CITY OF ST. AUGUSTA
CITY COUNCIL MEETING
July 7, 2026
7:00 pm

AGENDA

1. **Call Meeting to Order – Mayor Schmitz**
2. **Pledge of Allegiance**
3. **Consent Agenda**
   Items on the consent agenda are generally procedural, non-controversial and/or have been previously discussed by the City Council. These items do not require further discussion at the meeting and are passed by one motion of the Council. Additional information is included for items within the agenda packet, and Council Members may move items to the regular agenda for further discussion as needed.
   a. **Approval of Agenda**
   b. **Minutes of the June 16, 2026 Council Work Session Meeting** *(3)*
   c. **Bills Payable, Receipts and Treasurer's Report. Echecks 25628-25640, checks 29089-29109***(6)*
   d. **Approve Personnel Items** *(17)*
   e. **Outdoor Liquor Sales at Hayloft for Fire Dept. Celebration on September 12, 2026**
   f. **Approve Patch on 230^{th} St** *(18)*
4. **Presentation – 2025 Audit** *(24)*
5. **Fire Department Items**
   a. **Purchase of ATV from Donation** *(131)*
6. **Engineering Items** *(137)*
   a. **2026 Road Project Pay Voucher #1 – Gaberdine & 238^{th}/240^{th}**
   b. **2026 Road Project Change Order #1 – Gaberdine & 238^{th}/240^{th}**
7. **Open Forum -10 Minute Limit**
8. **Council Member Comments/Purview**
9. **Administrator's Report**
10. **Adjourn**

REMINDERS: City Council Work Session Meeting, Tuesday, July 21, 2026
Regular Planning Commission Meeting, Monday, July 27, 2026
Regular Council Meeting, Tuesday, August 4, 2026 (at Fire Station)
Primary Election Day, Tuesday, August 11, 2026
City Council Work Session Meeting, Tuesday, August 18, 2026

To: Mayor Jeff Schmitz and Members of the St. Augusta City Council
From: Jennifer Nash, City Administrator
Date: July 2, 2026
Re: Review of July 7, 2026 Agenda (Administrative Summary)

1. **Call Meeting to Order – Mayor Schmitz**
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   e. **Outdoor Liquor Sales at Hayloft for Fire Dept. Celebration on September 12, 2026**
   f. **Approve Patch on 230th St** *(18)*
4. **Presentation – 2025 Audit** *(24)*
   Auditors from the firm of Cohn Renzick (formerly Smith Schaefer) will be at the meeting to present the attached 2025 annual audit completed for the City of St. Augusta.
5. **Fire Department Items**
   a. **Purchase of ATV from Donation** *(131)*
   Included in the agenda packet are a staff report recommending purchase of an ATV for the fire department using donated funds along with two quotes for the equipment. If the competitive quotes for the donated ventilation system are available, a request to purchase that equipment may also be brought to Council at this meeting.
6. **Engineering Items** *(137)*
   City Engineer Chris Bunders has provided a staff report describing two requested actions on tonight's meeting – the first pay voucher for work completed on the road construction project thus far, and a change order for sub-grade soil corrections that were needed for sections of the project area.
   a. **2026 Road Project Pay Voucher #1 – Gaberdine & 238th/240th**
   b. **2026 Road Project Change Order #1 – Gaberdine & 238th/240th**
7. **Open Forum -10 Minute Limit**
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10. **Adjourn**

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MINUTES OF THE CITY COUNCIL
ST. AUGUSTA, MINNESOTA
TUESDAY, JUNE 16, 2026

CALL TO ORDER: The meeting was called to order by Mayor Schmitz at 7:00 PM with the Pledge of Allegiance.

PRESENT: Mayor Jeff Schmitz, Council Members Marlin Hommerding, Mark Skaalerud and Brent Genereaux; City Administrator Jennifer Nash and City Planner Robin Caufman

OTHERS PRESENT: Sam DeLeo, Chris Sis, Jolene Sis, Jim Tomczik, Nancy Meyer, Kevin Albers, Thomas Waibel, Janet Waibel, Len Meyer, Steve Rott, Joann Rott, Jim Streit, Nadine Streit and Sue Voigt

CONSENT AGENDA: Administrator Nash requested removal of the culvert repair item for further review of options by the engineer and addition of a new application received from St. Cloud Youth Association for Off-Site Gambling permit at Pleasureland RV on August 1, 2026.

The following items were approved with the consent agenda:

Approval of Agenda
City Council Minutes of June 2, 2026
Bills Payable, Receipts and Treasurer's Report for ePayments #25622-25627 and checks #29049-29088.
Resolution 2026-06 – Appointing Election Judges for Primary and General
Resolution 2026-07 – Accepting Donation for Fire Equipment
Motion to Approve Off-Site Gambling Permit Application at Pleasureland

A motion was made by Hommerding and seconded by Skaalerud to approve the Consent Agenda as amended. All in favor. Motion carried.

ORDINANCE 2026-06:

Planner Caufman introduced her staff report summarizing analysis of request to rezoning property on 43rd Ave and County Road 141 from A-1 to R-R to allow for future rural residential development. She also reviewed comments from the Planning Commission public hearing and resolution to some of the questions brought up during that hearing. Planning Commission unanimously recommended approval of the rezoning request.

Mayor Schmitz noted a future City well site planned for the south end of the community and inquired if allowing for development in this area may make buildout of infrastructure from this well more difficult in the future. Planner Caufman noted the comprehensive plan includes some transition areas where infrastructure may go in the future should that well be built, and this parcel is outside of that transition area and not planned for City water and sewer infrastructure within the comprehensive plan.

Public commenter Elizabeth Mueller asked who would pay for water and sewer line if installed. Nash noted these are usually paid for by the developer, but that this property is proposed to be on private wells and septic systems versus City utilities.

Commenter Jim Tomszick inquired why a City well site would be planned for the south end of the community furthest from existing utility areas. Schmitz noted there is available water there on City-owned property and engineers believe other factors about the location make it an appropriate site, but details of why and if there are other opportunities for locations should be clarified.

Schmitz inquired with the developer about how a planned internal road system would lay out to serve any new parcels within a future plat at this property. Sam DeLeo of KLD Land noted a wetland delineation of the property will be one of the next steps for reviewing the property ahead of designing a preliminary plat as locations of the wetlands may have large effect on how the lots and roads connecting them will need to lay out.

Resident Tom Waibel would like the City to preserve the rural character of the area and the agricultural zoning classification as he believes this is what most of the neighbors want.

Resident Jim Streit expressed concern about additional wells in the area and potential for those wells to affect his well’s production. Caufman noted well locations would be reviewed and licensed through the State as part of planning processes to occur in the future ahead of building on sites. DeLeo also relayed conversations he has had with well contractors noting agricultural water usage for irrigation on the property for watering crops if the parcel is returned to agricultural and irrigation added would likely exceed usage from rural residential development proposed.

(Council Member Backes joined the meeting at 7:31pm)

Paul Koshiol asked if a lot could be split off from the existing parcel in the current agricultural zoning. Nash noted one could under administrative subdivision process, or up to 4 lots per 40 acres under a platting process.

An audience member asked how long the platting process could take if the developer pursue that after rezoning. Nash stated the engineering work needed next would take some time for the developer to complete, which would be followed by public hearing at Planning Commission for preliminary plat and eventually a final plat and development agreement ahead of any site work or construction starting. Shortest timeframe would be this fall at earliest and potentially into next year’s construction season for when that site work may begin.

A motion was made Genereaux and seconded by Backes to adopt Ordinanace 2026-06 – Amending the City of St. Augusta Zoning Map by Rezoning Certain Property from AG-1 Agricultural to R-R Rural Residential.

Skaalerud asked if the zoning change would be permanent after this action or would be dependent on a subdivision application coming forward. Nash responded that the zoning change would go into effect after publication of summary of this ordinance if passed and remain unless another request to rezone would come through similar process to this and be approved. The current use of the property can continue until such time as a new use such as a residential subdivision is proposed and approved.

Vote on motion to adopt ordinance. All in favor. Motion carried.

COUNCIL MEMBER PURVIEW:

Genereaux – noted some signs in the Blackberry Farms addition are faded and others twisted or bent. Asked if public works could take a look.

CITY ADMINISTRATOR UPDATE:

Nash noted some recent requests for code enforcement have prompted search for code citations of regulations in place. The current binder of ordinances is not incorporated into code revisions or in a searchable format, so an upcoming suggested project will be to complete a codification project which would create more efficient and transparent process for identifying code regulations. Also noted several pending requests for administrative subdivision which have highlighted for planning and administrative staff some regulations that they may recommend be updated along with corresponding fees for these services.

ADJOURMENT: **A motion was made by Skaalerud and seconded by Genereaux to adjourn at 7:43 pm. All in favor. Motion carried.**

____
Jeff Schmitz, Mayor

Attest:

____
Jennifer Nash, City Administrator

CITY OF ST AUGUSTA
*Budget YTD Rev-Exp©

Current Period: June 2026

			2026 YTD Budget	2026 YTD Amt	June MTD Amt	2026 YTD Balance	% of Budget
GENERAL FUND							
		Revenues	$1,323,500.00	$229,296.85	$44,428.44	$1,094,203.15	17.33%
		Expenditures	$1,306,706.00	$648,464.45	$173,018.31	$658,241.55	49.63%
		Gain/(Loss)	$16,794.00	($419,167.60)	($128,589.87)	$435,961.60	-2495.94%
Revenue							
Active	R 101-41000-00700	Transfer In	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 101-41000-00710	Trans Out	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 101-41000-31000	General Proper	$1,000,000.00	$19,799.28	$15,525.43	$980,200.72	1.98%
Active	R 101-41000-31030	Sales Tax	$400.00	$606.76	$23.64	($206.76)	151.69%
Active	R 101-41000-31801	PERA Aid	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 101-41000-31803	State Aid MV -	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 101-41000-31804	Local Governm	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 101-41000-31805	State Aid-Fire	$12,000.00	$0.00	$0.00	$12,000.00	0.00%
Active	R 101-41000-31807	State Fire Train	$0.00	$6,358.00	$2,408.00	($6,358.00)	0.00%
Active	R 101-41000-32100	Business Licen	$9,000.00	$9,280.00	$0.00	($280.00)	103.11%
Active	R 101-41000-32120	Dividends	$1,000.00	$0.00	$0.00	$1,000.00	0.00%
Active	R 101-41000-32180	Mailbox Posts/	$200.00	$200.00	$0.00	$0.00	100.00%
Active	R 101-41000-32210	Building Permit	$172,000.00	$101,345.97	$12,246.73	$70,654.03	58.92%
Active	R 101-41000-32250	Park Shelter R	$10,000.00	$11,659.72	$500.00	($1,659.72)	116.60%
Active	R 101-41000-32251	Right of Way P	$2,500.00	$3,591.00	$600.00	($1,091.00)	143.64%
Active	R 101-41000-33100	Federal Grants	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 101-41000-33405	Gas Franchise	$31,000.00	$14,637.07	$0.00	$16,362.93	47.22%
Active	R 101-41000-33406	Electric Franch	$60,000.00	$31,310.00	$10,896.00	$28,690.00	52.18%
Active	R 101-41000-33407	Electric Permit	$11,500.00	$17,140.00	$1,446.00	($5,640.00)	149.04%
Active	R 101-41000-34101	City Hall Rent	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 101-41000-34103	Zoning and Su	$2,000.00	$1,850.00	$50.00	$150.00	92.50%
Active	R 101-41000-34107	Assessment S	$400.00	$300.00	$40.00	$100.00	75.00%
Active	R 101-41000-35000	Fines and Forf	$6,000.00	$1,528.74	$67.62	$4,471.26	25.48%
Active	R 101-41000-36200	Miscellaneous	$500.00	$8,497.78	$0.00	($7,997.78)	1699.56%
Active	R 101-41000-36210	Interest Earnin	$0.00	$601.90	$259.97	($601.90)	0.00%
Active	R 101-41000-39314	Election Assist	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 101-41000-39315	US Bank Rebat	$2,000.00	$590.63	$365.05	$1,409.37	29.53%
Active	R 101-47000-36210	Interest Earnin	$3,000.00	$0.00	$0.00	$3,000.00	0.00%
		Total Revenue	$1,323,500.00	$229,296.85	$44,428.44	$1,094,203.15	17.33%
Expenditure							
Active	E 101-41000-101	Full-Time Employ	$161,027.00	$58,678.32	$14,519.26	$102,348.68	36.44%
Active	E 101-41000-103	Part-Time Employ	$33,382.00	$2,063.91	$264.08	$31,318.09	6.18%
Active	E 101-41000-122	FICA	$12,053.00	$4,054.96	$919.24	$7,998.04	33.64%
Active	E 101-41000-123	Medicare	$2,819.00	$882.03	$214.98	$1,936.97	31.29%
Active	E 101-41000-126	Employer Paid P	$14,581.00	$4,565.57	$1,108.76	$10,015.43	31.31%
Active	E 101-41000-131	Employer Paid H	$20,631.00	$7,293.36	$3,746.72	$13,337.64	35.35%
Active	E 101-41000-143	MN Paid Leave In	$1,711.00	$358.29	$87.20	$1,352.71	20.94%
Active	E 101-41000-151	Worker s Comp I	$758.00	$577.91	$577.91	$180.09	76.24%
Active	E 101-41000-160	Insurance (bldgs/	$9,530.00	$9,297.84	$9,297.84	$232.16	97.56%
Active	E 101-41000-200	Office Supplies (	$4,000.00	$1,906.91	$233.54	$2,093.09	47.67%
Active	E 101-41000-202	Printing & Binding	$0.00	$1,197.63	$557.99	($1,197.63)	0.00%
Active	E 101-41000-203	Legal Notice Publ	$2,000.00	$698.04	$0.00	$1,301.96	34.90%
Active	E 101-41000-205	Ordinance Public	$2,000.00	$537.97	$220.33	$1,462.03	26.90%
Active	E 101-41000-206	Association Dues/	$17,000.00	$10,216.00	$0.00	$6,784.00	60.09%
Active	E 101-41000-207	Auditing Services	$25,000.00	$5,010.00	$0.00	$19,990.00	20.04%

