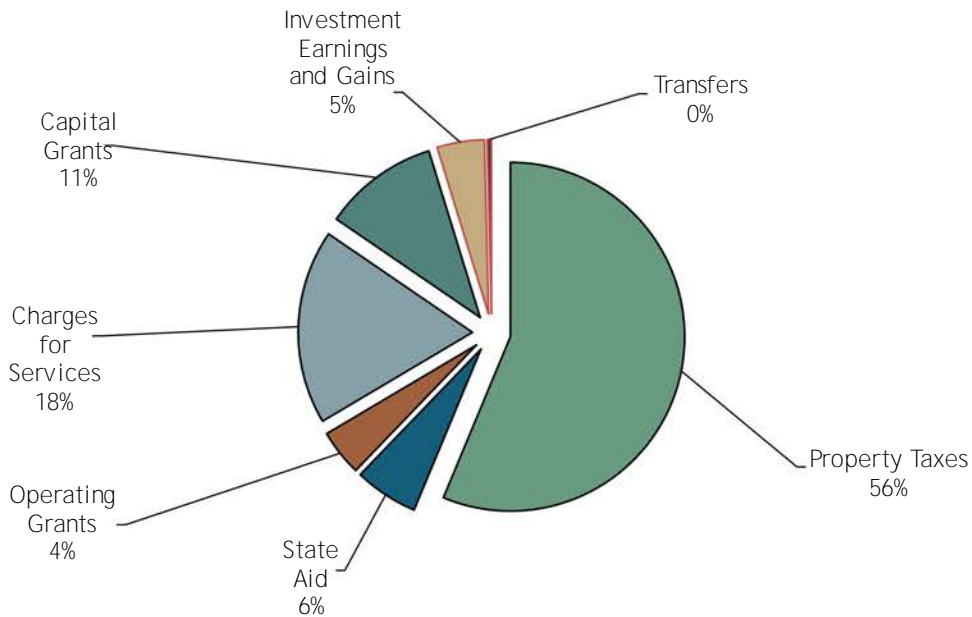
Government-Wide Financial Analysis (Continued)

Below are specific graphs, which provide comparisons of the governmental activities revenues and expenses:

Expenses and Program Revenues-Governmental Activities



Revenue Sources-Governmental Activities

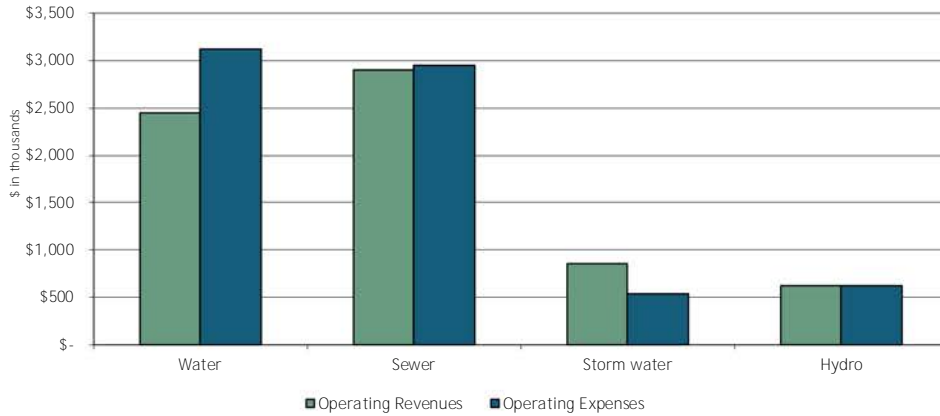


City of Hastings
 Management's Discussion and Analysis
 City of Hastings
 Management's Discussion and Analysis
 December 31, 2024

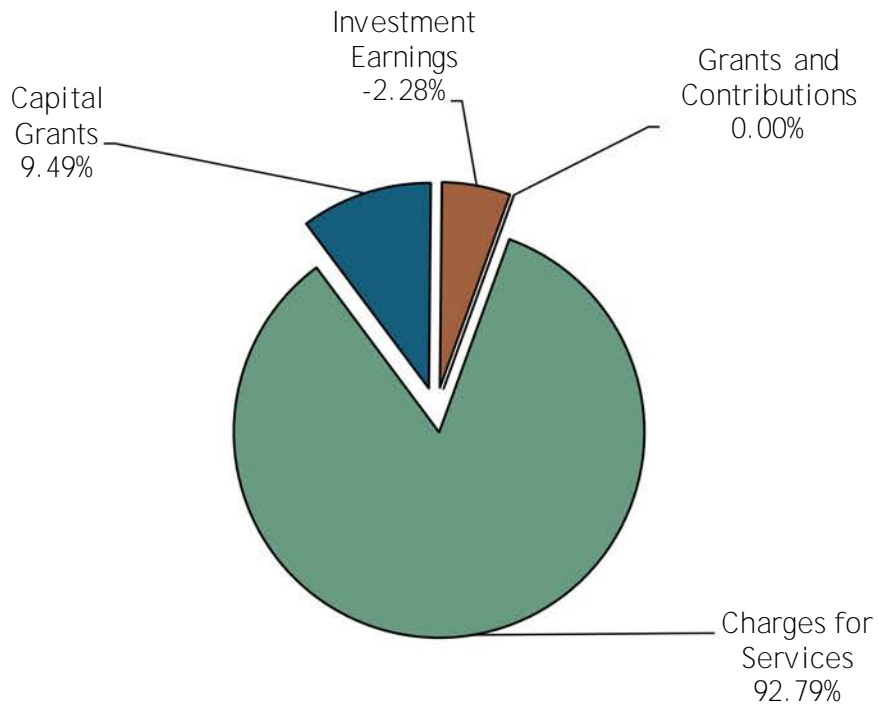
Government-Wide Financial Analysis (Continued)

Business-Type Activities. The following graphs show the business-type activities revenue and expense comparisons.

Operating Expenses and Operating Revenues - Business Type Activities



Revenue Sources - Business Type Activities



City of Hastings
Management's Discussion and Analysis

Financial Analysis of the Government's Funds

Governmental Funds. The focus of the City of Hastings' *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the City of Hastings' financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Hastings' governmental funds reported combined ending fund balances of \$21,042,087. Approximately 25.5% of this total amount or \$5,369,727 constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is restricted or committed or assigned by the City Council to indicate that it is not available for new spending. Activities such as Police activities, Debt service, and Permanent Trust funds for the LeDuc Historic Estate are restricted or committed by council action. Capital projects fund balance is assigned.

The City of Hastings governmental funds reported a combined ending fund balance increase of \$952,660. The fund balance change is primarily due to the effect of the following factors:

- The General fund balance decreased by \$467,093. The largest change was a decrease of \$1,182,195 in cash and investments. Some of this decrease was for one-time capital projects funded by fund equity. In fact, capital outlay increased by \$2,319,110 from 2023. Additional reserves were spent on the City Hall renovation project, which was funded by the City's ARPA allocation and General Fund reserves until the City received \$1.9 million grant reimbursement from the state of MN.
- The Ice Arena saw a fund balance increase of \$1,599,455. This is due to bond proceeds totaling about \$5.4 million that are financing the Arena renovation capital project. The project will be finished in 2025.
- The Park Projects fund saw a fund balance decrease of \$557,306. This was due to grant reimbursements not yet received for project work done in 2024, as well as approved use of fund reserves made up from prior year allocations to complete projects.
- The Road Improvement Construction fund had a fund balance increase of \$501,528 due to the timing of capital projects and related debt issuances.
- The remaining governmental funds such as Fire and Ambulance, Debt Service, Aquatic, and Cable TV had a cumulative decrease of \$123,924. This was primarily associated with scheduled debt service payments which were covered to a certain extent by existing fund balance.

The General Fund is the chief operating fund of the City of Hastings. At the end of the current fiscal year, unassigned fund balance of the general fund was \$7,181,073.

The Fire and Ambulance special revenue fund has a total fund balance of \$1,176,349. This fund accounts for the activities of the Fire and Ambulance department for the City of Hastings.

The Debt Service fund has a total fund balance of \$5,543,447, most of which is restricted for the payment of debt service.

The Downtown Revitalization Tax Increment Financing capital projects fund has a deficit fund balance of \$1,684,526. The Confluence opened in late 2023. It is hoped that the project will begin reimbursing the City once the District begins collecting sufficient tax increment revenue.

City of Hastings
Management's Discussion and Analysis

Financial Analysis of the Government's Funds (Continued)

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

Water	\$ 6,150,520
Sewer	3,804,063
Storm	1,607,022
Hydro	516,993

The Water, Sewer and Stormwater fund's activities resulted in an increase in net position primarily due to an increase in utility rates. All utility funds had rate increases due to the most recent utility rate study in 2024 to maintain cash reserves to help meet capital equipment needs. The Sewer and Hydro funds had slight decreases to total net position in 2024, primarily attributable to depreciation expense.

General Fund Budgetary Highlights

Actual expenditures were lower than the amended expenditures budget by \$1.33 million. The most significant differences from the final budget amounts are due to the following:

- Timing of capital outlay, such as equipment being delivered and project work completion resulted in this area being about \$1 million under budget.
- The IT department was also under budget in non-capital equipment and personnel by \$102,825.

Actual revenues were lower than the amended revenue budget by \$701,751. The difference from the final budget amount is primarily due to the following:

- The largest variance was \$1,889,447 in Facilities for intergovernmental aid. The budgeted amount was expected reimbursement of a state grant for the City Hall Dome project. This reimbursement of just over \$1.9 million was not received until May 2025, so it had to be recognized in 2025 under the 60-day rule related to collections subsequent to year-end.
- The Facilities revenue being under budget is partially offset by investment income being \$476,990 over budget and General Government departments being \$355,677 over budget in charges for services revenue.

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

- Increased spending authority for the City Hall Renovation - \$1,889,000.
- Adding authority for several capital purchases after the City's available resources according to the fund balance policy had been verified.

Capital assets. The City of Hastings' investment in capital assets for its governmental and business-type activities as of December 31, 2024, amounts to \$104,667,755 (net of accumulated depreciation) an increase of \$7,433,913. This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, and infrastructure.

City of Hastings
Management's Discussion and Analysis

Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2023	2024	2023	2024	2023	2024
Land	\$ 3,801,111	\$ 3,801,111	\$ 349,300	\$ 349,300	\$ 4,150,411	\$ 4,150,411
Construction in progress	3,951,545	10,549,169	77,400	80,297	4,028,945	10,629,466
Buildings	8,972,542	8,619,428	5,091,230	4,659,479	14,063,772	13,278,907
Improvement other than buildings	3,535,543	3,794,020	2,350,324	2,651,658	5,885,867	6,445,678
Machinery and equipment	4,130,254	5,468,391	2,977,348	3,117,356	7,107,602	8,585,747
Leased equipment	292,080	387,779	45,484	29,011	337,564	416,790
Infrastructure	40,569,392	39,628,110	21,090,289	21,532,646	61,659,681	61,160,756
Total assets	\$ 65,252,467	\$ 72,248,008	\$ 31,981,375	\$ 32,419,747	\$ 97,233,842	\$ 104,667,755

Additional information on the City of Hastings's capital assets can be found in Note 4 on pages 69-71.

Long-Term Debt.

At the end of the current fiscal year, the City of Hastings had outstanding G.O. Revenue debt of \$7,800,000 comprises debt backed by the full faith and credit of the government and \$12,870,000 of G.O. special assessment debt for which the government is liable in the event of default by the property owners subject to assessment. The remainder of the City of Hastings' debt represents bonds secured solely by specified revenue sources (i.e. revenue bonds) but still carries the City's backing (government obligation). More detailed information on debt administration can be found in Note 7 on pages 73-78.

Economic Factors

In 2024, the City experienced decreased levels in all building permit areas other than commercial remodels from 2023. Still, the overall increase in taxable market value of residential and commercial new construction was \$52.5 million, which is the third-highest total ever after 2022 and 2023. The City experienced an increase of tax capacity of \$1,697,943 between pay year 2023 and pay year 2024.

Next Year's Budget

The 2025 budget included a levy increase of \$1,400,000, or 7.507%. Because tax capacity growth was virtually flat, 95% of the increased revenue was derived from the property tax rate, which increased by 3.34%. The City anticipates receiving \$1,281,406 of Local Government Aid from the State of Minnesota, which is dedicated to funding one-time expenditures. Cost of living and health insurance increases as well as capital outlay made up the increase from 2024 to 2025.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

City of Hastings
Statement of Net Position
December 31, 2024

	Governmental Activities	Business-Type Activities	Total	Statement 1 Hastings Economic Development and Redevelopment Authority
Assets				
Cash and investments (including cash equivalents)	\$ 23,733,016	\$ 11,813,499	\$ 35,546,515	\$ 227,603
Cash with fiscal agent	824,659	-	824,659	-
Receivables				
Accounts	1,344,422	1,912,790	3,257,212	2,428
Interest	135,629	25,916	161,545	671
Taxes	1,500,303	-	1,500,303	30,726
Special assessments	2,186,774	278,938	2,465,712	-
Loan	-	-	-	127,781
Lease	2,557,180	-	2,557,180	-
Due from other governments	5,427,930	-	5,427,930	1,663,239
Net pension asset	2,249,758	-	2,249,758	-
Inventories	61,255	-	61,255	-
Prepaid items	95,608	151,599	247,207	-
Assets held for resale	-	-	-	3,759,090
Capital assets not being depreciated				
Land	3,801,111	349,300	4,150,411	-
Construction in progress	10,549,169	80,297	10,629,466	-
Capital assets net of accumulated depreciation/amortization				
Buildings and structures	8,619,428	4,659,479	13,278,907	76,998
Machinery and equipment	5,468,391	3,117,356	8,585,747	-
Leased equipment	387,779	29,011	416,790	-
Improvements other than buildings	3,794,020	2,651,658	6,445,678	-
Infrastructure	39,628,110	21,532,646	61,160,756	-
Total assets	<u>112,364,542</u>	<u>46,602,489</u>	<u>158,967,031</u>	<u>5,888,536</u>
Deferred Outflows of Resources				
Related to fire relief pensions	272,270	-	272,270	-
Related to City pensions	9,274,621	101,973	9,376,594	25,732
Related to OPEB	1,639,051	167,399	1,806,450	33,113
Total deferred outflows of resources	<u>11,185,942</u>	<u>269,372</u>	<u>11,455,314</u>	<u>58,845</u>
 Total assets and deferred outflows of resources	 <u>\$ 123,550,484</u>	 <u>\$ 46,871,861</u>	 <u>\$ 170,422,345</u>	 <u>\$ 5,947,381</u>

City of Hastings
Statement of Net Position
December 31, 2024

Statement 1 (Continued)

	Governmental Activities	Business-Type Activities	Total	Hastings Economic Development and Redevelopment Authority
Liabilities				
Accounts and contracts payable	\$ 1,545,350	\$ 267,060	\$ 1,812,410	\$ 11,733
Interest payable	500,459	146,426	646,885	-
Salaries and benefits payable	750,805	83,434	834,239	12,913
Due to other governments	110,415	16,949	127,364	1,663,239
Deposits payable	327,170	-	327,170	-
Unearned revenue	1,417,237	-	1,417,237	-
Bonds payable, net				
Payable within one year	2,615,000	1,035,000	3,650,000	-
Payable after one year	22,471,734	7,344,589	29,816,323	-
Lease payable				
Payable within one year	127,619	15,633	143,252	-
Payable after one year	249,622	12,248	261,870	-
Compensated absences payable				
Payable within one year	146,610	16,989	163,599	-
Payable after one year	2,427,494	281,487	2,708,981	-
Payable after one year				
Net pension liability	7,713,266	414,540	8,127,806	104,605
Total other post employment benefits (OPEB) liability				
Payable within one year	482,934	49,322	532,256	9,756
Payable after one year	3,300,076	337,046	3,637,122	66,669
Total liabilities	<u>44,185,791</u>	<u>10,020,723</u>	<u>54,206,514</u>	<u>1,868,915</u>
Deferred Inflows of Resources				
Related to fire relief pensions	323,220	-	323,220	-
Related to City pensions	11,082,039	278,295	11,360,334	70,225
Related to leases	2,250,419	-	2,250,419	-
Related to OPEB	399,072	40,756	439,828	8,064
Total deferred inflows of resources	<u>14,054,750</u>	<u>319,051</u>	<u>14,373,801</u>	<u>78,289</u>
Net Position				
Net investment in capital assets	49,394,574	24,327,647	73,722,221	76,998
Restricted for				
Debt service	7,235,928	-	7,235,928	-
Tax increment	82,323	-	82,323	-
Capital projects	983,134	-	983,134	-
Escrow	43,892	-	43,892	-
Police activities	157,308	-	157,308	-
LeDuc Historic Estate - unexpendable	200,000	-	200,000	-
LeDuc Historic Estate - expendable	949,911	-	949,911	-
Fire relief pension	2,249,758	-	2,249,758	-
Unrestricted	4,013,115	12,204,440	16,217,555	3,923,179
Total net position	<u>65,309,943</u>	<u>36,532,087</u>	<u>101,842,030</u>	<u>4,000,177</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 123,550,484</u>	<u>\$ 46,871,861</u>	<u>\$ 170,422,345</u>	<u>\$ 5,947,381</u>

City of Hastings
Statement of Activities
Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 4,164,543	\$ 406,617	\$ 114,387	\$ -
Public safety	13,454,913	3,557,841	840,614	-
Public works	6,103,240	762,395	321,088	2,165,267
Health and sanitation	14,874	-	26,402	-
Culture and recreation	4,743,701	1,336,496	138,130	1,424,419
Economic development	163,742	-	-	-
Interest and fiscal charges	758,510	-	-	-
Total governmental activities	<u>29,403,523</u>	<u>6,063,349</u>	<u>1,440,621</u>	<u>3,589,686</u>
Business-type activities				
Water	3,130,807	2,455,638	-	835,476
Sewer	2,958,603	2,899,989	-	2,890
Storm	533,541	853,630	-	-
Hydro	621,466	617,079	-	-
Total business-type activities	<u>7,244,417</u>	<u>6,826,336</u>	<u>-</u>	<u>838,366</u>
Total governmental and business-type activities	<u>\$ 36,647,940</u>	<u>\$ 12,889,685</u>	<u>\$ 1,440,621</u>	<u>\$ 4,428,052</u>
Component unit				
Hastings Economic Development and Redevelopment Authority	<u>\$ 814,395</u>	<u>\$ 20,926</u>	<u>\$ -</u>	<u>\$ -</u>
General revenues				
Property taxes				
Lodging taxes				
Unrestricted state aid				
Unrestricted investment earnings				
Insurance recoveries				
Gain (loss) on sale of asset				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning				
Net position - ending				

Net (Expense) Revenues
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total	Hastings Economic and Redevelopment Authority
\$ (3,643,539)	\$ -	\$ (3,643,539)	\$ -
(9,056,458)	-	(9,056,458)	-
(2,854,490)	-	(2,854,490)	-
11,528	-	11,528	-
(1,844,656)	-	(1,844,656)	-
(163,742)	-	(163,742)	-
(758,510)	-	(758,510)	-
<u>(18,309,867)</u>	<u>-</u>	<u>(18,309,867)</u>	<u>-</u>
-	160,307	160,307	-
-	(55,724)	(55,724)	-
-	320,089	320,089	-
-	(4,387)	(4,387)	-
<u>-</u>	<u>420,285</u>	<u>420,285</u>	<u>-</u>
<u>\$ (18,309,867)</u>	<u>\$ 420,285</u>	<u>\$ (17,889,582)</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (793,469)
18,894,325	-	18,894,325	488,730
6,092	-	6,092	-
1,985,985	-	1,985,985	-
1,224,301	432,153	1,656,454	36,365
25,178	-	25,178	-
225,064	5,249	230,313	-
126,002	(126,002)	-	-
<u>22,486,947</u>	<u>311,400</u>	<u>22,798,347</u>	<u>525,095</u>
4,177,080	731,685	4,908,765	(268,374)
<u>61,132,863</u>	<u>35,800,402</u>	<u>96,933,265</u>	<u>4,268,551</u>
<u>\$ 65,309,943</u>	<u>\$ 36,532,087</u>	<u>\$ 101,842,030</u>	<u>\$ 4,000,177</u>

City of Hastings
Balance Sheet - Governmental Funds
December 31, 2024

	General Fund (101, 220, 221, 223)	Special Revenue		Debt Service
		Fire and Ambulance (213)	Ice Arena (202, 615)	Debt Service
Assets				
Cash and investments	\$ 8,703,386	\$ 824,590	\$ 1,998,946	\$ 5,369,332
Cash with fiscal agent	-	-	-	-
Interest receivable	98,497	1,548	6,000	14,955
Due from other governments	5,125,043	-	207,955	-
Accounts receivable	303,475	537,812	27,017	-
Due from other funds	142,307	-	-	-
Property taxes receivable	897,353	190,581	29,593	179,408
Lease receivable	2,557,180	-	-	-
Special assessments receivable	126	-	-	2,186,648
Advances to other funds	1,663,239	-	-	-
Inventory	59,285	-	-	-
Prepaid items	83,523	8,244	315	3,253
Total assets	\$ 19,633,414	\$ 1,562,775	\$ 2,269,826	\$ 7,753,596
Liabilities				
Accounts payable	\$ 354,120	\$ 162,135	\$ 314,189	\$ -
Due to other governments	73,072	17,073	2,440	14,915
Deposits payable	-	-	-	-
Salaries and benefits payable	491,791	176,718	22,068	-
Due to other funds	-	-	-	2,673
Advances from other funds	-	-	-	-
Unearned revenues	1,408,957	-	-	-
Total liabilities	2,327,940	355,926	338,697	17,588
Deferred Inflows of Resources				
Unavailable revenue - taxes and assessments	144,898	30,500	3,992	2,192,561
Advanced appropriations - state shared taxes	3,039,668	-	-	-
Unavailable revenue - leases	2,250,419	-	-	-
Unavailable revenue - grants	2,094,924	-	207,955	-
Total deferred inflows of resources	7,529,909	30,500	211,947	2,192,561
Fund Balances				
Nonspendable				
Prepaid items	83,523	8,244	315	3,253
Inventory	59,285	-	-	-
Permanent endowment-Leduc Historic Estate	-	-	-	-
Advances to other funds	1,663,239	-	-	-
Restricted				
Police activities	102,720	-	-	-
Debt service	-	-	-	5,540,573
Capital projects	600,000	-	727,602	-
Tax increment financing	-	-	-	-
Leduc Historic Estate	85,725	-	-	-
Escrow	-	-	-	-
Committed				
Park maintenance	-	-	-	-
Aquatic operations	-	-	-	-
Cable TV activities	-	-	-	-
Heritage preservation activities	-	-	-	-
Fire and ambulance activities	-	1,168,105	-	-
Arena activities	-	-	991,265	-
Assigned				
Capital	-	-	-	-
Unassigned	7,181,073	-	-	(379)
Total fund balances	9,775,565	1,176,349	1,719,182	5,543,447
Total liabilities, deferred inflows of resources, and fund balances	\$ 19,633,414	\$ 1,562,775	\$ 2,269,826	\$ 7,753,596

Capital Projects				
Road Improvement Construction (470-484)	Downtown Redevelopment Tax Increment Financing (409)	Park Projects (401)	Other Governmental Funds	Total Governmental Funds
\$ 882,508	\$ -	\$ 654,182	\$ 2,758,764	\$ 21,191,708
-	-	-	824,659	824,659
687	-	1,471	6,382	129,540
-	-	-	94,932	5,427,930
-	-	365,291	110,827	1,344,422
-	-	-	13	142,320
-	-	-	176,640	1,473,575
-	-	-	-	2,557,180
-	-	-	-	2,186,774
-	-	-	-	1,663,239
-	-	-	1,970	61,255
-	-	-	273	95,608
<u>\$ 883,195</u>	<u>\$ -</u>	<u>\$ 1,020,944</u>	<u>\$ 3,974,460</u>	<u>\$ 37,098,210</u>
\$ 169,178	\$ -	\$ 269,408	\$ 263,624	\$ 1,532,654
-	-	-	2,824	110,324
-	-	-	327,170	327,170
-	-	-	60,228	750,805
-	21,287	-	118,360	142,320
-	1,663,239	-	-	1,663,239
-	-	-	3,884	1,412,841
<u>169,178</u>	<u>1,684,526</u>	<u>269,408</u>	<u>776,090</u>	<u>5,939,353</u>
-	-	-	26,562	2,398,513
-	-	-	-	3,039,668
-	-	-	-	2,250,419
-	-	125,291	-	2,428,170
-	-	<u>125,291</u>	<u>26,562</u>	<u>10,116,770</u>
-	-	-	273	95,608
-	-	-	1,970	61,255
-	-	-	200,000	200,000
-	-	-	-	1,663,239
-	-	-	54,569	157,289
-	-	-	-	5,540,573
714,017	-	626,245	-	2,667,864
-	-	-	82,323	82,323
-	-	-	864,186	949,911
-	-	-	43,892	43,892
-	-	-	837,794	837,794
-	-	-	540,316	540,316
-	-	-	146,966	146,966
-	-	-	132,314	132,314
-	-	-	-	1,168,105
-	-	-	-	991,265
-	-	-	393,646	393,646
-	(1,684,526)	-	(126,441)	5,369,727
<u>714,017</u>	<u>(1,684,526)</u>	<u>626,245</u>	<u>3,171,808</u>	<u>21,042,087</u>
<u>\$ 883,195</u>	<u>\$ -</u>	<u>\$ 1,020,944</u>	<u>\$ 3,974,460</u>	<u>\$ 37,098,210</u>

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

Statement 4

Total fund balances - governmental funds \$ 21,042,087

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.

Cost of capital assets	173,765,399
Less accumulated depreciation/amortization	(103,855,362)

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

Long-term liabilities at year-end consist of:

Bonds payable	(23,250,000)
Unamortized bond premium and discount	(1,836,734)
Lease payable	(150,473)
Net pension liability	(7,713,266)

Revenues in the Statement of Activities that do not provide current financial resources are deferred in the funds.

Taxes and special assessments	2,398,513
Grants, state shared tax, and other	5,467,838

Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to pensions that are not recognized in the governmental funds.