CITY OF ST AUGUSTA
*Budget YTD Rev-Exp©

Current Period: June 2026

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Active	E 101-41000-208	Training, Inst., Tr	$8,000.00	$3,087.97	$348.01	$4,912.03	38.60%
Active	E 101-41000-211	Petty Cash	$0.00	$226.00	$0.00	($226.00)	0.00%
Active	E 101-41000-222	MS4 PERMIT	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 101-41000-250	COVID	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 101-41000-251	COVID GRANT	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 101-41000-300	support services	$5,500.00	$2,515.00	$1,925.00	$2,985.00	45.73%
Active	E 101-41000-302	Assessor Contrac	$22,000.00	$20,023.39	$19,615.39	$1,976.61	91.02%
Active	E 101-41000-303	Engineering Fees	$15,000.00	$9,151.00	$0.00	$5,849.00	61.01%
Active	E 101-41000-304	Legal Fees	$10,000.00	$16,435.00	$2,655.00	($6,435.00)	164.35%
Active	E 101-41000-305	Attorney (prosecu	$17,000.00	$8,500.00	$0.00	$8,500.00	50.00%
Active	E 101-41000-306	Police/Sheriff (co	$31,200.00	$15,120.00	$0.00	$16,080.00	48.46%
Active	E 101-41000-307	Planning (GENER	$15,000.00	$22,774.00	$3,506.00	($7,774.00)	151.83%
Active	E 101-41000-309	Public Safety AE	$1,800.00	$1,125.00	$0.00	$675.00	62.50%
Active	E 101-41000-321	Telephone	$2,000.00	$1,561.68	$348.04	$438.32	78.08%
Active	E 101-41000-322	Postage	$4,100.00	$2,568.81	$78.00	$1,531.19	62.65%
Active	E 101-41000-323	Internet	$1,400.00	$834.88	$191.30	$565.12	59.63%
Active	E 101-41000-324	Internet mobile	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 101-41000-332	Clean Up Day	$4,000.00	$2,526.99	$2,526.99	$1,473.01	63.17%
Active	E 101-41000-381	Electric Utilities	$6,500.00	$2,935.04	$909.13	$3,564.96	45.15%
Active	E 101-41000-383	Gas Utilities	$6,500.00	$4,964.90	$94.54	$1,535.10	76.38%
Active	E 101-41000-384	Refuse/Garbage	$2,400.00	$1,690.65	$517.73	$709.35	70.44%
Active	E 101-41000-413	Office Equipment/	$0.00	$770.38	$254.35	($770.38)	0.00%
Active	E 101-41000-430	Miscellaneous	$2,000.00	$18,697.94	$601.35	($16,697.94)	934.90%
Active	E 101-41000-500	Capital Outlay (G	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 101-41000-520	Buildings and Str	$3,000.00	$207.75	$0.00	$2,792.25	6.93%
Active	E 101-41000-625	Animal Impound	$750.00	$925.00	$0.00	($175.00)	123.33%
Active	E 101-41000-650	Fiscal Charges	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 101-41000-736	city halls sewer/w	$1,100.00	$481.89	$80.85	$618.11	43.81%
Active	E 101-41110-100	Wages and Salari	$30,026.00	$14,136.36	$7,068.18	$15,889.64	47.08%
Active	E 101-41110-121	PERA	$1,502.00	$0.00	$0.00	$1,502.00	0.00%
Active	E 101-41110-122	FICA	$1,769.00	$877.72	$439.51	$891.28	49.62%
Active	E 101-41110-123	Medicare	$528.00	$205.29	$102.79	$322.71	38.88%
Active	E 101-41110-126	Employer Paid P	$0.00	$498.96	$249.48	($498.96)	0.00%
Active	E 101-41110-143	MN Paid Leave In	$0.00	$83.41	$41.70	($83.41)	0.00%
Active	E 101-41110-331	Travel Expenses	$3,000.00	$0.00	$0.00	$3,000.00	0.00%
Active	E 101-41110-433	Dues and Subscri	$500.00	$250.00	$0.00	$250.00	50.00%
Active	E 101-41110-434	Awards and Inde	$500.00	$0.00	$0.00	$500.00	0.00%
Active	E 101-41110-490	Donations to Civi	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 101-41120-106	Planning Commis	$1,500.00	$540.00	$0.00	$960.00	36.00%
Active	E 101-41120-107	Park Board Wage	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 101-41120-108	EDA	$500.00	$0.00	$0.00	$500.00	0.00%
Active	E 101-41130-101	Full-Time Employ	$112,927.00	$56,592.12	$8,746.72	$56,334.88	50.11%
Active	E 101-41130-102	Full-Time Employ	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 101-41130-103	Part-Time Employ	$3,500.00	$6,882.41	$2,136.60	($3,382.41)	196.64%
Active	E 101-41130-122	FICA	$7,218.00	$3,939.25	$676.76	$3,278.75	54.58%
Active	E 101-41130-123	Medicare	$1,687.00	$921.27	$158.27	$765.73	54.61%
Active	E 101-41130-126	Employer Paid P	$8,732.00	$4,745.73	$816.28	$3,986.27	54.35%
Active	E 101-41130-131	Employer Paid H	$25,469.00	$20,287.86	$6,762.62	$5,181.14	79.66%
Active	E 101-41130-143	MN Paid Leave In	$1,025.00	$374.46	$64.20	$650.54	36.53%
Active	E 101-41130-150	Worker s Comp	$5,667.00	$4,045.34	$4,045.34	$1,621.66	71.38%
Active	E 101-41130-160	Insurance (bldgs/	$6,521.00	$5,811.15	$5,811.15	$709.85	89.11%
Active	E 101-41130-208	Training, Inst., Tr	$800.00	$204.75	$0.00	$595.25	25.59%

Current Period: June 2026

			2026 YTD Budget	2026 YTD Amt	June MTD Amt	2026 YTD Balance	% of Budget
Active	E 101-41130-212	Motor Fuels	$12,500.00	$9,271.66	$1,176.69	$3,228.34	74.17%
Active	E 101-41130-220	Repair/Maint Sup	$85,000.00	$38,042.52	$21,478.29	$46,957.48	44.76%
Active	E 101-41130-226	Sign Repair Mater	$4,000.00	$1,471.31	$74.00	$2,528.69	36.78%
Active	E 101-41130-321	Telephone	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 101-41130-342	Refunds	$1,500.00	$1,400.00	$1,400.00	$100.00	93.33%
Active	E 101-41130-430	Miscellaneous	$1,000.00	$526.75	$0.00	$473.25	52.68%
Active	E 101-41220-300	support services	$120,000.00	$64,908.86	$0.00	$55,091.14	54.09%
Active	E 101-41220-430	Miscellaneous	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 101-41220-722	Bldg Permit Surc	$12,000.00	$0.00	$0.00	$12,000.00	0.00%
Active	E 101-41220-742	Electrical Insp	$10,000.00	$5,989.65	$948.30	$4,010.35	59.90%
Active	E 101-41410-104	Temporary Emplo	$6,500.00	$0.00	$0.00	$6,500.00	0.00%
Active	E 101-41410-122	FICA	$383.00	$0.00	$0.00	$383.00	0.00%
Active	E 101-41410-123	Medicare	$114.00	$0.00	$0.00	$114.00	0.00%
Active	E 101-41410-201	Mileage	$250.00	$0.00	$0.00	$250.00	0.00%
Active	E 101-41410-202	Printing & Binding	$250.00	$0.00	$0.00	$250.00	0.00%
Active	E 101-41410-203	Legal Notice Publ	$250.00	$0.00	$0.00	$250.00	0.00%
Active	E 101-41410-208	Training, Inst., Tr	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 101-41410-430	Miscellaneous	$1,000.00	$0.00	$0.00	$1,000.00	0.00%
Active	E 101-41410-534	Equipment	$2,100.00	$0.00	$0.00	$2,100.00	0.00%
Active	E 101-42270-115	Chief Salary	$3,000.00	$3,924.94	$791.52	($924.94)	130.83%
Active	E 101-42270-116	Officers Salary	$6,300.00	$0.00	$0.00	$6,300.00	0.00%
Active	E 101-42270-117	Call Salary	$28,000.00	$0.00	$0.00	$28,000.00	0.00%
Active	E 101-42270-118	Training Salary	$40,000.00	$0.00	$0.00	$40,000.00	0.00%
Active	E 101-42270-119	Officers Pay	$9,200.00	$1,081.71	$0.00	$8,118.29	11.76%
Active	E 101-42270-122	FICA	$5,095.00	$310.56	$49.22	$4,784.44	6.10%
Active	E 101-42270-123	Medicare	$1,522.00	$72.62	$11.51	$1,449.38	4.77%
Active	E 101-42270-125	Other Retirement	$3,000.00	$1,000.00	$0.00	$2,000.00	33.33%
Active	E 101-42270-143	MN Paid Leave In	$761.00	$27.11	$4.66	$733.89	3.56%
Active	E 101-42270-150	Worker s Comp	$6,276.00	$4,481.72	$4,481.72	$1,794.28	71.41%
Active	E 101-42270-160	Insurance (bldgs/	$9,038.00	$8,251.83	$8,251.83	$786.17	91.30%
Active	E 101-42270-200	Office Supplies (	$1,250.00	$679.56	$39.84	$570.44	54.36%
Active	E 101-42270-206	Association Dues/	$5,000.00	$555.00	$0.00	$4,445.00	11.10%
Active	E 101-42270-208	Training, Inst., Tr	$36,000.00	$10,393.62	$1,800.00	$25,606.38	28.87%
Active	E 101-42270-212	Motor Fuels	$4,500.00	$851.36	$839.58	$3,648.64	18.92%
Active	E 101-42270-220	Repair/Maint Sup	$30,000.00	$10,958.72	$4,403.82	$19,041.28	36.53%
Active	E 101-42270-223	Building Repair S	$8,000.00	$121.45	$0.00	$7,878.55	1.52%
Active	E 101-42270-232	EMS Supplies	$7,500.00	$4,070.95	$706.40	$3,429.05	54.28%
Active	E 101-42270-240	Small Tools and	$0.00	$58,099.32	$0.00	($58,099.32)	0.00%
Active	E 101-42270-260	Medical Exams	$7,000.00	$0.00	$0.00	$7,000.00	0.00%
Active	E 101-42270-300	support services	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 101-42270-304	Legal Fees	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 101-42270-320	Natl Night Out	$3,000.00	$0.00	$0.00	$3,000.00	0.00%
Active	E 101-42270-321	Telephone	$1,700.00	$927.29	$308.76	$772.71	54.55%
Active	E 101-42270-323	Internet	$1,320.00	$513.38	$171.30	$806.62	38.89%
Active	E 101-42270-325	IT Expenses	$4,500.00	$1,727.95	$285.60	$2,772.05	38.40%
Active	E 101-42270-364	Grant Writing	$4,000.00	$0.00	$0.00	$4,000.00	0.00%
Active	E 101-42270-384	Refuse/Garbage	$500.00	$564.43	$407.46	($64.43)	112.89%
Active	E 101-42270-387	Fire Dept Utilities	$8,500.00	$5,679.77	$1,284.79	$2,820.23	66.82%
Active	E 101-42270-389	uniforms	$5,000.00	$2,913.91	$300.76	$2,086.09	58.28%
Active	E 101-42270-410	Rentals	$1,000.00	$0.00	$0.00	$1,000.00	0.00%
Active	E 101-42270-430	Miscellaneous	$2,000.00	$796.29	$101.49	$1,203.71	39.81%
Active	E 101-42270-534	Equipment	$7,000.00	$0.00	$0.00	$7,000.00	0.00%

CITY OF ST AUGUSTA
*Budget YTD Rev-Exp©

Current Period: June 2026

			2026 YTD Budget	2026 YTD Amt	June MTD Amt	2026 YTD Balance	% of Budget
Active	E 101-45200-101	Full-Time Employ	$20,879.00	$10,393.92	$1,606.08	$10,485.08	49.78%
Active	E 101-45200-103	Part-Time Employ	$45,676.00	$8,361.60	$4,617.43	$37,314.40	18.31%
Active	E 101-45200-113	State Sales Tax	$900.00	$780.00	$0.00	$120.00	86.67%
Active	E 101-45200-121	PERA	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 101-45200-122	FICA	$3,920.00	$1,164.93	$386.98	$2,755.07	29.72%
Active	E 101-45200-123	Medicare	$1,171.00	$272.41	$90.51	$898.59	23.26%
Active	E 101-45200-126	Employer Paid P	$2,553.00	$779.44	$120.44	$1,773.56	30.53%
Active	E 101-45200-130	Employer Paid In	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 101-45200-143	MN Paid Leave In	$586.00	$94.06	$27.00	$491.94	16.05%
Active	E 101-45200-150	Worker s Comp	$958.00	$684.05	$684.05	$273.95	71.40%
Active	E 101-45200-160	Insurance (bldgs/	$11,291.00	$9,878.96	$9,878.96	$1,412.04	87.49%
Active	E 101-45200-212	Motor Fuels	$500.00	$237.46	$237.46	$262.54	47.49%
Active	E 101-45200-220	Repair/Maint Sup	$20,000.00	$8,164.11	$1,432.83	$11,835.89	40.82%
Active	E 101-45200-228	Ballfield Maintena	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 101-45200-342	Refunds	$5,000.00	$982.88	$825.00	$4,017.12	19.66%
Active	E 101-45200-381	Electric Utilities	$1,750.00	$1,032.63	$360.77	$717.37	59.01%
Active	E 101-45200-384	Refuse/Garbage	$1,600.00	$517.98	$481.44	$1,082.02	32.37%
Active	E 101-45200-410	Rentals	$2,000.00	$527.00	$312.00	$1,473.00	26.35%
Active	E 101-45200-430	Miscellaneous	$2,000.00	$120.69	$120.69	$1,879.31	6.03%
Active	E 101-45200-500	Capital Outlay (G	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 101-49400-143	MN Paid Leave In	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Expenditure	($1,306,706.00)	($648,464.45)	($173,018.31)	($658,241.55)	49.63%
		Total GENERAL FUND	$16,794.00	($419,167.60)	($128,589.87)	$435,961.60	-2495.94%
		Report Total	$16,794.00	($419,167.60)	($128,589.87)	$435,961.60	-2495.94%

CITY OF ST AUGUSTA

*Check Summary Register©

Checks 06/17/26-07/07/26

	Name	Check Date	Check Amt	
10100	**STATE BANK OF KIMBAL**			
33e	BLASHACK, CHAD C.	06/18/26	$1,891.76	
34e	CLAUSSEN, KIM M	06/18/26	$2,415.04	
35e	HILL, MARY M	06/18/26	$972.24	
36e	HOLLERMANN, PAUL A.	06/18/26	$1,525.81	
37e	KIFFMEYER, MARK G.	06/18/26	$1,728.46	
38e	O'BRIEN, JENNIFER	06/18/26	$3,197.72	
39e	SCHLUETER, STEVEN F.	06/18/26	$813.38	
40e	VOIGT, MASON M	06/18/26	$492.66	
41e	WAIBEL, THOMAS F.	06/18/26	$650.82	
42e	WOLTERS, KENNETH G	06/18/26	$639.07	
43e	BACKES, JUSTIN A	06/30/26	$1,088.54	
44e	GENEREUX, BRENT	06/30/26	$1,089.27	
46e	SCHMITZ, JEFFREY, J	06/30/26	$1,870.64	
47e	KRAMER, JOSEPH S.	06/29/26	$646.88	
48e	BLASHACK, CHAD C.	07/03/26	$1,889.57	
49e	CLAUSSEN, KIM M	07/03/26	$2,415.04	
50e	HILL, MARY M	07/03/26	$972.24	
51e	HOLLERMANN, PAUL A.	07/03/26	$1,523.98	
52e	KIFFMEYER, MARK G.	07/03/26	$1,726.73	
53e	O'BRIEN, JENNIFER	07/03/26	$3,193.92	
54e	ROTT, STEVEN	07/03/26	$247.08	
55e	SCHLUETER, STEVEN F.	07/03/26	$846.41	
56e	VOIGT, MASON M	07/03/26	$492.66	
57e	WAIBEL, THOMAS F.	07/03/26	$449.33	
58e	WOLTERS, KENNETH G	07/03/26	$902.09	
25628e	JOHN HANCOCK	06/17/26	$150.00	Vendor Liability
25629e	PERA	06/17/26	$2,681.77	emp pd pera
25630e	STATE BANK OF KIMBALL	06/17/26	$5,440.08	941 taxes
25631e	EFTPS	07/02/26	$691.00	G - ADJUSTMENT TO 4TH QTR 2025
25632e	JOHN HANCOCK	07/02/26	$935.67	Vendor Liability
25633e	PERA	07/02/26	$2,688.43	emp pd pera
25634e	SHELTER POINT	07/02/26	$58.91	MN PAID LEAVE
25635e	STATE BANK OF KIMBALL	07/02/26	$5,510.33	941 taxes
25636e	PERA	07/02/26	$498.96	emp pd pera
25637e	STATE BANK OF KIMBALL	07/02/26	$1,084.60	941 taxes
25638e	MN DEPT OF REVENUE	07/02/26	$2,172.09	emp pd state taxes
25639e	SHELTER POINT	07/02/26	$2.33	MN PAID LEAVE
25640e	STATE BANK OF KIMBALL	07/02/26	$172.57	941 taxes
29089	BRENT AHMANN	07/07/26	$90.00	G - PLANNING COM PAY
29090	LEROY MEIER	07/07/26	$90.00	G - PLANNING COM PAY
29091	PAUL SHEA	07/07/26	$90.00	G - PLANNING COM PAY
29092	Rick Christen	07/07/26	$90.00	G - PLANNING COM PAY
29093	RON KRAEMER	07/07/26	$90.00	G - PLANNING COM PAY
29094	HOMMERDING, MARLIN H.	06/30/26	$1,088.54	
29095	SKAALERUD, MARK A	06/30/26	$1,088.54	
29096	Arkos Technology	07/07/26	$479.00	CIP - COMPUTER SERVICE
29097	CITY OF ST. AUGUSTA	07/07/26	$80.85	g -
29098	F.I.R.E.	07/07/26	$700.00	FD - Reissued, FIRE never received.
29099	Garrett Tschida	07/07/26	$201.75	w - refund
29100	Jennifer O'Brien	07/07/26	$110.20	G - JUNE MILES
29101	KENNETH WOLTERS	07/07/26	$48.58	PARKS - June 2026 MILEAGE
29102	Kim Claussen	07/07/26	$31.90	G - JUNE MILEAGE
29103	KNIFE RIVER	07/07/26	$316,060.20	CIP - Pay 1 - Gaberdine, 238th, 240th

CITY OF ST AUGUSTA

*Check Summary Register©

Checks 06/17/26-07/07/26

	Name	Check Date	Check Amt	
29104	LMCIT	07/07/26	$413.00	fd - 2009 fire engine was not listed on the original bill
29105	MASON VOIGT	07/07/26	$131.23	PARKS - JUNE 26 MILEAGE 181 MILES
29106	MOORE ENGINEERING	07/07/26	$61,620.25	CIP - 2026 GABERDINE PROJECT
29107	POWERHOUSE OUTDOOR EQUIP	07/07/26	$174.62	PARKS - BATTERY REPLACEMENT
29108	RMB ENVIRONMENTAL LABORATORIES	07/07/26	$430.54	sewer dept -
29109	TRAUT COMPANIES	07/07/26	$80.00	W
		Total Checks	$438,957.28	

10100 STATE BANK OF KIMBAL

101 GENERAL FUND	$19,155.05
450 CAPITAL PROJECT FUND	$377,075.95
601 WATER FUND	$2,324.12
602 SEWER FUND	$2,573.85
603 SAC/WAC FUND	$100.87
607 STORMWATER UTILITY	$1,869.02
	$403,098.86

Jeffery J Schmitz

FILTER: [Check Date] between #06/17/26# and #07/07/26# and [Check Nbr]>0 and [Cash Act]='10100'

CITY OF ST AUGUSTA

*Check Detail Register©

Checks 06/17/26-07/07/26

Check #	Check Date	Vendor Name	Amount	Invoice	Comment
10100 STATE BANK OF KIMBAL					
25628 e	06/17/26	**JOHN HANCOCK**			
G 101-21710		Other Deducations	$150.00		Mark $100, Paul $50
		Total	$150.00		
25629 e	06/17/26	**PERA**			
G 101-21704		PERA	$369.61		KIFFMEYER, MARK G.
G 607-21704		PERA	$19.34		KIFFMEYER, MARK G.
G 101-21704		PERA	$152.86		SCHLUETER, STEVEN F.
G 101-21704		PERA	$58.02		BLASHACK, CHAD C.
G 601-21704		PERA	$155.79		BLASHACK, CHAD C.
G 602-21704		PERA	$155.80		BLASHACK, CHAD C.
G 607-21704		PERA	$19.34		BLASHACK, CHAD C.
G 101-21704		PERA	$297.07		HOLLERMANN, PAUL A.
G 601-21704		PERA	$36.87		HOLLERMANN, PAUL A.
G 602-21704		PERA	$36.87		HOLLERMANN, PAUL A.
G 101-21704		PERA	$18.48		HILL, MARY M
G 601-21704		PERA	$73.94		HILL, MARY M
G 602-21704		PERA	$73.94		HILL, MARY M
G 607-21704		PERA	$18.50		HILL, MARY M
G 101-21704		PERA	$428.40		CLAUSSEN, KIM M
G 601-21704		PERA	$25.20		CLAUSSEN, KIM M
G 602-21704		PERA	$25.20		CLAUSSEN, KIM M
G 607-21704		PERA	$25.20		CLAUSSEN, KIM M
G 101-21704		PERA	$587.96		O'BRIEN, JENNIFER
G 601-21704		PERA	$34.46		O'BRIEN, JENNIFER
G 602-21704		PERA	$34.46		O'BRIEN, JENNIFER
G 607-21704		PERA	$34.46		O'BRIEN, JENNIFER
		Total	$2,681.77		
25630 e	06/17/26	**STATE BANK OF KIMBALL**			
G 101-21701		Federal Withholding	$1,607.26		941 taxes
G 101-21703		FICA Tax Withholding	$1,971.92		941 taxes
G 101-21709		Medicare	$461.18		941 taxes
G 601-21701		Federal Withholding	$231.72		941 taxes
G 601-21703		FICA Tax Withholding	$289.84		941 taxes
G 601-21709		Medicare	$67.78		941 taxes
G 602-21701		Federal Withholding	$231.71		941 taxes
G 602-21703		FICA Tax Withholding	$289.84		941 taxes
G 602-21709		Medicare	$67.78		941 taxes
G 607-21701		Federal Withholding	$92.97		941 taxes
G 607-21703		FICA Tax Withholding	$103.82		941 taxes
G 607-21709		Medicare	$24.26		941 taxes
		Total	$5,440.08		
25631 e	07/02/26	**EFTPS**			
E 101-41000-122		FICA	$691.00	CP220	G - ADJUSTMENT TO 4TH QTR 2025
		Total	$691.00		
25632 e	07/02/26	**JOHN HANCOCK**			

*Check Detail Register©

Checks 06/17/26-07/07/26

Check #	Check Date	Vendor Name	Amount	Invoice	Comment
G 101-21710		Other Deducations	$759.85		
G 601-21710		Other Deducations	$75.58		
G 602-21710		Other Deducations	$75.58		
G 607-21710		Other Deducations	$24.66		
		Total	$935.67		
25633 e	07/02/26	**PERA**			
G 101-21704		PERA	$369.60		KIFFMEYER, MARK G.
G 607-21704		PERA	$19.34		KIFFMEYER, MARK G.
G 101-21704		PERA	$159.53		SCHLUETER, STEVEN F.
G 101-21704		PERA	$58.02		BLASHACK, CHAD C.
G 601-21704		PERA	$155.79		BLASHACK, CHAD C.
G 602-21704		PERA	$155.80		BLASHACK, CHAD C.
G 607-21704		PERA	$19.34		BLASHACK, CHAD C.
G 101-21704		PERA	$297.07		HOLLERMANN, PAUL A.
G 601-21704		PERA	$36.87		HOLLERMANN, PAUL A.
G 602-21704		PERA	$36.87		HOLLERMANN, PAUL A.
G 101-21704		PERA	$18.48		HILL, MARY M
G 601-21704		PERA	$73.94		HILL, MARY M
G 602-21704		PERA	$73.94		HILL, MARY M
G 607-21704		PERA	$18.50		HILL, MARY M
G 101-21704		PERA	$428.40		CLAUSSEN, KIM M
G 601-21704		PERA	$25.20		CLAUSSEN, KIM M
G 602-21704		PERA	$25.20		CLAUSSEN, KIM M
G 607-21704		PERA	$25.20		CLAUSSEN, KIM M
G 101-21704		PERA	$587.96		O'BRIEN, JENNIFER
G 601-21704		PERA	$34.46		O'BRIEN, JENNIFER
G 602-21704		PERA	$34.46		O'BRIEN, JENNIFER
G 607-21704		PERA	$34.46		O'BRIEN, JENNIFER
		Total	$2,688.43		
25634 e	07/02/26	**SHELTER POINT**			
G 101-21712		MN Paid Leave	$42.69		MN Paid Leave Benefit
G 601-21712		MN Paid Leave	$6.88		MN Paid Leave Benefit
G 602-21712		MN Paid Leave	$6.88		MN Paid Leave Benefit
G 607-21712		MN Paid Leave	$2.46		MN Paid Leave Benefit
		Total	$58.91		
25635 e	07/02/26	**STATE BANK OF KIMBALL**			
G 101-21701		Federal Withholding	$1,617.26		941 taxes
G 101-21703		FICA Tax Withholding	$2,019.18		941 taxes
G 101-21709		Medicare	$472.22		941 taxes
G 601-21701		Federal Withholding	$232.54		941 taxes
G 601-21703		FICA Tax Withholding	$289.84		941 taxes
G 601-21709		Medicare	$67.78		941 taxes
G 602-21701		Federal Withholding	$232.56		941 taxes
G 602-21703		FICA Tax Withholding	$289.84		941 taxes
G 602-21709		Medicare	$67.78		941 taxes
G 607-21701		Federal Withholding	$93.27		941 taxes
G 607-21703		FICA Tax Withholding	$103.80		941 taxes

*Check Detail Register©

Checks 06/17/26-07/07/26

Check #	Check Date	Vendor Name	Amount	Invoice	Comment
G 607-21709		Medicare	$24.26		941 taxes
		Total	$5,510.33		
25636 e	07/02/26	**PERA**			
G 101-21704		PERA	$124.74		BACKES, JUSTIN A
G 101-21704		PERA	$124.74		GENEREUX, BRENT
G 101-21704		PERA	$124.74		HOMMERDING, MARLIN H.
G 101-21704		PERA	$124.74		SKAALERUD, MARK A
		Total	$498.96		
25637 e	07/02/26	**STATE BANK OF KIMBALL**			
G 101-21703		FICA Tax Withholding	$879.02		941 taxes
G 101-21709		Medicare	$205.58		941 taxes
		Total	$1,084.60		
25638 e	07/02/26	**MN DEPT OF REVENUE**			
G 101-21702		State Withholding	$1,632.19		State Tax - MN
G 601-21702		State Withholding	$228.76		State Tax - MN
G 602-21702		State Withholding	$228.80		State Tax - MN
G 607-21702		State Withholding	$82.34		State Tax - MN
		Total	$2,172.09		
25639 e	07/02/26	**SHELTER POINT**			
G 101-21712		MN Paid Leave	$2.33		MN Paid Leave Benefit
		Total	$2.33		
25640 e	07/02/26	**STATE BANK OF KIMBALL**			
G 101-21701		Federal Withholding	$51.11		941 taxes
G 101-21703		FICA Tax Withholding	$98.44		941 taxes
G 101-21709		Medicare	$23.02		941 taxes
		Total	$172.57		
29089	07/07/26	**BRENT AHMANN**			
E 101-41120-106		Planning Commission wag	$90.00		G - PLANNING COM PAY
		Total	$90.00		
29090	07/07/26	**LEROY MEIER**			
E 101-41120-106		Planning Commission wag	$90.00		G - PLANNING COM PAY
		Total	$90.00		
29091	07/07/26	**PAUL SHEA**			
E 101-41120-106		Planning Commission wag	$90.00		G - PLANNING COM PAY
		Total	$90.00		
29092	07/07/26	**Rick Christen**			
E 101-41120-106		Planning Commission wag	$90.00		G - PLANNING COM PAY
		Total	$90.00		
29093	07/07/26	**RON KRAEMER**			
E 101-41120-106		Planning Commission wag	$90.00		G - PLANNING COM PAY
		Total	$90.00		

CITY OF ST AUGUSTA

*Check Detail Register©

Checks 06/17/26-07/07/26

Check #	Check Date	Vendor Name	Amount	Invoice	Comment
29096	07/07/26	**Arkos Technology**			
E 450-41000-327		Computer Equipment	$479.00	26-1193	CIP - COMPUTER SERVICE
		Total	$479.00		
29097	07/07/26	**CITY OF ST. AUGUSTA**			
E 101-41000-736		city halls sewer/water expe	$80.85		g -
		Total	$80.85		
29098	07/07/26	**F.I.R.E.**			
E 101-42270-208		Training, Inst., Travel	$700.00		FD - Reissued, FIRE never received.
		Total	$700.00		
29099	07/07/26	**Garrett Tschida**			
E 601-49400-430		Miscellaneous	$100.88		w - refund
E 603-41000-430		Miscellaneous	$100.87		
		Total	$201.75		
29100	07/07/26	**Jennifer O'Brien**			
E 101-41000-208		Training, Inst., Travel	$110.20		G - JUNE MILES
		Total	$110.20		
29101	07/07/26	**KENNETH WOLTERS**			
E 101-45200-430		Miscellaneous	$48.58		PARKS - June 2026 MILEAGE
		Total	$48.58		
29102	07/07/26	**Kim Claussen**			
E 101-41000-208		Training, Inst., Travel	$31.90		G - JUNE MILEAGE
		Total	$31.90		
29103	07/07/26	**KNIFE RIVER**			
E 450-41130-230		Overlaying	$316,060.20	Pay 1	CIP - Pay 1 - Gaberdine, 238th, 240th
		Total	$316,060.20		
29104	07/07/26	**LMCIT**			
E 101-42270-160		Insurance (bldgs/equip)	$413.00		fd - 2009 fire engine was not listed on the original bill
		Total	$413.00		
29105	07/07/26	**MASON VOIGT**			
E 101-45200-430		Miscellaneous	$131.23		PARKS - JUNE 26 MILEAGE 181 MILES
		Total	$131.23		
29106	07/07/26	**MOORE ENGINEERING**			
E 607-41000-303		Engineering Fees	$536.00	SIN010189	SW - BLATTNER CULVERT
E 607-41000-303		Engineering Fees	$547.50	SIN010191	SW -
E 450-41130-230		Overlaying	$60,536.75	SIN010199	CIP - 2026 GABERDINE PROJECT
		Total	$61,620.25		
29107	07/07/26	**POWERHOUSE OUTDOOR EQUIP**			
E 101-45200-220		Repair/Maint Supply	$174.62	759414	PARKS - BATTERY REPLACEMENT
		Total	$174.62		

CITY OF ST AUGUSTA

*Check Detail Register©

Checks 06/17/26-07/07/26

Check #	Check Date	Vendor Name	Amount	Invoice	Comment
29108	07/07/26	**RMB ENVIRONMENTAL LABORATORIES**			
E 602-49450-316		Sample Analysis	$148.39	D089524	sewer dept -
E 602-49450-316		Sample Analysis	$282.15	D090190	sewer dept -
		Total	$430.54		
29109	07/07/26	**TRAUT COMPANIES**			
E 601-49400-316		Sample Analysis	$80.00	389598	W
		Total	$80.00		
		10100	$403,098.86		

Fund Summary

10100 STATE BANK OF KIMBAL	
101 GENERAL FUND	$19,155.05
450 CAPITAL PROJECT FUND	$377,075.95
601 WATER FUND	$2,324.12
602 SEWER FUND	$2,573.85
603 SAC/WAC FUND	$100.87
607 STORMWATER UTILITY	$1,869.02
	$403,098.86

Jeffery J Schmitz

Welcome to St. Augusta
WHERE COUNTRY MEETS COMMUNITY

To: Mayor Jeff Schmitz and Council Members
From: Jennifer Nash, City Administrator
Date: July 7, 2026
RE: Personnel Items

Background:

St. Augusta hires seasonal part-time employees in the summer for mowing and other maintenance at Kiffmeyer and Hidden Lake parks. The part-time employee that has been maintaining Kiffmeyer Park is moving out of town so will be resigning. We received an application from another resident interested in performing this work who was interviewed by staff and has been training in with current staff.

Steve Rott is the new employee who began training on June 29th, and Tom Waibel will be leaving City employment by August 1st or sooner.

Financial Impact:
Hourly pay for seasonal employees is included in the annual operating budget – approximately 10 hours per week in summer for this part-time staff member.

Recommendation:
Staff recommends a motion to approve hiring of Steve Rott as part-time park maintenance beginning June 29th, and accept the resignation of Tom Waibel effective August 1st or sooner.

Attachment:
- None

Welcome to St. Augusta

WHERE COUNTRY MEETS COMMUNITY

To: Mayor Jeff Schmitz and Council Members
From: Jennifer Nash, City Administrator
Chris Bunders, City Engineer
Mark Kiffmeyer, Public Works - Streets
Date: July 7, 2026
RE: 230th St Culvert Patch

Background:

There is a section of 230th St just west of the fire fill station and east of Fleetwood Drive that has a hump in the road. Public works staff states the elevated area has remained in that condition for some time above a culvert, and the proposed fix is removing some pavement over the area and patching over to create a level surface. This item was removed from the June 16, 2026 agenda to receive input from the City Engineer.

Two estimates were received for this work as attached:

- Granite City Paving - $1,500
- Diversified Paving - $2,150 or $3,000

There are differences in the two bids with the proposed paving project width and type of compaction used. The Granite City Paving estimate calls for a 3-foot wide section to be removed and repaved, with perpendicular compaction used. The Diversified Paving estimate calls for a 10-foot wide section to be removed with parallel compaction. Diversified includes two options – either mill 2” down and repave, or do full-depth 4” reclaim with repave. The City Engineer has reviewed options and recommends the 10 foot wide 4” depth reclaim and repave through Diversified Paving.

Financial Impact:
$3,000 from Streets repair budget

Recommendation:
Staff recommends a motion to approve estimate from Diversified Paving for patch on 230th St in the amount of $3,000.