Deferred inflows of resources related to fire relief pensions	(323,220)
Deferred inflows of resources related to city pensions	(11,082,039)
Deferred outflows of resources related to fire relief pensions	272,270
Deferred outflows of resources related to city pensions	9,274,621

The Fire Relief Association net pension asset created through contributions to a defined benefit pension plan which is not recognized in the governmental funds.

2,249,758

Governmental funds do not report a liability for accrued interest due and payable.

(500,459)

Internal Service Funds are used by management to charge the costs of insurance and capital equipment to individual funds. These assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Position.

(448,990)

Total net position - governmental activities

\$ 65,309,943

City of Hastings
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2024

	Special Revenue			Debt Service
	General Fund (101, 220, 221, 223)	Fire and Ambulance (213)	Ice Arena (202, 615)	Debt Service
Revenues				
General property taxes	\$ 11,465,704	\$ 2,400,807	\$ 382,953	\$ 1,843,912
Tax increment collections	-	-	-	14,915
Miscellaneous taxes	6,092	-	-	-
Licenses and permits	717,275	-	-	-
Intergovernmental	3,316,024	159,085	-	-
Special assessments	42,373	-	-	894,222
Charges for services	1,253,438	2,508,620	465,874	-
Fines and forfeitures	79,185	-	-	-
Investment income	526,490	16,177	119,565	192,563
Contributions and donations	8,900	3,670	-	-
Miscellaneous	43,732	7,929	2,537	-
Total revenues	17,459,213	5,096,288	970,929	2,945,612
Expenditures				
Current				
General government	3,800,071	-	-	-
Public safety	7,822,976	4,934,414	-	-
Public works	1,657,817	-	-	-
Health and sanitation	14,874	-	-	-
Culture and recreation	186,412	-	622,272	-
Economic development	-	-	-	-
Debt service				
Principal	123,332	-	-	2,525,000
Interest and fiscal charges	-	-	39,093	669,420
Capital outlay				
General government	2,529,363	-	-	-
Public safety	164,369	134,001	-	-
Public works	1,540,093	-	-	-
Culture and recreation	-	-	4,147,719	-
Total expenditures	17,839,307	5,068,415	4,809,084	3,194,420
Excess of revenues over (under) expenditures	(380,094)	27,873	(3,838,155)	(248,808)
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	104,770	96,441	-	-
Proceeds from bonds issued	570,000	-	4,915,000	-
Premium on bonds issued	61,941	-	533,868	-
Insurance recovery	4,770	4,065	-	-
Transfers in	323,320	-	-	199,500
Transfers out	(1,151,800)	(92,390)	(11,258)	-
Total other financing sources (uses)	(86,999)	8,116	5,437,610	199,500
Net change in fund balances	(467,093)	35,989	1,599,455	(49,308)
Fund Balances				
Beginning of year	10,242,658	1,140,360	-	5,592,755
Nonmajor fund to major (See Note 5)	-	-	119,727	-
Beginning of year, restated	10,242,658	1,140,360	119,727	5,592,755
End of year	\$ 9,775,565	\$ 1,176,349	\$ 1,719,182	\$ 5,543,447

See notes to basic financial statements.

Capital Projects				
Road Improvement Construction (470-484)	Downtown Redevelopment Tax Increment Financing (409)	Park Projects (401)	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 2,222,165	\$ 18,315,541
-	-	-	158,647	173,562
-	-	-	-	6,092
-	-	-	-	717,275
-	-	321,836	59,276	3,856,221
-	-	-	-	936,595
-	-	-	793,713	5,021,645
-	-	-	-	79,185
72,705	-	29,224	183,485	1,140,209
-	-	-	66,854	79,424
-	-	-	842	55,040
<u>72,705</u>	<u>-</u>	<u>351,060</u>	<u>3,484,982</u>	<u>30,380,789</u>
-	-	-	-	3,800,071
-	-	-	4,919	12,762,309
-	-	-	-	1,657,817
-	-	-	-	14,874
-	-	5,501	3,052,833	3,867,018
-	-	-	163,742	163,742
-	-	-	-	2,648,332
62,421	-	-	6,942	777,876
-	-	-	-	2,529,363
-	-	-	-	298,370
1,975,456	-	-	66,411	3,581,960
-	-	1,295,865	131,423	5,575,007
<u>2,037,877</u>	<u>-</u>	<u>1,301,366</u>	<u>3,426,270</u>	<u>37,676,739</u>
(1,965,172)	-	(950,306)	58,712	(7,295,950)
-	-	-	23,853	225,064
2,225,000	-	-	-	7,710,000
241,700	-	-	-	837,509
-	-	-	-	8,835
-	-	393,000	155,712	1,071,532
-	(199,500)	-	(149,382)	(1,604,330)
<u>2,466,700</u>	<u>(199,500)</u>	<u>393,000</u>	<u>30,183</u>	<u>8,248,610</u>
501,528	(199,500)	(557,306)	88,895	952,660
212,489	(1,485,026)	1,183,551	3,202,640	20,089,427
-	-	-	(119,727)	-
<u>212,489</u>	<u>(1,485,026)</u>	<u>1,183,551</u>	<u>3,082,913</u>	<u>20,089,427</u>
<u>\$ 714,017</u>	<u>\$ (1,684,526)</u>	<u>\$ 626,245</u>	<u>\$ 3,171,808</u>	<u>\$ 21,042,087</u>

City of Hastings
 Reconciliation of the Statement of Revenues,
 Expenditures, and Changes in Fund Balances to
 the Statement of Activities - Governmental Funds
 Year Ended December 31, 2024

Statement 6

Net change in fund balances - governmental funds \$ 952,660

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

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.

Capital outlays	11,880,481
Depreciation/amortization expense	(5,489,383)

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

Pension expense	562,151
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Principal payments on long-term debt are recognized as expenditures in the governmental funds but have no impact on net position in the Statement of Activities.

Bonds and leases payable	2,648,332
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Governmental funds report the effects of bond premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

(594,257)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and, thus, requires use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

(213,002)

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

(7,710,000)

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

Taxes and assessments	326,289
Grants, state shared tax, and other	1,792,831

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

20,978

Change in net position - governmental activities	<u><u>\$ 4,177,080</u></u>
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City of Hastings
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended December 31, 2024

Statement 7

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
General property taxes	\$ 11,265,130	\$ 11,265,130	\$ 11,465,704	\$ 200,574
Lodging taxes	3,255	3,255	6,092	2,837
Special assessments	1,000	1,000	42,373	41,373
Licenses and permits	706,383	706,383	717,275	10,892
Intergovernmental	2,346,386	4,873,527	3,316,024	(1,557,503)
Charges for services	1,594,396	1,109,396	1,253,438	144,042
Fines and forfeitures	100,500	100,500	79,185	(21,315)
Investment income	49,500	49,500	526,490	476,990
Contributions and donations	-	8,900	8,900	-
Other revenues	2,000	2,000	43,732	41,732
Total revenues	<u>16,068,550</u>	<u>18,119,591</u>	<u>17,459,213</u>	<u>(660,378)</u>
Expenditures				
General government	3,868,359	3,969,792	3,800,071	(169,721)
Public safety	7,828,599	7,841,638	7,822,976	(18,662)
Public works	1,860,508	2,560,508	1,657,817	(902,691)
Health and sanitation	23,000	43,000	14,874	(28,126)
Culture and recreation	193,164	208,164	186,412	(21,752)
Debt service	-	-	123,332	123,332
Capital outlay	1,805,568	4,546,105	4,233,825	(312,280)
Total expenditures	<u>15,579,198</u>	<u>19,169,207</u>	<u>17,839,307</u>	<u>(1,329,900)</u>
Excess of revenues over (under) expenditures	489,352	(1,049,616)	(380,094)	669,522
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	-	104,770	104,770
Bonds issued	-	-	570,000	570,000
Bond premium	-	-	61,941	61,941
Insurance recoveries	-	-	4,770	4,770
Transfers in	554,092	569,092	323,320	(245,772)
Transfers out	(1,152,431)	(1,152,431)	(1,151,800)	631
Total other financing sources (uses)	<u>(598,339)</u>	<u>(583,339)</u>	<u>(86,999)</u>	<u>496,340</u>
Net change in fund balances	<u>\$ (108,987)</u>	<u>\$ (1,632,955)</u>	<u>(467,093)</u>	<u>\$ 1,165,862</u>
Fund Balances				
Beginning of year			<u>10,242,658</u>	
End of year			<u>\$ 9,775,565</u>	

City of Hastings
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Fire and Ambulance Special Revenue Fund
Year Ended December 31, 2024

Statement 8

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Property taxes	\$ 2,401,486	\$ 2,401,486	\$ 2,400,807	\$ (679)
Intergovernmental	1,078,000	1,078,000	159,085	(918,915)
Charges for services	3,096,042	3,096,042	2,508,620	(587,422)
Investment income	2,000	2,000	16,177	14,177
Contributions and donations	-	3,670	3,670	-
Other revenues	-	2,500	7,929	5,429
Total revenues	<u>6,577,528</u>	<u>6,583,698</u>	<u>5,096,288</u>	<u>(1,487,410)</u>
Expenditures				
Current				
Public safety	5,185,138	5,196,550	4,934,414	(262,136)
Capital outlay				
Public safety	1,300,000	1,300,000	134,001	(1,165,999)
Total expenditures	<u>6,485,138</u>	<u>6,496,550</u>	<u>5,068,415</u>	<u>(1,428,135)</u>
Excess of revenues over (under) expenditures	92,390	87,148	27,873	(59,275)
Other Financing Sources (Uses)				
Proceeds from sale of capital asset	-	-	96,441	96,441
Insurance recoveries	-	-	4,065	4,065
Transfers out	(92,390)	(193,890)	(92,390)	101,500
Total other financing sources (uses)	<u>(92,390)</u>	<u>(193,890)</u>	<u>8,116</u>	<u>202,006</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (106,742)</u>	35,989	<u>\$ 142,731</u>
Fund Balance				
Beginning of year			<u>1,140,360</u>	
End of year			<u>\$ 1,176,349</u>	

City of Hastings
Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual -
Ice Arena Special Revenue Fund
Year Ended December 31, 2024

Statement 9

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Property taxes	\$ 384,205	\$ 384,205	\$ 382,953	\$ (1,252)
Other grants and aids	-	207,995	-	(207,995)
Charges for services	486,991	508,991	465,874	(43,117)
Investment income	5,000	5,000	119,565	114,565
Miscellaneous	-	-	2,537	2,537
Total revenues	<u>876,196</u>	<u>1,106,191</u>	<u>970,929</u>	<u>(135,262)</u>
Expenditures				
Current				
Culture and recreation	705,938	706,338	622,272	(84,066)
Debt service				
Interest and fiscal charges	-	-	39,093	39,093
Capital Outlay				
Cultural and recreation	159,000	5,837,418	4,147,719	(1,689,699)
Total expenditures	<u>864,938</u>	<u>6,543,756</u>	<u>4,809,084</u>	<u>(1,734,672)</u>
Excess of revenues over (under) expenditures	11,258	(5,437,565)	(3,838,155)	1,599,410
Other Financing Sources (Uses)				
Bonds issued	-	4,915,000	4,915,000	-
Premium on bonds issued	-	533,868	533,868	-
Transfers out	(11,258)	(11,258)	(11,258)	-
Total other financing sources (uses)	<u>(11,258)</u>	<u>5,437,610</u>	<u>5,437,610</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 45</u>	1,599,455	<u>\$ 1,599,410</u>
Fund Balance				
Beginning of year			<u>119,727</u>	
End of year			<u>\$ 1,719,182</u>	

City of Hastings
Statement of Net Position - Proprietary Funds
December 31, 2024

	Business-Type Activities - Enterprise Funds		
	Water (600)	Sewer (601)	Storm (603)
Assets			
Current assets			
Cash and cash equivalents	\$ 6,065,017	\$ 3,333,518	\$ 1,774,048
Taxes receivable	-	-	-
Interest receivable	13,289	5,384	5,886
Accounts receivable - net	783,128	830,926	239,609
Special assessments receivable deferred	266,779	12,159	-
Prepaid items	400	151,199	-
Total current assets	7,128,613	4,333,186	2,019,543
Noncurrent assets			
Capital assets, not being depreciated			
Land	349,300	-	-
Construction in progress	29,200	51,097	-
Capital assets, being depreciated			
Buildings	8,046,482	144,798	-
Infrastructure	24,855,105	21,805,117	327,741
Right to use	32,437	33,455	-
Machinery and equipment	2,982,610	962,688	709,021
Improvements other than buildings	5,015,811	-	541,369
Total capital assets	41,310,945	22,997,155	1,578,131
Less: accumulated depreciation/ amortization	(22,394,135)	(12,773,558)	(275,336)
Net capital assets	18,916,810	10,223,597	1,302,795
Total noncurrent assets	18,916,810	10,223,597	1,302,795
Total assets	26,045,423	14,556,783	3,322,338
Deferred Outflows of Resources			
Related to pensions	37,137	30,716	29,749
Related to OPEB	69,903	47,828	44,149
Total deferred outflows of resources	107,040	78,544	73,898
Total assets and deferred outflows of resources	\$ 26,152,463	\$ 14,635,327	\$ 3,396,236

Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
Hydro (620)	Total		
\$ 515,255	\$ 11,687,838	\$	2,666,969
-	-		26,728
1,093	25,652		6,353
59,127	1,912,790		-
-	278,938		-
-	151,599		-
<u>575,475</u>	<u>14,056,817</u>		<u>2,700,050</u>
-	349,300		-
-	80,297		126,293
6,831,566	15,022,846		-
-	46,987,963		-
-	65,892		-
3,806,459	8,460,778		3,312,403
-	5,557,180		-
<u>10,638,025</u>	<u>76,524,256</u>		<u>3,438,696</u>
(8,661,480)	(44,104,509)		(1,100,725)
<u>1,976,545</u>	<u>32,419,747</u>		<u>2,337,971</u>
<u>1,976,545</u>	<u>32,419,747</u>		<u>2,337,971</u>
<u>2,552,020</u>	<u>46,476,564</u>		<u>5,038,021</u>
4,371	101,973		-
5,519	167,399		1,639,051
<u>9,890</u>	<u>269,372</u>		<u>1,639,051</u>
<u>\$ 2,561,910</u>	<u>\$ 46,745,936</u>	<u>\$</u>	<u>6,677,072</u>

City of Hastings
Statement of Net Position - Proprietary Funds
December 31, 2024

	Business-Type Activities - Enterprise Funds		
	Water (600)	Sewer (601)	Storm (603)
Liabilities			
Current liabilities			
Accounts payable	\$ 222,113	\$ 35,774	\$ 1,904
Due to other governments	16,949	-	-
Interest payable	94,268	39,520	12,638
Salaries payable	33,793	24,113	22,452
Compensated absences - current portion	7,583	5,039	3,551
Unearned revenue	-	-	-
Lease payable - current portion	8,026	7,607	-
Total OPEB liability - current portion	20,596	14,092	13,008
Bonds payable - current portion	775,000	230,000	30,000
Total current liabilities	1,178,328	356,145	83,553
Noncurrent liabilities			
Compensated absences	133,218	88,531	62,393
Bonds payable, net	5,740,826	2,238,055	400,708
Lease payable	14,314	13,567	-
Total OPEB liability	161,340	110,392	101,899
Net pension liability	150,970	124,866	120,936
Less amount due within one year	(811,205)	(256,738)	(46,559)
Total noncurrent liabilities	5,389,463	2,318,673	639,377
Total liabilities	6,567,791	2,674,818	722,930
Deferred Inflows of Resources			
Related to pensions	101,351	83,827	81,189
Related to OPEB	17,019	11,645	10,749
Total deferred inflows of resources	118,370	95,472	91,938
Net Position			
Net investment in capital assets	13,315,782	8,060,974	974,346
Unrestricted	6,150,520	3,804,063	1,607,022
Total net position	19,466,302	11,865,037	2,581,368
Total liabilities, deferred inflows of resources, and net position	\$ 26,152,463	\$ 14,635,327	\$ 3,396,236
Total net position - enterprise funds			
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			
Total business-type activities net position			

See notes to basic financial statements.

Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
Hydro (620)	Total	Funds
\$ 7,186	\$ 266,977	\$ 12,779
-	16,949	-
-	146,426	91
3,076	83,434	-
816	16,989	146,610
-	-	4,396
-	15,633	51,757
1,626	49,322	482,934
-	1,035,000	-
<u>12,704</u>	<u>1,630,730</u>	<u>698,567</u>
14,334	298,476	2,574,104
-	8,379,589	-
-	27,881	226,768
12,737	386,368	3,783,010
17,768	414,540	-
(2,442)	(1,116,944)	(681,301)
<u>42,397</u>	<u>8,389,910</u>	<u>5,902,581</u>
<u>55,101</u>	<u>10,020,640</u>	<u>6,601,148</u>
11,928	278,295	-
1,343	40,756	399,072
<u>13,271</u>	<u>319,051</u>	<u>399,072</u>
1,976,545	24,327,647	2,111,203
516,993	12,078,598	(2,434,351)
<u>2,493,538</u>	<u>36,406,245</u>	<u>(323,148)</u>
<u>\$ 2,561,910</u>	<u>\$ 46,745,936</u>	<u>\$ 6,677,072</u>
	\$ 36,406,245	
	<u>125,842</u>	
	<u>\$ 36,532,087</u>	

City of Hastings
Statement of Revenues, Expenses, and Changes
in Fund Net Position - Proprietary Funds
Year Ended December 31, 2024

	Business-Type Activities - Enterprise Funds			
	Water (600)	Sewer (601)	Storm (603)	Hydro (620)
Operating Revenues				
Charges for services	\$ 2,431,377	\$ 2,814,577	\$ 851,916	\$ 604,201
Other income	22,122	82,882	-	12,479
Total operating revenues	<u>2,453,499</u>	<u>2,897,459</u>	<u>851,916</u>	<u>616,680</u>
Operating Expenses				
Personnel services	635,671	427,174	381,811	56,218
Supplies	98,337	6,561	5,827	716
Professional services	1,210,059	148,713	60,125	400,939
Metro waste control charge	-	1,785,438	-	-
Depreciation	1,050,481	539,316	76,579	163,744
Miscellaneous	-	-	-	-
Total operating expenses	<u>2,994,548</u>	<u>2,907,202</u>	<u>524,342</u>	<u>621,617</u>
Operating income (loss)	(541,049)	(9,743)	327,574	(4,937)
Nonoperating Revenues (Expenses)				
Investment income	206,234	95,111	100,747	27,440
Special assessments	195,976	2,890	-	-
Intergovernmental	639,500	-	-	-
Gain (loss) on disposal of capital assets	5,249	-	-	-
Property taxes	-	-	-	-
Interest expense	(137,066)	(52,356)	(9,846)	-
Total nonoperating revenues (expenses)	<u>909,893</u>	<u>45,645</u>	<u>90,901</u>	<u>27,440</u>
Income (loss) before transfers	368,844	35,902	418,475	22,503
Transfers in	-	-	-	-
Transfers out	<u>(42,863)</u>	<u>(41,116)</u>	<u>(9,542)</u>	<u>(32,481)</u>
Change in net position	325,981	(5,214)	408,933	(9,978)
Net Position				
Beginning of year	<u>19,140,321</u>	<u>11,870,251</u>	<u>2,172,435</u>	<u>2,503,516</u>
End of year	<u>\$ 19,466,302</u>	<u>\$ 11,865,037</u>	<u>\$ 2,581,368</u>	<u>\$ 2,493,538</u>

Net change in net position - enterprise funds

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

Change in net position- business-type activities

Business-Type Activities Enterprise Funds	Governmental Activities - Internal Service Funds
<u>Total</u>	<u>Funds</u>
\$ 6,702,071	\$ 1,205,035
117,483	-
<u>6,819,554</u>	<u>1,205,035</u>
1,500,874	884,948
111,441	-
1,819,836	983,046
1,785,438	-
1,830,120	356,465
-	17,362
<u>7,047,709</u>	<u>2,241,821</u>
(228,155)	(1,036,786)
429,532	86,713
198,866	-
639,500	-
5,249	-
-	335,098
(199,268)	(10,884)
<u>1,073,879</u>	<u>410,927</u>
845,724	(625,859)
-	658,800
<u>(126,002)</u>	<u>-</u>
719,722	32,941
<u>35,686,523</u>	<u>(356,089)</u>
<u>\$ 36,406,245</u>	<u>\$ (323,148)</u>
\$ 719,722	
<u>11,963</u>	
<u>\$ 731,685</u>	

City of Hastings
Statement of Cash Flows - Proprietary Funds
Year Ended December 31, 2024

	Business-Type Activities - Enterprise Funds			
	Water (600)	Sewer (601)	Storm (603)	Hydro (620)
Cash Flows - Operating Activities				
Receipts from customers	\$ 2,224,426	\$ 2,733,677	\$ 847,784	\$ 618,122
Interfund services provided and used	-	-	-	-
Payments to suppliers for goods and services	(1,180,318)	(2,180,047)	(73,270)	(421,324)
Payments to employees for services	(667,127)	(455,016)	(431,047)	(59,218)
Other operating revenues	22,122	82,882	-	12,479
Net cash flows - operating activities	<u>399,103</u>	<u>181,496</u>	<u>343,467</u>	<u>150,059</u>
Cash Flows - Noncapital Financing Activities				
Property taxes	-	-	-	-
Transfer to other funds	(42,863)	(41,116)	(9,542)	(32,481)
Transfer from other funds	-	-	-	-
Net cash flows - noncapital financing activities	<u>(42,863)</u>	<u>(41,116)</u>	<u>(9,542)</u>	<u>(32,481)</u>
Cash Flows - Capital and Related Financing Activities				
Principal paid on debt	(712,635)	(202,237)	-	-
Interest paid on debt	(180,421)	(61,719)	-	-
Special assessments	74,149	1,434	-	-
Intergovernmental receipts	639,500	-	-	-
Bond proceeds	775,000	480,000	365,000	-
Bond premium issued	80,709	50,395	38,500	-
Acquisition of capital assets	(944,255)	(796,273)	(527,964)	-
Proceeds from disposal of capital assets	5,249	-	-	-
Net cash flows - capital and related financial activities	<u>(262,704)</u>	<u>(528,400)</u>	<u>(124,464)</u>	<u>-</u>
Cash Flows - Investing Activities				
Investment income	207,126	96,869	99,622	27,555
Net change in cash and cash equivalents	300,662	(291,151)	309,083	145,133
Cash and Cash Equivalents				
January 1	5,764,355	3,624,669	1,464,965	370,122
December 31	<u>\$ 6,065,017</u>	<u>\$ 3,333,518</u>	<u>\$ 1,774,048</u>	<u>\$ 515,255</u>
Reconciliation of Operating Income (Loss) to				
Net Cash Flows - Operating Activities				
Operating income (loss)	\$ (541,049)	\$ (9,743)	\$ 327,574	\$ (4,937)
Adjustments to reconcile operating income (loss) to net cash flows - operating activities				
Depreciation	1,050,481	539,316	76,579	163,744
Pension expense	(52,877)	(42,228)	(40,897)	(6,009)
Accounts receivable	(206,951)	(80,900)	(4,132)	13,921
Prepaid items	80	(2,396)	56	7
Accounts payable	133,704	(236,939)	(3,774)	(19,674)
Salaries payable	8,789	5,891	5,647	882
Due to other governments	(5,706)	-	(3,600)	(2)
Unearned revenue	-	-	-	-
OPEB expense	(9,439)	(5,372)	(5,186)	(3,229)
Compensated absences payable	22,071	13,867	(8,800)	5,356
Total adjustments	<u>940,152</u>	<u>191,239</u>	<u>15,893</u>	<u>154,996</u>
Net cash flows - operating activities	<u>\$ 399,103</u>	<u>\$ 181,496</u>	<u>\$ 343,467</u>	<u>\$ 150,059</u>
Noncash Capital and Related				
Financing Activities				
Lease asset acquisition	\$ -	\$ -	\$ -	\$ -
Lease issuance	\$ -	\$ -	\$ -	\$ -

See notes to basic financial statements.

Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
Total	
\$ 6,424,009	\$ -
-	1,206,032
(3,854,959)	(1,070,925)
(1,612,408)	(320,069)
117,483	-
<u>1,074,125</u>	<u>(184,962)</u>
-	337,032
(126,002)	-
-	658,800
<u>(126,002)</u>	<u>995,832</u>
(914,872)	(49,163)
(242,140)	(10,884)
75,583	-
639,500	-
1,620,000	-
169,604	-
(2,268,492)	(724,648)
5,249	-
<u>(915,568)</u>	<u>(784,695)</u>
431,172	87,357
463,727	113,532
11,224,111	2,553,437
<u>\$ 11,687,838</u>	<u>\$ 2,666,969</u>
\$ (228,155)	\$ (1,036,786)
1,830,120	356,465
(142,011)	-
(278,062)	-
(2,253)	-
(126,683)	818
21,209	-
(9,308)	-
-	997
(23,226)	(71,335)
32,494	564,879
<u>1,302,280</u>	<u>851,824</u>
<u>\$ 1,074,125</u>	<u>\$ (184,962)</u>
<u>\$ -</u>	<u>\$ 274,510</u>
<u>\$ -</u>	<u>\$ 275,931</u>

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TRUST FUNDS

City of Hastings
Statement of Fiduciary Net Position
December 31, 2024

	Statement 13
	Library Private- Trust Fund
Assets	
Cash and investments	\$ 95,271
Interest receivable	<u>265</u>
Total assets	<u><u>\$ 95,536</u></u>
Net Position	
Held in trust for library	<u><u>\$ 95,536</u></u>

City of Hastings
Statement of Changes in Fiduciary Net Position
Year Ended December 31, 2024

Statement 14

Library
Private-
Purpose
Trust Fund

Additions	
Investment earnings	\$ 4,849
Deductions	
Other services and charges	2,499
Change in net position	2,350
Beginning net position	93,186
Ending net position	\$ 95,536

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City of Hastings
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the City and its component unit. For the most part, the effect of interfund activity was removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially responsible.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, service or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items that are properly not included in program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

City of Hastings
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)
Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Description of Funds:

Major Governmental Funds:

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

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

Ice Arena - Special Revenue Fund accounts for the resources and payments related to operations of the City's ice arena.

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

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

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

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

Proprietary Funds:

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

City of Hastings
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Description of Funds: (Continued)

Proprietary Funds: (Continued)

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

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

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

The City also reports the following fund types:

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's utility functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the City's enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

1. Deposits and Investments

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

City of Hastings
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Deposits and Investments (Continued)

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

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

Certain investments for the City as well as for its component unit are reported at fair value as disclosed in Note 3. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

In accordance with GASB Statement No. 79, the Minnesota Municipal Investment Pool securities are valued at amortized cost, which approximates fair value. There are no restrictions or limitations on withdrawals from the 4M Liquid Asset Fund. Investments in the 4M Plus must be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period will be subject to a penalty equal to seven days interest on the amount withdrawn. Seven days' notice of redemption is required for withdrawals of investments in the 4M Term Series withdrawn prior to the maturity date of that series. A penalty could be assessed as necessary to recoup the Series for any charges, losses, and other costs attributable to the early redemption.

2. Receivables

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

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

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

City of Hastings
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. Receivables (Continued)

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

All trade and accounts receivable are shown net of allowance for uncollectible accounts which is determined by analysis of historical collection trends. The allowance for ambulance receivables is equal to 88% of outstanding receivables at year end.

3. Prepaid Items and Inventories

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government wide and fund financial statements using the consumption method. Materials and supplies, if material, are recorded at cost using first in first out (FIFO) method and reported under the consumption method in the Governmental Funds and Activities.

4. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City presents deferred outflows on the Statements of Net Position for deferred outflows of resources relating to pensions and OPEB for various estimate differences that will be amortized and recognized over future years.

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

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

City of Hastings
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. Capital Assets

Capital assets, which include property, plant, equipment, intangible, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the government chose to include all such items regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. In the case of donations, the government values these capital assets at the acquisition value of the item at the date of donation.

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

Pursuant to GASB Statement 51, in the case of initial capitalization of intangible assets, the City chose not to retroactively report permanent easements. The City had already accounted for temporary easements and computer software at historical cost and therefore retroactive reporting was not necessary. The amounts of these assets are not material to the financial statements and therefore, have not been reported separately from other capital assets. The City acquired no intangible assets for the year ending December 31, 2024, other than right to use assets that are reported separately in Note 4.

City of Hastings
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. Capital Assets (Continued)

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

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

6. Compensated Absences

The liability for compensated absences reported in the statement of net position consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

7. Long-Term Obligations

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

City of Hastings
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

7. Long-Term Obligations (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Pensions

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

9. Fund Balance

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

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

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

City of Hastings
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

9. Fund Balance (Continued)

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

10. Net Position

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

E. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenditures/expense during the reporting period. Actual results could differ from those estimates.

F. Endowment

On April 27, 1987, the City was a recipient of a \$200,000 endowment for the LeDuc Historic Estate. The net appreciation on the endowment as of December 31, 2024, was \$949,911. Both the initial endowment and the net appreciation are classified as restricted in the Statement of Net Position. The net appreciation is allowed to be spent for the preservation, repair, and operating needs of the LeDuc Historic Estate.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds except Budget Stabilization and the Road Improvement Capital Projects Funds, which adopt project-length budgets, Guardian Angels TIF, NAPA TIF, Downtown Redevelopment TIF, Hudson Sprayers TIF, Schoolhouse Square Tax Increment Financing, Public Works Cold Storage Building, Escrow, TIF 9 Block 28, 2025 Street Improvements and the Permanent Fund, which are not budgeted. All annual appropriations lapse at fiscal year-end.

City of Hastings
Notes to Basic Financial Statements

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgetary Information (Continued)

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

The appropriated budget is prepared by fund and department. The City's department heads may request transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the department level. The Council made several supplementary budgetary appropriations for the general fund and various special revenue funds in 2024. Several of the budgets changed in total as a result of the Council-approved appropriations.

B. Deficit Fund Equity

The Downtown Redevelopment TIF had a deficit of \$1,684,526. The TIF 9 Block 28 had a deficit of \$60,030. The Capital Projects Fund had a deficit of \$66,411. These fund's deficits are expected to be covered from future tax increment revenues. The Compensated Absences internal service fund had a deficit of \$1,483,043. The Retiree health insurance internal service fund had a deficit of \$2,091,224. The G.O. Improvement Bonds 2013B had a fund deficit of \$379. These funds' deficits are expected to be covered from future transfers in from other funds.

NOTE 3 - DEPOSITS AND INVESTMENTS

A. Deposits

In accordance with *Minnesota Statutes*, the City maintains deposits at those depository banks authorized by the City Council, all of which are members of the Federal Reserve System. *Minnesota Statutes* require that all City deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds. *Minnesota Statutes* require that securities pledged as collateral be held in safekeeping by the City Treasurer or in a financial institution other than that furnishing the collateral. As of December 31, 2024, the City was not exposed to custodial credit risk because deposits were fully insured and collateralized. As of December 31, 2024, the City has the following deposits:

Checking	<u>\$ 4,114,658</u>
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City of Hastings
Notes to Basic Financial Statements

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments

As of December 31, 2024, the City had the following investments and maturities:

Investment Type	GASB 72 level	Rating (Moody/S&P)	Fair Value	Investment Maturities			
				Less than One Year	1-5 Years	6-10 Years	Greater than 10 Years
Pooled Investments							
Taxable Municipals	2	Aa2/AA	\$ 6,833,845	\$ 1,833,002	\$ 5,000,843	\$ -	\$ -
Asset Backed Securities	2	NR	5,340,467	-	5,340,467	-	-
Brokered Certificates of Deposit	1	NR	4,252,591	1,314,515	2,938,076	-	-
External Investment Pool - 4M Fund	N/A	NR	12,168,146	12,168,146	-	-	-
Money Market	N/A	NR	3,158,058	3,158,058	-	-	-
Total Pooled Investments			<u>31,753,107</u>	<u>18,473,721</u>	<u>13,279,386</u>	<u>-</u>	<u>-</u>
Non-Pooled Investments							
Brokered Cash	N/A	N/A	16,655	16,655	-	-	-
Equity	1	N/A	526,028	526,028	-	-	-
Fixed Income Securities	2	N/A	258,114	258,114	-	-	-
Real Estate	2	N/A	23,861	23,861	-	-	-
Total Non-Pooled Investments			<u>824,658</u>	<u>824,658</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total			<u>\$ 32,577,765</u>	<u>\$ 19,298,379</u>	<u>\$ 13,279,386</u>	<u>\$ -</u>	<u>\$ -</u>

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

- \$4,778,619 of \$32,577,765 are valued using a quoted market prices (Level 1 inputs)
- \$12,456,287 of \$32,577,765 are valued using a matrix pricing model (Level 2 inputs)

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

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

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

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

City of Hastings
Notes to Basic Financial Statements

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Summary of cash deposits and investments as of December 31, 2024, were as follows:

Deposits (Note 3.A.)	\$ 4,114,658
Investments (Note 3.B.)	32,577,765
Petty cash	<u>1,625</u>
Total deposits and investments	<u><u>\$ 36,694,048</u></u>

Deposits and investments are presented in the December 31, 2024, basic financial statements as follows:

Statement of Net Position	
Cash and investments - City	\$ 35,546,515
Cash and investments - HEDRA	227,603
Cash with fiscal agent	824,659
Statement of Fiduciary Net Position	
Cash and investments	<u>95,271</u>
Total deposits and investments	<u><u>\$ 36,694,048</u></u>

City of Hastings
Notes to Basic Financial Statements

NOTE 4 - CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated/amortized				
Land	\$ 3,801,111	\$ -	\$ -	\$ 3,801,111
Construction in progress	3,951,545	10,549,169	(3,951,545)	10,549,169
Total capital assets not being depreciated	<u>7,752,656</u>	<u>10,549,169</u>	<u>(3,951,545)</u>	<u>14,350,280</u>
Capital assets being depreciated/amortized				
Buildings	22,718,009	158,927	-	22,876,936
Machinery and equipment	11,470,572	2,054,649	(486,019)	13,039,202
Improvements other than buildings	5,948,825	454,304	-	6,403,129
Lease equipment	519,309	275,931	(131,741)	663,499
Infrastructure	117,387,048	3,299,954	(815,953)	119,871,049
Total capital assets being depreciated	<u>158,043,763</u>	<u>6,243,765</u>	<u>(1,433,713)</u>	<u>162,853,815</u>
Less accumulated depreciation/ amortization for				
Buildings	(13,745,467)	(512,041)	-	(14,257,508)
Machinery and equipment	(7,340,318)	(716,512)	486,019	(7,570,811)
Improvements other than buildings	(2,413,282)	(195,827)	-	(2,609,109)
Lease equipment	(227,229)	(180,232)	131,741	(275,720)
Infrastructure	(76,817,656)	(4,241,236)	815,953	(80,242,939)
Total accumulated depreciation/amortization	<u>(100,543,952)</u>	<u>(5,845,848)</u>	<u>1,433,713</u>	<u>(104,956,087)</u>
Total capital assets being depreciated/amortized, net	<u>57,499,811</u>	<u>397,917</u>	<u>-</u>	<u>57,897,728</u>
Governmental activities capital position, net	<u>\$ 65,252,467</u>	<u>\$ 10,947,086</u>	<u>\$ (3,951,545)</u>	<u>\$ 72,248,008</u>

City of Hastings
Notes to Basic Financial Statements

NOTE 4 - CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets not being depreciated/amortized				
Land	\$ 349,300	\$ -	\$ -	\$ 349,300
Construction in progress	77,400	80,297	(77,400)	80,297
Total capital assets not being depreciated/amortized	<u>426,700</u>	<u>80,297</u>	<u>(77,400)</u>	<u>429,597</u>
Capital assets being depreciated/amortized				
Buildings	15,022,844	-	-	15,022,844
Machinery and equipment	8,099,142	433,447	(64,658)	8,467,931
Lease equipment	65,892	-	-	65,892
Improvements other than buildings	5,101,526	448,493	-	5,550,019
Infrastructure	45,702,499	1,383,657	(98,183)	46,987,973
Total capital assets being depreciated/amortized	<u>73,991,903</u>	<u>2,265,597</u>	<u>(162,841)</u>	<u>76,094,659</u>
Less accumulated depreciation/ amortized for				
Buildings	(9,931,614)	(431,751)	-	(10,363,365)
Machinery and equipment	(5,128,947)	(286,286)	64,658	(5,350,575)
Lease equipment	(20,408)	(16,473)	-	(36,881)
Improvements other than buildings	(2,744,041)	(154,320)	-	(2,898,361)
Infrastructure	(24,612,220)	(941,290)	98,183	(25,455,327)
Total accumulated depreciation/amortized	<u>(42,437,230)</u>	<u>(1,830,120)</u>	<u>162,841</u>	<u>(44,104,509)</u>
Total capital assets being depreciated/amortized, net	<u>31,554,673</u>	<u>435,477</u>	<u>-</u>	<u>31,990,150</u>
Business-type activities capital assets, net	<u>\$ 31,981,373</u>	<u>\$ 515,774</u>	<u>\$ (77,400)</u>	<u>\$ 32,419,747</u>

City of Hastings
Notes to Basic Financial Statements

NOTE 4 - CAPITAL ASSETS (CONTINUED)

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

Governmental activities		
General government	\$	176,184
Public safety		341,463
Public works		4,386,426
Cultural and recreation		585,310
Internal service funds		<u>356,465</u>
Total depreciation/amortization expense - governmental activities	<u>\$</u>	<u>5,845,848</u>
Business-type activities		
Water	\$	1,050,481
Sewer		539,316
Storm		76,579
Hydro		<u>163,744</u>
Total depreciation/amortization expense - business-type activities	<u>\$</u>	<u>1,830,120</u>

Discretely Presented Component Unit

Activity for the HEDRA for the year ended December 31, 2024, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets being depreciated				
Buildings and structures	\$ 476,890	\$ -	\$ -	\$ 476,890
Less accumulated depreciated for				
Buildings and structures	<u>(394,391)</u>	<u>(5,501)</u>	<u>-</u>	<u>(399,892)</u>
Total capital assets being depreciated, net	<u>82,499</u>	<u>(5,501)</u>	<u>-</u>	<u>76,998</u>
Component unit capital assets, net	<u>\$ 82,499</u>	<u>\$ (5,501)</u>	<u>\$ -</u>	<u>\$ 76,998</u>

City of Hastings
Notes to Basic Financial Statements

NOTE 5 - INTERFUND ASSETS/LIABILITIES

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

Receivable Fund	Payable Fund	Amount
General Fund	Downtown Redevelopment TIF	\$ 21,287
General Fund	Other Government Funds	118,347
General Fund	Debt Service	2,673
Other Government Funds	Other Government Funds	13
Total		<u>\$ 142,320</u>

Advances To/From Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Downtown Redevelopment TIF	<u>\$ 1,663,239</u>

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

The \$1,663,239 from the General Fund was money to make the Bond principal and interest payments for the Downtown Redevelopment TIF District due to delays in development and collection of tax increment revenue. The advance will be paid back when the District starts producing sufficient tax increment revenue.

NOTE 6 - INTERFUND TRANSFERS

Transfers Out	Transfers In					Total
	General	Debt Service	Park Projects	Non-major Governmental Funds	Internal Service	
General	\$ -	\$ -	\$ 393,000	\$ 100,000	\$ 658,800	\$ 1,151,800
Fire and ambulance	92,390	-	-	-	-	92,390
Ice Arena	11,258	-	-	-	-	11,258
Downtown TIF	-	199,500	-	-	-	199,500
Non-major governmental funds	93,670	-	-	55,712	-	149,382
Water	42,863	-	-	-	-	42,863
Sewer	41,116	-	-	-	-	41,116
Storm	9,542	-	-	-	-	9,542
Hydro	32,481	-	-	-	-	32,481
Total	<u>\$ 323,320</u>	<u>199,500</u>	<u>393,000</u>	<u>\$ 155,712</u>	<u>\$ 658,800</u>	<u>\$ 1,730,332</u>

City of Hastings
Notes to Basic Financial Statements

NOTE 6 - INTERFUND TRANSFERS (CONTINUED)

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

NOTE 7 - LONG-TERM DEBT

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

A. G.O. Improvement Bonds

Bonds generally are issued as 12-year serial bonds with equal debt service payments each year. The original amount of general obligation bonds for the issues listed below is \$20,360,000. The G.O. Improvement Bonds currently outstanding are as follows:

	Issue Date	Interest Rates	Original Issue	Final Maturity	Balance End of Year	Due Within One Year
G.O. Improvement Bonds, Series 2014A	11/25/14	0.65%-2.50%	\$ 2,345,000	02/01/25	\$ 270,000	\$ 270,000
G.O. Improvement Bonds, Series 2015A	09/03/15	2.00%-2.20%	360,000	02/01/26	80,000	40,000
G.O. Improvement Bonds, Series 2016B	11/03/16	2.00%	995,000	02/01/27	320,000	105,000
G.O. Improvement Bonds, Series 2017A	11/02/17	2.75%-2.875%	1,015,000	02/01/28	425,000	105,000
G.O. Improvement Bonds, Series 2018A	07/18/18	3.00%- 4.00%	1,580,000	02/01/29	835,000	160,000
G.O. Improvement Bonds, Series 2019A	08/08/19	5.00%	2,595,000	02/01/30	1,745,000	255,000
G.O. Improvement Bonds, Series 2020A	10/01/20	2.00%-4.00%	2,045,000	02/01/31	1,525,000	195,000
G.O. Improvement Bonds, Series 2021A	08/02/21	1.00%-3.00%	925,000	02/01/32	765,000	85,000
G.O. Improvement Bonds, Series 2022A	06/01/22	3.00%-5.00%	4,110,000	02/01/33	3,780,000	345,000
G.O. Improvement Bonds, Series 2023A	06/29/23	4.00%-5.00%	3,125,000	02/01/34	3,125,000	250,000
Total					<u>\$ 12,870,000</u>	<u>\$ 1,810,000</u>

City of Hastings
Notes to Basic Financial Statements

NOTE 7 - LONG-TERM DEBT (CONTINUED)

A. G.O. Improvement Bonds (Continued)

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

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2025	\$ 1,810,000	\$ 479,544	\$ 2,289,544
2026	1,595,000	410,791	2,005,791
2027	1,620,000	342,889	1,962,889
2028	1,580,000	274,239	1,854,239
2029	1,530,000	205,283	1,735,283
2030-2034	4,735,000	329,969	5,064,969
Total	<u>\$ 12,870,000</u>	<u>\$ 2,042,714</u>	<u>\$ 14,912,714</u>

B. G.O. Revenue Bonds

The City also issues bonds where the city pledges income derived from certain enterprise fund activities to pay debt service. These bonds also are backed by the full faith and credit of the government (general obligation). Bonds generally are issued as 12-year serial bonds with equal debt service payments each year. The original amount of general obligation revenue bonds for the issues listed below is \$10,710,000.

The general obligation revenue bonds currently outstanding are as follows:

	Issue Date	Interest Rates	Original Issue	Final Maturity	Balance End of Year	Due Within One Year
G.O. Refunding Bonds, Series 2013A	02/21/13	2.00%	\$ 2,565,000	02/01/27	\$ 810,000	\$ 265,000
G.O. Improvement Bonds, Series 2018A	07/18/18	3.00%-4.00%	1,260,000	02/01/29	685,000	125,000
G.O. Improvement Bonds, Series 2019A	08/08/19	5.00%	675,000	02/01/30	450,000	65,000
G.O. Improvement Bonds, Series 2020A	10/01/20	2.00-4.00%	1,135,000	02/01/31	845,000	110,000
G.O. Improvement Bonds, Series 2021A	08/02/21	1.00-3.00%	1,145,000	02/01/32	950,000	105,000
G.O. Improvement Bonds, Series 2022A	06/01/22	3.00%-5.00%	1,705,000	02/01/33	1,565,000	145,000
G.O. Improvement Bonds, Series 2023A	06/29/23	4.00%-5.00%	970,000	02/01/33	875,000	80,000
G.O. Improvement Bonds, Series 2024A	05/15/24	4.00%-5.00%	1,255,000	02/01/34	1,620,000	140,000
Total					<u>\$ 7,800,000</u>	<u>\$ 1,035,000</u>

City of Hastings
Notes to Basic Financial Statements

NOTE 7 - LONG-TERM DEBT (CONTINUED)

B. G.O. Revenue Bonds (Continued)

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

	Use of Proceeds	Revenue Pledged			Remaining Principal and Interest	Current Year	
		Type	Percent of Total Debt Service	Term of Pledge		Principal and Interest paid	Pledged Revenue Received
G.O. Refunding Bonds, Series 2013A	Utility Infrastructure	Utility Charges	100%	2014-2027	\$ 834,500	\$ 283,850	\$ 2,431,377
G.O. Improvement Bonds, Series 2018A	Utility Infrastructure	Utility Charges	100	2019-2029	740,375	150,650	5,245,954
G.O. Improvement Bonds, Series 2019A	Utility Infrastructure	Utility Charges	100	2019-2030	520,750	89,125	2,431,377
G.O. Improvement Bonds, Series 2020A	Utility Infrastructure	Utility Charges	100	2020-2031	935,900	134,500	5,245,954
G.O. Improvement Bonds, Series 2021A	Utility Infrastructure	Utility Charges	100	2021-2032	1,020,919	127,888	5,245,954
G.O. Improvement Bonds, Series 2022A	Utility Infrastructure	Utility Charges	100	2022-2033	1,851,725	209,950	5,245,954
G.O. Improvement Bonds, Series 2023A	Utility Infrastructure	Utility Charges	100	2023-2033	1,068,425	142,932	5,245,954
G.O. Improvement Bonds, Series 2024A	Utility Infrastructure	Utility Charges	100	2023-2034	2,059,322	-	6,097,870

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

Year Ending December 31,	Business-Type Activities		
	Principal	Interest	Total
2025	\$ 1,035,000	\$ 301,160	\$ 1,336,160
2026	1,065,000	239,013	1,304,013
2027	1,095,000	198,688	1,293,688
2028	860,000	160,213	1,020,213
2029	900,000	122,688	1,022,688
2030-2034	2,845,000	210,156	3,055,156
Total	<u>\$ 7,800,000</u>	<u>\$ 1,231,916</u>	<u>\$ 9,031,916</u>

City of Hastings
Notes to Basic Financial Statements

NOTE 7 - LONG-TERM DEBT (CONTINUED)

C. Charter Bonds

The City also issues bonds that use its power under the City Charter to issue debt. These bonds are backed by the full faith and credit of the government (general obligation). Bonds generally are issued as 12-year serial bonds with equal debt service payments each year. The original amount of general obligation bonds for the issues listed below is \$13,445,000. The general obligation charter bonds currently outstanding are as follows:

	Issue Date	Interest Rates	Original Issue	Final Maturity	Balance End of Year	Due Within One Year
G.O. Improvement Bond, Series 2014A - Charter	11/25/14	0.65%-2.50%	\$ 650,000	02/01/25	\$ 75,000	\$ 75,000
G.O. Improvement Bond, Series 2015A - Charter	09/03/15	2.00%-2.20%	2,100,000	02/01/26	455,000	225,000
G.O. Improvement Bond, Series 2016B - Charter	11/03/16	2.00%	2,005,000	02/01/27	690,000	225,000
G.O. Improvement Bond, Series 2018A - Charter	07/18/18	3.00%-4.00%	980,000	02/01/29	540,000	100,000
GO Improvement Bonds, 2024A Street - Charter	05/15/24	4.00%-5.00%	2,225,000	02/01/34	2,225,000	-
GO Improvement Bonds, 2024A Dome - Charter	05/15/24	4.00%-5.00%	570,000	02/01/34	570,000	-
GO Improvement Bonds, 2024A Arena - Charter	05/15/24	4.00%-5.00%	4,915,000	02/01/34	4,915,000	-
Total					<u>\$ 9,470,000</u>	<u>\$ 625,000</u>

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

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2025	\$ 625,000	\$ 509,134	\$ 1,134,134
2026	1,180,000	373,355	1,553,355
2027	990,000	330,925	1,320,925
2028	785,000	292,275	1,077,275
2029	825,000	254,275	1,079,275
2030-2034	4,125,000	682,900	4,807,900
2035-2039	940,000	18,800	958,800
Total	<u>\$ 9,470,000</u>	<u>\$ 2,461,664</u>	<u>\$ 11,931,664</u>

City of Hastings
Notes to Basic Financial Statements

NOTE 7 - LONG-TERM DEBT (CONTINUED)

D. General Obligation Tax Increment Revenue Bonds

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

	Issue Date	Interest Rates	Original Issue	Final Maturity	Balance End of Year	Due Within One Year
G.O. Tax Increment Bonds, Series 2016A	01/21/16	2.00%-2.75%	\$ 2,265,000	02/01/29	\$ 910,000	\$ 180,000

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

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2025	\$ 180,000	\$ 20,950	\$ 200,950
2026	185,000	16,838	201,838
2027	185,000	12,213	197,213
2028	195,000	7,219	202,219
2029	165,000	2,269	167,269
Total	\$ 910,000	\$ 59,488	\$ 969,488

E. Lease Obligations

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

Year Ending December 31,	Governmental Activities			Business Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 127,619	\$ 16,361	\$ 143,980	\$ 15,633	\$ 1,039	\$ 16,672
2026	103,203	10,065	113,268	12,248	257	12,505
2027	74,560	5,461	80,021	-	-	-
2028	66,641	1,665	68,306	-	-	-
2029	5,218	33	5,251	-	-	-
Total	\$ 377,241	\$ 33,585	\$ 410,826	\$ 27,881	\$ 1,296	\$ 29,177

City of Hastings
Notes to Basic Financial Statements

NOTE 7 - LONG-TERM DEBT (CONTINUED)

F. Changes in Long-Term Liabilities

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
Bonds payable					
G.O. improvement bonds	\$ 14,515,000	\$ -	\$ (1,645,000)	\$ 12,870,000	\$ 1,810,000
Equipment certificates	95,000	-	(95,000)	-	-
City charter bonds	2,370,000	7,710,000	(610,000)	9,470,000	625,000
Tax increment bonds	1,085,000	-	(175,000)	910,000	180,000
Lease obligations	273,805	275,931	(172,495)	377,241	127,619
Total OPEB liability	3,196,402	586,608	-	3,783,010	482,934
Net pension liability	10,151,741	-	(2,438,475)	7,713,266	-
Plus (less) deferred amounts for premium and discount	1,242,478	837,509	(243,253)	1,836,734	-
Compensated absences (net)	2,009,225	564,879	-	2,574,104	146,610
Total governmental activities	<u>\$ 34,938,651</u>	<u>\$ 9,974,927</u>	<u>\$ (5,379,223)</u>	<u>\$ 39,534,355</u>	<u>\$ 3,372,163</u>
	Ending Balance	Additions	Deductions	Ending Balance	Due Within One Year
Business-type activities					
Bonds payable					
G.O. revenue bonds	\$ 7,080,000	\$ 1,620,000	\$ (900,000)	\$ 7,800,000	\$ 1,035,000
Lease obligations	42,753	-	(14,872)	27,881	15,633
Total OPEB liability	345,946	40,422	-	386,368	49,322
Net pension liability	700,224	-	(285,684)	414,540	-
Plus (less) deferred amounts for premium or discount	490,896	169,604	(80,911)	579,589	-
Compensated absences (net)	265,982	32,494	-	298,476	16,989
Total business-type activities	<u>\$ 8,925,801</u>	<u>\$ 1,862,520</u>	<u>\$ (1,281,467)</u>	<u>\$ 9,506,854</u>	<u>\$ 1,116,944</u>

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

City of Hastings
Notes to Basic Financial Statements

NOTE 8 - RISK MANAGEMENT

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

NOTE 9 - PENSION PLANS

The City participates in various pension plans. Total pension expense for the year ended December 31, 2024, was \$1,388,107, the discretely presented component unit's portion of this expense is \$17,286. The components of pension expense are noted in the following plan summaries.