Attachment:

- Granite City Paving Estimate
- Diversified Paving Estimate

GRANITE CITY PAVING

Estimate

Granite City Paving LLC
PO Box 361, Foley, MN 56329
320-266-8820
karle@granitecitypavingllc.com

DATE June 2, 2026
Estimate # 6287

Customer:
City Of St. Augusta

Project: Culvert Patch

Location: 230th St

Description	Approx. Quantity	Unit	Unit Price	Total
230th St: 3' x 24', sawcut and remove existing pavement, remove poor base material, haul in, shape & compact new gravel base. Placement & compaction of **4.0"** of new pavement	72	Sq Ft		$1,500.00
			TOTAL:	**$1,500.00**

Notes:
- **Estimate valid for 15 days**
- Add 3% to Contract Total if Bond Required
- Owner is responsible for all private utilities and sprinkler heads
- Black dirt, seeding and/or sod is not included in estimate
- Permits are not included/Owner is responsible for obtaining permit if required by city/township/county etc.
- Testing is not included
- Layout/Striping not included
- All new asphalt to be B - Oil

Payment Terms:
- Payment to be made within **15 Days** of Completion

The above prices, specifications and conditions are satisfactory and are hereby accepted. Payments will be made as outlined above.

Signature **Date of Acceptance**

May 29, 2026

230th street culvert patch Proposal

Contact
Paul Reinert
(320) 292-5696
paul@dpipaving.com

Submitted to
Jennifer Nash
City of St Augusta
(320) 654-0387
jnash@staugustamn.gov

230th street culvert patch Proposal

Contact		Submitted to
Paul Reinert (320) 292-5696 paul@dpipaving.com	**Proposal Date** 5/29/2026 **Project ID** 26-0202 **Job Site** 230th street east end culvert patch	Jennifer Nash (320) 654-0387 jnash@staugustamn.gov

Services

230th street culvert patch Estimate

Option 1 of 4" thick Full Depth Removal of 10'x24' patch installed in two layers. perform in a manner to keep traffic flow during work process 240 sq ft of Full Depth Removal: Full depth removal is the process of removing the asphalt down to the aggregate base material or to the listed depth whichever is less. Recompacting the aggregate base material and installing new hot mix asphalt in one layer. Thickness is measured in the finished rolled state and measurements are an overall average.	$3,000.00
Option 2 of Mill Patching at a 2" depth of 10'x24' perform in a manner to keep traffic flow during work process 240 sq ft of mill patching: Mill patching is the process of removing the top layer of asphalt as needed with a milling machine. Asphalt is milled to a level that will integrate with adjacent areas. CSS1H tack material is applied to the prepared area to create a bond with the new and existing asphalt.	$2,150.00
Total:	**$5,150.00**

Additional Service Information

230th street culvert patch Estimate

Option 1 of 4" thick Full Depth Removal of 10'x24' patch installed in two layers. perform in a manner to keep traffic flow during work process

Option 2 of Mill Patching at a 2" depth of 10'x24' perform in a manner to keep traffic flow during work process

Project Map

Exclusions

Excludes :
Gravel Base Material
Sub Base Preparation
Permits
Testing
Soil Corrections

230th street culvert patch Proposal

Shouldering or Turf Restoration
Damage to Underground Utilities and Lines

Terms
30% Down Payment
Net 15 Days
Price is good for 15 days from sent date.
Fuel surcharge of 1% of contract price for every $0.25 increase at pump price over $4.75.

This is a quotation on the goods named and subject to the conditions noted below:

Diversified Paving provides a one-year warranty on workmanship unless stated otherwise in the description above. Diversified Paving is released from all warranty of the asphalt installation due to cold weather paving as it is not recommended to perform asphalt paving in temperatures under 35 degrees Fahrenheit. Diversified Paving does not guarantee water drainage on any surface that is less than 2% slope at the time of paving as this is the industry standard. Any alterations or deviations from the specifications above which incur an extra cost will be added to the final cost of the work done. These charges will be calculated based on what is usual and customary for the rates used on similar work done by Diversified Paving. Permits are not included in the price stated above unless noted in the proposal. Some jobs may require drainage correction into grass/lawn area. This will require re-grading of that area. The owner or general contractor is responsible for all sprinkler heads and private utilities. No black dirt, seed or sod included in the above price unless otherwise stated.

Payment schedule is specified and expected. Diversified Paving will have the right to cease work immediately and to demand either a payment bond or an escrow of funds for the work it is to do if it has a reasonable basis to believe the owners or general contractors financial responsibility is impaired. Diversified Paving may terminate this agreement if such demand is not met within 14 calendar days. Diversified Paving may file appropriate liens or bond claims, as the case may be, to assure payment of the work completed up to date of termination. The owner or general contractor, by acceptance of this proposal, agrees to pay all cost of collections, including reasonable attorney's fees incurred, in order to recover any amounts due or to become due herein. Liens or bond claims will be filed within the periods prescribed by law if any balance due herein becomes 45 calendar days past due.

Jennifer Nash City of St Augusta jnash@staugustamn.gov	Date	Paul Reinert Diversified Paving paul@dpipaving.com

CohnReznick LLP
cohnreznick.com

Honorable Mayor and City Council
City of St. Augusta
1914 - 250th Street
St. Augusta, Minnesota 56301

We have audited the financial statements of the City of St. Augusta as of and for the year ended December 31, 2025, and have issued our report thereon dated June 29, 2026. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated January 5, 2026, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America and *Government Auditing Standards*. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of the financial statements includes consideration of the system of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of City of St. Augusta solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting and other matters noted during our audit in a separate letter to you dated June 29, 2026.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you in the engagement letter dated January 5, 2026.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

We have identified the following significant risks:

Segregation of duties and management override of controls are an issue for any entity of your size. Management's awareness of the risks was considered and there was no reliance on any controls in place during the audit.

Receivables and related revenue recognition, which require special audit consideration due to the potential magnitude of misstatement.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements were:

Net Pension Liability

Management's estimate of the net pension liability is actuarially determined. We have evaluated the estimates used in the study and determined they were reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Depreciation of Capital Assets

Management's estimate of the useful life of purchased, constructed or contributed capital assets is based on the estimated productive life of these assets. We evaluated key factors and assumptions used to develop the estimated useful lives assigned to capital assets and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Allowance for Doubtful Accounts

Management's estimate of the allowance for doubtful accounts for ambulance fund receivables is based on management's estimate of uncollectible amounts. We evaluated the key factors and assumptions used to develop the allowance for doubtful accounts for ambulance fund receivables and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. All material misstatements that we identified as a result of our audit procedures were brought to the attention of, and were corrected by, management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to City of St. Augusta's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in our separate letter dated June 29, 2026.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with City of St. Augusta, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as City of St. Augusta's auditors.

This report is intended solely for the information and use of the honorable mayor and city council, and management of City of St. Augusta and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

CohnReznick LLP

CohnReznick LLP
cohnreznick.com

Honorable Mayor and Members
of the City Council
City of St. Augusta, Minnesota

In planning and performing our audit of the basic financial statements of City of St. Augusta as of and for the year ended December 31, 2025, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered City of St. Augusta's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of City of St. Augusta's internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, significant deficiencies or material weaknesses may exist that have not been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible*. The chance of the future event or events occurring is more than remote but less than likely.

- *Probable*. The future event or events are likely to occur.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the entity's internal control to be significant deficiencies:

Annual Financial Reporting and Segregation of Duties

A City of this size have an inherent limitation in its ability to effectively segregate its accounting duties and to prepare annual full disclosure financial statements in accordance with generally accepted accounting principles. It would not be practical for the City to devote the resources required to overcome this limitation. The potential exists that a material disclosure could be omitted from the financial statements and not be prevented or detected by the City's internal controls.

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Material Account Adjustments

The City currently relies upon its independent accountants to assist with adjustments to and preparation of the City's unaudited trial balance. Therefore, there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis by City personnel. Management should attempt to develop a financial accounting reporting staff and an accounting procedures manual to assist with ensuring that all information necessary to prepare an accurate unaudited trial balance is gathered in an organized and efficient manner. This will help ensure that any potential material misstatements are detected and corrected on a timely basis.

None of the identified deficiencies in internal control listed above are considered to be material weaknesses.

The purpose of this communication, which is an integral part of our audit, is to describe for management and those charged with governance the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

CohnReznick LLP

Rochester, Minnesota

City of St. Augusta

Financial Statements
and Independent Auditor's Report
(With Supplementary Information)

December 31, 2025

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City of St. Augusta, Minnesota

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City of St. Augusta

Introductory Section

December 31, 2025

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City Of St. Augusta

Elected and Appointed Officials
December 31, 2025

Position	Name	Term Expires
	Elected Officials	
City council:		
Mayor	Jeff Schmitz	December 31, 2026
Council member	Justin Backes	December 31, 2026
Council member	Marlin Hommerding	December 31, 2026
Council member	Brent Genereux	December 31, 2028
Council member	Mark Skaalerud	December 31, 2028
	Appointed Officials	
Clerk-administrator	William McCabe	Continuous
Treasurer	Kim Claussen	Continuous

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City of St. Augusta

Financial Section

December 31, 2025

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<u>Independent Auditor's Report</u>

Honorable Mayor and Members of the City Council
City of St. Augusta, Minnesota

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of City of St. Augusta, as of and for the year ended December 31, 2025, and the related notes to financial statements, which collectively comprise City of St. Augusta's basic financial statements as listed in the index.

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, and each major fund of City of St. Augusta as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund and SAC & WAC 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 audits 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 City of St. Augusta and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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 GAS 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 GAS, 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 St. Augusta's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of St. Augusta's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of City's pension contributions, the schedule of City and Non-employer's proportionate share of net pension liability, and the notes to the required supplementary information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

Other Information

Management is responsible for the other information included in the report. The other information comprises the introductory section and supplementary information 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of St. Augusta's basic financial statements. The introductory section and other supplemental information listed in the index are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory section and supplemental information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2026 on our consideration of City of St. Augusta's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 City of St. Augusta's internal control over financial reporting and compliance.

CohnReznick LLP

Minneapolis, Minnesota
June 29, 2026

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City of St. Augusta

Management's Discussion and Analysis
December 31, 2025

As management of the City of St. Augusta, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of St. Augusta for the fiscal year ended December 31, 2025, with comparative data for the fiscal year ended December 31, 2024.

Financial Highlights

- The assets and deferred outflows of resources of the City of St. Augusta exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $17,633,276 (*net position)*. Of this amount, $3,601,185 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designations and fiscal policies.

- The City's total net position increased by $720,391. The increase is due primarily to increased property tax and capital grant revenue in the current year.

- As of the close of the current fiscal year, the City of St. Augusta's governmental funds reported combined ending fund balances of $3,782,898, an increase of $550,596 from the prior year. The amount of fund balance that was restricted as of December 31, 2025 was $1,098,726, the nonspendable amount (related to prepaid items) was $15,438, the committed amount was $367,019, the assigned amount was $961,714 and the unassigned amount was $1,340,001.

- At the end of the current fiscal year, fund balance for the general fund was $1,355,439, or 93% of total current year general fund expenditures.

- The City's total noncurrent liabilities decreased by $90,460 in 2025 due to scheduled debt payments and a decrease in the City's net pension liability.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of St. Augusta's basic financial statements. The City's basic financial statements are comprised of the following three components: 1) government-wide financial statements, providing information for the City as a whole, 2) fund financial statements, providing detailed information for the City's significant funds, and 3) notes to the financial statements, providing additional information that is essential to understanding the government-wide and fund 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 St. Augusta's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of St. Augusta's 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 St. Augusta is improving or deteriorating.

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 the 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 and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of St. Augusta that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of St. Augusta include general government, public safety - fire, public works, building inspector, and parks and recreation. The business-type activities of the City of St. Augusta include the water, sewer, street utility and storm water funds.

The government-wide financial statements can be found on pages 27-29 of this report.

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

Governmental funds
Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the 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.*

The City of St. Augusta maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, the SAC & WAC special revenue fund, St. Augusta Parade special revenue fund and the general capital projects fund, all of which are considered to be major funds.

The City of St. Augusta adopted an annual budget for all of its governmental funds for 2025, other than the St. Augusta Parade fund. Budgetary comparison statements have been provided for these funds (pages 41-43 and 90-91) to demonstrate compliance with the budgets.

The basic governmental fund financial statements can be found on pages 32-39 of this report.

Proprietary funds. The City of St. Augusta maintains one type of proprietary fund - enterprise funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of St. Augusta uses enterprise funds to account for its water, sewer, street utility and storm water operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, street utility and storm water funds, all of which are considered to be major funds of the City of St. Augusta.

The proprietary fund financial statements can be found on pages 44-49 of this report.

Notes to the 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 53-79 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of St. Augusta, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $17,633,276 at the close of the most recent fiscal year.

The largest portion of the City of St. Augusta's net position, $12,414,150 (70%), reflects its investment in capital assets (e.g. land, buildings and improvements, and machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City of St. Augusta uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of St. Augusta's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of St. Augusta's Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 4,265,238	$ 3,871,127	$ 1,484,655	$ 1,315,105	$ 5,749,893	$ 5,186,232
Capital assets	7,435,156	7,256,610	5,698,182	5,960,946	13,133,338	13,217,556
Total assets	11,700,394	11,127,737	7,182,837	7,276,051	18,883,231	18,403,788
Deferred outflows of resources	32,912	36,066	6,288	12,055	39,200	48,121
Long-term liabilities outstanding	222,386	256,426	647,933	704,353	870,319	960,779
Other liabilities	149,542	308,883	172,400	158,299	321,942	467,182
Total liabilities	371,928	565,309	820,333	862,652	1,192,261	1,427,961
Deferred inflows of resources	81,349	82,957	15,545	28,106	96,894	111,063
Net position:						
Net investment in capital assets	7,339,654	7,127,775	5,074,496	5,299,260	12,414,150	12,427,035
Restricted	1,428,735	1,726,726	189,206	165,134	1,617,941	1,891,860
Unrestricted	2,511,640	1,661,036	1,089,545	932,954	3,601,185	2,593,990
Total net position	$ 11,280,029	$ 10,515,537	$ 6,353,247	$ 6,397,348	$ 17,633,276	$ 16,912,885

An additional portion of the City of St. Augusta's net position (9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* ($3,601,185) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of St. Augusta is able to report positive balances in all categories of net position for the City as a whole.

Governmental activities. Governmental activities account for 64% of the City of St. Augusta's net position. The total increase in net position for governmental activities was $764,492. The key elements of this increase were an increase in property tax and capital grant revenue.

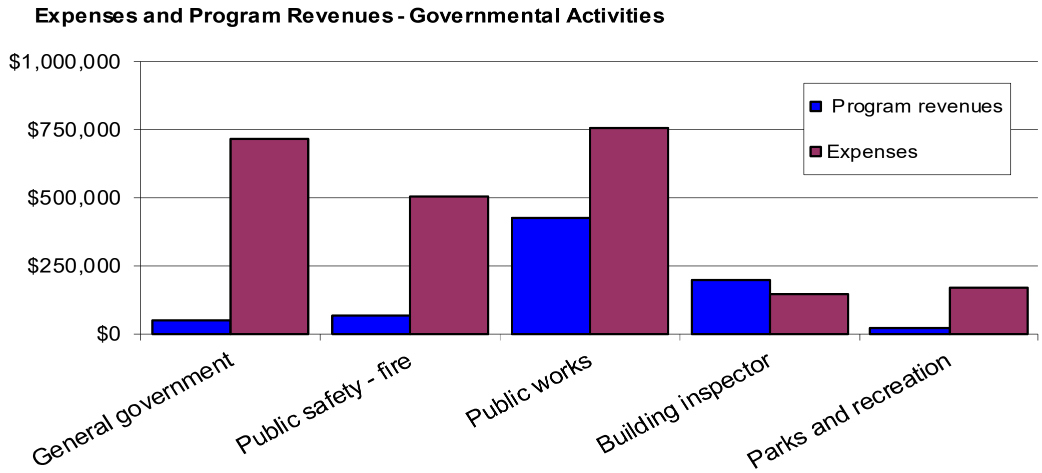
Business-type activities. Business-type activities decreased the City of St. Augusta's net position by $44,101. This decrease is due primarily to lower than expected transfers from governmental funds.