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

Public Employees' Retirement Association

A. Plan Description

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

General Employees Retirement Plan

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

Public Employees Police and Fire Plan

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

City of Hastings
Notes to Basic Financial Statements

NOTE 9 - PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

B. Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service. When a member is vested, they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

General Employees Plan Benefits

General Employees Plan requires three years of service to vest. Benefits are based on a member's highest average salary for any 5 successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Plan members. Members hired prior to July 1, 1989, receive the higher of Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2% of the highest average salary for each of the first 10 years of service and 1.7% for each additional year. Under the Level formula, General Plan members receive 1.7% of the highest average salary for all years of service. For members hired prior to July 1, 1989, a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of .25% for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or a age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. The 2024 annual increase was 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

City of Hastings
Notes to Basic Financial Statements

NOTE 9 - PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

B. Benefits Provided (Continued)

Police and Fire Plan Benefits

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

Benefit increases are provided to benefit recipients each January. The postretirement increase is fixed at 1%. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

C. Contributions

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

General Employees Plan Contributions

General Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2024 and the City was required to contribute 7.5% for General Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2024, were \$522,342 of this amount, the discretely presented component unit contributed \$20,270. The City's contributions were equal to the required contributions as set by state statute.

Police and Fire Plan Contributions

Police and Fire Plan members were required to contribute 11.8% of their annual covered salary in fiscal year 2024 and the City was required to contribute 17.7% for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the year ended December 31, 2024, were \$1,074,036. The City's contributions were equal to the required contributions as set by state statute.

City of Hastings
Notes to Basic Financial Statements

NOTE 9 - PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

D. Pension Costs

General Employees Fund Pension Costs

At December 31, 2024, the City reported a liability of \$2,695,627 for its proportionate share of the General Employees Fund's net pension liability, of this amount, the discretely presented component unit was allocated \$104,605. 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 \$69,703.

City's proportionate share of the net pension liability	\$ 2,695,627
State of Minnesota's proportionate share of the net pension liability associated with the City	69,703
Total	\$ 2,765,330

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023, through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0729% at the end of the measurement period and 0.0719% for the beginning of the period.

For the year ended December 31, 2024, the City recognized pension expense of \$282,408 for its proportionate share of General Employees Plan's pension expense of this amount, the discretely presented component unit was allocated \$7,870. Included in the amount, the City recognized \$1,869 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund, of this amount, the discretely presented component unit was allocated \$20.

During the plan year ended June 30, 2024, the State of Minnesota contributed \$170.1 million to the General Employees Fund. The State of Minnesota is not included as a non-employer contributing entity in the General Employees Plan pension allocation schedule for the \$170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The City recognized \$124,029 for the year ended December 31, 2024 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the General Employees Fund.

City of Hastings
Notes to Basic Financial Statements

NOTE 9 - PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

General Employees Fund Pension Costs (Continued)

At December 31, 2024, the City reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources of these amounts, the discretely presented component unit was allocated \$25,732 of deferred outflows of resources and \$70,225 of deferred inflows of resources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 251,761	\$ -
Changes in actuarial assumptions	12,544	1,009,875
Net difference between projected and actual investment earnings	-	796,594
Change in proportion	137,622	3,203
Contributions paid to PERA subsequent to the measurement date	<u>261,171</u>	<u>-</u>
Total	<u><u>\$ 663,098</u></u>	<u><u>\$ 1,809,672</u></u>

The \$261,171 reported as deferred outflows of resources related to pensions resulting from City of Hastings contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025, of this amount the discretely presented component unit contributed \$20,270 subsequent to year end. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December</u>	<u>Pension Expense</u>
2025	\$ (782,866)
2026	(103,427)
2027	(314,849)
2028	<u>(206,603)</u>
Total	<u><u>\$ (1,407,745)</u></u>

City of Hastings
Notes to Basic Financial Statements

NOTE 9 - PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

Police and Fire Fund Pension Costs

At December 31, 2024, the City reported a liability of \$5,536,784 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023, through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.4209%, at the end of the measurement period and 0.4048% for the beginning of the period.

The State of Minnesota contributed \$37.4 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2024. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation, additional one-time direct state aid contribution of \$19.4 million, and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. Additionally, \$9 million supplemental state aid was paid on October 1, 2024. Thereafter, by October 1 of each year, the State will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$211,060.

City's Proportionate share of the net pension liability	\$ 5,536,784
State of Minnesota's proportionate share of the net pension liability associated with the City	211,060
Total	<u>\$ 5,747,844</u>

For the year ended December 31, 2024, the City recognized pension expense of \$1,127,192 for its proportionate share of the Police and Fire Plan's pension expense. Included in this amount, the City recognized \$20,495 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$9 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$28.4 million in supplemental state aid because this contribution was not considered to meet the definition of a special funding situation. The City recognized \$119,522 for the year ended December 31, 2024, as revenue and an offsetting reduction of the net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

City of Hastings
Notes to Basic Financial Statements

NOTE 9 - PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

D. Pension Costs (Continued)

Police and Fire Fund Pension Costs (Continued)

At December 31, 2024, the City reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 2,090,468	\$ -
Changes in actuarial assumptions	5,770,151	7,840,979
Difference between projected and actual investment earnings	-	1,708,003
Change in proportion	341,591	71,905
Contributions paid to PERA subsequent to the measurement date	537,018	-
Total	\$ 8,739,228	\$ 9,620,887

The \$537,018 reported as deferred outflows of resources related to pensions resulting from City of Hastings contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December	Pension Expense
2025	\$ (182,447)
2026	1,381,382
2027	(744,322)
2028	(2,047,080)
2029	173,790
Total	\$ (1,418,677)

City of Hastings
Notes to Basic Financial Statements

NOTE 9 - PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

E. Long-Term Expected Return on Investment

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

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

F. Actuarial Assumptions

The total pension liability in the June 30, 2024, 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 considered reasonable by the actuary. An investment return of 7.0% is within that range.

Inflation is assumed to be 2.25% for the General Employees Plan and 2.25% for the Police and Fire Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan and 1% for the Police and Fire Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service. In the Police and Fire Plan, salary growth assumptions range from 11.75% after one year of service to 3.0% after 24 years of service.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. Mortality rates for the Police and Fire Plan are based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

City of Hastings
Notes to Basic Financial Statements

NOTE 9 - PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

F. Actuarial Methods and Assumptions (Continued)

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

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

General Employees Fund

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

Police and Fire Fund

Changes in Plan Provisions

- The State contribution of \$9.0 million per year will continue until the earlier of 1) both the Police and Fire Plan and the State Patrol Retirement Fund attain 90% funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90% funded status for one year.
- The additional \$9.0 million contribution will continue until the Police & Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

City of Hastings
Notes to Basic Financial Statements

NOTE 9 - PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

G. Discount Rate

The discount rate used to measure the total pension liability in 2024 was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members and employers will be made at rates set in *Minnesota Statutes*. Based on these assumptions, the fiduciary net positions of the General Employees and Police and Fire Plans were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

H. Pension Liability Sensitivity

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

City of Hastings Proportionate Share	1% Decrease in Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
General Employees Retirement Fund net pension liability	\$ 5,658,064	\$ 2,591,022	\$ 67,145
Discretely presented component unit	229,620	104,605	2,725
	1% Decrease in Discount rate (6.00%)	Current Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
City of Hastings Proportionate Share			
Police and Firefighters net pension liability	\$ 13,084,495	\$ 5,536,784	\$ (661,472)

I. Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.mnpera.org.

City of Hastings
Notes to Basic Financial Statements

NOTE 9 - PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

I. Pension Plan Fiduciary Net Position (Continued)

At December 31, 2024, the City reported its total proportionate share of Net Pension Liability (Asset), Deferred Outflows of Resources, and Deferred Inflows of Resources, related to pensions from the following sources:

	Net Pension Liability (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources
General Employees	\$ 2,695,627	\$ 663,098	\$ 1,809,672
Police and Fire	5,536,784	8,739,228	9,620,887
Total	\$ 8,232,411	\$ 9,402,326	\$ 11,430,559

Volunteer Fire Relief Association - Agent Multiple-Employer Defined Benefit Plan

A. Plan Description

The City of Hastings Volunteer Fire Department participates in the Statewide Volunteer Firefighter Retirement Plan (accounted for in the Volunteer Firefighter Fund), an agent multiple-employer lump-sum or monthly defined benefit pension plan administered by the Public Employees Retirement Association of Minnesota (PERA). The Volunteer Firefighter Plan covers volunteer firefighters of municipal fire departments or independent nonprofit firefighting corporations that have elected to join the plan. As of December 31, 2023, the plan covered active firefighters and vested terminated firefighters whose pension benefits are deferred. The plan is established and administered in accordance with Minnesota Statutes, Chapter 353 G.

B. Benefits Provided

The Volunteer Firefighter Plan provides retirement, death, and supplemental benefits to covered firefighters and survivors. Benefits are paid based on the number of years of service multiplied by a benefit level approved by the City. Members are eligible for a lump-sum retirement benefit at 50 years of age with either five or ten years of service, depending on the vesting schedule selected. Plan provisions include a pro-rated vesting schedule that increases from vesting schedule: (1) 5 years at 40 percent through 20 years at 100 percent.

C. Contributions

The Volunteer Firefighter Plan is funded by fire state aid, investment earnings and, if necessary, employer contributions as specified in Minnesota Statutes, and voluntary City contributions. The State of Minnesota contributed \$244,079 in fire state aid to the fund for the year ended December 31, 2023. Required employer contributions are calculated annually based on statutory provisions. **The City's contributions were equal to the required contributions as set by state statute, if applicable.**

City of Hastings
Notes to Basic Financial Statements

NOTE 9 - PENSION PLANS (CONTINUED)

D. Pension Costs

At December 31, 2023, the City reported a net pension asset of \$2,249,758 for the Volunteer Firefighter Fund. The net pension asset was measured as of December 31, 2023. The total pension liability used to calculate the net pension asset in accordance with GASB 68 was determined by PERA applying an actuarial formula to specific census data certified by the fire department. The following table presents the changes in net pension liability during the year.

	2024
Total Pension Liability	
Service cost	\$ 156,730
Interest	188,352
Gain or loss	189,636
Benefit payments, including member contribution refunds	(207,126)
Net Change in Total Pension Liability	327,592
Total Pension Liability	
Beginning	2,896,394
Ending (a)	3,223,986
Plan Fiduciary Net Position	
State contributions	244,079
Net investment income	689,798
Benefit payments	(207,126)
Other	4
	726,755
Net Change in Fiduciary Net Position	726,755
Fiduciary Net Position	
Beginning	4,746,989
Ending (b)	5,473,744
Association's Net Pension Liability (Asset) -	
Ending (a) - (b)	\$ (2,249,758)

For the year ended December 31, 2023, the City recognized pension expense of (\$21,493).

City of Hastings
Notes to Basic Financial Statements

NOTE 9 - PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

At December 31, 2023, the City reported deferred inflows of resources and deferred outflows of resources for contributions made after the measurement date related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 323,220
City contributions subsequent to the measurement date	272,270	-
Total	\$ 272,270	\$ 323,220

\$272,270 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:

Year Ended December	Pension Expense
2024	\$ (80,805)
2025	(80,805)
2026	(80,805)
2027	(80,805)
Total	\$ (323,220)

E. Actuarial Assumptions

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

- Retirement eligibility at the later of age 50 or when fully vested
- Investment rate of return of 6.0 percent

City of Hastings
Notes to Basic Financial Statements

NOTE 9 - PENSION PLANS (CONTINUED)

F. Discount Rate

The discount rate used to measure the total pension liability was six percent. The projection of cash flows used to determine the discount rate assumed that contributions to the Volunteer Firefighter Fund will be made at a rate equal to the actuarially determined contribution rate. Based on these **assumptions, the pension plan's fiduciary net position was 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.

G. Pension Liability Sensitivity

The following presents the City's net pension asset for the Volunteer Firefighter Fund, calculated using the assumed discount rate as well as what the City's net pension asset would be if it were calculated using a discount rate one percent lower or one percent higher than the current discount rate:

	1% Decrease in Discount Rate (5.00%)	Current Discount Rate (6.00%)	1% Increase in Discount Rate (7.00%)
Net pension liability (asset)	\$ (2,157,641)	\$ (2,249,758)	\$ (2,338,872)

H. Plan Investments

The Minnesota State Board of Investment (SBI) is established by Article XI of the Minnesota Constitution to invest all state funds. Its membership as specified in the Constitution is comprised of the governor (who is designated as chair of the board), state auditor, secretary of state and state attorney general.

All investments undertaken by the SBI are governed by the prudent person rule and other standards codified in Minnesota Statutes, Chapter 11A and Chapter 353G.

Within the requirements defined by state law, the SBI, with assistance of the SBI staff and the Investment Advisory Council, establishes investment policy for all funds under its control. These investments policies are tailored to the particular needs of each fund and specify investment objectives, risk tolerance, asset allocation, investment management structure and specific performance standards. Studies guide the on-going management of the funds and are updated periodically.

City of Hastings
Notes to Basic Financial Statements

I. Asset Allocation

To match the long-term nature of the pension obligations, the SBI maintains a strategic asset allocation for the Volunteer Firefighter Plan that includes allocations to domestic equity, international equity, bonds and cash equivalents. The long-term target asset allocation and long-term expected real rate of return is the following:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic stocks	35.0 %	5.10 %
International stocks	15.0	5.30
Bonds	45.0	0.75
Unallocated cash	5.0	0.00
Total	<u>100.0 %</u>	

The 6% long-term expected rate of return on pension plan investments was determined using a building-block method. Best estimates for expected future real rates of return (expected returns, net of inflation) were developed for each asset class using both long-term historical returns and long-term capital market expectations from a number of investment management and consulting organizations. The asset class estimates and the target allocations were then combined to produce a geometric, long-term expected real rate of return for the portfolio. Inflation expectations were applied to derive the nominal rate of return for the portfolio.

J. Description of significant investment policy changes during the year

The SBI made no significant changes to their investment policy during calendar year 2023 for the Volunteer Firefighter Fund.

K. Pension Plan Fiduciary Net Position

Detailed information about the Volunteer Firefighter Fund’s fiduciary net position as of June 30, 2023, is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained at www.mnpera.org.

NOTE 10 - RETIREE HEALTH INSURANCE

A. Plan Description

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

City of Hastings
Notes to Basic Financial Statements

NOTE 10 - RETIREE HEALTH INSURANCE (CONTINUED)

B. Benefits Provided

1. Retirees

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

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

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

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

2. Disabled Police and Firefighter

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

C. Contributions

Contribution requirements are established by the City. The required contributions are based on projected pay-as-you-go financing requirements. For year 2024, the City contributed \$493,093 to the plan, of this amount the discretely presented component unit was allocated \$9,140. As of December 31, 2024, there were 27 retirees receiving health benefits from the City's health plan.

City of Hastings
Notes to Basic Financial Statements

NOTE 10 - RETIREE HEALTH INSURANCE (CONTINUED)

D. Members

As of January 1, 2024, the following were covered by the benefit terms:

Retirees or beneficiaries currently receiving benefits	27
Active employees	112
	139
Total	139

E. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2024, with a measurement date of January 1, 2024. Using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Key Methods and Assumptions Used in Valuation of Total OPEB Liability

Investment rate of return	3.7%, net of investment expense
Salary increases	Service graded table
Inflation	2.50%
Healthcare cost trend increases	6.5% in 2024, decreasing over six years to rate of 5.00% and then 4.00% over 48 years.
 Mortality assumption	 Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2021 Generational Improvement Scale.

The actuarial assumptions used in the January 1, 2024, valuation were based on the results of an actuarial experience study for the period January 1, 2023, through January 1, 2024.

The discount rate used to measure the total OPEB liability was 3.70% based on 20-year municipal bond index.

F. Total OPEB Liability

The City's total OPEB liability of \$4,245,803 was measured as of January 1, 2024, and was determined by an actuarial valuation as of January 1, 2024, of this amount the discretely presented component unit was allocated \$76,425.

City of Hastings
Notes to Basic Financial Statements

NOTE 10 - RETIREE HEALTH INSURANCE (CONTINUED)

F. Total OPEB Liability (Continued)

Changes in the total OPEB liability are as follows:

	<u>Total OPEB Liability</u>
Balances at January 1, 2023	\$ 3,603,609
Changes for the year	
Service cost	102,211
Interest	138,275
Assumption changes	179,052
Differences between expected and actual experience	725,473
Benefit payments	<u>(502,817)</u>
Net changes	<u>642,194</u>
Balances at January 1, 2024	<u>\$ 4,245,803</u>

Changes of assumptions and other inputs reflect an update to the healthcare trend rates, mortality tables, salary increase rates, and retirement and withdrawal rates. The discount rate was changed from 4.00% to 3.70%.

G. OPEB Liability Sensitivity

The following presents the City's total OPEB liability calculated using the discount rate of 3.70% as well as the liability measured using 1% lower and 1% higher than the current discount rate.

	Total OPEB Liability (Asset)		
	1% Decrease in Discount Rate (2.70%)	Current Discount Rate (3.70%)	1% Increase in Discount Rate (4.70%)
Primary government	\$ 4,558,787	\$ 4,169,378	\$ 3,836,342
Discretely presented component unit	83,562	76,425	70,319

City of Hastings
Notes to Basic Financial Statements

NOTE 10 - RETIREE HEALTH INSURANCE (CONTINUED)

G. OPEB Liability Sensitivity (Continued)

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

	Total OPEB Liability/(Asset)		
	1% Decrease in Cost Trend (5.50% to 3.00%)	Current Cost Trend (6.50% to 4.00%)	1% Increase in Cost Trend (7.50% to 5.00%)
Primary government	\$ 3,811,969	\$ 4,169,378	\$ 4,590,215
Discretely presented component unit	69,873	76,425	84,138

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

For the year ended December 31, 2024, the City recognized OPEB expense of \$424,669, of this amount \$7,644 was allocated to the discretely presented component unit. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources of these amounts, the discretely presented component unit was allocated \$33,113 of deferred outflows of resources and \$8,064 of deferred inflows of resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Assumption changes	\$ 422,700	\$ 447,892
Liability losses	909,084	-
Subsequent contributions	507,779	-
 Total	 \$ 1,839,563	 \$ 447,892

City of Hastings
Notes to Basic Financial Statements

NOTE 10 - RETIREE HEALTH INSURANCE (CONTINUED)

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

The \$507,779 reported as deferred outflows of resources related to OPEB resulting from City of Hastings contributions subsequent to the measurement date will be recognized as a reduction of the Total OPEB liability in the year ended December 31, 2025, of this amount the discretely presented component unit contributed \$9,140 subsequent to year end. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December	OPEB Expense
<hr/>	<hr/>
2025	\$ 184,183
2026	184,188
2027	194,324
2028	101,151
2029	65,187
Thereafter	<hr/> 154,859
Total	<hr/> <hr/> \$ 883,892

NOTE 11 - CONTINGENCIES

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

NOTE 12 - TAX INCREMENT FINANCING

There are two pay-as-you-go Tax Increment Districts in the City of Hastings. *Minnesota Statute* § 469.174 to 469.1794 provide authority for Tax Increment Districts. The City agreed to rebate real estate taxes based on the increased property value from improvements on the owned property. The amount rebated is equal to 90% of the tax increment received until the earlier of a maximum dollar value or 2027 tax year. For the year ended December 31, 2024, the City generated \$173,562 in tax increment revenue and made \$163,742 in payments to developers. No other commitments were made by the City as part of these agreements.

City of Hastings
Notes to Basic Financial Statements

NOTE 13 - COMMITMENTS

A. Construction Commitments

Fund	Project	Remaining Commitment Amount
General Fund	City Hall	\$ 1,936,961
Arena	Arena Refrigeration	904,128
Park Projects	Lake Isabel Redevelopment	153,864
Nonmajor Capital Project		
- Road Construction	2024 Neighborhood Improvements	140,856
Water	Water Meter Replacement	-
Total		<u>\$ 3,147,952</u>

NOTE 14 - LEASE RECEIVABLE

The City has recognized a lease receivable of \$2,557,180 and deferred inflow of resources of \$2,250,419. Leases included in the lease receivable is the leased space above the water towers to several communication companies.

NOTE 15 - RESTATEMENTS AND ADJUSTMENTS OF BEGINNING FUND BALANCES

During the year ended December 31, 2024, the City's Ice Arena Special Revenue Fund was changed from a nonmajor governmental fund to a major governmental fund, resulting in a reduction of beginning fund balance for the nonmajor governmental funds of \$119,727.

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances	
	Ice Arena	Other Governmental Funds
12/31/2023, as previously reported	\$ -	\$ 3,202,640
Change from nonmajor to major	<u>119,727</u>	<u>(119,727)</u>
12/31/2023, as adjusted or restated	<u>\$ 119,727</u>	<u>\$ 3,082,913</u>

NOTE 16 - SUBSEQUENT EVENT

On June 2, 2025, the City issued \$4,500,000 of General Obligation Bonds, Series 2025A for capital improvements.

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REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN MD&A

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

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

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

December 31, 2022	December 31, 2023	December 31, 2024
\$ 101,368	\$ 75,533	\$ 102,211
87,994	86,580	138,275
159,560	-	725,473
27,580	(570,147)	179,052
<u>(362,095)</u>	<u>(481,240)</u>	<u>(502,817)</u>
<u>14,407</u>	<u>(889,274)</u>	<u>642,194</u>
<u>4,478,476</u>	<u>4,492,883</u>	<u>3,603,609</u>
<u>\$ 4,492,883</u>	<u>\$ 3,603,609</u>	<u>\$ 4,245,803</u>
\$ 8,799,920	\$ 9,063,918	\$ 10,764,160
51.06%	39.76%	39.44%

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

Schedule 2

For Fiscal Year Ended June 30,	City's Proportionate Share (Percentage) of the Net Pension Liability (Asset)	City's Proportionate Share (Amount) of the Net Pension Liability (Asset)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with the City	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.0723%	\$ 3,746,961	\$ -	\$ 3,746,961	\$ 4,181,240	89.6%	78.19%
2016	0.0671%	5,448,187	71,180	5,519,367	4,164,467	130.8%	68.91%
2017	0.0706%	4,507,057	56,664	4,563,721	4,547,520	99.1%	75.90%
2018	0.0697%	3,866,670	126,858	3,993,528	4,686,667	82.5%	79.53%
2019	0.0684%	3,781,683	117,495	3,899,178	4,839,880	78.1%	80.23%
2020	0.0710%	4,256,774	131,283	4,388,057	5,062,387	84.1%	79.06%
2021	0.0698%	2,980,773	91,113	3,071,886	5,026,427	59.3%	87.00%
2022	0.0695%	5,504,423	161,514	5,665,937	5,207,533	105.7%	76.67%
2023	0.0719%	4,020,567	110,860	4,131,427	5,715,507	70.3%	83.10%
2024	0.0729%	2,695,627	69,703	2,765,330	6,171,213	43.7%	89.08%

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

For Fiscal Year Ended June 30,	City's Proportion of the Net Pension Liability (Asset)	City's Proportionate Share of the Net Pension Liability (Asset)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with the City	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.3670%	\$ 4,169,979	N/A	\$ 4,169,979	\$ 3,267,043	127.64%	86.61%
2016	0.3900%	15,651,932	N/A	15,651,952	3,757,019	416.61%	63.88%
2017	0.3880%	5,203,542	N/A	5,203,542	3,980,438	130.73%	85.43%
2018	0.3693%	3,903,121	N/A	3,903,121	4,120,810	94.72%	88.84%
2019	0.3943%	4,144,492	N/A	4,144,492	4,066,897	101.91%	89.26%
2020	0.3783%	4,952,352	\$ 117,467	5,069,819	4,178,463	118.52%	87.19%
2021	0.3830%	2,921,884	132,903	3,054,787	4,526,390	64.55%	93.66%
2022	0.4063%	17,680,571	772,477	18,453,048	4,935,944	358.20%	70.53%
2023	0.4048%	6,990,370	281,573	7,271,943	5,315,768	131.50%	86.47%
2024	0.4209%	5,536,784	211,060	5,747,844	5,827,723	95.01%	90.17%

See notes to required supplementary information.

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

Schedule 3

Fiscal Year Ending December 31,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 323,987	\$ 323,987	\$ -	\$ 4,319,887	7.50%
2016	322,594	322,594	-	4,302,155	7.50%
2017	332,019	332,019	-	4,426,920	7.50%
2018	362,596	362,596	-	4,834,613	7.50%
2019	333,441	333,441	-	4,445,880	7.50%
2020	363,873	363,873	-	4,851,640	7.50%
2021	381,065	381,065	-	5,080,867	7.50%
2022	411,531	411,531	-	5,487,080	7.50%
2023	428,663	428,663	-	5,715,507	7.50%
2024	522,342	522,342	-	6,964,560	7.50%

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

Fiscal Year Ending December 31,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 514,007	\$ 514,007	\$ -	\$ 3,359,522	15.30%
2015	593,750	593,750	-	3,665,120	16.20%
2016	626,529	626,529	-	3,867,466	16.20%
2017	644,831	644,831	-	3,980,438	16.20%
2018	658,441	658,441	-	4,064,451	16.20%
2019	753,093	753,093	-	4,443,027	16.95%
2020	761,102	761,102	-	4,300,011	17.70%
2021	837,964	837,964	-	4,734,260	17.70%
2022	906,616	906,616	-	5,122,124	17.70%
2023	940,891	940,891	-	5,315,768	17.70%
2024	1,074,036	1,074,036	-	6,068,000	17.70%

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

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

Measurement Date					
December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023
\$ 111,448	\$ 100,316	\$ 107,881	\$ 103,489	\$ 106,076	\$ 156,730
165,333	141,474	137,263	132,832	135,835	188,352
(154,138)	-	(82,834)	-	(149,508)	189,636
(134,222)	-	-	-	(206,077)	-
-	100,388	131,954	-	766,193	-
(323,775)	(460,667)	(385,293)	(348,567)	(24,800)	(207,126)
(335,354)	(118,489)	(91,029)	(112,246)	627,719	327,592
2,925,793	2,590,439	2,471,950	2,380,921	2,268,675	2,896,394
<u>\$ 2,590,439</u>	<u>\$ 2,471,950</u>	<u>\$ 2,380,921</u>	<u>\$ 2,268,675</u>	<u>\$ 2,896,394</u>	<u>\$ 3,223,986</u>
\$ 187,040	\$ 192,649	\$ 205,703	\$ 215,715	\$ 220,587	\$ 244,079
244,368	220,150	248,986	270,175	300,130	689,798
(452,848)	519,294	289,121	233,367	(863,570)	-
(323,775)	(460,667)	(385,293)	(348,567)	(24,800)	(207,126)
(5,329)	(15,351)	(12,917)	(13,862)	(14,236)	-
-	-	-	-	-	4
(350,544)	456,075	345,600	356,828	(381,889)	726,755
4,320,919	3,970,375	4,426,450	4,772,050	5,128,878	4,746,989
<u>\$ 3,970,375</u>	<u>\$ 4,426,450</u>	<u>\$ 4,772,050</u>	<u>\$ 5,128,878</u>	<u>\$ 4,746,989</u>	<u>\$ 5,473,744</u>
<u>\$ (1,379,936)</u>	<u>\$ (1,954,500)</u>	<u>\$ (2,391,129)</u>	<u>\$ (2,860,203)</u>	<u>\$ (1,850,595)</u>	<u>\$ (2,249,758)</u>
153.3%	179.1%	200.4%	226.1%	163.9%	169.8%

See notes to required supplementary information.

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

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

<u>December 31, 2019</u>	<u>December 31, 2020</u>	<u>December 31, 2021</u>	<u>December 31, 2022</u>	<u>December 31, 2023</u>	<u>December 31, 2024</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 190,649</u>	<u>\$ 202,703</u>	<u>\$ 212,715</u>	<u>\$ 219,587</u>	<u>\$ 244,079</u>	<u>\$ 272,270</u>

City of Hastings
Notes to Required Supplementary Information

General Employees Fund

2024 Changes

Changes in Actuarial Assumptions.

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

Changes in Plan Provisions

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

2023 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- An additional one-time direct state aid contribution of \$170.1 million was contributed to the General Plan on October 1, 2023.
- The vesting period for those hired after June 30, 2010 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 was payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 Changes

Changes in Actuarial Assumptions

- The mortality improvement scale 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 changed from 7.5% to 6.5% for financial reporting purposes.
- The mortality improvement scale 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 decreased from 2.5% to 2.25%.

City of Hastings
Notes to Required Supplementary Information

General Employees Fund (Continued)

2020 Changes (Continued)

Changes in Actuarial Assumptions (Continued)

- The payroll growth assumption decreased from 3.25% to 3%.
- Assumed salary increase rates changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement 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 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 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 changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants 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 changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% joint & survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% joint and survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the life annuity option was adjusted accordingly.

Changes in Plan Provisions

- Augmentation for current privatized members decreased to 2% for the period July 1, 2020 through December 31, 2023 and 0% 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 changed prospectively, decreasing from \$31 million to \$21 million per year. The State's special funding contribution changed prospectively, requiring \$16 million due per year through 2031.

2018 Changes

Changes in Actuarial Assumptions

- The mortality projection scale changed from MP-2015 to MP-2017.
- The assumed benefit increase changed from 1% per year through 2044 and 2.5% per year thereafter to 1.25% per year.

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors was eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.

City of Hastings
Notes to Required Supplementary Information

General Employees Fund (Continued)

2018 Changes (Continued)

Changes in Plan Provisions (Continued)

- Interest credited on member contributions decreased from 4% to 3%, beginning July 1, 2018.
- Deferred augmentation changed to 0%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Annual increases changed from 1% per year with a provision to increase to 2.5% upon attainment of 90% funding ratio to 50% of the Social Security cost of living adjustment, between 1-1.5%, 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. This does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions

- The combined service annuity (CSA) loads changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA load are now 0% for active member liability, 15% for vested deferred member liability, and 3% for non-vested deferred member liability.
- The assumed annual increase rate changed from 1% per year for all years to 1% per year through 2044 and 2.5% per year thereafter.

Changes in Plan Provisions

- The State's contribution for the Minneapolis Employees Retirement Fund equals \$16.0 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 changed from 1% per year through 2035 and 2.5% per year thereafter to 1% per year for all years.
- The assumed investment return changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 7.5%.
- Other assumptions changed as recommended by the experience study June 30, 2015. The assumed future salary increases, payroll growth, and inflation decreased by 0.25% to 3.25% for payroll growth and 2.5% for inflation.

Changes in Plan Provisions

- There were no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions

- The assumed annual increase rate changed from 1% per year through 2030 and 2.5% per year thereafter to 1% per year through 2035 and 2.5% per year thereafter.

City of Hastings
Notes to Required Supplementary Information

General Employees Fund (Continued)

2015 Changes (Continued)

Changes in Plan Provisions

- On January 1, 2015, the Minneapolis Employees Retirement Fund merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6 million, which meets the special funding situation definition, was due September 2015.

City of Hastings
Notes to Required Supplementary Information

Police and Fire Fund

2024 Changes

Changes in Plan Provisions

- The State contribution of \$9.0 million per year will continue until the earlier of 1) both the Police and Fire Plan and the State Patrol Retirement Fund attain 90% funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90% funded status for one year.
- The additional \$9.0 million contribution will continue until the Police and Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

2023 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2022 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2021 Changes

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.5% to 6.5% for financial reporting purposes.
- The inflation assumption was changed from 2.5% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.0%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety mortality table. The mortality improvement scale was changed from MP-2019 to MP-2020.

City of Hastings
Notes to Required Supplementary Information

Police and Fire Fund (Continued)

2021 Changes (Continued)

Changes in Actuarial Assumptions (Continued)

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2020 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2019 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2018 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

City of Hastings
Notes to Required Supplementary Information

Police and Fire Fund (Continued)

2018 Changes

Changes in Plan Provisions Continued)

- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions

- Assumed salary increases were changed as recommended in the June 30, 2016, experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The CSA load was 30% for vested and non-vested deferred members. The CSA has been changed to 33% for vested members and 2% for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65% to 60%.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1% for all years to 1% per year through 2064 and 2.5% thereafter.
- The single discount rate was changed from 5.6% per annum to 7.5% per annum.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2016 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

City of Hastings
Notes to Required Supplementary Information

Police and Fire Fund (Continued)

2015 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

Hastings Fire Relief Association

2023 Changes

- The discount rate changed from 7.75% to 6.00%
- The fire relief assets changed from being self managed to managed by PERA

2022 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2020 Changes

Changes in Actuarial Assumptions

- There have been no changes since the prior valuation.

Changes in Plan Provisions

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

Post-Employment Health Care Plan

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

2024 Changes

- The discount rate was changed from 4.00% to 3.70%.
- The health care trend rates were changed to better anticipate short term and long term medical increases

2023 Changes

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

City of Hastings
Notes to Required Supplementary Information

Post-Employment Health Care Plan (Continued)

2022 Changes

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

2021 Changes

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

2020 Changes

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

2019 Changes

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

SUPPLEMENTARY INFORMATION

City of Hastings
Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended December 31, 2024

Statement 15

	Budgeted Amounts			Variance with Final Budget - Over (Under)
	Original	Final	Actual Amounts	
Revenues				
General property taxes	\$ 11,265,130	\$ 11,265,130	\$ 11,465,704	\$ 200,574
Lodging taxes	3,255	3,255	6,092	2,837
Special assessments	1,000	1,000	42,373	41,373
Licenses and permits	706,383	706,383	717,275	10,892
Intergovernmental revenues				
State - police aid	250,000	250,000	399,380	149,380
State - police training aid				
State- local government aid	1,277,478	1,277,478	1,391,865	114,387
State - market value credit	-	-	1,030	1,030
Federal grants and aids	-	636,394	552,527	(83,867)
Other grants and aids	818,908	2,709,655	971,222	(1,738,433)
Total intergovernmental revenues	<u>2,346,386</u>	<u>4,873,527</u>	<u>3,316,024</u>	<u>(1,557,503)</u>
Charges for services				
General government	147,584	147,584	503,261	355,677
Public safety	130,200	130,200	144,425	14,225
Public works	1,272,112	787,112	603,595	(183,517)
Health and sanitation	44,500	44,500	2,157	(42,343)
Total charges for services	<u>1,594,396</u>	<u>1,109,396</u>	<u>1,253,438</u>	<u>144,042</u>
Fines and forfeitures	100,500	100,500	79,185	(21,315)
Investment income	49,500	49,500	526,490	476,990
Other revenues	2,000	2,000	43,732	41,732
Total miscellaneous	<u>51,500</u>	<u>60,400</u>	<u>579,122</u>	<u>518,722</u>
Total revenues	<u>16,068,550</u>	<u>18,119,591</u>	<u>17,459,213</u>	<u>(660,378)</u>
Expenditures				
General Government				
Legal	267,500	267,500	209,619	(57,881)
Mayor, legislative, city administration	427,462	428,962	378,174	(50,788)
Finance and accounting	794,643	794,643	755,971	(38,672)
City clerk and elections	737,069	740,069	723,487	(16,582)
Planning and economic development	220,542	270,542	221,626	(48,916)
I. T.	869,877	912,910	810,085	(102,825)
Building maintenance	481,483	485,383	438,152	(47,231)
Miscellaneous	69,783	69,783	386,289	316,506
Capital outlay	73,660	2,706,858	2,529,363	(177,495)
Public safety				
Police	6,852,340	6,865,379	6,899,161	33,782
Building safety and code enforcement	976,259	976,259	923,815	(52,444)
Capital outlay	56,908	164,247	164,369	122
Public works				
Engineering	612,706	612,706	547,014	(65,692)
Street maintenance	1,023,223	1,723,223	869,805	(853,418)
Street lights	224,579	224,579	240,998	16,419
Capital outlay	1,675,000	1,675,000	1,540,093	(134,907)
Health and sanitation				
Reforestation	21,000	41,000	14,874	(26,126)
Recycling	2,000	2,000	-	(2,000)
Culture and recreation				
Senior center	82,203	82,203	95,355	13,152
LeDuc historic estate	110,961	125,961	91,057	(34,904)
Total expenditures	<u>15,579,198</u>	<u>19,169,207</u>	<u>17,839,307</u>	<u>(1,329,900)</u>
Excess of revenues over (under) expenditures	489,352	(1,049,616)	(380,094)	669,522
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	-	104,770	104,770
Bonds issued	-	-	570,000	570,000
Insurance recoveries	-	-	4,770	4,770
Bond premium	-	-	61,941	61,941
Transfers in	554,092	569,092	323,951	(245,141)
Transfers out	(1,152,431)	(1,152,431)	(1,152,431)	-
Total other financing sources (uses)	<u>(598,339)</u>	<u>(583,339)</u>	<u>(86,999)</u>	<u>496,340</u>
Net change in fund balances	(108,987)	(1,632,955)	(467,093)	1,165,862
Fund Balances				
Beginning of year	10,242,658	10,242,658	10,242,658	-
End of year	<u>\$ 10,133,671</u>	<u>\$ 8,609,703</u>	<u>\$ 9,775,565</u>	<u>\$ 1,165,862</u>

City of Hastings
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual -
Debt Service Fund
Year Ended December 31, 2024

Statement 16

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
General property taxes	\$ 2,041,338	\$ 2,041,338	\$ 1,858,827	\$ (182,511)
Special assessments	246,167	246,167	894,222	648,055
Investment income	-	-	192,563	192,563
Total revenues	<u>2,287,505</u>	<u>2,287,505</u>	<u>2,945,612</u>	<u>658,107</u>
Expenditures				
Debt service				
Principal	3,425,000	3,425,000	2,525,000	(900,000)
Interest and fiscal charges	1,693,174	1,693,174	669,420	(1,023,754)
Total expenditures	<u>5,118,174</u>	<u>5,118,174</u>	<u>3,194,420</u>	<u>(1,923,754)</u>
Excess of revenues over (under) expenditures	(2,830,669)	(2,830,669)	(248,808)	2,581,861
Other Financing Sources				
Transfers in	<u>1,110,701</u>	<u>1,110,701</u>	<u>199,500</u>	<u>(911,201)</u>
Net change in fund balance	<u>\$ (1,719,968)</u>	<u>\$ (1,719,968)</u>	(49,308)	<u>\$ 1,670,660</u>
Fund Balance				
Beginning of year			<u>5,592,755</u>	
End of year			<u>\$ 5,543,447</u>	

City of Hastings
Combining Balance Sheet -
Nonmajor Governmental Funds
December 31, 2024

Statement 17

	Special Revenue	Capital Projects	Permanent	Nonmajor Governmental Funds
Assets				
Cash and investments	\$ 1,601,550	\$ 918,352	\$ 238,862	\$ 2,758,764
Cash with fiscal agent	-	-	824,659	824,659
Interest receivable	4,250	1,467	665	6,382
Due from other governments	94,932	-	-	94,932
Accounts receivable	102,327	8,500	-	110,827
Due from other funds	13	-	-	13
Property taxes receivable	176,640	-	-	176,640
Inventory	1,970	-	-	1,970
Prepaid items	273	-	-	273
	<u>\$ 1,981,955</u>	<u>\$ 928,319</u>	<u>\$ 1,064,186</u>	<u>\$ 3,974,460</u>
Liabilities				
Accounts payable	\$ 177,066	\$ 86,558	\$ -	\$ 263,624
Due to other governments	-	2,824	-	2,824
Deposits payable	-	327,170	-	327,170
Salaries and benefits payable	60,228	-	-	60,228
Unearned revenue	3,884	-	-	3,884
Due to other funds	13	118,347	-	118,360
Total liabilities	<u>241,191</u>	<u>534,899</u>	<u>-</u>	<u>776,090</u>
Deferred Inflows of Resources				
Unavailable revenue - taxes and assessments	<u>26,562</u>	<u>-</u>	<u>-</u>	<u>26,562</u>
Fund Balances				
Nonspendable				
Prepays	273	-	-	273
Inventories	1,970	-	-	1,970
Permanent endowment	-	-	200,000	200,000
Restricted				
Police activities	54,569	-	-	54,569
Tax increment financing	-	82,323	-	82,323
Leduc historic estate	-	-	864,186	864,186
Escrow	-	43,892	-	43,892
Committed				
Park maintenance	837,794	-	-	837,794
Aquatic operations	540,316	-	-	540,316
Cable TV activities	146,966	-	-	146,966
Heritage preservation activities	132,314	-	-	132,314
Assigned				
Capital	-	393,646	-	393,646
Unassigned				
	<u>-</u>	<u>(126,441)</u>	<u>-</u>	<u>(126,441)</u>
Total fund balances	<u>1,714,202</u>	<u>393,420</u>	<u>1,064,186</u>	<u>3,171,808</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 1,981,955</u>	<u>\$ 928,319</u>	<u>\$ 1,064,186</u>	<u>\$ 3,974,460</u>

City of Hastings
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Governmental Funds
Year Ended December 31, 2024

Statement 18

	Special Revenue	Capital Projects	Permanent	Total Nonmajor Governmental Funds
Revenues				
General property taxes	\$ 2,222,165	\$ -	\$ -	\$ 2,222,165
Tax increment collections	-	158,647	-	158,647
Intergovernmental	59,276	-	-	59,276
Charges for services	793,713	-	-	793,713
Investment income	64,821	21,861	96,803	183,485
Contributions and donations	66,854	-	-	66,854
Miscellaneous	842	-	-	842
Total revenues	<u>3,207,671</u>	<u>180,508</u>	<u>96,803</u>	<u>3,484,982</u>
Expenditures				
Current				
Public safety	4,919	-	-	4,919
Culture and recreation	3,037,898	-	14,935	3,052,833
Economic development	-	163,742	-	163,742
Debt service				
Interest and other charges	-	6,942	-	6,942
Capital outlay				
Public works	-	66,411	-	66,411
Culture and recreation	131,423	-	-	131,423
Total expenditures	<u>3,174,240</u>	<u>237,095</u>	<u>14,935</u>	<u>3,426,270</u>
Excess of revenues over (under) expenditures	33,431	(56,587)	81,868	58,712
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	23,853	-	-	23,853
Transfers in	55,712	100,000	-	155,712
Transfers out	(37,769)	(70,712)	(40,901)	(149,382)
Total other financing sources (uses)	<u>41,796</u>	<u>29,288</u>	<u>(40,901)</u>	<u>30,183</u>
Net change in fund balances	75,227	(27,299)	40,967	88,895
Fund Balances				
Beginning of year	1,758,702	420,719	1,023,219	3,202,640
Nonmajor fund to major (See Note 15)	(119,727)	-	-	(119,727)
Beginning of year, restated	<u>1,638,975</u>	<u>420,719</u>	<u>1,023,219</u>	<u>3,082,913</u>
End of year	<u>\$ 1,714,202</u>	<u>\$ 393,420</u>	<u>\$ 1,064,186</u>	<u>\$ 3,171,808</u>

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City of Hastings
Non-Major Governmental Funds
Special Revenue Funds

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

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

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

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

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

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

City of Hastings
Combining Balance Sheet -
Nonmajor Special Revenue Funds
December 31, 2024

	Special Revenue			
	Parks and Rec (200)	Cable Television (205-206)	Heritage Preservation (210)	DUI Enforcement/ Equipment (222)
Assets				
Cash and investments	\$ 751,359	\$ 144,772	\$ 129,294	\$ 54,324
Interest receivable	1,861	406	346	151
Due from other governments	94,932	-	-	-
Accounts receivable	31,881	69,780	-	-
Due from other funds	-	-	-	-
Property taxes receivable	148,965	-	3,446	113
Inventory	1,970	-	-	-
Prepaid items	273	-	-	-
	<u>\$ 1,031,241</u>	<u>\$ 214,958</u>	<u>\$ 133,086</u>	<u>\$ 54,588</u>
Liabilities				
Accounts payable	\$ 109,902	\$ 66,844	\$ 129	\$ -
Salaries payable	57,432	1,148	129	-
Due to other funds	13	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>167,347</u>	<u>67,992</u>	<u>258</u>	<u>-</u>
Deferred Inflows of Resources				
Unavailable revenue - taxes and assessments	<u>23,857</u>	<u>-</u>	<u>514</u>	<u>19</u>
Fund Balances				
Nonspendable				
Prepays	273	-	-	-
Inventories	1,970	-	-	-
Restricted				
Police activities	-	-	-	54,569
Committed				
Park maintenance	837,794	-	-	-
Aquatic operations	-	-	-	-
Cable TV activities	-	146,966	-	-
Heritage preservation activities	-	-	132,314	-
Total fund balances	<u>840,037</u>	<u>146,966</u>	<u>132,314</u>	<u>54,569</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,031,241</u>	<u>\$ 214,958</u>	<u>\$ 133,086</u>	<u>\$ 54,588</u>

<u>Special Revenue</u>	
<u>Aquatic Center (201)</u>	<u>Total</u>
\$ 521,801	\$ 1,601,550
1,486	4,250
-	94,932
666	102,327
13	13
24,116	176,640
-	1,970
-	273
<u>\$ 548,082</u>	<u>\$ 1,981,955</u>
\$ 191	\$ 177,066
1,519	60,228
-	13
3,884	3,884
<u>5,594</u>	<u>241,191</u>
<u>2,172</u>	<u>26,562</u>
-	273
-	1,970
-	54,569
-	837,794
540,316	540,316
-	146,966
-	132,314
<u>540,316</u>	<u>1,714,202</u>
<u>\$ 548,082</u>	<u>\$ 1,981,955</u>

City of Hastings
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
Nonmajor Special Revenue Funds
Year Ended December 31, 2024

	Special Revenue			
	Parks and Rec (200)	Cable Television (205-206)	Heritage Preservation (210)	Ice Arena (615)
Revenues				
General property taxes	\$ 1,876,316	\$ -	\$ 40,800	\$ -
Intergovernmental	59,276	-	-	-
Charges for services	188,265	289,626	-	-
Investment income	23,238	8,053	5,898	-
Contributions and donations	66,600	-	254	-
Miscellaneous	407	-	435	-
Total revenues	<u>2,214,102</u>	<u>297,679</u>	<u>47,387</u>	<u>-</u>
Expenditures				
Current				
Public safety	-	-	-	-
Culture and recreation	2,194,660	298,966	39,583	-
Capital outlay				
Culture and recreation	98,925	-	-	-
Total expenditures	<u>2,293,585</u>	<u>298,966</u>	<u>39,583</u>	<u>-</u>
Excess of revenues over (under) expenditures	(79,483)	(1,287)	7,804	-
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	23,853	-	-	-
Transfers in	55,712	-	-	-
Transfers out	(28,569)	(381)	(517)	-
Total other financing sources (uses)	<u>50,996</u>	<u>(381)</u>	<u>(517)</u>	<u>-</u>
Net change in fund balances	(28,487)	(1,668)	7,287	-
Fund Balances				
Beginning of year	868,524	148,634	125,027	119,727
Nonmajor fund to major (See Note 14)	-	-	-	(119,727)
Beginning of year, restated	<u>868,524</u>	<u>148,634</u>	<u>125,027</u>	<u>-</u>
End of year	<u>\$ 840,037</u>	<u>\$ 146,966</u>	<u>\$ 132,314</u>	<u>\$ -</u>

Special Revenue		
DUI Enforcement/ Equipment (222)	Aquatic Center (201)	Total
\$ 1,401	\$ 303,648	\$ 2,222,165
-	-	59,276
-	315,822	793,713
2,782	24,850	64,821
-	-	66,854
-	-	842
<u>4,183</u>	<u>644,320</u>	<u>3,207,671</u>
4,919	-	4,919
-	504,689	3,037,898
-	32,498	131,423
<u>4,919</u>	<u>537,187</u>	<u>3,174,240</u>
(736)	107,133	33,431
-	-	23,853
-	-	55,712
-	(8,302)	(37,769)
<u>-</u>	<u>(8,302)</u>	<u>41,796</u>
(736)	98,831	75,227
55,305	441,485	1,758,702
-	-	(119,727)
<u>55,305</u>	<u>441,485</u>	<u>1,638,975</u>
<u>\$ 54,569</u>	<u>\$ 540,316</u>	<u>\$ 1,714,202</u>

City of Hastings
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual -
Parks and Recreation Special Revenue Fund
Year Ended December 31, 2024

Statement 21

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Property taxes	\$ 1,876,820	\$ 1,876,820	\$ 1,876,316	\$ (504)
Other grants and aids	-	78,678	59,276	(19,402)
Charges for services	97,500	97,500	188,265	90,765
Investment income	10,000	10,000	23,238	13,238
Contributions and donations	8,200	74,800	66,600	(8,200)
Miscellaneous	-	-	407	407
Total revenues	<u>1,992,520</u>	<u>2,137,798</u>	<u>2,214,102</u>	<u>76,304</u>
Expenditures				
Current				
Culture and recreation	2,113,571	2,348,650	2,194,660	(153,990)
Capital outlay				
Culture and recreation	100,380	137,330	98,925	(38,405)
Total expenditures	<u>2,213,951</u>	<u>2,485,980</u>	<u>2,293,585</u>	<u>(192,395)</u>
Excess of revenues over (under) expenditures	(221,431)	(348,182)	(79,483)	268,699
Other Financing Sources (Uses)				
Sale of city property	-	-	23,853	23,853
Transfers in	-	55,712	55,712	-
Transfers out	(28,569)	(28,569)	(28,569)	-
Total other financing sources (uses)	<u>(28,569)</u>	<u>27,143</u>	<u>50,996</u>	<u>23,853</u>
Net change in fund balance	<u>\$ (250,000)</u>	<u>\$ (321,039)</u>	(28,487)	<u>\$ 292,552</u>
Fund Balance				
Beginning of year			<u>868,524</u>	
End of year			<u>\$ 840,037</u>	

City of Hastings
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual -
Cable Television Special Revenue Fund
Year Ended December 31, 2024

Statement 22

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Charges for services	\$ 350,000	\$ 350,000	\$ 289,626	\$ (60,374)
Investment income	2,338	2,338	8,053	5,715
Total revenues	<u>352,338</u>	<u>352,338</u>	<u>297,679</u>	<u>(54,659)</u>
Expenditures				
Current				
Culture and recreation	<u>356,412</u>	<u>356,412</u>	<u>298,966</u>	<u>(57,446)</u>
Excess of revenues over (under) expenditures	(4,074)	(4,074)	(1,287)	2,787
Other Financing Uses				
Transfers out	<u>(381)</u>	<u>(381)</u>	<u>(381)</u>	<u>-</u>
Net change in fund balance	<u>\$ (4,455)</u>	<u>\$ (4,455)</u>	<u>(1,668)</u>	<u>\$ 2,787</u>
Fund Balance				
Beginning of year			<u>148,634</u>	
End of year			<u>\$ 146,966</u>	

City of Hastings
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual -
Heritage Preservation Special Revenue Fund
Year Ended December 31, 2024

Statement 23

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Property taxes	\$ 40,816	\$ 40,816	\$ 40,800	\$ (16)
Investment income	1,200	1,200	5,898	4,698
Contributions and donations	-	-	254	254
Miscellaneous	400	400	435	35
Total revenues	<u>42,416</u>	<u>42,416</u>	<u>47,387</u>	<u>4,971</u>
Expenditures				
Current				
Culture and recreation	<u>41,899</u>	<u>42,631</u>	<u>39,583</u>	<u>(3,048)</u>
Excess of revenues over (under) expenditures	517	(215)	7,804	8,019
Other Financing Uses				
Transfer out	<u>(517)</u>	<u>(517)</u>	<u>(517)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (732)</u>	7,287	<u>\$ 8,019</u>
Fund Balance				
Beginning of year			<u>125,027</u>	
End of year			<u>\$ 132,314</u>	

City of Hastings
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual -
DUI Enforcement/Equipment Special Revenue Fund
Year Ended December 31, 2024

Statement 24

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 1,400	\$ 1,400	\$ 1,401	\$ 1
Investment income	200	200	2,782	2,582
Total revenues	<u>1,600</u>	<u>1,600</u>	<u>4,183</u>	<u>2,583</u>
Expenditures				
Current				
Public Safety	<u>1,600</u>	<u>1,600</u>	<u>4,919</u>	<u>3,319</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	(736)	<u>\$ (736)</u>
Fund Balance				
Beginning of year			<u>55,305</u>	
End of year			<u>\$ 54,569</u>	

City of Hastings
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual -
Aquatic Center Special Revenue Fund
Year Ended December 31, 2024

Statement 25

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Property taxes	\$ 303,720	\$ 303,720	\$ 303,648	\$ (72)
Charges for services	256,300	256,300	315,822	59,522
Investment income	1,500	1,500	24,850	23,350
Total revenues	561,520	561,520	644,320	82,800
Expenditures				
Current				
Culture and recreation	548,218	548,218	504,689	(43,529)
Capital outlay				
Culture and recreation	42,000	42,000	32,498	(9,502)
Total expenditures	590,218	590,218	537,187	(53,031)
Excess of revenues over (under) expenditures	(28,698)	(28,698)	107,133	135,831
Other Financing				
Transfers out	(8,302)	(8,302)	(8,302)	-
Net change in fund balance	\$ (37,000)	\$ (37,000)	98,831	\$ 135,831
Fund Balance				
Beginning of year			441,485	
End of year			\$ 540,316	

City of Hastings
Non-Major Governmental Funds
Capital Projects Funds

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

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

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

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

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

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

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

TIF 9 Block 28 Capital Projects Fund - This fund accounts for the activities the Block 28 Tax Increment Financing District.