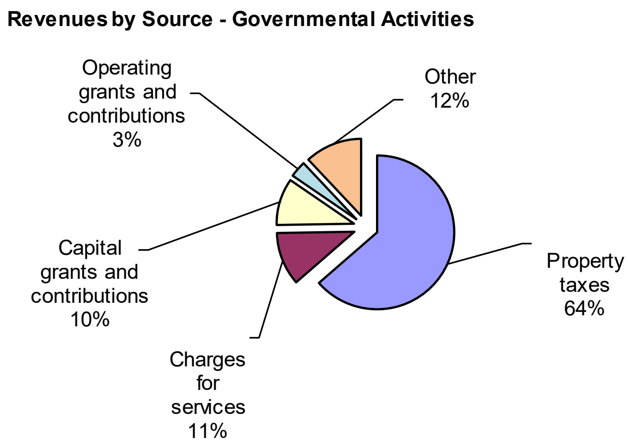
A condensed version of the Statement of Activities follows:

City of St. Augusta's Change in Net Position

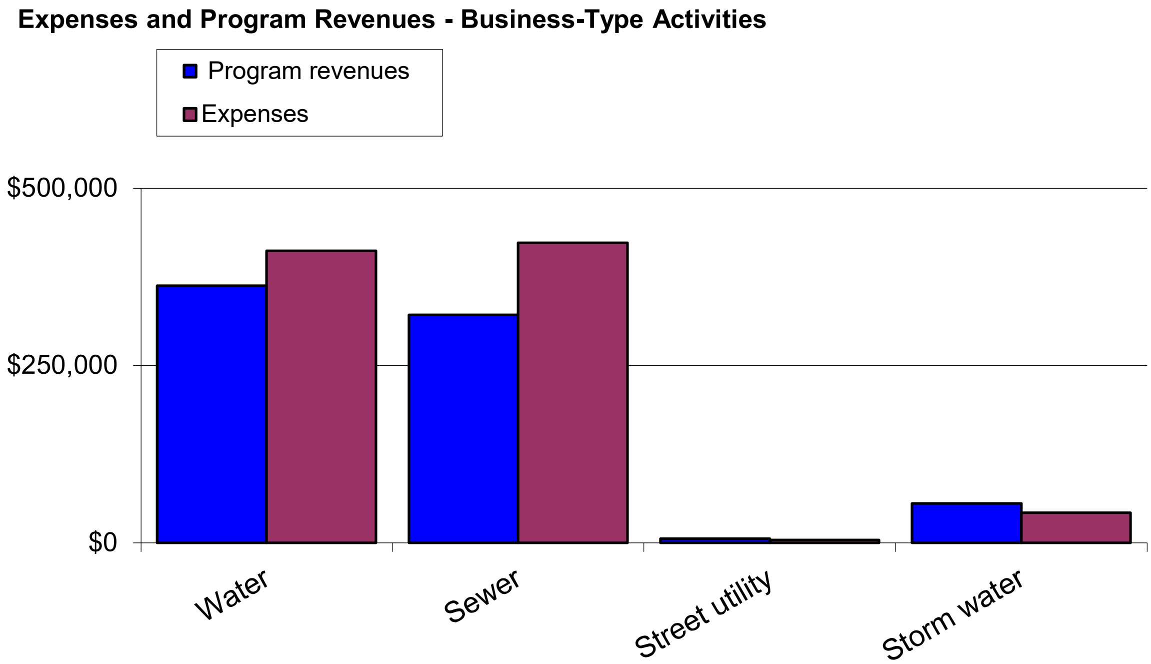
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	$ 341,528	$ 465,053	$ 807,842	$ 745,204	$ 1,149,370	$ 1,210,257
Operating grants and contributions	104,522	113,010	-	-	104,522	113,010
Capital grants and contributions	301,054	18,000	12,000	-	313,054	18,000
General revenues:						
Property taxes	1,939,501	1,724,986	-	-	1,939,501	1,724,986
Other	366,067	319,308	52,678	20,424	418,745	339,732
Total revenues	3,052,672	2,640,357	872,520	765,628	3,925,192	3,405,985
Expenses:						
General government	715,370	555,987	-	-	715,370	555,987
Public safety - fire	503,606	379,357	-	-	503,606	379,357
Public works	753,546	814,267	-	-	753,546	814,267
Building inspector	146,802	227,558	-	-	146,802	227,558
Parks and recreation	167,581	164,280	-	-	167,581	164,280
Interest on long-term debt	1,275	1,610	-	-	1,275	1,610
Water	-	-	418,168	411,760	418,168	411,760
Sewer	-	-	447,998	423,202	447,998	423,202
Street utility	-	-	4,203	4,125	4,203	4,125
Storm water	-	-	46,252	42,569	46,252	42,569
Total expenses	2,288,180	2,143,059	916,621	881,656	3,204,801	3,024,715
Change in net position before transfers	764,492	497,298	(44,101)	(116,028)	720,391	381,270
Transfers	-	(29,546)	-	29,546	-	-
Change in net position	764,492	467,752	(44,101)	(86,482)	720,391	381,270
Net position - beginning of year	10,515,537	10,047,785	6,397,348	6,483,830	16,912,885	16,531,615
Net position - end of year	$ 11,280,029	$ 10,515,537	$ 6,353,247	$ 6,397,348	$ 17,633,276	$ 16,912,885

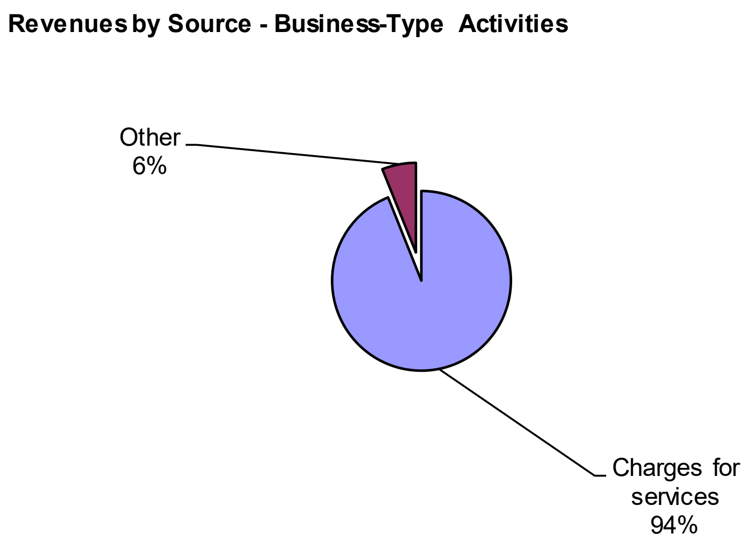
Below are specific graphs that provide comparisons of the governmental activities direct program revenues with their expenses. Any shortfalls in direct revenues are primarily supported by property tax levy or general state aid.





The following graphs relate the business-type activity's program revenues with its expenses. Since this activity requires significant physical assets to operate, any excess revenues are held for planned capital expenditures to keep pace with growing demand for services.





Financial Analysis of the Government's Funds

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

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

GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, has redefined the fund balance classifications. Fund balance is now classified as nonspendable, restricted, committed, assigned or unassigned according to the following definitions:

Nonspendable - representing that portion of fund balance that is not in a spendable form. Included in this category are advances to other funds, prepaid items and inventory.

Restricted - reports resources that have external constraints placed upon their use.

Committed - reports those resources for a specific purpose by Council action. The constraints cannot be changed or removed without Council action.

Assigned - represents the portion of fund balance that reflects the amounts the City intends to use for a specific purpose. The Council has authorized the City Administrator to assign fund balance.

Unassigned - comparable to the old unreserved, undesignated classification of fund balance, this represents the amount available for any purpose. However, only the General Fund may report a positive unassigned fund balance. Fund balance in other governmental funds will fall into one or more of the categories listed above, unless a fund has a negative balance.

Detailed information regarding the fund balance classifications are found in Note 3 in the Notes to the Financial Statements.

As of the end of the current fiscal year, the City of St. Augusta's governmental funds reported combined ending fund balances of $3,782,898, an increase of $550,596 in comparison with the prior year. Approximately 71% of this total fund balance, or $2,668,734, constitutes *unassigned, assigned and committed fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance ($1,114,164) is *restricted or nonspendable* to indicate that it is not available for new spending because it has already been restricted by creditors, grantors or regulations of other governments or has been spent for prepaid items.

The general fund is the chief operating fund of City of St. Augusta. At the end of the current fiscal year, unassigned fund balance of the general fund was $1,340,001. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. Unassigned fund balance represents 92% of total current year general fund expenditures. The general fund's total fund balance decreased by $15,061 during the current fiscal year due primarily to expenditures in excess of property tax and building permit revenue.

The debt service fund increased its fund balance by $10,490 due primarily to property tax revenues.

The SAC & WAC special revenue fund increased its fund balance by $90,758 due primarily to charges for service revenue recorded in the fund with no related expenditures recorded in the fund.

The St. Augusta Parade special revenue fund decreased its fund balance by $5,309 during the fiscal year due to current year expenditures.

The general capital projects fund increased its fund balance by $469,718 primarily as a result of property taxes and intergovernmental revenues allocated to the fund in excess of capital outlay expenditures for street projects.

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

Unrestricted net position for water, sewer, street utility and storm water operations at the end of the year amounted to $191,250, $784,168, $13,399, and $100,728 respectively. The water, sewer, street utility and storm water funds increased or (decreased) their net position by ($3,048), ($71,056), $3,216 and $26,787, respectively, for the year ended December 31, 2025. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of St. Augusta's business-type activities.

General Fund Budgetary Highlights

The City's General Fund budget was not amended during the year. The budget called for an increase in General Fund balance of $37,815. The actual net change to the General Fund balance was a decrease of $15,061. Revenues exceeded budget by $161,595 for the year ended December 31, 2025 due primarily to an increase in licenses, permits and fees over expectations. Total expenditures were more than budget by $214,471 for the year. Six departments within the General Fund had expenditures in excess of budget: city clerk expenditures exceeded budget by $83,299, election expenditures exceeded budget by $350, other general government expenditures exceeded budget by $81,174, public safety expenditures exceeded budget by $51,450, public works expenditures exceeded budget by $15,897, and building inspector expenditures exceeded budget by $4,802. These over expenditures were primarily related to higher that budgeted salaries and related in the City Clerk and the fire fund.

Capital Asset and Debt Administration

Capital assets. The City of St. Augusta's investment in capital assets for its governmental and business-type activities as of December 31, 2025, amounted to $13,133,338 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment and infrastructure. Total capital assets decreased by $84,218 for the year ended December 31, 2025, due to disposal of old and fully depreciated assets.

City of St. Augusta's Capital Assets
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 243,383	$ 243,383	$ 210,506	$ 210,506	$ 453,889	$ 453,889
Construction in progress	84,116	-	-	-	84,116	-
Buildings	691,073	725,615	-	-	691,073	725,615
Improvements	531,146	620,125	-	-	531,146	620,125
Machinery and equipment	1,388,224	1,097,988	49,718	52,746	1,437,942	1,150,734
Infrastructure	4,497,214	4,569,499	5,437,958	5,697,694	9,935,172	10,267,193
Total	$7,435,156	$7,256,610	$5,698,182	$5,960,946	$13,133,338	$13,217,556

Additional information on the City of St. Augusta's capital assets can be found in Note 3C beginning on page 66 of this report.

Long-term debt. At the end of the current fiscal year, the City of St. Augusta had $719,188 in bonds and notes outstanding. The entire $719,188 outstanding comprises debt backed by the full faith and credit of the government.

City of St. Augusta's Outstanding Debt
General Obligation Bonds and Notes

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
General obligation revenue bonds	$ -	$ -	$ 623,686	$ 661,686	$ 623,686	$ 661,686
General obligation equipment certificate	95,502	128,835	-	-	95,502	128,835
Total	$ 95,502	$ 128,835	$ 623,686	$ 661,686	$ 719,188	$ 790,521

The City of St. Augusta's total bonds and notes payable decreased by $71,333 during the current fiscal year. The decrease was due to scheduled debt payments.

The City of St. Augusta maintains an AA bond rating from Standard & Poor's for general obligation debt.

State statutes limit the amount of general obligation debt a Minnesota City may issue to 3% of its market value of taxable property. Net debt is payable solely from ad valorem taxes. The City is currently well within this limit.

Economic Factors and Next Year's Budgets and Rates

The City's elected and appointed officials considered many factors when setting the year 2025 budget, tax rates and fees that will be charged for the business-type activities. The Council elected to increase the 2025 tax levy by 15.07% from the 2024 amount. The Council expects 2025 operations to remain relatively consistent with 2024. Overall budget amounts for 2025 are consistent with 2024's budget and operations.

Requests for Information

This financial report is designed to provide a general overview of the City of St. Augusta's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to City of St. Augusta, 1914 - 250th Street, St. Augusta, Minnesota 56301.

City of St. Augusta

Government-Wide Financial Statements

December 31, 2025

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City of St. Augusta

Statement of Net Position
December 31, 2025

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	$ 3,802,746	$ 1,381,143	$ 5,183,889
Property taxes receivable	10,991	-	10,991
Accounts receivable	130,906	92,119	223,025
Prepaid expenses	15,438	2,744	18,182
Due from other governmental units	11,152	-	11,152
Assessments receivable:			
Current portion	-	399	399
Long-term portion	8,250	8,250	16,500
Net pension asset	285,755	-	285,755
Capital assets:			
Nondepreciable	327,499	210,506	538,005
Depreciable, net	7,107,657	5,487,676	12,595,333
Total Assets	11,700,394	7,182,837	18,883,231
Deferred outflows of recources			
Deferred outflows from pension activity	32,912	6,288	39,200
Liabilities			
Accounts payable	132,442	12,254	144,696
Accrued payroll and related taxes	12,868	6,832	19,700
Due to other governments	-	96,222	96,222
Accrued interest	42	2,339	2,381
Compensated absences	4,190	6,720	10,910
Unearned revenue	-	48,033	48,033
Noncurrent liabilities:			
Due within one year	33,333	39,000	72,333
Due in more than one year	62,169	584,686	646,855
Net pension liability	126,884	24,247	151,131
Total Liabilities	371,928	820,333	1,192,261
Deferred inflows of resources			
Deferred inflows from pension activity	81,349	15,545	96,894
Net position			
Net investment in capital assets	7,339,654	5,074,496	12,414,150
Restricted for:			
Debt service	102,420	-	102,420
Capital projects	1,040,560	-	1,040,560
Net pension asset	285,755	-	285,755
Wastewater system replacement	-	189,206	189,206
Unrestricted - undesignated	2,511,640	1,089,545	3,601,185
Total net position	$ 11,280,029	$ 6,353,247	$ 17,633,276

See Notes to Financial Statements.

City of St. Augusta

Statement of Activities
Year Ended December 31, 2025

Functions/programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental activities:				
General government:				
City clerk	$ 323,167	$ 11,505	$ -	$ -
Council	33,653	-	-	-
Planning commission	2,070	-	-	-
Elections	2,450	-	-	-
Other general government	354,030	33,459	1,095	-
Public safety - fire	503,606	5,295	58,685	-
Public works	753,546	78,000	44,742	301,054
Building inspector	146,802	195,628	-	-
Parks and recreation	167,581	17,641	-	-
Interest on long-term debt	1,275	-	-	-
Total governmental activities	2,288,180	341,528	104,522	301,054
Business-type activities:				
Water	418,168	400,939	-	6,000
Sewer	447,998	331,994	-	6,000
Street utility	4,203	6,974	-	-
Storm water	46,252	67,935	-	-
Total business-type activities	916,621	807,842	-	12,000
Total	$ 3,204,801	$ 1,149,370	$ 104,522	$ 313,054

General revenues:
General taxes
Grants and contributions not restricted to specific programs
Intergovernmental revenues
Interest earnings
Franchise fees
Miscellaneous
Total general revenues
Change in net position
Net position - beginning
Net position - ending

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
$ (311,662)	$ -	$ (311,662)
(33,653)	-	(33,653)
(2,070)	-	(2,070)
(2,450)	-	(2,450)
(319,476)	-	(319,476)
(439,626)	-	(439,626)
(329,750)	-	(329,750)
48,826	-	48,826
(149,940)	-	(149,940)
(1,275)	-	(1,275)
(1,541,076)	-	(1,541,076)
-	(11,229)	(11,229)
-	(110,004)	(110,004)
-	2,771	2,771
-	21,683	21,683
-	(96,779)	(96,779)
(1,541,076)	(96,779)	(1,637,855)
1,939,501	-	1,939,501
92,633	-	92,633
10,431	-	10,431
143,336	51,586	194,922
108,627	-	108,627
11,040	1,092	12,132
2,305,568	52,678	2,358,246
764,492	(44,101)	720,391
10,515,537	6,397,348	16,912,885
$ 11,280,029	$ 6,353,247	$ 17,633,276

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City of St. Augusta

Fund Financial Statements

December 31, 2025

City of St. Augusta

Balance Sheet
Governmental Funds
December 31, 2025

	General Fund	Debt Service Fund	SAC & WAC Special Revenue Fund
Assets			
Cash and investments	$ 1,392,092	$ 93,589	$ 367,019
Taxes receivable - delinquent	6,979	341	-
Special assessments receivable	-	8,250	-
Accounts receivable	14,641	-	-
Due from other governmental units	6,677	282	-
Prepaid items	15,438	-	-
Total assets	$ 1,435,827	$ 102,462	$ 367,019
Liabilities, deferred inflows of resources and fund balance			
Liabilities:			
Accounts payable	$ 60,541	$ -	$ -
Accrued payroll	12,868	-	-
Total Liabilities	73,409	-	-
Deferred inflows of resources:			
Unavailable revenue:			
Property taxes	6,979	341	-
Special assessments	-	8,250	-
Sales tax	-	-	-
Total deferred inflows of resources	6,979	8,591	-
Fund balance:			
Nonspendable	15,438	-	-
Restricted	-	93,871	-
Committed	-	-	367,019
Assigned	-	-	-
Unassigned	1,340,001	-	-
Total fund balance	1,355,439	93,871	367,019
Total liabilities, deferred inflows of resources and fund balance	$ 1,435,827	$ 102,462	$ 367,019

See Notes to Financial Statements.