2025 Street Improvement Capital Projects Fund - This fund accounts for the activities of the 2025 street improvement project.

Permanent Fund

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

City of Hastings
Combining Balance Sheet -
Nonmajor Capital Projects Funds
December 31, 2024

	Capital Projects			
	Budget Stabilization (403)	Guardian Angels Tax Increment Financing (405)	Schoolhouse Square Tax Increment Financing (412)	Public Works Cold Storage Building (416)
Assets				
Cash and investments	\$ 393,433	\$ 53,161	\$ 41,341	\$ 212
Accounts receivable	-	-	-	-
Interest receivable	-	148	115	1
	<u>\$ 393,433</u>	<u>\$ 53,309</u>	<u>\$ 41,456</u>	<u>\$ 213</u>
Liabilities				
Accounts payable	\$ -	\$ 40,915	\$ 37,989	\$ -
Due to other funds	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	682	682	-
Total liabilities	<u>-</u>	<u>41,597</u>	<u>38,671</u>	<u>-</u>
Fund Balances				
Restricted				
Tax increment financing	-	11,712	2,785	-
Escrow	-	-	-	-
Assigned				
Capital	393,433	-	-	213
Unassigned	-	-	-	-
Total fund balances	<u>393,433</u>	<u>11,712</u>	<u>2,785</u>	<u>213</u>
Total liabilities and fund balances	<u>\$ 393,433</u>	<u>\$ 53,309</u>	<u>\$ 41,456</u>	<u>\$ 213</u>

Capital Projects				
Escrow (807)	Hudson Sprayers Tax Increment Financing (411)	TIF 9 Block 28 (413)	2025 Street Improvement (430)	Total
\$ 361,792	\$ 68,413	\$ -	\$ -	\$ 918,352
8,500	-	-	-	8,500
1,012	191	-	-	1,467
<u>\$ 371,304</u>	<u>\$ 68,604</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 928,319</u>
\$ 242	\$ -	\$ 1,710	\$ 5,702	\$ 86,558
-	-	57,638	60,709	118,347
327,170	-	-	-	327,170
-	778	682	-	2,824
<u>327,412</u>	<u>778</u>	<u>60,030</u>	<u>66,411</u>	<u>534,899</u>
-	67,826	-	-	82,323
43,892	-	-	-	43,892
-	-	-	-	393,646
-	-	(60,030)	(66,411)	(126,441)
<u>43,892</u>	<u>67,826</u>	<u>(60,030)</u>	<u>(66,411)</u>	<u>393,420</u>
<u>\$ 371,304</u>	<u>\$ 68,604</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 928,319</u>

City of Hastings
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
Nonmajor Capital Projects Funds
Year Ended December 31, 2024

	Capital Projects			
	Budget Stabilization (403)	Guardian Angels Tax Increment Financing (405)	NAPA Tax Increment Financing (408)	Schoolhouse Square Tax Increment Financing (412)
Revenues				
Tax increment collections	\$ -	\$ 24,616	\$ 9,103	\$ 73,437
Investment income	70	1,941	185	747
Total revenues	<u>70</u>	<u>26,557</u>	<u>9,288</u>	<u>74,184</u>
Expenditures				
Current				
Economic development	-	40,915	15,279	71,036
Debt service				
Interest and other charges	-	1,881	1,200	1,882
Capital outlay				
Public works	-	-	-	-
Total expenditures	<u>-</u>	<u>42,796</u>	<u>16,479</u>	<u>72,918</u>
Excess of revenues over (under) expenditures	70	(16,239)	(7,191)	1,266
Other Financing Sources (Uses)				
Transfers in	100,000	-	-	-
Transfers out	(70,712)	-	-	-
Total other financing sources (uses)	<u>29,288</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	29,358	(16,239)	(7,191)	1,266
Fund Balances				
Beginning of year	<u>364,075</u>	<u>27,951</u>	<u>7,191</u>	<u>1,519</u>
End of year	<u>\$ 393,433</u>	<u>\$ 11,712</u>	<u>\$ -</u>	<u>\$ 2,785</u>

Capital Projects

Public Works Cold Storage Building (416)	Escrow (807)	Hudson Sprayers Tax Increment Financing (411)	TIF 9 Block 28 (413)	2025 Street Improvement (430)	Total
\$ -	\$ -	\$ 51,491	\$ -	\$ -	\$ 158,647
14	17,060	1,844	-	-	21,861
<u>14</u>	<u>17,060</u>	<u>53,335</u>	<u>-</u>	<u>-</u>	<u>180,508</u>
-	-	-	36,512	-	163,742
-	-	1,979	-	-	6,942
-	-	-	-	66,411	66,411
<u>-</u>	<u>-</u>	<u>1,979</u>	<u>36,512</u>	<u>66,411</u>	<u>237,095</u>
14	17,060	51,356	(36,512)	(66,411)	(56,587)
-	-	-	-	-	100,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(70,712)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,288</u>
14	17,060	51,356	(36,512)	(66,411)	(27,299)
199	26,832	16,470	(23,518)	-	420,719
<u>\$ 213</u>	<u>\$ 43,892</u>	<u>\$ 67,826</u>	<u>\$ (60,030)</u>	<u>\$ (66,411)</u>	<u>\$ 393,420</u>

City of Hastings
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual -
Park Projects Capital Projects Fund
Year Ended December 31, 2024

Statement 28

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 321,836	\$ 321,836
Investment income	-	-	29,224	29,224
Total revenues	<u>-</u>	<u>-</u>	<u>351,060</u>	<u>351,060</u>
Expenditures				
Current				
Culture and recreation	-	4,270	5,501	1,231
Capital outlay				
Cultural and recreation	393,000	871,884	1,295,865	423,981
Total expenditures	<u>393,000</u>	<u>876,154</u>	<u>1,301,366</u>	<u>425,212</u>
Excess of revenues over (under) expenditures	(393,000)	(876,154)	(950,306)	(74,152)
Other Financing Sources				
Transfers in	393,000	393,000	393,000	-
Net change in fund balance	<u>\$ -</u>	<u>\$ (483,154)</u>	<u>(557,306)</u>	<u>\$ (74,152)</u>
Fund Balance				
Beginning of year			<u>1,183,551</u>	
End of year			<u>\$ 626,245</u>	

City of Hastings
 Combining Balance Sheet -
 Nonmajor Permanent Fund
 December 31, 2024

Statement 29

C. Simmons
 Trust (850)

Assets		
Cash and investments	\$	238,862
Cash with fiscal agent		824,659
Interest receivable		<u>665</u>
Total assets		<u><u>\$ 1,064,186</u></u>
Fund Balances		
Nonspendable		
Endowment		200,000
Restricted		
Leduc Historic Estate		<u>864,186</u>
Total fund balances		<u><u>\$ 1,064,186</u></u>

City of Hastings
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances -
Nonmajor Permanent Fund
Year Ended December 31, 2024

Statement 30

C. Simmons
Trust (850)

Revenues	
Investment income	\$ 96,803
Expenditures	
Current	
Cultural and recreation	14,935
Excess of revenues over (under) expenditures	81,868
Other Financing Uses	
Transfers out	(40,901)
Net change in fund balances	40,967
Fund Balances	
Beginning of year	1,023,219
End of year	\$ 1,064,186

City of Hastings
Internal Service Funds

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

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

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

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

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

City of Hastings
Statement of Net Position - Internal Service Funds
December 31, 2024

Statement 31

	Compensated Absences (702)	Retiree Health Insurance (701)	Vehicle Revolving Fund (703)	Insurance Fund (705)	Total
Assets					
Current assets					
Cash and cash equivalents	\$ 481,741	\$ 210,480	\$ 776,122	\$ 1,198,626	\$ 2,666,969
Taxes receivable	-	-	26,728	-	26,728
Interest receivable	1,139	477	2,138	2,599	6,353
Total current assets	<u>482,880</u>	<u>210,957</u>	<u>804,988</u>	<u>1,201,225</u>	<u>2,700,050</u>
Noncurrent assets					
Capital assets, not being depreciated					
Construction in progress	-	-	126,293	-	126,293
Capital assets, being depreciated					
Lease equipment	-	-	275,931	-	275,931
Equipment	-	-	2,985,570	50,902	3,036,472
Less accumulated depreciation	-	-	(1,087,575)	(13,150)	(1,100,725)
Net capital assets	<u>-</u>	<u>-</u>	<u>2,300,219</u>	<u>37,752</u>	<u>2,337,971</u>
Total assets	<u>482,880</u>	<u>210,957</u>	<u>3,105,207</u>	<u>1,238,977</u>	<u>5,038,021</u>
Deferred Outflows of Resources					
OPEB	<u>-</u>	<u>1,639,051</u>	<u>-</u>	<u>-</u>	<u>1,639,051</u>
Total assets and deferred outflows of resources	<u>\$ 482,880</u>	<u>\$ 1,850,008</u>	<u>\$ 3,105,207</u>	<u>\$ 1,238,977</u>	<u>\$ 6,677,072</u>
Liabilities					
Current liabilities					
Accounts payable	\$ -	\$ -	\$ 11,961	\$ 818	\$ 12,779
Interest payable	-	-	91	-	91
Unearned revenue	-	-	4,396	-	4,396
Compensated absences	146,610	-	-	-	146,610
Total OPEB liability	-	482,934	-	-	482,934
Lease payable	-	-	51,757	-	51,757
Total current liabilities	<u>146,610</u>	<u>482,934</u>	<u>68,205</u>	<u>818</u>	<u>698,567</u>
Noncurrent liabilities					
Compensated absences	2,427,494	-	-	-	2,427,494
Total OPEB liability	-	3,300,076	-	-	3,300,076
Lease payable	-	-	175,011	-	175,011
Total noncurrent liabilities	<u>2,427,494</u>	<u>3,300,076</u>	<u>175,011</u>	<u>-</u>	<u>5,902,581</u>
Total liabilities	<u>2,574,104</u>	<u>3,783,010</u>	<u>243,216</u>	<u>818</u>	<u>6,601,148</u>
Deferred Inflows of Resources					
OPEB	<u>-</u>	<u>399,072</u>	<u>-</u>	<u>-</u>	<u>399,072</u>
Net Position					
Net investment in capital assets	-	-	2,073,451	37,752	2,111,203
Unrestricted	(2,091,224)	(2,332,074)	788,540	1,200,407	(2,434,351)
Total net position	<u>(2,091,224)</u>	<u>(2,332,074)</u>	<u>2,861,991</u>	<u>1,238,159</u>	<u>(323,148)</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 482,880</u>	<u>\$ 1,850,008</u>	<u>\$ 3,105,207</u>	<u>\$ 1,238,977</u>	<u>\$ 6,677,072</u>

City of Hastings
Statement of Revenues, Expenses, and Changes
in Fund Net Position - Internal Service Funds
Year Ended December 31, 2024

Statement 32

	Compensated Absences (702)	Retiree Health Insurance (701)	Vehicle Revolving Fund (703)	Insurance Fund (705)	Total
Operating Revenues					
Charges for services	\$ -	\$ -	\$ 142,054	\$ 1,062,981	\$ 1,205,035
Operating Expenses					
Personnel services	610,876	274,072	-	-	884,948
Repairs and maintenance	-	-	31,878	-	31,878
Professional services	-	-	-	951,168	951,168
Depreciation/amortization	-	-	353,920	2,545	356,465
Miscellaneous	-	-	-	17,362	17,362
Total operating expenses	<u>610,876</u>	<u>274,072</u>	<u>385,798</u>	<u>971,075</u>	<u>2,241,821</u>
Operating income (loss)	(610,876)	(274,072)	(243,744)	91,906	(1,036,786)
Nonoperating Revenues (Expenses)					
Investment income	14,224	8,546	38,151	25,792	86,713
Property taxes	-	-	335,098	-	335,098
Interest expense	-	-	(10,884)	-	(10,884)
Total nonoperating revenues	<u>14,224</u>	<u>8,546</u>	<u>362,365</u>	<u>25,792</u>	<u>410,927</u>
Income (loss) before transfers	(596,652)	(265,526)	118,621	117,698	(625,859)
Transfers in	<u>300,000</u>	<u>277,700</u>	<u>81,100</u>	<u>-</u>	<u>658,800</u>
Change in net position	(296,652)	12,174	199,721	117,698	32,941
Net Position					
Beginning of year	<u>(1,794,572)</u>	<u>(2,344,248)</u>	<u>2,662,270</u>	<u>1,120,461</u>	<u>(356,089)</u>
End of year	<u>\$ (2,091,224)</u>	<u>\$ (2,332,074)</u>	<u>\$ 2,861,991</u>	<u>\$ 1,238,159</u>	<u>\$ (323,148)</u>

City of Hastings
Statement of Cash Flows - Internal Service Funds
Year Ended December 31, 2024

	Internal Service Funds		
	Compensated Absences (702)	Retiree Health Insurance (701)	Vehicle Revolving Fund (703)
Cash Flows - Operating Activities			
Interfund services provided and used	\$ -	\$ -	\$ 143,051
Payments to suppliers for goods and services	-	(71,335)	(31,878)
Payments to employees for services	(45,997)	(274,072)	-
Net cash flows - operating activities	<u>(45,997)</u>	<u>(345,407)</u>	<u>111,173</u>
Cash Flows - Noncapital Financing Activities			
Property taxes	-	-	337,032
Transfer in	300,000	277,700	81,100
Net cash flows - noncapital financing activities	<u>300,000</u>	<u>277,700</u>	<u>418,132</u>
Cash Flows - Capital and Related Financing Activities			
Principal paid on debt	-	-	(49,163)
Interest paid on debt	-	-	(10,884)
Acquisition of capital assets	-	-	(724,648)
Net cash flows - capital and related financing activities	<u>-</u>	<u>-</u>	<u>(784,695)</u>
Cash Flows - Investing Activities			
Investment income	13,553	8,733	39,207
Net change in cash and cash equivalents	267,556	(58,974)	(216,183)
Cash and Cash Equivalents			
Beginning of year	214,185	269,454	992,305
End of year	<u>\$ 481,741</u>	<u>\$ 210,480</u>	<u>\$ 776,122</u>
Reconciliation of Operating Income (Loss) to Net Cash Flows - Operating Activities			
Operating income (loss)	\$ (610,876)	\$ (274,072)	\$ (243,744)
Adjustments to reconcile operating income (loss) to net cash flows - operating activities			
Depreciation	-	-	353,920
OPEB expense	-	(71,335)	-
Accounts payable	-	-	-
Unearned revenue	-	-	997
Compensated absences payable	564,879	-	-
Total adjustments	<u>564,879</u>	<u>(71,335)</u>	<u>354,917</u>
Net cash flows - operating activities	<u>\$ (45,997)</u>	<u>\$ (345,407)</u>	<u>\$ 111,173</u>
Noncash Capital and Related Financing Activities			
Lease asset acquisition	\$ -	\$ -	\$ 274,510
Lease issuance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 275,931</u>

Internal Service Funds	
Insurance Fund (705)	Total
\$ 1,062,981	\$ 1,206,032
(967,712)	(1,070,925)
-	(320,069)
<u>95,269</u>	<u>(184,962)</u>
-	337,032
-	658,800
-	<u>995,832</u>
-	(49,163)
-	(10,884)
-	<u>(724,648)</u>
-	<u>(784,695)</u>
<u>25,864</u>	<u>87,357</u>
121,133	113,532
<u>1,077,493</u>	<u>2,553,437</u>
<u>\$ 1,198,626</u>	<u>\$ 2,666,969</u>
\$ 91,906	\$ (1,036,786)
2,545	356,465
-	(71,335)
818	818
-	997
-	564,879
<u>3,363</u>	<u>851,824</u>
<u>\$ 95,269</u>	<u>\$ (184,962)</u>
<u>\$ -</u>	<u>\$ 274,510</u>
<u>\$ -</u>	<u>\$ 275,931</u>

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COMPONENT UNIT

City of Hastings
Component Unit Hastings Economic Development and Redevelopment Authority
Balance Sheet
December 31, 2024

Statement 34

Assets	
Cash and investments	\$ 227,603
Accounts receivable	2,428
Interest receivable	671
Due from other governments	1,663,239
Property taxes receivable	30,726
Loan receivable	127,781
Land held for resale	<u>3,759,090</u>
Total assets	<u><u>\$ 5,811,538</u></u>
Liabilities	
Accounts payable	\$ 11,733
Due to other governments	1,663,239
Salaries and benefits payable	<u>12,913</u>
Total liabilities	<u><u>1,687,885</u></u>
Fund Balances	
Nonspendable	
Loan receivable	127,781
Unassigned	<u>3,995,872</u>
Total fund balances	<u><u>4,123,653</u></u>
Total liabilities and fund balances	<u><u>\$ 5,811,538</u></u>

City of Hastings
Hastings Economic Development And Redevelopment Authority
Reconciliation of The Balance Sheet to The Statement of Net Position
December 31, 2024

Statement 35

Total fund balances - governmental funds	\$ 4,123,653
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.	76,998
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.	
OPEB Liability	(76,425)
Net pension liability	(104,605)
Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to pensions that are not recognized in the governmental funds.	
Deferred inflows of resources related to city pensions	(70,225)
Deferred outflows of resources related to city pensions	25,732
Deferred inflows of resources related to OPEB	(8,064)
Deferred outflows of resources related to OPEB	33,113
	33,113
Total net position - governmental activities	\$ 4,000,177

City of Hastings
Hastings Economic and Redevelopment Authority
Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Year Ended December 31, 2024

Statement 36

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Property taxes	\$ 508,989	\$ 508,989	\$ 508,508	\$ (481)
Charges for services	54,300	54,300	12,976	(41,324)
Investment income	20,000	20,000	36,365	16,365
Miscellaneous	-	-	7,950	7,950
Total revenues	583,289	583,289	565,799	(17,490)
Expenditures				
Current				
Economic development				
Personnel services	306,374	306,374	298,701	(7,673)
Services and charges	225,134	225,134	38,550	(186,584)
Miscellaneous	687,013	687,013	96,323	(590,690)
Payment to primary government	26,442	26,442	26,423	(19)
Capital outlay				
Economic development	100,000	191,318	364,913	173,595
Total expenditures	1,344,963	1,436,281	824,910	(611,371)
Net change in fund balance	\$ (761,674)	\$ (852,992)	(259,111)	\$ 593,881
Fund Balance				
Beginning of year			4,382,764	
End of year			\$ 4,123,653	

City of Hastings
Hastings Economic Development and Redevelopment Authority
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2024

Statement 37

Net change in fund balances \$ (259,111)

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

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

Depreciation expense (5,500)

Property taxes collected for prior years and grant revenue for future periods (19,778)

OPEB are not reported as expenditures in the governmental funds because they do not require the use of current financial resources; instead, they are expense in the Statement of Activities. (1,270)

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

Pension expense 17,285

Change in net position - governmental activities \$ (268,374)

City of Hastings
Subcombining Balance Sheet
Debt Service Fund
December 31, 2024

	G.O. Tax Increment Bonds 2016A (516)	G.O. Improvement Bonds, 2014A Charter (574)	G.O. Improvement Bonds 2015A Charter (575)	G.O. Improvement Bonds 2016B Charter (576)
Assets				
Cash and investments	\$ 258,019	\$ 81,863	\$ 202,335	\$ 258,247
Interest receivable	719	230	563	719
Property taxes receivable	15,970	11,014	14,974	20,394
Special assessments receivable				
Delinquent	-	1,279	58	-
Deferred	-	-	1,816	13,051
Prepaid items	-	458	367	417
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 274,708</u>	<u>\$ 94,844</u>	<u>\$ 220,113</u>	<u>\$ 292,828</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources				
Unavailable revenue - taxes and assessments	<u>2,640</u>	<u>3,893</u>	<u>4,678</u>	<u>16,643</u>
Fund Balances				
Nonspendable	-	458	367	417
Restricted				
Debt service	272,068	90,493	215,068	275,768
Unassigned	-	-	-	-
Total fund balances	<u>272,068</u>	<u>90,951</u>	<u>215,435</u>	<u>276,185</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 274,708</u>	<u>\$ 94,844</u>	<u>\$ 220,113</u>	<u>\$ 292,828</u>

G.O. Improvement Bonds 2018A Charter (578)	G.O. Improvement Bonds 2012 (572)	G.O. Improvement Bonds 2013B (573)	G.O. Improvement Bonds 2017A (577)	Certificates of Participation 2013B (398)	Debt Redemption Fund (500)
\$ 118,166	\$ 150,927	\$ -	\$ 113,851	\$ 40,605	\$ 936,929
328	420	-	317	113	2,608
20,539	700	3,166	6,098	473	14,915
642	1,390	-	471	-	-
95,102	-	-	42,137	-	45,760
-	-	-	417	-	-
<u>\$ 234,777</u>	<u>\$ 153,437</u>	<u>\$ 3,166</u>	<u>\$ 163,291</u>	<u>\$ 41,191</u>	<u>\$ 1,000,212</u>
\$ -	\$ -	\$ 2,673	\$ -	\$ -	\$ -
-	-	-	-	-	14,915
-	-	2,673	-	-	14,915
99,017	693	872	43,714	468	45,760
-	-	-	417	-	-
135,760	152,744	-	119,160	40,723	939,537
	-	(379)	-	-	-
<u>135,760</u>	<u>152,744</u>	<u>(379)</u>	<u>119,577</u>	<u>40,723</u>	<u>939,537</u>
<u>\$ 234,777</u>	<u>\$ 153,437</u>	<u>\$ 3,166</u>	<u>\$ 163,291</u>	<u>\$ 41,191</u>	<u>\$ 1,000,212</u>

City of Hastings
Subcombining Balance Sheet
Debt Service Fund
December 31, 2024

	G.O. Improvement Bonds 2019A (579)	G.O. Improvement Bonds 2020A (580)	G.O. Improvement Bonds 2021A (581)	G.O. Improvement Bonds 2022A (502, 582)
Assets				
Cash and investments	\$ 945,648	\$ 530,519	\$ 285,570	\$ 713,767
Interest receivable	2,631	1,481	790	2,007
Property taxes receivable	15,174	9,814	1,606	32,670
Special assessments receivable				
Delinquent	143	10,749	4,735	354
Deferred	302,373	245,954	176,493	402,495
Prepaid items	321	290	292	208
	<u>321</u>	<u>290</u>	<u>292</u>	<u>208</u>
Total assets	<u>\$ 1,266,290</u>	<u>\$ 798,807</u>	<u>\$ 469,486</u>	<u>\$ 1,151,501</u>
Liabilities,				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources				
Unavailable revenue - taxes and assessments	<u>304,784</u>	<u>256,267</u>	<u>177,423</u>	<u>407,255</u>
Fund Balances				
Nonspendable	321	290	292	208
Restricted				
Debt service	961,185	542,250	291,771	744,038
Unassigned	-	-	-	-
Total fund balances	<u>961,506</u>	<u>542,540</u>	<u>292,063</u>	<u>744,246</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,266,290</u>	<u>\$ 798,807</u>	<u>\$ 469,486</u>	<u>\$ 1,151,501</u>

G.O. Improvement Bonds 2023A (583)	G.O. Improvement Bonds 2024A (584)	Total
\$ 259,452	\$ 473,434	\$ 5,369,332
722	1,307	14,955
11,901	-	179,408
495	14,520	34,836
192,582	634,049	2,151,812
483	-	3,253
<u>\$ 465,635</u>	<u>\$ 1,123,310</u>	<u>\$ 7,753,596</u>
\$ -	\$ -	\$ 2,673
-	-	14,915
<u>-</u>	<u>-</u>	<u>17,588</u>
194,405	634,049	2,192,561
483	-	3,253
270,747	489,261	5,540,573
-	-	(379)
<u>271,230</u>	<u>489,261</u>	<u>5,543,447</u>
<u>\$ 465,635</u>	<u>\$ 1,123,310</u>	<u>\$ 7,753,596</u>

City of Hastings
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balance
Debt Service Fund
Year Ended December 31, 2024

	G.O. Tax Increment Bonds 2016A (516)	G.O. Improvement Bonds, 2014A Charter (574)	G.O. Improvement Bonds 2015A- Charter (575)	G.O. Improvement Bonds 2016B- Charter (576)
Revenues				
General property taxes	\$ -	\$ 127,132	\$ 182,839	\$ 252,430
Tax increment collections	-	-	-	-
Special assessments	-	21,240	1,935	7,096
Investment income	7,451	992	4,949	5,673
Total revenues	<u>7,451</u>	<u>149,364</u>	<u>189,723</u>	<u>265,199</u>
Expenditures				
Debt service				
Principal	175,000	340,000	255,000	325,000
Interest and other charges	25,000	19,235	14,009	24,047
Total expenditures	<u>200,000</u>	<u>359,235</u>	<u>269,009</u>	<u>349,047</u>
Excess of revenues over (under) expenditures	(192,549)	(209,871)	(79,286)	(83,848)
Other Financing Sources				
Transfers in	<u>199,500</u>	-	-	-
Net change in fund balances	6,951	(209,871)	(79,286)	(83,848)
Fund Balances				
Beginning of year	<u>265,117</u>	<u>300,822</u>	<u>294,721</u>	<u>360,033</u>
End of year	<u>\$ 272,068</u>	<u>\$ 90,951</u>	<u>\$ 215,435</u>	<u>\$ 276,185</u>

G.O. Improvement Bonds 2018A - Charter (578)	G.O. Improvement Bonds 2012 (572)	G.O. Improvement Bonds 2013B (573)	G.O. Improvement Bonds 2017A (577)	Certificates of Participation 2013B (398)	Debt Redemption Fund (500)
\$ 256,480	\$ 892	\$ 34,895	\$ 75,047	\$ 5	\$ 597
-	-	-	-	-	14,915
33,109	1,390	-	18,470	-	-
266	7,594	(73)	3,146	2,086	47,485
<u>289,855</u>	<u>9,876</u>	<u>34,822</u>	<u>96,663</u>	<u>2,091</u>	<u>62,997</u>
250,000	-	130,000	105,000	95,000	-
52,064	-	2,280	13,906	1,163	14,988
<u>302,064</u>	<u>-</u>	<u>132,280</u>	<u>118,906</u>	<u>96,163</u>	<u>14,988</u>
(12,209)	9,876	(97,458)	(22,243)	(94,072)	48,009
-	-	-	-	-	-
(12,209)	9,876	(97,458)	(22,243)	(94,072)	48,009
147,969	142,868	97,079	141,820	134,795	891,528
<u>\$ 135,760</u>	<u>\$ 152,744</u>	<u>\$ (379)</u>	<u>\$ 119,577</u>	<u>\$ 40,723</u>	<u>\$ 939,537</u>

City of Hastings
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balance
Debt Service Fund
Year Ended December 31, 2024

	G.O. Improvement Bonds 2019A (579)	G.O. Improvement Bonds 2020A (580)	G.O. Improvement Bonds 2021A (581)	G.O. Improvement Bonds 2022A (502, 582)
Revenues				
General property taxes	\$ 191,395	\$ 121,462	\$ 20,271	\$ 422,681
Tax increment collections	-	-	-	-
Special assessments	83,850	70,094	43,614	94,746
Investment income	40,988	21,698	12,851	26,146
Total revenues	<u>316,233</u>	<u>213,254</u>	<u>76,736</u>	<u>543,573</u>
Expenditures				
Debt service				
Principal	245,000	190,000	85,000	330,000
Interest and other charges	100,583	54,262	19,149	169,775
Total expenditures	<u>345,583</u>	<u>244,262</u>	<u>104,149</u>	<u>499,775</u>
Excess of revenues over (under) expenditures	(29,350)	(31,008)	(27,413)	43,798
Other Financing Sources (Uses)				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(29,350)	(31,008)	(27,413)	43,798
Fund Balances				
Beginning of year	<u>990,856</u>	<u>573,548</u>	<u>319,476</u>	<u>700,448</u>
End of year	<u>\$ 961,506</u>	<u>\$ 542,540</u>	<u>\$ 292,063</u>	<u>\$ 744,246</u>

G.O. Improvement Bonds 2023A (583)	G.O. Improvement Bonds 2024A (584)	Total
\$ 157,786	\$ -	\$ 1,843,912
-	-	14,915
32,733	485,945	894,222
7,995	3,316	192,563
<u>198,514</u>	<u>489,261</u>	<u>2,945,612</u>
-	-	2,525,000
158,959	-	669,420
<u>158,959</u>	<u>-</u>	<u>3,194,420</u>
39,555	489,261	(248,808)
-	-	199,500
<u>39,555</u>	<u>489,261</u>	<u>(49,308)</u>
231,675	-	5,592,755
<u>\$ 271,230</u>	<u>\$ 489,261</u>	<u>\$ 5,543,447</u>

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City of Hastings
Statistical Section (Unaudited)

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

Financial Trends

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

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

Revenue Capacity

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

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

Debt Capacity

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

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

Demographic and Economic Information

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

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

Operating Information

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

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

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

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

	Fiscal Year			
	2015	2016	2017	2018
Governmental activities				
Net investment in capital assets	\$ 43,540,896	\$ 42,444,675	\$ 43,485,383	\$ 43,158,263
Restricted for				
Police activities	29,796	34,462	42,568	54,842
Tax increment	-	-	2,695	4,924
Debt service	6,790,580	6,814,431	6,721,124	6,897,969
Capital projects	605,667	547,257	488,132	494,432
Escrow	-	-	-	-
Net pension asset - fire relief association	-	1,225,251	-	-
LeDuc Historic Estate	1,369,956	1,374,830	1,489,982	1,270,770
Unrestricted	<u>(1,019,362)</u>	<u>(3,501,336)</u>	<u>(3,910,559)</u>	<u>(4,077,486)</u>
Total governmental activities net position	<u>\$ 51,317,533</u>	<u>\$ 48,939,570</u>	<u>\$ 48,319,325</u>	<u>\$ 47,803,714</u>
Business-type activities				
Net investment in capital assets	\$ 25,317,479	\$ 25,219,313	\$ 25,631,750	\$ 24,353,284
Restricted for				
Debt service	251,499	187,146	-	-
Unrestricted	<u>4,348,513</u>	<u>3,868,707</u>	<u>3,301,265</u>	<u>5,080,114</u>
Total business-type activities net position	<u>\$ 29,917,491</u>	<u>\$ 29,275,166</u>	<u>\$ 28,933,015</u>	<u>\$ 29,433,398</u>
Primary government				
Net investment in capital assets	\$ 68,858,375	\$ 68,858,375	\$ 69,117,133	\$ 67,511,547
Restricted for				
Police activities	29,796	34,462	42,568	54,842
Tax increment	-	-	2,695	4,924
Debt service	7,042,079	7,001,577	6,721,124	6,897,969
Capital projects	605,667	547,257	488,132	494,432
Escrow	-	-	-	-
Net pension asset	-	-	-	-
LeDuc Historic Estate	1,369,956	1,374,830	1,489,982	1,270,770
Unrestricted	<u>3,329,151</u>	<u>367,371</u>	<u>(609,294)</u>	<u>1,002,628</u>
Total primary government net position	<u>\$ 81,235,024</u>	<u>\$ 78,183,872</u>	<u>\$ 77,252,340</u>	<u>\$ 77,237,112</u>

Note:

The City of Hastings adopted GASB 34 in 2003. Data for this table is unavailable prior to 2003.

Table 1

		Fiscal Year									
		2019	2020	2021	2022	2023	2024				
\$	42,069,591	\$	42,768,215	\$	44,179,337	\$	43,579,389	\$	46,775,856	\$	49,394,574
	40,432		59,697		113,606		82,112		226,081		157,308
	5,681		7,157		24,766		21,990		53,131		82,323
	8,169,524		7,182,012		7,346,220		7,725,877		7,192,363		7,235,928
	509,082		630,709		1,149,928		1,015,753		1,395,686		983,134
	11,467		17,240		16,234		4,497		26,832		43,892
	-		-		-		-		1,850,595		2,249,758
	1,246,991		1,282,730		1,324,652		1,075,872		1,121,238		1,149,911
	(2,309,522)		324,570		3,196,284		4,803,200		2,491,081		4,013,115
\$	<u>49,743,246</u>	\$	<u>52,272,330</u>	\$	<u>57,351,027</u>	\$	<u>58,308,690</u>	\$	<u>61,132,863</u>	\$	<u>65,309,943</u>
\$	24,164,942	\$	23,964,003	\$	24,268,293	\$	24,584,961	\$	24,367,726	\$	24,327,647
	-		-		-		-		-		-
	5,859,676		7,007,095		8,532,954		10,154,186		11,432,676		12,204,440
\$	<u>30,024,618</u>	\$	<u>30,971,098</u>	\$	<u>32,801,247</u>	\$	<u>34,739,147</u>	\$	<u>35,800,402</u>	\$	<u>36,532,087</u>
\$	66,234,533	\$	66,732,218	\$	68,447,630	\$	68,164,350	\$	71,143,582	\$	73,722,221
	40,432		59,697		113,606		82,112		226,081		157,308
	5,681		7,157		24,766		21,990		53,131		82,323
	8,169,524		7,182,012		7,346,220		7,725,877		7,192,363		7,235,928
	509,082		630,709		1,149,928		1,015,753		1,395,686		983,134
	11,467		17,240		16,234		4,497		26,832		43,892
	-		-		-		-		1,850,595		2,249,758
	1,246,991		1,282,730		1,324,652		1,075,872		1,121,238		1,149,911
	3,550,154		7,331,665		11,729,238		14,957,386		13,923,757		16,217,555
\$	<u>79,767,864</u>	\$	<u>83,243,428</u>	\$	<u>90,152,274</u>	\$	<u>93,047,837</u>	\$	<u>96,933,265</u>	\$	<u>101,842,030</u>

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

	Fiscal Year			
	2015	2016	2017	2018
Expenses				
Governmental activities				
General government	\$ 2,742,065	\$ 2,935,743	\$ 3,129,500	\$ 3,322,254
Public safety	8,354,120	11,060,875	9,386,823	10,167,543
Public works	5,213,874	6,345,402	5,638,414	5,438,158
Culture and recreation	3,087,460	3,396,349	3,398,198	3,588,701
Economic development	47,129	2,311,500	51,101	40,656
Health and sanitation	21,890	19,301	30,849	34,158
Interest on long-term debt	453,391	464,205	449,979	428,156
Total governmental activities expenses	<u>19,919,929</u>	<u>26,533,375</u>	<u>22,084,864</u>	<u>23,019,626</u>
Business-type activities				
Water	1,963,670	2,120,683	1,866,451	2,053,704
Sewer	1,958,792	2,118,877	2,213,573	2,160,226
Storm	393,535	422,730	403,183	424,791
Hydro	633,196	593,610	838,181	620,320
Total business-type activities expenses	<u>4,949,193</u>	<u>5,255,900</u>	<u>5,321,388</u>	<u>5,259,041</u>
Total primary government expenses	<u>\$ 24,869,122</u>	<u>\$ 31,789,275</u>	<u>\$ 27,406,252</u>	<u>\$ 28,278,667</u>
Program revenues				
Governmental activities				
Charges for services				
General Government	\$ -	\$ -	\$ -	\$ -
Public safety	2,849,915	3,362,113	3,745,444	3,507,476
Public works	119,702	271,785	276,721	312,004
Culture and recreation	1,202,465	1,237,031	1,191,970	1,358,186
Other activities	537,114	602,296	521,818	496,151
Operating grants and contributions	649,612	1,560,903	539,343	1,521,330
Capital grants and contributions	1,113,376	3,212,984	1,234,808	622,219
Total governmental activities program revenues	<u>6,472,184</u>	<u>10,247,112</u>	<u>7,510,104</u>	<u>7,817,366</u>
Business-type activities				
Charges for services				
Water	1,797,562	1,875,712	1,875,712	2,284,680
Sewer	1,882,901	1,867,425	1,867,425	2,490,514
Storm	425,643	435,310	435,310	633,583
Hydro	1,073,234	787,238	787,238	701,729
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	-	-	150,542
Total business-type activities program revenues	<u>5,179,340</u>	<u>4,965,685</u>	<u>4,965,685</u>	<u>6,261,048</u>
Total primary government program revenues	<u>\$ 11,651,524</u>	<u>\$ 15,212,797</u>	<u>\$ 12,475,789</u>	<u>\$ 14,078,414</u>
Net (expense) revenue				
Governmental activities	\$ (13,447,745)	\$ (16,286,263)	\$ (14,574,760)	\$ (15,202,260)
Business-type activities	230,147	(290,215)	(355,703)	1,002,007
Total primary government net (expense) revenue	<u>(13,217,598)</u>	<u>(16,576,478)</u>	<u>(14,930,463)</u>	<u>(14,200,253)</u>

Table 2
Continued

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 3,547,503	\$ 4,271,705	\$ 3,093,577	\$ 3,560,823	\$ 3,846,332	\$ 4,164,543
9,382,761	9,580,764	9,459,405	12,044,540	13,790,683	13,454,913
5,885,948	5,355,622	6,667,995	6,017,835	5,841,383	6,103,240
3,506,415	2,944,205	3,810,177	4,695,960	4,700,209	4,743,701
41,369	28,806	48,930	66,819	34,090	14,874
37,731	28,794	59,362	50,726	69,481	163,742
486,826	415,814	396,991	482,428	536,545	758,510
<u>22,888,553</u>	<u>22,625,710</u>	<u>23,536,437</u>	<u>26,919,131</u>	<u>28,818,723</u>	<u>29,403,523</u>
2,197,954	1,975,443	2,413,301	2,356,748	2,504,603	3,130,807
2,305,382	2,314,153	2,567,037	2,716,736	2,815,475	2,958,603
529,092	404,163	401,155	491,006	609,981	533,541
578,351	832,937	521,731	599,007	603,379	621,466
<u>5,610,779</u>	<u>5,526,696</u>	<u>5,903,224</u>	<u>6,163,497</u>	<u>6,533,438</u>	<u>7,244,417</u>
<u>\$ 28,499,332</u>	<u>\$ 28,152,406</u>	<u>\$ 29,439,661</u>	<u>\$ 33,082,628</u>	<u>\$ 35,352,161</u>	<u>\$ 36,647,940</u>
\$ 513,591	\$ 522,460	\$ 459,130	\$ 258,649	\$ 373,304	\$ 406,617
3,848,715	3,420,090	3,581,897	4,043,048	3,411,939	3,557,841
438,990	778,863	485,869	954,701	811,485	762,395
1,162,764	779,387	1,307,896	1,534,431	1,314,532	1,336,496
93,705	85,185	91,995	82,251	6,300	-
1,117,166	918,951	1,314,781	1,125,789	878,421	1,440,621
1,553,631	1,098,098	4,831,331	2,185,950	3,649,123	3,589,686
<u>8,728,562</u>	<u>7,603,034</u>	<u>12,072,899</u>	<u>10,184,819</u>	<u>10,445,104</u>	<u>11,093,656</u>
2,259,917	2,445,497	2,744,525	3,139,177	2,951,876	2,455,638
2,642,559	2,615,539	2,757,731	3,025,373	2,829,255	2,899,989
718,097	729,711	763,339	806,607	864,150	853,630
672,763	578,006	738,075	857,224	754,660	617,079
-	1,888	-	-	30,461	-
49,281	102,567	788,199	800,611	69,086	838,366
<u>6,342,617</u>	<u>6,473,208</u>	<u>7,791,869</u>	<u>8,628,992</u>	<u>7,499,488</u>	<u>7,664,702</u>
<u>\$ 15,071,179</u>	<u>\$ 14,076,242</u>	<u>\$ 19,864,768</u>	<u>\$ 18,813,811</u>	<u>\$ 17,944,592</u>	<u>\$ 18,758,358</u>
\$ (14,159,991)	\$ (15,022,676)	\$ (11,463,538)	\$ (16,734,312)	\$ (18,373,619)	\$ (18,309,867)
<u>731,838</u>	<u>946,512</u>	<u>1,888,645</u>	<u>2,465,495</u>	<u>966,050</u>	<u>420,285</u>
<u>(13,428,153)</u>	<u>(14,076,164)</u>	<u>(9,574,893)</u>	<u>(14,268,817)</u>	<u>(17,407,569)</u>	<u>(17,889,582)</u>

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

	Fiscal Year			
	2015	2016	2017	2018
General revenues and other changes in net position				
Governmental activities				
Taxes				
Property taxes, levied for general purposes	\$ 9,231,748	\$ 9,837,164	\$ 10,271,077	\$ 10,170,181
Property taxes, levied for debt service	2,650,000	2,650,000	2,650,000	3,424,475
Unrestricted grants and contributions	591,572	617,477	639,043	1,106,153
Gain (Loss) on disposal of capital assets	29,098	111,069	23,272	170,917
Investment earnings (loss)	77,472	211,760	215,284	146,410
Insurance recoveries	-	-	24,299	-
Transfers	(193,998)	480,830	(132,690)	439,358
Total governmental activities	<u>12,385,892</u>	<u>13,908,300</u>	<u>13,690,285</u>	<u>15,457,494</u>
Business-type activities				
Property taxes, levied for general purposes	-	-	-	-
Gain (Loss) on disposal of capital assets	-	-	-	-
Investment earnings	67,811	128,720	4,188	49,772
Transfers	193,998	(480,830)	132,690	(439,358)
Total business-type activities	<u>261,809</u>	<u>(352,110)</u>	<u>136,878</u>	<u>(389,586)</u>
Total primary government	<u>\$ 12,647,701</u>	<u>\$ 13,556,190</u>	<u>\$ 13,827,163</u>	<u>\$ 15,067,908</u>
Change in net position				
Governmental activities	\$ (1,061,853)	\$ (2,377,963)	\$ (884,475)	\$ 255,234
Business-type activities	491,956	(642,325)	(218,825)	612,421
Total primary government	<u>\$ (569,897)</u>	<u>\$ (3,020,288)</u>	<u>\$ (1,103,300)</u>	<u>\$ 867,655</u>

Table 2
Page 2 of 2

		Fiscal Year									
		2019	2020	2021	2022	2023	2024				
\$	11,120,775	\$	11,455,276	\$	13,269,481	\$	14,064,238	\$	15,315,230	\$	17,056,505
	3,126,903		2,310,976		2,195,103		2,423,510		2,190,331		1,843,912
	933,079		1,915,198		920,451		1,165,045		1,421,154		1,985,985
	7,951		33,702		32,417		57,578		661,955		225,064
	590,271		454,753		74,696		(353,682)		1,250,967		1,224,301
	-		-		-		-		17,153		25,178
	320,378		99,378		50,087		335,286		341,002		126,002
	<u>16,099,357</u>		<u>16,269,283</u>		<u>16,542,235</u>		<u>17,691,975</u>		<u>21,197,792</u>		<u>22,486,947</u>
	11,376		97		-		-		-		-
	-		-		-		(40,486)		-		5,249
	168,384		99,249		(8,409)		(151,823)		436,207		432,153
	(320,378)		(99,378)		(50,087)		(335,286)		(341,002)		(126,002)
	<u>(140,618)</u>		<u>(32)</u>		<u>(58,496)</u>		<u>(527,595)</u>		<u>95,205</u>		<u>311,400</u>
\$	<u>15,958,739</u>	\$	<u>16,269,251</u>	\$	<u>16,483,739</u>	\$	<u>17,164,380</u>	\$	<u>21,292,997</u>	\$	<u>22,798,347</u>
\$	1,939,366	\$	2,407,557	\$	5,078,697	\$	957,663	\$	2,824,173	\$	4,177,080
	591,220		946,480		1,830,149		1,937,900		1,061,255		731,685
\$	<u>2,530,586</u>	\$	<u>3,354,037</u>	\$	<u>6,908,846</u>	\$	<u>2,895,563</u>	\$	<u>3,885,428</u>	\$	<u>4,908,765</u>

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

	Fiscal Year			
	2015	2016	2017	2018
General Fund				
Nonspendable				
Prepaid items	\$ 72,786	\$ 119,342	\$ 135,921	\$ 92,918
Inventories	50,734	35,471	24,517	15,183
Long-term advances to other funds	-	-	-	-
Restricted				
Leduc Historical Estate	349,321	346,557	397,985	301,201
Capital projects	-	-	-	-
Police activities	-	-	-	-
Unassigned	3,621,455	4,403,883	4,576,829	5,047,671
Total general fund	<u>\$ 4,094,296</u>	<u>\$ 4,905,253</u>	<u>\$ 5,135,252</u>	<u>\$ 5,456,973</u>
All other governmental funds				
Nonspendable				
Prepaid	\$ 83,691	\$ 105,237	\$ 114,968	\$ 81,016
Inventories	4,365	4,368	3,223	2,318
Permanent endowment				
- Leduc Historical Estate	200,000	200,000	200,000	200,000
Restricted				
Police activities	29,773	34,444	42,547	54,825
Debt service	4,500,299	4,820,295	4,888,739	5,200,767
Tax Increment Financing	-	-	2,695	4,924
Capital projects	605,667	546,622	487,678	494,432
Permanent endowment				
- Leduc Historical Estate	820,635	828,273	891,997	769,569
Escrow	-	-	-	-
Committed				
Park maintenance	816,485	870,352	1,020,571	1,084,583
Aquatic operations	143,507	184,955	188,258	185,144
Cable TV activities	238,133	245,822	243,756	238,553
Heritage preservation activities	95,860	96,148	97,564	100,481
Fire and ambulance activities	1,362,693	1,111,458	1,251,486	992,209
Arena activities	500,676	388,065	463,992	462,313
Assigned				
Capital	1,013,965	1,131,904	1,172,982	1,249,299
Unassigned				
Capital	(899,034)	(416,152)	(300,491)	(217,088)
Total all other governmental funds	<u>\$ 9,516,715</u>	<u>\$ 10,151,791</u>	<u>\$ 10,769,965</u>	<u>\$ 10,903,345</u>

Table 3

		Fiscal Year									
		2019	2020	2021	2022	2023	2024				
\$	86,310	\$	108,555	\$	75,454	\$	171,170	\$	164,700	\$	83,523
	34,446		64,084		54,113		25,611		65,404		59,285
	-		-		-		-		-		1,663,239
	193,592		178,173		154,075		119,617		98,019		85,725
	-		-		-		-		-		600,000
	-		13,384		61,676		32,124		170,762		102,720
	5,596,357		7,940,056		9,033,202		10,200,207		9,743,773		7,181,073
\$	5,910,705	\$	8,304,252	\$	9,378,520	\$	10,548,729	\$	10,242,658	\$	9,775,565
\$	77,361	\$	24,265	\$	58,618	\$	37,616	\$	32,018	\$	12,085
	2,964		3,754		4,812		6,451		2,942		1,970
	200,000		200,000		200,000		200,000		200,000		200,000
	40,406		46,285		51,914		49,972		55,305		54,569
	5,909,532		6,020,783		5,795,241		5,992,414		5,589,389		5,540,573
	5,681		7,157		24,766		21,990		53,131		82,323
	509,082		629,046		1,149,928		1,015,753		1,395,686		2,067,864
	853,399		904,557		970,577		756,255		823,219		864,186
	11,467		17,240		16,234		4,497		26,832		43,892
	1,144,271		1,357,981		1,573,272		2,014,442		864,613		837,794
	232,573		406,776		402,511		407,090		441,485		540,316
	238,892		156,073		153,208		145,741		148,631		146,966
	104,264		108,400		115,531		120,476		124,960		132,314
	1,280,178		1,465,860		1,283,020		643,353		1,113,943		1,168,105
	497,359		550,064		492,028		512,325		118,885		991,265
	1,325,392		1,326,089		966,587		970,516		364,274		393,646
	(190,670)		(910,431)		(1,723,515)		(1,814,786)		(1,508,544)		(1,811,346)
\$	12,242,151	\$	12,313,899	\$	11,534,732	\$	11,084,105	\$	9,846,769	\$	11,266,522

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

	Fiscal Year			
	2015	2016	2017	2018
Revenues				
Taxes	\$ 11,877,613	\$ 12,431,059	\$ 12,981,670	\$ 13,607,851
Special assessments	695,211	599,399	501,495	649,146
Licenses and permits	449,444	423,861	496,101	585,364
Fines and forfeitures	121,259	95,313	128,266	107,512
Intergovernmental	1,950,871	4,132,072	2,417,114	2,831,355
Charges for services	3,765,494	4,650,190	4,690,844	4,522,330
Investment earnings	70,516	199,685	207,058	133,040
Miscellaneous	273,537	1,499,899	37,386	129,348
Total revenues	<u>19,203,945</u>	<u>24,031,478</u>	<u>21,459,934</u>	<u>22,565,946</u>
Expenditures				
Current				
General government	2,290,140	2,498,078	2,540,993	2,800,943
Public safety	8,011,113	8,668,178	8,709,899	9,091,243
Public works	1,588,976	1,956,027	1,711,758	1,784,833
Health and sanitation	21,890	19,301	30,849	34,158
Cultural and recreation	2,537,383	2,714,594	2,755,083	2,956,232
Economic development	44,157	2,303,885	38,752	40,656
Capital outlay	5,032,472	6,642,508	2,241,646	4,612,845
Debt service				
Principal retirement	3,874,500	3,234,500	3,369,500	3,295,000
Interest	525,037	549,640	531,468	501,518
Total expenditures	<u>23,925,668</u>	<u>28,586,711</u>	<u>21,929,948</u>	<u>25,117,428</u>
Revenues over (under) expenditures	<u>(4,721,723)</u>	<u>(4,555,233)</u>	<u>(470,014)</u>	<u>(2,551,482)</u>
Other financing sources (uses)				
Bonds issued	\$ 2,755,000	\$ 5,560,000	\$ 1,015,000	\$ 2,560,000
Bond premiums	47,405	172,612	57,387	138,815
Lease proceeds	-	-	-	-
Payment to refunded bond paying agent	-	-	-	-
Transfers in	1,616,841	1,447,564	775,477	970,501
Transfers out	(1,176,571)	(1,316,732)	(522,308)	(866,143)
Insurance recoveries	21,020	27,814	24,299	8,150
Proceeds on sale of capital assets	29,098	111,069	23,272	195,260
Total other financing sources (uses)	<u>3,292,793</u>	<u>6,002,327</u>	<u>1,373,127</u>	<u>3,006,583</u>
Net change in fund balance	<u>\$ (1,428,930)</u>	<u>\$ 1,447,094</u>	<u>\$ 903,113</u>	<u>\$ 455,101</u>
Debt service as a percentage of noncapital expenditures	23.3%	17.2%	19.8%	18.5%