St. Augusta Parade	General Capital Projects Fund	Total
$ 161	$ 1,949,885	$ 3,802,746
-	3,671	10,991
-	-	8,250
-	116,265	130,906
-	4,193	11,152
-	-	15,438
$ 161	$ 2,074,014	$ 3,979,483
$ -	$ 71,901	$ 132,442
-	-	12,868
-	71,901	145,310
-	3,671	10,991
-	-	8,250
-	32,034	32,034
-	35,705	51,275
-	-	15,438
-	1,004,855	1,098,726
-	-	367,019
161	961,553	961,714
-	-	1,340,001
161	1,966,408	3,782,898
$ 161	$ 2,074,014	$ 3,979,483

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City of St. Augusta

Reconciliation of Net Position in the
Government-wide Financial Statements and Fund Balances
in the Fund Basis Financial Statements
December 31, 2025

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

Total governmental fund balances (pages 32-33)		$ 3,782,898
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Governmental funds - capital assets	$ 15,397,755	
Accumulated depreciation	(7,962,599)	
		7,435,156
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds:		
Delinquent property taxes	$ 10,991	
Deferred special assessments	8,250	
Sales taxes	32,034	
		51,275
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Bonds payable	$ (95,502)	
Net pension liability (asset), deferred outflows and inflows from pension activity	110,434	
Compensated absences	(4,190)	
Accrued interest	(42)	
		10,700
Net position of governmental activities (page 27)		$ 11,280,029

See Notes to Financial Statements.

City of St. Augusta

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds Year Ended December 31, 2025

	General Fund	Debt Service Fund	SAC & WAC Special Revenue Fund
Revenues			
Taxes	$ 944,603	$ 39,759	$ -
Special assessments	-	1,848	-
Licenses, permits and fees	224,799	-	-
Intergovernmental revenues	68,790	-	-
Charges for services	-	-	78,000
Fines	5,295	-	-
Investment income	57,821	3,505	12,758
Franchise fees	101,741	-	-
Miscellaneous revenues	32,046	-	-
Total revenues	1,435,095	45,112	90,758
Expenditures			
Current			
General government:			
City clerk	319,483	-	-
Council	33,653	-	-
Planning commissions	2,070	-	-
Elections	2,450	-	-
Other general government	286,522	-	-
Public safety:			
Fire	287,518	-	-
Public works	284,152	-	-
Building inspector	146,802	-	-
Parks and recreation	87,506	-	-
Debt Service			
Principal	-	33,333	-
Interest and other	-	1,289	-
Capital outlay	-	-	-
Total expenditures	1,450,156	34,622	-
Excess (deficiency) of revenues over (under) expenditures	(15,061)	10,490	90,758
Fund balance, beginning	1,370,500	83,381	276,261
Fund balance, ending	$ 1,355,439	$ 93,871	$ 367,019

See Notes to Financial Statements.

St. Augusta Parade	General Capital Projects Fund	Total
$ -	$ 951,440	$ 1,935,802
-	-	1,848
-	-	224,799
-	137,375	206,165
-	-	78,000
-	-	5,295
111	69,141	143,336
-	6,886	108,627
7,550	308,799	348,395
7,661	1,473,641	3,052,267
-	-	319,483
-	-	33,653
-	-	2,070
-	-	2,450
-	-	286,522
-	-	287,518
-	-	284,152
-	-	146,802
12,970	-	100,476
-	-	33,333
-	-	1,289
-	1,003,923	1,003,923
12,970	1,003,923	2,501,671
(5,309)	469,718	550,596
5,470	1,496,690	3,232,302
$ 161	$ 1,966,408	$ 3,782,898

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City of St. Augusta

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended December 31, 2025

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

Net change in fund balances - total governmental funds (pages 36-37)		$ 550,596
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:		
Capital outlay	$ 890,592	
Depreciation expense	(711,485)	
		179,107
The net effect of various miscellaneous transactions involving capital assets (i.e. sales) is to decrease net assets.		(561)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Unavailable revenue, end of year	$ 51,275	
Unavailable revenue, beginning of year	(50,870)	
		405
In the statement of activities, certain operating expenses - compensated absences, net pension liability, and net pension asset - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).		
Compensated absences	$ 2,437	
Change in net pension liability	(839)	
		1,598
Bond, contract and loan proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:		
Principal retirement on long-term debt	$ 33,333	
Change in accrued interest	14	
		33,347
Change in net position of governmental activities (page 28)		$ 764,492

See Notes to Financial Statements.

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City of St. Augusta

General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes	$ 950,400	$ 950,400	$ 944,603	$ (5,797)
Licenses, permits and fees	195,200	195,200	224,799	29,599
Intergovernmental	12,000	12,000	68,790	56,790
Fines	6,000	6,000	5,295	(705)
Investment income	4,000	4,000	57,821	53,821
Franchise fees	91,000	91,000	101,741	10,741
Miscellaneous	14,900	14,900	32,046	17,146
Total revenues	1,273,500	1,273,500	1,435,095	161,595
Expenditures				
Current				
General government:				
City clerk	236,184	236,184	319,483	(83,299)
Council	37,825	37,825	33,653	4,172
Planning commissions	3,500	3,500	2,070	1,430
Elections	2,100	2,100	2,450	(350)
Other general government	205,348	205,348	286,522	(81,174)
Public safety:				
Fire	236,068	236,068	287,518	(51,450)
Public works	268,255	268,255	284,152	(15,897)
Building inspector	142,000	142,000	146,802	(4,802)
Parks and recreation	104,405	104,405	87,506	16,899
Total expenditures	1,235,685	1,235,685	1,450,156	(214,471)
Excess (deficiency) of revenues over (under) expenditures	37,815	37,815	(15,061)	(52,876)
Fund balance, beginning	1,370,500	1,370,500	1,370,500	-
Fund balance, ending	$ 1,408,315	$ 1,408,315	$ 1,355,439	$ (52,876)

See Notes to Financial Statements.

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City of St. Augusta

SAC & WAC Special Revenue Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
Revenues				
Charges for services	$ 24,000	$ 24,000	$ 78,000	$ 54,000
Special assessments	17,759	17,759	-	(17,759)
Investment income	-	-	12,758	12,758
Total revenues	41,759	41,759	90,758	48,999
Net change in fund balance	41,759	41,759	90,758	48,999
Fund balance, beginning	276,261	276,261	276,261	-
Fund balance, ending	$ 318,020	$ 318,020	$ 367,019	$ 48,999

See Notes to Financial Statements.

City of St. Augusta

Proprietary Funds
Statement of Net Position
December 31, 2025

	Water Fund	Sewer Fund	Street Utility Fund
Assets and deferred outflows of resources			
Current assets			
Cash and investments	$ 236,119	$ 991,046	$ 12,922
Accounts receivable	36,726	38,060	800
Prepaid expenses	1,372	1,372	-
Current portion of special assessments	-	-	-
Total current assets	274,217	1,030,478	13,722
Noncurrent assets			
Long-term portion of special assessments	3,053	5,197	-
Capital assets not depreciated	210,506	-	-
Capital assets depreciated (net)	1,264,501	4,223,175	-
Total noncurrent assets	1,478,060	4,228,372	-
Deferred outflows of resources			
Deferred outflows from pension activity	2,818	2,463	-
Total assets of deferred outflows of resources	$ 1,755,095	$ 5,261,313	$ 13,722
Liabilities, deferred inflows of resources and net position			
Current liabilities			
Accounts payable	$ 5,366	$ 4,220	$ 323
Accrued payroll and taxes	2,660	2,660	
Due to other governments	59,623	36,599	-
Accrued interest	-	2,339	-
Compensated absences	3,360	3,360	-
Unearned revenue	-	-	-
Current portion of bonds payable	-	39,000	-
Total current liabilities	71,009	88,178	323
Noncurrent liabilities			
Net pension liability	10,864	9,497	
Bonds payable	-	584,686	-
Total long-term liabilities	10,864	594,183	-
Total liabilities	81,873	682,361	323
Deferred inflows of resources			
Deferred inflows from pension activity	6,965	6,089	-
Net position			
Net investment in capital assets	1,475,007	3,599,489	-
Restricted:			
Wastewater system replacement	-	189,206	-
Unrestricted	191,250	784,168	13,399
Total net position	1,666,257	4,572,863	13,399
Total libailities, deferred inflows of resources and net position	$ 1,755,095	$ 5,261,313	$ 13,722

See Notes to Financial Statements.

Storm Water Fund	Total
$ 141,056	$ 1,381,143
16,533	92,119
-	2,744
399	399
157,988	1,476,405
-	8,250
-	210,506
-	5,487,676
-	5,706,432
1,007	6,288
$ 158,995	$ 7,189,125
$ 2,345	$ 12,254
1,512	6,832
-	96,222
-	2,339
-	6,720
48,033	48,033
-	39,000
51,890	211,400
3,886	24,247
-	584,686
3,886	608,933
55,776	820,333
2,491	15,545
-	5,074,496
-	189,206
100,728	1,089,545
100,728	6,353,247
$ 158,995	$ 7,189,125

City of St. Augusta

Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position
Year Ended December 31, 2025

	Water Fund	Sewer Fund	Street Utility Fund
Operating revenues			
Sales	$ 400,939	$ 331,994	$ 6,974
Cost of services	281,301	145,524	4,203
Net operating revenues	119,638	186,470	2,771
Operating expenses			
Personal services	32,485	29,930	-
Materials, supplies, services and charges	37,311	67,258	-
Depreciation	67,071	195,693	-
Total operating expenses	136,867	292,881	-
Operating income (loss)	(17,229)	(106,411)	2,771
Other revenue (expense)			
Special assessments	6,000	6,000	-
Investment income	8,181	37,856	445
Interest and other expense	-	(9,593)	-
Other	-	1,092	-
Total other revenue (expense)	14,181	35,355	445
Net income (loss)	(3,048)	(71,056)	3,216
Net position, beginning of year	1,669,305	4,643,919	10,183
Net position, end of year	$ 1,666,257	$ 4,572,863	$ 13,399

See Notes to Financial Statements.

Storm Water Fund	Total
$ 67,935	$ 807,842
-	431,028
67,935	376,814
12,148	74,563
34,104	138,673
-	262,764
46,252	476,000
21,683	(99,186)
-	12,000
5,104	51,586
-	(9,593)
-	1,092
5,104	53,993
26,787	(44,101)
73,941	6,397,348
$ 100,728	$ 6,353,247

City Of St. Augusta

Proprietary Funds
Statement of Cash Flows
Year Ended December 31, 2025

	Water Fund	Sewer Fund	Street Utility Fund
Cash flows from operating activities			
Cash received from customers	$ 393,423	$ 324,373	$ 6,799
Cash paid to suppliers	(307,213)	(209,204)	(3,880)
Cash paid to employees	(39,544)	(38,862)	-
Net cash provided by operating activities	46,666	76,307	2,919
Cash flows from investing activities			
Investment income	8,181	37,856	445
Cash flows from capital and related financing activities			
Special assessments	7,218	8,076	-
Payments on capital debt	-	(38,000)	-
Interest paid on capital debt	-	(9,735)	-
Other income	-	1,092	-
Net cash provided by (used in) capital and related financing activities	7,218	(38,567)	-
Net increase in cash and cash equivalents	62,065	75,596	3,364
Cash and cash equivalents, January 1	174,054	915,450	9,558
Cash and cash equivalents, December 31	$ 236,119	$ 991,046	$ 12,922
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	$ (17,229)	$ (106,411)	$ 2,771
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation	67,071	195,693	-
Change in net pension liability	(10,628)	(12,501)	-
(Increase) decrease in:			
Accounts receivable	(7,516)	(7,621)	(175)
Prepaid expenses	208	208	-
Due from other governments	-	-	-
Current portion of special assessments	-	-	-
Increase (decrease) in:			
Accounts payable	5,185	(2,361)	323
Accrued payroll	2,660	2,660	-
Due to other governments	6,006	5,731	-
Compensated absences	909	909	-
Unearned revenue	-	-	-
Net cash provided by operating activities	$ 46,666	$ 76,307	$ 2,919

See Notes to Financial Statements.

Storm Water Fund	Total
$ 75,918	$ 800,513
(43,649)	(563,946)
(12,721)	(91,127)
19,548	145,440
5,104	51,586
-	15,294
-	(38,000)
-	(9,735)
-	1,092
-	(31,349)
24,652	165,677
116,404	1,215,466
$ 141,056	$ 1,381,143
$ 21,683	$ (99,186)
-	262,764
(2,085)	(25,214)
8,128	(7,184)
-	416
-	-
(399)	(399)
(9,545)	(6,398)
1,512	6,832
-	11,737
-	1,818
254	254
$ 19,548	$ 145,440

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City of St. Augusta

Notes To Financial Statements

December 31, 2025

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Note 1 - Summary of significant accounting policies

The financial statements of the City of St. Augusta (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting principles are described below.

A. Reporting entity

The City operates according to applicable laws and statutes under the mayor-council plan as defined by Minnesota statutes. A Council composed of an elected mayor and four other elected members directs the government of the City. The Council exercises legislative authority and determines all matters of policy and is responsible for directing the activities of the City. The Council appoints the City Administrator and other personnel who are responsible for the proper administration of all affairs relating to the City.

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City of St. Augusta (the primary government) and its component unit. A component unit is a legally separate entity for which the primary government is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit include whether or not the primary government appoints the potential component unit's board, is able to impose its will on the potential unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally depended upon by the potential component unit. The component unit described below is included in the City's reporting entity because of the significance of its operational or financial relationship with the City.

Blended component unit

The St. Augusta Economic Development Authority (EDA) is an entity legally separate from the City. The EDA was created by the City and operates in accordance with applicable Minnesota statutes. The primary purpose of the EDA is to assist and support economic, housing and other development projects undertaken within the City, which are under the statutory authority of the EDA. The governing board and management of the EDA are appointed by the City Council. The EDA has not been involved in any development projects requiring financial assistance; as such there are no financial activities of the EDA to be included in this financial report.

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 activities of the City. *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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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, services, 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 not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. 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 financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, licenses and permits, 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.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year in which the resources are required to be used or the year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it is recognized.

Unearned revenue is recorded when assets are recognized before revenue recognition criteria have been satisfied. Grants received before eligibility requirements other than time requirements are met are recorded as unearned revenue. Grants received before time requirements are met are recorded as a deferred inflow of resources.

The City reports the following major governmental funds:

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

The *Debt service fund* is an accumulation of resources (special assessments and property tax revenues) for payments of general obligation improvement bonds and interest.

The *SAC & WAC special revenue fund* accounts for funds received by the City with a specific purpose.

The *St. Augusta Parade special revenue fund* accounts for financial resources used for the St. Augusta Parade activities.

The *General capital projects fund* is an accumulation of resources and costs to be used for the acquisition or construction of capital projects.

The City reports the following major proprietary funds:

The *Water fund* accounts for the activities of the City for providing water services to the public.

The *Sewer fund* accounts for the activities of the City for providing sewer services to the public.

The *Street utility fund* accounts for the activities of the City for providing street utility services to the public.

The S*torm water* fund is used to accumulate resources from fees collected for expenditures to maintain or improve the storm water system.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's enterprise funds 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.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of 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, then unrestricted resources as they are needed.

D. Assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position or equity

1. Cash and investments (including cash equivalents)

Cash balances from all City funds are pooled and invested to the extent available in various securities as authorized by Minnesota statutes. Earnings from the pooled investments are allocated to the respective funds on the basis of the average cash balance participation of each fund throughout the year.

Investments are stated at fair value, based upon quoted market prices at the reporting date. Cash and cash equivalents for purposes of the basic financial statements includes amounts in demand deposits as well as all investments held by the City.

2. Receivables and payables

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

Advances between funds, if any, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

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

Real property taxes may be paid by taxpayers in two equal installments on May 15 and October 15. Personal property taxes may be paid on February 28 and June 30. The County provides tax settlements to cities and other taxing districts normally during the months of January, July and December.

Taxes which remain unpaid at December 31 are classified as delinquent taxes receivable. The net amount of delinquent taxes receivable are fully offset by deferred inflow of resources in the governmental funds of the fund financial statements because they are not known to be available to finance current expenditures.

Assessments are levied at various times upon City Council resolution for property owner improvements made by the City. Generally, assessment collections are deferred over twenty years with interest charged at 3% over the City's finance rate at the time of assessment. Revenue from these assessments is recognized when assessed in the government-wide financial statements and as the annual installments become collectible in the governmental funds of the fund financial statements. Annual installments not collected as of each December 31 are classified as delinquent assessments receivable. The net amount of delinquent assessments receivable are fully offset by deferred inflow of resources in the governmental funds of the fund financial statements because they are not known to be available to finance current expenditures.

3. Capital assets

Capital assets, which include property, plant, equipment, 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 government as assets with an initial, individual cost of more than $500 and an estimated useful life greater than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value 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 is expensed as incurred.

Property, plant and equipment are capitalized when acquired, and depreciation is provided using the straight-line method applied over the following estimated useful lives of the assets.

	Useful Life in Years
Buildings	39 - 40
Improvements	10 - 50
Machinery and Equipment	5 - 40
Infrastructure	15 - 40

The City reviews its property, plant and equipment for impairment whenever events indicate the decline in service utility of the capital asset is significant in magnitude and the event of change in circumstances is outside the normal cycle of the capital assets.

4. Compensated absences benefits

It is the City's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick leave. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. Upon employee retirement or termination, cash is paid out for any unused vacation time and 25% of all sick leave accumulated in excess of 80 hours per employee.

A liability for these amounts is reported in governmental funds only if they have matured, for example, as the result of an employee's resignation or retirement. The change in compensated absences is a net increase or decrease each year.

5. Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statements of net position.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are expensed as incurred. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. 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.

6. 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 additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA. 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.

7. Fund equity

In the government-wide and proprietary financial statements, net position is classified in the following categories:

Net Investment in Capital Assets - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position - This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments.

Unrestricted Net Position - This amount is all net position that does not meet the definition of “net investment in capital assets” or “restricted net position.”

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies governmental fund balances as follows:

Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual restraints.

Restricted - amounts are restricted by external creditors, grantors, contributors, laws or regulations of other governments.

Committed - includes fund balance amounts that are committed by resolution, which is the City's highest level of decision-making authority, for specific purposes that are internally imposed by the City Council through formal action and remain binding unless removed by the City Council by subsequent formal action.

Assigned - includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. The City Council, by majority vote, may assign fund balances to be used for specific purposes when appropriate. The Council has delegated the power to assign fund balances to the City Administrator.

Unassigned - includes positive fund balances within the General Fund which have not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The City considers restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned and lastly unassigned amounts when expenditures are made.

The City has formally adopted a fund balance policy for the General Fund. The City's policy is to maintain an unrestricted fund balance in the General Fund equal to 40% of budgeted expenditures to ensure funds are available at all times to meet cash flow needs and accommodate emergency contingency concerns.

8. Deferred outflows of resources

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflow of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until that time. The City has one type of deferred outflow which is pension related and reported on the statement of net position.

9. Deferred inflows of resources

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflow of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The City recognized two types of deferred inflows. The first type occurs because governmental fund revenues are not recognized until available under the modified accrual basis of accounting. The second type is pension related and reported on the statement of net position.

10. Leases

For leases with a term exceeding 12 months, the City recognizes a lease liability and a right to use lease asset in the government-wide financial statements. The right to use lease asset is calculated at the initial amount of the lease liability plus any lease payments made to the lessor before the lease commencement date, plus certain initial direct costs incurred, minus any lease incentives received. Subsequently, the right to use lease asset is amortized on a straight-line basis over its useful life. The City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. Remeasurement of the right to use lease asset and lease liability occurs when certain changes occur that are likely to have a significant impact on the lease liability. Right to use lease assets, if any, are reported with capital assets and lease liabilities, if any, are reported with long-term debt on the statement of net position.

E. Concentration of credit risk

Financial instruments which expose the City to a concentration of credit risk consist primarily of cash investments and accounts receivable. Credit risk associated with cash and investments is discussed in Note 3. The City's accounts receivable are concentrated geographically, and for the most part, amounts are due from individuals residing in and businesses located in the City of St. Augusta.

F. Use of estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

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. Annual appropriated budgets are legally adopted by Council resolution for all governmental funds, other than the St. Augusta Parade special revenue fund, and for all proprietary funds. Formal budgetary integration is employed as a management control device during the year for the General Fund.

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

1. Budget requests are submitted by all department heads to the City Administrator. The Administrator's office compiles the budget requests into an overall preliminary City budget, balancing budget requests with available revenue.

2. The preliminary budget is submitted to the City Council in September for its review and/or modification.

3. City administration presents the proposed budget to the City Council which in turn holds a truth-in-taxation public hearing on the proposed budget. The budget resolution adopted by the City Council sets forth the budget at the department level for the General Fund.

4. All budgeted appropriations lapse at the end of the fiscal year. The legal level of control (the level on which expenditures may not legally exceed appropriations) for each budget is at the department level. Administration cannot legally amend or transfer appropriations between departments without the approval of the City Council once the budget has been approved. Any over expenditures of appropriations or transfers of appropriated amounts must be approved by the City Council.

5. Budgeted amounts are as originally adopted, or as amended by the City Council. The budget cannot be amended without approval by the City Council.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the final budget (which were the same for the year ended December 31, 2025). The City does not use encumbrance accounting.

B. Expenditures exceeding appropriations

For the year ended December 31, 2025, the following funds and departments within funds had expenditures exceeding the latest amended budget:

	2025 Budgeted Expenditures	2025 Actual Expenditures	Amount Exceeding Budgeted Amount
General Fund			
City clerk	$ 236,184	$ 319,483	$ 83,299
Other general government	205,348	286,522	81,174
Public works	268,255	284,152	15,897
Building inspector	142,000	146,802	4,802
Public safety	236,068	287,518	51,450
General Capital Projects	995,800	1,003,923	8,123

These expenditures in excess of budget were approved by resolution of the City Council.

Note 3 - Detailed notes on all funds

A. Deposits and investments

In accordance with applicable Minnesota statutes, the City maintains deposits at depository banks authorized by the City Council. All such depositories are members of the Federal Reserve System.

Minnesota statutes require that all 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 surety bonds. Authorized collateral includes certain state or local government obligations and legal investments described in the investment policy section. Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the City Treasurer or in a financial institution other than the institution furnishing the collateral.

Investment policy

The City does not maintain a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates or that would limit its investment choices as a means of managing its exposure to credit risk.

The City is authorized by Minnesota Statutes to invest idle funds as follows:

(a) Direct obligations or obligations guaranteed by the United States or its agencies.

(b) Shares of investment companies registered under the Federal Investment Company Act of 1940 and whose only investments are in securities described in (a) above.

(c) General obligations of the State of Minnesota or its municipalities.

(d) Bankers acceptances of United States banks eligible for purchase by the Federal Reserve System.

(e) Commercial paper issued by United States corporations or their Canadian subsidiaries, of the highest quality, and maturing in 270 days or less.

(f) Repurchase agreements with banks that are members of the Federal Reserve System with capitalization exceeding $10,000,000, a reporting dealer to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.

(g) Money market funds with institutions that have portfolios consisting exclusively of United States Treasury obligations and Federal Agency issues.

(h) Guaranteed investment contracts (gic's) issued or guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies and with a credit quality in one of the top two highest categories.

Custodial credit risk
Authorized collateral includes certain state of local government obligations and legal investments. Minnesota Statutes also require that securities pledged as collateral be held in safekeeping by the Treasurer, or in a financial institution other than the institution furnishing the collateral.

Deposits insured by pledged collateral	$ 1,596,692
Collateral held by pledging bank in the City's name	1,576,635
Deposits in excess of collateral	$ 20,057

As of December 31, 2025 the City did not have adequate collateral for its uninsured deposits held at the City's banking institutions. The City's pledged collateral for uninsured deposits greater than the $250,000 FDIC limit were held by a bank other than the City's banking institutions where its deposits are held. The City utilizes Harvest bank as collateral for its uninsured deposits.

Fair value measurements

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

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data. Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specific (contractual) term, Level 2 input must be observable for substantially the full term of the asset or liability

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

The City's investments within the fair value hierarchy at December 31, 2025 were as follows:

			Fair Value	Interest Risk - Maturity Date in Years				
Investment Type	Rating	Agency	Measurements Using	No Maturity Date	Less than 1	1 to 5	6 to 10+	Total
Negotiable Certificates of Deposit	Not Rated	N/A	Level 2	$ -	$ -	$ 31,853	$ 40,035	$ 71,888
U.S. Government Securities	AA - AAA	S&P Moody	Level 2	-	-	-	156,496	156,496
Municipal Bonds	AA - AAA	S&P Moody	Level 2	-	5,000	103,722	2,011,980	2,120,702
Total Investments				$ -	$ 5,000	$ 135,575	$ 2,208,511	$ 2,349,086

N/A - Not Applicable

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needs for operations.

The following is a summary of the City of St. Augusta's cash and investment portfolio:

Investment	Range of Maturities	Value
Cash	N/A	$ 2,293,666
Non-negotiable Certificates of Deposit	January 2026	541,137
Negotiable Certificates of Deposit	September 2034	71,888
Municipal Bonds	August 2040	2,120,702
U.S. Government Securities	June 2037	156,496
Total cash and investments per Statement of Net Position		$ 5,183,889

N/A Not applicable or not available

Credit risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The City's investments are rated by various credit rating agencies, where applicable, to indicate the associated credit risk. Investment ratings by investment type (as applicable) are included in the preceding summary of investments.

The City does not have a formal policy related to the credit risk of its investments, but continues to buy safe and liquid assets that are allowable under Minnesota Statutes.

Concentration of credit risk

The City diversifies its cash and investment portfolio to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer or a specific class of securities. The City's investment policies do not limit the concentration of cash and investments. Cash and investments in any one issuer that represent 5% or more of total cash and investments as of December 31, 2025 were as follows:

Issuer	Investment Type	Value
Harvest Bank	Operating Accounts	$1,934,135
US Bank	Commercial Paper	895,599

Custodial credit risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counter party, the City will not be able to recover the value of its investment securities that are in the possession of an outside party. At December 31, 2025, all investments were insured or registered or the securities were held by the City or its agent in the City's name.

B. Receivables

Accounts receivable as of December 31, 2025 ($223,025) are expected to be collected in full. Based upon management's assessment of the creditworthiness of the customers comprising the receivable balance, no allowance for uncollectible accounts is deemed necessary.

C. Capital assets

Capital asset activity for the City for the year ended December 31, 2025 was as follows:

Governmental activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 243,383	$ -	$ -	$ 243,383
Construction in progress	-	84,116	-	84,116
Total capital assets, not being depreciated	243,383	84,116	-	327,499
Capital assets, being depreciated:				
Buildings	1,370,619	-	-	1,370,619
Improvements	1,999,241	-	-	1,999,241
Machinery and equipment	3,192,466	521,740	436,920	3,277,286
Infrastructure	8,138,374	284,736	-	8,423,110
Total capital assets, being depreciated	14,700,700	806,476	436,920	15,070,256
Less accumulated depreciation for:				
Buildings	645,004	34,542	-	679,546
Improvements	1,379,116	88,979	-	1,468,095
Machinery and equipment	2,094,478	230,943	436,359	1,889,062
Infrastructure	3,568,875	357,021	-	3,925,896
Total accumulated depreciation	7,687,473	711,485	436,359	7,962,599
Total capital assets, being depreciated, net	7,013,227	94,991	561	7,107,657
Governmental activities capital assets, net	$ 7,256,610	$ 179,107	$ 561	$ 7,435,156

Business-type activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 210,506	$ -	$ -	$ 210,506
Capital assets, being depreciated:				
Machinery and equipment	169,650	-	-	169,650
Infrastructure	10,389,443	-	-	10,389,443
Total capital assets, being depreciated	10,559,093	-	-	10,559,093
Less accumulated depreciation for:				
Machinery and equipment	116,904	3,028	-	119,932
Infrastructure	4,691,749	259,736	-	4,951,485
Total accumulated depreciation	4,808,653	262,764	-	5,071,417
Total capital assets, being depreciated, net	5,750,440	(262,764)	262,764	5,487,676
Business-type activities capital assets, net	$ 5,960,946	$ (262,764)	$ 262,764	$ 5,698,182

Depreciation expense for the year ended December 31, 2025 was charged to functions/programs as follows:

Governmental activities	
General government	$ 17,605
Public safety - fire	185,879
Public works	441,107
Parks and recreation	66,894
Total	$ 711,485
Business-type activities	
Water	$ 67,071
Sewer	195,693
Total	$ 262,764

D. Long-Term debt

The City issues general obligation bonds and certificates to provide funds for economic development and for the acquisition and construction of major capital assets including infrastructure. General obligation bonds have been issued for both general government and proprietary activities. Bonds issued to provide funds for business-type activities are reported in proprietary funds if they are expected to be repaid from proprietary revenues.

General obligation bonds and certificates are direct obligations and pledge the full faith and credit of the City. General obligation improvement refunding bonds are expected to be repaid, in part, from assessments to the benefited properties.

A summary of long-term debt outstanding at December 31, 2025 is as follows:

	Issue Date	Range of Interest Rates	Final Maturity	Balance 12/31/25
General obligation equipment certificates:				
2019A Equipment certificate	6/12/2019	1.00%	2028	$ 95,502
General obligation revenue bonds:				
2010 Sewer revenue bonds	9/3/2010	1.00%	2040	623,686
Other liabilities:				
Compensated absences				10,910
Total long-term debt				$ 730,098

The following is a summary of the changes in long-term debt obligations for the year ended December 31, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year	Accrued Interest
Governmental Activities						
Bonds and notes payable:						
General obligation equipment certificate:						
2019A Equipment Certificate	$ 128,835	$	$ 33,333	$ 95,502	$ 33,333	$ 42
Other liabilities:						
Compensated absences	6,627		2,437	4,190		
Governmental activities						
Long-term liabilities	135,462		35,770	99,692	33,333	42
Business-type activities						
Bonds and notes payable:						
General obligation revenue bonds:						
2010 Sew er Revenue Bonds	661,686		38,000	623,686	39,000	2,339
Other liabilities:						
Compensated absences	4,902	1,818		6,720		
Business-type activities						
Long-term liabilities	666,588	1,818	38,000	630,406	39,000	2,339
Total	$ 802,050	$ 1,818	$ 73,770	$ 730,098	$ 72,333	$ 2,381

Compensated absences are presented as the net change of increases and decreases to arrive at the presentation of the ending balance.