Table 4

		Fiscal Year									
		2019	2020	2021	2022	2023	2024				
\$	13,892,707	\$	14,589,044	\$	15,245,720	\$	16,153,690	\$	17,170,691	\$	18,495,195
	1,206,298		1,025,473		972,786		926,911		618,412		936,595
	574,169		468,688		635,721		966,071		809,581		717,275
	111,358		72,396		83,206		86,336		86,689		79,185
	2,113,639		4,139,988		4,091,910		2,583,848		3,369,737		3,856,221
	4,999,575		4,704,978		4,766,410		5,144,801		4,845,553		5,021,645
	552,103		429,840		77,176		(327,261)		1,152,228		1,140,209
	155,164		75,282		601,550		696,764		138,694		134,464
	<u>23,605,013</u>		<u>25,505,689</u>		<u>26,474,479</u>		<u>26,231,160</u>		<u>28,191,585</u>		<u>30,380,789</u>
	2,663,257		2,971,879		2,891,454		3,217,280		3,511,124		3,800,071
	9,366,019		9,521,712		10,140,823		10,970,260		11,712,196		12,762,309
	1,633,317		1,520,193		1,703,709		1,906,928		1,747,659		1,657,817
	37,731		28,794		59,362		50,726		69,481		14,874
	3,122,497		2,716,887		3,101,694		3,848,135		3,773,439		3,867,018
	41,369		28,806		48,930		66,819		34,090		163,742
	4,210,424		4,668,577		4,794,873		6,412,087		9,654,529		11,984,700
	3,300,000		3,100,000		2,955,000		3,012,671		2,421,156		2,648,332
	549,030		562,345		561,770		553,411		694,300		777,876
	<u>24,923,644</u>		<u>25,119,193</u>		<u>26,257,615</u>		<u>30,038,317</u>		<u>33,617,974</u>		<u>37,676,739</u>
	<u>(1,318,631)</u>		<u>386,496</u>		<u>216,864</u>		<u>(3,807,157)</u>		<u>(5,426,389)</u>		<u>(7,295,950)</u>
\$	2,595,000	\$	2,045,000	\$	925,000	\$	4,110,000	\$	3,125,000	\$	7,710,000
	506,618		302,018		68,037		308,474		279,904		837,509
	-		-		-		191,375		46,345		-
	-		-		-		-		-		-
	786,899		625,485		2,280,173		1,609,306		3,713,633		1,071,532
	(796,521)		(926,107)		(3,223,837)		(1,805,120)		(4,093,731)		(1,604,330)
	7,715		1,843		-		-		17,153		8,835
	11,292		30,560		28,864		112,704		794,678		225,064
	<u>3,006,583</u>		<u>3,111,003</u>		<u>78,237</u>		<u>4,526,739</u>		<u>3,882,982</u>		<u>8,248,610</u>
\$	<u>1,687,952</u>	\$	<u>3,497,499</u>	\$	<u>295,101</u>	\$	<u>719,582</u>	\$	<u>(1,543,407)</u>	\$	<u>952,660</u>
	18.6%		17.9%		15.6%		15.0%		13.0%		13.3%

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

Table 5

Fiscal Year Ended December 31,	Residential Property	Commercial/Industrial Property	All Other	Total Tax Capacity	Adjustment For Fiscal Disparities	Adjusted Tax Capacity Value	Total Direct Tax Rate	Taxable Market Value	Tax Capacity as a Percent of EMV
2015	\$ 12,814,189	\$ 3,826,869	\$ 349,834	\$ 16,990,892	\$ 2,069,204	\$ 19,060,096	62.581%	\$ 1,475,321,176	1.15%
2016	13,501,866	3,852,417	363,149	17,717,432	2,017,091	19,734,523	63.577%	1,544,471,503	1.15%
2017	12,882,237	3,969,456	1,533,473	18,385,166	2,280,954	20,666,120	62.519%	1,604,693,527	1.15%
2018	13,968,781	3,827,760	1,522,837	19,319,378	2,362,509	22,078,920	60.864%	1,733,193,014	1.11%
2019	15,289,744	3,963,729	1,999,997	21,253,470	2,534,898	23,788,368	59.612%	1,883,303,111	1.13%
2020	16,703,875	4,006,572	2,006,179	22,716,626	2,730,219	25,446,845	57.391%	2,025,844,477	1.12%
2021	17,293,128	4,224,392	2,268,066	23,785,585	2,652,233	26,437,818	57.351%	2,115,943,511	1.12%
2022	18,771,207	3,736,026	2,083,110	24,590,343	2,911,140	27,501,483	58.807%	2,201,073,873	1.12%
2023	22,390,006	4,456,274	2,484,701	29,330,982	2,703,108	32,034,090	53.267%	2,652,688,668	1.11%
2024	23,399,765	5,056,969	2,752,252	31,208,987	2,523,046	33,732,033	55.230%	2,808,892,837	1.11%

Source: Dakota County

City of Hastings, Minnesota
 Direct and Overlapping Property Taxes
 Last Ten Fiscal Years
 Unaudited

Table 6

Fiscal Year	City Direct Rate	City Debt Rate	Total City Rate	Overlapping Rates*			Total
				School District	Other Districts	County	
2015	48.831	13.750	62.581	20.965	5.120	26.902	115.568
2016	48.154	15.423	63.577	20.938	5.353	28.570	118.438
2017	46.360	16.159	62.519	20.305	5.192	28.004	116.020
2018	45.429	15.435	60.864	20.545	4.657	26.580	112.646
2019	46.462	13.150	59.612	19.079	4.436	25.386	108.513
2020	47.594	9.797	57.391	17.924	3.936	24.133	103.384
2021	48.389	8.962	57.351	16.757	3.866	22.716	100.690
2022	50.744	8.063	58.807	16.214	3.903	21.630	100.554
2023	45.964	7.303	53.267	14.209	3.662	18.816	89.954
2024	49.185	6.045	55.230	16.733	3.775	18.323	94.061

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

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

Taxpayer	2024			2015		
	Tax Capacity Value	Rank	Percentage of Total City Capacity Value	Tax Capacity Value	Rank	Percentage of Total City Capacity Value
Hastings MarketPlace Station LLC	\$ 239,372	1	0.77%	\$ 101,529	8	0.53%
VMA 1000LLC	223,376	2	0.72%	242,022	2	1.27%
Wal-Mart	203,250	3	0.65%	256,856	1	1.35%
Lake Isabelle Flats LLC	201,250	4	0.64%	-		
Current 33 Apartments LLC	190,339	5	0.61%	141,898	4	0.74%
Voyageur Estates LLC	189,214	6	0.61%	-		
Regina Medical Complex	172,706	7	0.55%	-		
Hastings Medical Office Bldg LLC	168,356	8	0.54%	-		
Casey Capital V LLC	161,513	9	0.52%	-		
Quality One Woodwork LLC	155,380	10	0.50%	-		
Camegaran LLC	-			103,001	7	0.54%
Xcel Energy (NSP Company)	-			215,932	3	1.13%
Crossroads Mall Inc	-			91,850	10	0.48%
Three Rivers Partnership	-			140,862	5	0.74%
KCP Hastings LLC	-			95,684	9	0.50%
Target Corporation	-			117,250	6	0.62%
Total	\$ 1,904,756		6.10%	\$ 1,506,884		7.91%
Total all property	\$ 31,208,987			\$ 19,060,096		

Source: Dakota County Taxation Department

Table 7
2 of 4

2023			2014		
Tax Capacity Value	Rank	Percentage of Total City Capacity Value	Tax Capacity Value	Rank	Percentage of Total City Capacity Value
\$ 243,102	1	0.83%	\$ 100,000	8	0.57%
232,570	2	0.79%	-		
224,826	3	0.77%	256,856	1	1.46%
192,526	4	0.66%	-		
165,746	5	0.57%	141,898	4	
164,340	6	0.56%	-		0.00%
163,176	7	0.56%	-		
154,655	8	0.53%	-		
154,135	9	0.53%	-		
151,916	10	0.52%	-		
-			100,715	7	0.57%
-			210,354	2	1.19%
-			185,504	3	1.05%
-			91,850	10	0.52%
-			140,862	5	0.80%
-			95,684	9	0.54%
-			117,250	6	0.67%
<u>\$ 1,846,992</u>		<u>6.30%</u>	<u>\$ 1,440,973</u>		<u>6.81%</u>
<u>\$29,330,982</u>			<u>\$ 17,610,784</u>		

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

Table 7
4 of 4

Taxpayer	2021			2012		
	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value
Wal-Mart	\$ 215,970	1	0.91%	\$ 256,856	2	1.31%
Hastings MarketPlace Sation L	212,198	2	0.89%	-		0.00%
VMA 1000LLC	196,638	3	0.83%	100,000	8	0.51%
Voyageur Estates LLC	156,549	4	0.66%	-		
Regina Medical Complex	146,926	5	0.62%	546,477	1	2.78%
Hastings Medical Office Bldg L	138,304	6	0.58%	-		0.00%
Casey Capital V LLC	134,268	7	0.57%	-		0.00%
Gasparre Hidden Valley LLC	131,282	8	0.55%	-		0.00%
Siewart Brothers Investment L	127,324	9	0.54%	-		0.00%
Camegaran LLC	119,086	10	0.50%	98,985	9	0.50%
Xcel Energy (NSP Company)	-			183,260	4	0.93%
Inch III Hastings LLC	-			185,504	3	0.94%
Hastings Country Club	-			175,900	5	0.89%
Three Rivers Partnership	-			140,862	6	0.72%
KCP Hastings LLC	-			95,684	10	0.49%
Target Corporation	-			117,250	7	0.60%
Total	<u>\$ 1,578,545</u>		<u>6.65%</u>	<u>\$ 1,900,778</u>		<u>9.66%</u>
	<u>\$23,734,766</u>			<u>\$ 19,677,218</u>		

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

Table 7
4 of 4

Taxpayer	2021			2012		
	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value
Wal-Mart	\$ 215,970	1	0.91%	\$ 256,856	2	1.31%
Hastings MarketPlace Sation L	212,198	2	0.89%	-		0.00%
VMA 1000LLC	196,638	3	0.83%	100,000	8	0.51%
Voyageur Estates LLC	156,549	4	0.66%	-		
Regina Medical Complex	146,926	5	0.62%	546,477	1	2.78%
Hastings Medical Office Bldg L	138,304	6	0.58%	-		0.00%
Casey Capital V LLC	134,268	7	0.57%	-		0.00%
Gasparre Hidden Valley LLC	131,282	8	0.55%	-		0.00%
Siewart Brothers Investment L	127,324	9	0.54%	-		0.00%
Camegaran LLC	119,086	10	0.50%	98,985	9	0.50%
Xcel Energy (NSP Company)	-			183,260	4	0.93%
Inch III Hastings LLC	-			185,504	3	0.94%
Hastings Country Club	-			175,900	5	0.89%
Three Rivers Partnership	-			140,862	6	0.72%
KCP Hastings LLC	-			95,684	10	0.49%
Target Corporation	-			117,250	7	0.60%
Total	<u>\$ 1,578,545</u>		<u>6.65%</u>	<u>\$ 1,900,778</u>		<u>9.66%</u>
	<u>\$23,734,766</u>			<u>\$ 19,677,218</u>		

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

Table 8

Fiscal Year Ended December 31,	Taxes Levied For The Fiscal Year*	Collected Within The Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 12,060,920	\$ 11,955,607	99.13%	\$ 87,959	\$ 12,043,566	99.86%
2016	12,499,621	12,350,917	98.81%	106,463	12,457,381	99.66%
2017	12,960,919	12,810,057	98.84%	94,650	12,904,707	99.57%
2018	13,503,307	13,446,160	99.58%	25,102	13,471,262	99.76%
2019	14,233,201	14,029,829	98.57%	182,522	14,212,351	99.85%
2020	14,788,179	14,675,806	99.24%	112,373	14,788,179	100.00%
2021	15,312,300	15,255,416	99.63%	56,884	15,312,300	100.00%
2022	16,294,085	16,264,750	99.82%	29,335	16,294,085	100.00%
2023	17,373,405	17,326,099	99.73%	99,566	17,326,099	99.73%
2024	18,649,930	18,541,847	99.42%	N/A	18,541,847	99.42%

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

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

City of Hastings, Minnesota
Ratios Outstanding by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year	Governmental Activities				Total Governmental Activities
	General Obligation Bonds	Improvement Bonds	Certificates of Indebtedness	Lease Obligations	
2015	\$ 4,489,041	\$ 14,348,154	\$ 2,108,107	\$ -	\$ 20,945,302
2016	8,574,136	12,730,607	2,047,183	-	23,351,926
2017	7,913,453	12,870,925	1,642,184	-	22,426,562
2018	8,115,812	10,992,085	1,215,257	-	20,323,154
2019	7,163,738	12,012,237	846,240	-	20,022,215
2020	6,231,661	12,312,052	597,223	-	19,140,936
2021	5,274,587	11,413,376	338,206	-	17,026,169
2022	3,227,402	13,875,430	-	338,616	17,441,448
2023	3,624,600	15,682,878	-	273,805	19,581,283
2024	11,211,454	13,875,280	-	150,473	25,237,207

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

Table 9

Percentage of Tax Capacity	Business-Type Activities			Per Customer	Total Primary Government	Per Capita	Percentage of Income
	Sewer/ Water Hydro Bonds	Lease Obligations	Total Business-Type Activities				
123.27%	\$ 5,718,774	\$ -	\$ 5,718,774	\$ 759	\$ 26,664,076	\$ 1,181	411.32%
131.80%	5,408,639	-	5,408,639	716	28,760,565	1,268	441.38%
121.98%	2,828,650	-	2,828,650	375	25,255,212	1,127	389.14%
105.20%	3,700,024	-	3,700,024	489	24,023,178	1,054	349.95%
94.21%	4,243,999	-	4,243,999	560	24,266,214	1,064	288.49%
84.26%	5,166,185	-	5,166,185	682	24,307,121	1,070	270.81%
71.58%	5,952,281	-	5,952,281	785	22,978,450	992	233.78%
70.93%	7,213,667	56,903	7,270,570	954	24,712,018	1,066	218.54%
66.76%	7,570,896	42,753	7,613,649	999	27,194,932	1,202	245.35%
80.87%	8,379,589	27,881	8,407,470	1,057	33,644,677	1,497	286.63%

City of Hastings, Minnesota
Ratio of Net General Obligation Bonded Debt to Assesed Value
and Net General Obligation Debt Per Capita
Last Ten Fiscal Years
Unaudited

Table 10

Fiscal Year	Governmental Activities			Estimated Market Value	Per Capita
	Gross Governmental Debt	Less Debt Service Fund Balance	Net Governmental Debt		
2015	\$ 20,945,302	\$ 4,503,176	\$ 16,442,126	1.1%	\$ 728
2016	23,351,926	4,821,409	18,530,517	1.2%	817
2017	22,426,562	4,888,739	17,537,823	1.1%	783
2018	20,323,154	5,200,767	15,122,387	0.9%	663
2019	20,022,215	5,909,532	14,112,683	0.7%	619
2020	19,140,936	5,036,584	14,104,352	0.7%	621
2021	17,026,169	5,783,881	11,242,288	0.5%	485
2022	17,441,448	4,999,066	12,442,382	0.6%	536
2023	19,581,283	5,592,755	13,988,528	0.5%	618
2024	25,237,207	5,543,447	19,693,760	0.7%	876

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

City of Hastings, Minnesota
 Direct and Overlapping Governmental Activities Debt
 December 31, 2024
 Unaudited

Table 11

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
School Districts			
Hastings School District #200	\$ 42,586,288	61.77%	\$ 26,305,550
Counties			
Dakota County	-	0.00%	-
Washington County	99,350,000	0.01%	9,935
Other			
Met Council	5,025,000	0.54%	27,135
Metropolitan Transit District	173,480,000	0.62%	1,075,576
Subtotal - overlapping debt	-		27,418,196
City direct debt	-	100.00%	25,237,207
Total direct and overlapping debt	-		\$ 52,655,403

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

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

Legal Debt Margin Calculation for Fiscal Year 2024

Estimated Market value	\$ 2,808,892,837
Debt limit (3% of market value)	84,266,785
Debt applicable to limit	
General obligation bonds	11,211,454
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	11,211,454
 Legal debt margin	 \$ 73,055,331

	2015	2016	2017	2018
Debt limit	\$ 48,291,162	\$ 46,420,722	\$ 48,229,996	\$ 56,499,093
Total net debt applicable to limit	6,474,000	8,285,000	7,290,000	7,140,000
Legal debt margin	\$ 41,817,162	\$ 38,135,722	\$ 40,939,996	\$ 49,359,093

Amount of Debt Applicable to Debt Limit

Total net debt applicable to the limit as a percentage of debt limit	13.41%	17.85%	15.12%	12.64%
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Note: Under state finance law, the City's outstanding general obligation debt should not exceed 15 percent of total assessed property value. However, the City has established a more conservative internal limit of no more than 5 percent. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Table 12

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 60,356,121	\$ 64,373,922	\$ 67,016,532	\$ 69,601,770	\$ 82,440,954	\$ 84,266,785
<u>6,245,000</u>	<u>6,231,661</u>	<u>5,274,587</u>	<u>4,130,000</u>	<u>3,529,601</u>	<u>11,211,454</u>
<u>\$ 54,111,121</u>	<u>\$ 58,142,261</u>	<u>\$ 61,741,945</u>	<u>\$ 65,471,770</u>	<u>\$ 78,911,353</u>	<u>\$ 73,055,331</u>
10.35%	9.68%	7.87%	5.93%	4.28%	13.30%

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

Fiscal Year	Water Revenue Bonds						Coverage	Sewer Revenue Bonds
	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		Utility Service Charges		
				Principal	Interest			
2015	\$ 1,780,393	\$ 1,804,015	\$ (23,622)	\$ 285,500	\$ 173,274	-5%	\$ -	
2016	1,875,074	1,969,781	(94,707)	300,500	164,159	-20%	-	
2017	1,897,865	1,866,451	31,414	265,000	53,995	10%	-	
2018	2,265,956	1,990,126	275,830	235,000	48,950	97%	2,490,076	
2019	2,235,565	2,200,016	35,549	245,000	74,871	11%	2,638,103	
2020	2,468,528	2,010,727	457,801	310,000	100,644	111%	2,612,847	
2021	2,732,572	2,309,562	423,010	360,000	77,242	97%	2,754,704	
2022	3,134,067	2,201,666	932,401	440,000	149,905	158%	3,019,636	
2023	2,962,301	2,509,205	453,096	245,000	152,425	114%	2,810,177	
2024	2,453,499	2,994,548	(541,049)	440,000	159,207	-90%	2,897,459	

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

Note 2: Special Assessment revenue increased because there were two street capital projects certified in 2021, after none in 2020 due to the pandemic.

Table 13

Sewer Revenue Bonds					Improvement Bonds				
Less Operating Expenses	Net Available Revenue	Debt Service		Coverage	Special Assessment Collections	Debt Service		Coverage	
		Principal	Interest			Principal	Interest		
\$ -	\$ -	\$ -	\$ -	-	\$ 693,963	\$ 3,180,000	\$ 380,019	19%	
-	-	-	-	-	599,228	2,285,000	331,602	23%	
-	-	-	-	-	501,495	2,285,000	288,171	19%	
2,149,571	340,505	-	-	-	648,355	2,115,000	130,738	29%	
2,297,779	340,324	40,000	17,095	596%	1,206,298	2,025,000	266,100	53%	
2,343,030	269,817	40,000	15,700	484%	373,979	1,955,000	334,725	16%	
2,570,487	184,217	40,000	27,558	273%	1,087,455	1,775,000	343,680	51%	
2,722,423	297,213	75,000	38,965	261%	986,370	1,825,000	324,344	46%	
2,817,456	(7,279)	120,000	50,379	-4%	687,121	1,445,000	482,097	36%	
2,907,202	(9,743)	195,000	60,837	-4%	1,135,460	1,645,000	557,677	52%	

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

Table 14

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2015	22,572	\$ 1,149,411,384	\$ 50,922 *	3.20%
2016	22,687	1,200,301,109	52,907	3.40%
2017	22,400	1,290,934,400	57,631	2.70%
2018	22,800	1,324,098,600	58,075	2.70%
2019	22,800	1,582,411,200	69,404	2.90%
2020	22,722	1,606,013,682	70,681	4.30%
2021	23,168	1,687,325,440	72,830	2.30%
2022	23,192	1,850,953,520	79,810	2.70%
2023	22,634	1,857,843,988	82,082	2.20%
2024	22,477	1,979,032,419	88,047	2.20%

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

* Information for this year obtained from Springsted

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

Table 15

Employer	2024			2015		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Dakota County	682	1	8.27%	1,775	1	21.57%
Independent School District # 200	571	2	6.92%	636	3	7.73%
Regina Medical Center/Allina Clinic	370	3	4.49%	875	2	10.63%
Wal-Mart	293	4	3.55%	300	4	3.65%
Intek Plastics, Inc	224	5	2.72%	150	8	1.82%
Augustana Health Care Center	168	6	2.04%	150	9	1.82%
City of Hastings	158	7	1.92%			
YMCA	146	8	1.77%			
Quality Once Woodwork	140	9	1.70%	175	7	2.13%
Ardent Mills/Con-Agra	129	10	1.56%	120	10	1.46%
Allina Medical Clinic				267	6	3.24%
Total	<u>2,881</u>		<u>34.93%</u>	<u>4,728</u>		<u>57.46%</u>

Source: Hastings Community Development Department, and Northland Securities.

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

Table 16

Function/Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government										
Administration	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
City clerk	2.45	2.50	2.60	3.40	3.70	3.85	4.00	4.00	4.00	4.00
Finance	5.60	5.60	6.40	6.40	6.40	6.40	6.10	6.10	6.10	6.10
Building maintenance	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Planning	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Information technology	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Public Safety										
Police	35.15	35.35	34.00	34.00	34.00	35.00	35.00	35.00	36.50	36.50
Building inspections	3.70	3.80	3.90	3.90	4.00	4.00	4.00	5.00	6.50	6.50
Code enforcement	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Works										
Engineering	7.80	7.80	6.80	5.90	5.90	5.90	5.90	5.90	5.90	5.90
Streets	5.54	5.54	5.54	5.54	5.54	5.54	5.54	5.54	5.54	5.54
Parks	8.60	12.20	13.80	12.50	12.50	12.50	12.50	13.50	13.50	14.00
Aquatic center	7.40	10.00	8.70	8.70	8.70	8.70	8.70	8.70	8.70	8.70
Cable television	0.20	0.20	0.20	0.20	0.30	0.15	0.15	0.15	0.15	0.15
Heritage preservation	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Fire and ambulance	19.60	19.60	18.80	18.80	18.80	18.80	18.80	19.80	23.80	23.80
Civic arena	4.80	5.10	4.80	4.80	4.70	4.70	4.70	4.70	4.70	4.70
Economic development	0.63	0.63	0.63	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Housing and redevelopment	0.37	0.37	0.37	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Water	5.10	5.10	5.20	5.20	5.20	5.20	5.20	5.20	5.20	5.20
Wastewater	3.70	3.70	3.80	3.90	3.90	3.90	3.90	3.90	3.90	3.90
Stormwater	3.40	3.40	3.40	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Total	128.14	136.39	133.64	133.54	133.94	134.94	134.79	137.79	144.79	145.29

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

Table 17

Function/Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police										
Physical arrests	360	407	470	389	554	402	467	403	343	309
Parking violations	293	442	225	473	582	347	242	191	137	83
Traffic violations	1,309	1,153	1,455	1,269	1,220	1,095	723	620	561	559
Felony offenses	175	177	170	134	151	159	156	162	165	135
Gross misdemeanor offenses	139	176	203	164	236	155	255	239	188	165
Minor miscellaneous offenses	405	596	656	562	486	351	288	460	419	422
Calls for service	20,216	24,497	26,147	24,097	23,268	22,888	23,924	23,038	22,685	20,163
Group A Crimes#	631	693	732	469	504	434	960	859	714	619
Group B Crimes#	707	641	750	875	857	742	493	426	386	402
Fire										
Emergency responses	3,495	3,249	3,735	3,681	2,991	3,352	4,149	3,766	4,236	3,659
Fires extinguished	74	53	38	85	55	97	68	85	58	45
Inspections	480	580	750	426	569	426	314	423	519	526
Building inspection										
Permits issued										
Residential	1,340	1,507	1,527	1,638	1,538	2,486	3,221	2,571	2,397	2,163
Commercial	165	106	106	103	106	154	119	75	151	143
Culture and recreation										
Students participating in swim lessons	640	622	732	763	840	-	924	889	1,033	952
Ice rental hours	2,400	2,375	2,470	2,388	2,377	1,755	1,864	2,316	2,356	2,464
Turf rental hours	216	325	366	397	352	17	157	310	307	265
Recreational skaters	2,400	1,950	1,890	2,278	2,570	1,708	3,126	3,012	2,850	2,799
Water										
New connections							27	33	39	52
Water mains breaks							3	5	5	6

Sources: Various City departments.

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

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

Table 18

Function/Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Fire stations	1	1	1	1	1	1	1	1	1	1
Other public works										
Streets (miles)	105.0	105.0	105.3	105.5	105.5	105.5	105.5	105.5	105.5	105.5
Culture and recreation										
Acreage	640	640	640	640	640	640	640	700	700	700
Playgrounds	22	22	22	22	22	22	22	22	22	22
Baseball/softball diamonds	21	21	21	21	21	21	21	21	21	21
Soccer/football fields	10	21	21	21	21	21	21	21	21	21
Water										
Water mains (miles)	105	105	105.2	105.2	110.0	107.0	107.6	107.6	107.6	107.6
Fire hydrants	1,094	1,095	1,099	1,099	1,101	1,102	1,102	1,102	1,102	1,102
Storage capacity (thousands of gallons)	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750
Wastewater										
Sanitary sewers (miles)	89	89	89.1	89.3	89.5	90.0	90.6	90.6	90.6	90.6
Storm sewers (miles)	74	74	74.1	74.2	74.5	76.0	76.6	76.6	76.6	76.6