Debt service requirements to maturity for long-term debt, excluding compensated absences, as of December 31, 2025 were as follows:

	Governmental Activities		Business-Type Activities	
Year	Principal	Interest	Principal	Interest
2026	$ 33,333	$ 1,000	$ 39,000	$ 6,236
2027	33,333	667	39,000	5,846
2028	28,836	331	39,000	5,456
2029			40,000	5,066
2030			40,000	4,666
2031-2035			208,000	17,200
2036-2040			218,686	6,600
Totals	$ 95,502	$ 1,998	$ 623,686	$ 51,070

E. Fund Equity

In accordance with the requirements of GASB Statement No. 54, below is a schedule of ending fund balances as of December 31, 2025:

	General Fund	Debt Service Funds	SAC & WAC	St. Augusta Parade	General Capital Projects	Total Governmental Funds
Nonspendable						
Prepaid items	$ 15,438	$ -	$ -	$ -	$ -	$ 15,438
Restricted						
Debt service	-	93,871	-	-	-	93,871
Capital projects	-	-	-	-	1,004,855	1,004,855
Total Restricted	-	93,871	-	-	1,004,855	1,098,726
Committed						
Sewer and water capital projects and debt service	-	-	367,019	-	-	367,019
Assigned						
Capital projects	-	-	-	-	961,553	961,553
St. Augusta parade	-	-	-	161	-	161
Total Assigned	-	-	-	161	961,553	961,714
Unassigned	1,340,001	-	-	-	-	1,340,001
Total Fund Balance	$ 1,355,439	$ 93,871	$ 367,019	$ 161	$ 1,966,408	$ 3,782,898

In accordance with the provisions of a loan agreement with the Minnesota Public Facilities Authority, the City has established a wastewater system replacement fund for the purpose of future rehabilitation, expansion or replacement of the wastewater treatment system. The City makes annual deposits to such fund in accordance with the terms of the loan agreement. At December 31, 2025, the portion of the City's sewer fund net position restricted for this fund amounted to $189,206.

Note 4 - Other information

A. Risk Management

The City is exposed to various risks of loss related to torts: theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; and natural disasters. To manage these risks, the City purchases commercial insurance. The City retains risk for the deductible portions of the insurance. The amounts of these deductibles are considered immaterial to the financial statements. There were no significant reductions in insurance from the previous year settlements in excess of insurance for any of the past two years.

B. Commitments and Contingencies

Water and Sewer Contract:

The City has contracted with another municipality to provide water and sewer services for future periods at a base rate based on usage. Total potential cash outlays are not estimable. Such contracts can be terminated on a yearly basis.

Future Services Contracts:

The City has contracted with Stearns County to provide police services for 2026 at an hourly rate. Total fees for police services are estimated to be $31,200.

The City has contracted with Stearns County to provide prosecution services for 2026 for $17,000.

General Litigation:

It is the opinion of management that any potential claim regarding any lawsuits against the City would be covered by the liability insurance of the City and that any potential claim against the City would not materially affect the financial statements.

C. Pension Plans

1. Public Employees Retirement Association (PERA) - Defined Benefit

A. Plan Description

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). These plan provisions are established and administered according to *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.

1. General Employees Retirement Plan (General Plan)

Membership in the General Plan includes employees of counties, cities, townships, schools in noncertified 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.

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.

1. 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 five 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 the 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 percent of the highest average salary for each of the first 10 years of service and 1.7 percent for each additional year.

Under the Level formula, General Plan members receive 1.7 percent of 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 percent for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of .25 percent 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 at 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 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. The 2025 annual increase was 1.25 percent. 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 prorated increase.

C. Contributions

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

1. General Employees Fund Contributions

General Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2025 and the City was required to contribute 7.50 percent for General Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2025 were $33,482. The City's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

1. General Employees Fund Pension Costs

At December 31, 2025, the City reported a liability of $151,131 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of $16 million. The State of Minnesota is considered a nonemployer 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 $3,646.

City's proportionate share of the net pension liability	$	151,131
State of Minnesota's proportionate share of the net pension liability associated with the City		3,646
Total	$	154,777

The net pension liability was measured as of June 30, 2025, 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 proportion 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, 2024 through June 30, 2025, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0046 percent at the end of the measurement period and 0.0046 percent for the beginning of the period.

For the year ended December 31, 2025, the City recognized pension expense (benefit) of ($10,512) for its proportionate share of the General Employee Plan's pension expense. In addition, the City recognized an additional $730 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.

At December 31, 2025, the City reported 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	$ 14,400	$ -
Changes in actuarial assumptions	3,641	34,775
Net difference between projected and actual earnings on pension plan investments	-	60,136
Changes in proportion	4,301	1,983
Employer contributions subsequent to the measurement date	16,858	-
Total	$ 39,200	$ 96,894

The $16,858 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, 2026. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Pension Expense Amount
2026	$ (13,707)
2027	(28,727)
2028	(21,376)
2029	(10,742)

Aggregate Pension Expense

The total pension expense (benefit) for all PERA plans recognized by the City for the year ended December 31, 2025 was ($10,629).

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	100.0%	

F. Actuarial Methods and Assumptions

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2025, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7%. The 7% assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7% is within that range.

- Inflation is assumed to be 2.25% for the General Employees Plan.
- Benefit increases after retirement are assumed to be 1.5% for the General Employees Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 11.5% after one year of service to 3% after 27 years of service.

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

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 following changes in actuarial assumptions and plan provisions occurred in 2025:

General Employees Fund

Changes in Actuarial Assumptions:

- The combined service annuity loading factors increased from 15% to 19% for vested terminated members and from 3% to 44% for nonvested, terminated members.
- The assumed post-retirement benefit increase changed from 1.25% to 1.5%.

Changes in Plan Provisions:

- The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1% and 1.75% , beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.5%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1% and 1.5%.
- The 1% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

G. Discount Rate

The discount rate used to measure the total pension liability in 2025 was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Plan was projected to be available to make all projected future benefit payments of current plan members. 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 one percentage point lower or one percentage point higher than the current discount rate:

Sensitivity Analysis (In Thousands)

Net Pension Liability (Asset) at Different Discount Rates

	General Employees Fund	
1% Lower	6.00%	$ 367,073
Current Discount Rate	7.00%	151,131
1% Higer	8.00%	(24,047)

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.

2. Public Employees Retirement Association (PERA) - Defined Contribution

Five officials of the City of St. Augusta are covered by the Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The Defined Contribution Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. *Minnesota Statutes*, Chapter 353D and 356, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes five percent of salary which is matched by the elected official's employer. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives two percent of employer contributions and twenty-five hundredths of one percent (0.25 percent) of the assets in each member's account annually.

Total contributions made by the City during fiscal year 2025 were:

Contribution Amount		Percentage of Covered Payroll		Required
Employee	Employer	Employee	Employer	Rate
$ 1,274	$ 1,274	5.0%	5.0%	5.0%

3. St. Augusta Fire Relief Association - Defined Benefit

A. Plan Description

The St. Augusta Fire Relief Association (the Association) has not had an actuarial study performed. The Association believes the funding status determined using the calculation required by the Minnesota State Auditor is sufficient to determine the reportable amounts under GASB No. 68, *Accounting and Financial Reporting for Pensions*. The information included in this note is for the Association as of and for the year ended December 31, 2024, the most recent information available.

The City contributes to the Association, a single employer public employee retirement system that acts as a common investment and administrator for the City's firefighters.

Volunteer firefighters of the City are members of the St. Augusta Fire Relief Association. Association members are eligible to receive a lump sum pension benefit of $1,750 per person per year of service after reaching a minimum retirement age of 50 and at least 20 years of service and membership in the Association. Association members are eligible to receive partial pension benefits for service of 10 to 20 years with 10 years of membership in the Association. These benefit provisions are consistent with enabling State statutes. Volunteers are not required to contribute to the relief association. The City levies property taxes at the direction of and for the benefit of the Association and passes through state aids allocated to the plan, all in accordance with enabling State statutes. During 2025, at the Association's direction, the City did not levy any property taxes to be paid to the Association.

B. Related Party Investments

During 2025 and as of December 31, 2025, the Association held no securities issued by the City.

C. Funding Status and Progress

At December 31, 2025, the Association funding status was as follows:

Total plan assets	$ 661,453
Total accrued liability	375,698
Excess of plan assets over accrued liability	$ 285,755

D. Contributions Required and Contributions Made

Financial requirements of the Association are determined on a computation based on member years of service. The City's minimum obligation is the financial requirement for the year less Association investment earnings and State aids. The funding strategy should provide sufficient resources to pay relief association benefits on a timely basis. The City made a $3,000 contribution to the Association in 2025.

The computation of the pension contribution requirements for 2025 was based on the same assumptions, benefit provision, lump sum funding method, and other significant factors used to determine pension contributions requirements in previous years.

E. Pension Costs

The total pension (benefit) for all plans (including the General Employees Fund) recognized by the City for the year ended December 31, 2025 was ($55,148).

F. Ten-Year Historical Trend Information

Ten-year historical trend information related to the pension plan is unavailable.

D. Other Postemployment Benefits

The City has considered the accounting pronouncement, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Management determined the OPEB liability at December 31, 2025 is not material and therefore is not recorded in these financial statements.

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City of St. Augusta

Required Supplementary Information

December 31, 2025

City of St. Augusta

Schedule of City Pension Contributions
Last Ten Years (presented prospectively)
PERA General Employees Retirement Fund

December 31, 2025

Year Ended December 31	Statutorily Required Contribution (a)	Contributions in Relation to Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
2016	$ 16,474	$ 16,474	$ -	$ 224,114	7.4%
2017	16,496	16,496	-	219,957	7.5%
2018	16,773	16,773	-	223,673	7.5%
2019	17,713	17,713	-	236,169	7.5%
2020	19,505	19,505	-	260,067	7.5%
2021	21,958	21,958	-	292,765	7.5%
2022	25,990	25,990	-	346,528	7.5%
2023	28,500	28,500	-	380,006	7.5%
2024	30,005	30,005	-	400,067	7.5%
2025	30,978	30,978	-	413,040	7.5%

City of St. Augusta

Schedule of City's and Non-Employer Proportionate Share of Net Pension Liability
Last Ten Years (presented prospectively)
PERA General Employees Retirement Fund

December 31, 2025

Fiscal Year Ended June 30	Employer's Proportionate Share (Percentage) of Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City (b)	Employer's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with the City (a+b)	Covered Payroll (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a+b)/c	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.0036%	$ 292,303	$ 3,873	$ 296,176	$ 224,114	132.2%	68.9%
2017	0.0034%	217,054	2,752	219,806	219,957	99.9%	75.9%
2018	0.0033%	183,070	5,991	189,061	223,673	84.5%	79.5%
2019	0.0032%	176,921	5,500	182,421	236,169	77.2%	80.2%
2020	0.0036%	215,836	6,636	222,472	294,058	75.7%	79.1%
2021	0.0039%	166,547	5,062	171,609	295,834	58.0%	87.0%
2022	0.0043%	340,560	10,151	350,711	323,992	108.2%	76.7%
2023	0.0046%	257,226	7,051	264,277	301,765	87.6%	83.1%
2024	0.0046%	170,258	4,403	174,661	400,067	43.7%	89.1%
2025	0.0046%	151,131	3,646	154,777	413,040	37.5%	90.8%

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Notes to Schedule of Changes in Net Pension Liabilities and Related Ratios

General Employees Fund

2025 Changes

Changes in Actuarial Assumptions:

- The combined service annuity loading factors increased from 15% to 19% for vested terminated members and from 3% to 44% for nonvested, terminated members.
- The assumed post-retirement benefit increase changed from 1.25% to 1.5%.

Changes in Plan Provisions:

- The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1% and 1.75%, beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.5%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1% and 1.5%.
- The 1% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

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 were changed from 6.5% to 7.00%.

Changes in Plan Provisions:

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

- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, noncompounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 Changes

Changes in Actuarial Assumptions:
- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

Changes in Plan Provisions:
- There were no changes in plan provisions since the previous valuation.

2021 Changes

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

Changes in Plan Provisions:
- There were no changes in plan provisions since the previous valuation.

2020 Changes

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

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

Changes in Plan Provisions:

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

2019 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

2018 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.0% to 3.0%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.0%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Annual increases were changed from 1% 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, not less than 1.0% and not more than 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; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions:

- The combined service annuity (CSA) loads were changed from 0.80% for active members and 60% for vested and nonvested deferred members. The revised CSA load are now 0% for active member liability, 15.0% for vested deferred member liability, and 3.0% for nonvested deferred member liability.
- The assumed annual increase rate was changed for 1.0% per year for all years to 1.0% per year through 2044 and 2.50% per year thereafter.

Changes in Plan Provisions:

- The State's contribution for the Minneapolis Employees Retirement Fund equals $16.0 million in 2017 and 2018 and $6.0 million thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from $21,000,000 to $31,000,000 in calendar years 2019 to 2031. The State's contribution changed from $16,000,000 to $6,000,000 in calendar years 2019 to 2031.

2016 Changes

Changes in Actuarial Assumptions:

- The assumed annual increase rate was changed from 1% per year through 2035 and 2.50% per year thereafter to 1.0% per year for all years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate changed from 7.90% to 7.50%.
- Other assumptions were changed pursuant to the experience study June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% 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 St. Augusta

Other Supplemental Information

December 31, 2025

City of St. Augusta

Debt Service Fund
Schedule of Revenues, Expeditures, and
Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes	$ 40,000	$ 40,000	$ 39,759	$ (241)
Special assessments	-	-	1,848	1,848
Investment income	1,000	1,000	3,505	2,505
Total Revenues	41,000	41,000	45,112	4,112
Expenditures				
Debt service				
Principal	36,000	36,000	33,333	2,667
Interest and other charges	-	-	1,289	(1,289)
Total Expenditures	36,000	36,000	34,622	1,378
Excess of revenues over expenditures	5,000	5,000	10,490	5,490
Fund balance, beginning	83,381	83,381	83,381	-
Fund balance, ending	$ 88,381	$ 88,381	$ 93,871	$ 5,490

City of St. Augusta

General Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes	$ 881,600	$ 881,600	$ 951,440	$ 69,840
Intergovernmental	184,983	184,983	137,375	(47,608)
Investment income	15,000	15,000	69,141	54,141
Franchise fees	7,200	7,200	6,886	(314)
Miscellaneous	1,050	1,050	308,799	307,749
Total Revenues	1,089,833	1,089,833	1,473,641	383,808
Expenditures				
Capital outlay	995,800	995,800	1,003,923	(8,123)
Net change in fund balance	94,033	94,033	469,718	375,685
Fund balance, beginning	1,496,690	1,496,690	1,496,690	-
Fund balance, ending	$ 1,590,723	$ 1,590,723	$ 1,966,408	$ 375,685

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City of St. Augusta

Other Report Section

December 31, 2025

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CohnReznick LLP
cohnreznick.com

CohnReznick

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Honorable Mayor and Members
of the City Council
City of St. Augusta, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of the City of St. Augusta (the City) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 29, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of St. Augusta's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be a material weakness and significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as item 2025-002 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention to those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item 2025-001 to be a significant deficiency. Report on Compliance and Other Matters

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of St. Augusta's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards*.

Minnesota Legal Compliance

In connection with our audit, we noted that the City of St. Augusta failed to comply with the provisions of the depositories of public funds and public investments of the Minnesota Legal Compliance Audit Guide for Cities, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, except as described in the Schedule of Audit Findings as item 2025-003. Also, in connection with our audit, nothing came to our attention that caused us to believe that the City of St. Augusta failed to comply with the provisions of the contracting - bid laws, conflicts of interest, public indebtedness, claims and disbursements and miscellaneous provisions sections of the *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minnesota Statutes Sec. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

City of St. Augusta's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of St. Augusta's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the provisions of the *Minnesota Legal Compliance Audit Guide for Cities* and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. This 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. Accordingly, this communication is not suitable for any other purpose.

CohnReznick LLP

Minneapolis, Minnesota
June 29, 2026

City of St. Augusta

Summary Schedule Of Audit Findings
December 31, 2025

Findings - Financial Statement Audit

Significant Deficiencies

2025-001 Limited Segregation of Duties

Condition: A limited number of personnel are primarily responsible for the accounting and financial duties relating to the revenue and receipt cycle and the purchase and disbursement cycle.

Criteria: The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) require that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. An important element of internal accounting controls is an adequate segregation of duties that minimizes the opportunities for any one individual to be in a position to both perpetrate and conceal errors or irregularities in the normal course of business.

Effect: Because of the limited size of the City's administrative staff, there is not an adequate segregation of duties.

Cause: There is a limited number of administrative staff.

Recommendation: We recommend that the City continue to segregate duties as best it can within the limits of what the City considers to be cost beneficial.

Views of Responsible Officials and Planned Corrective Action: Management agrees with the recommendation. See corresponding Corrective Action Plan.

2025-002 **Material Audit Adjustments**

Condition: The City's unaudited trial balance contained material misstatements.

Criteria: The City is required to report accurate financial information.

Effect: The material misstatements in the unaudited trial balance resulted in the need to record adjustments during the audit.

Cause: There is a limited number of administrative staff and it would not be practical for the City to devote resources required to overcome this limitation.

Recommendation: We recommend management develop an accounting policy and procedures manual to assist with ensuring that all transactions are recorded consistently and that the information necessary to prepare an accurate unaudited trial balance is gathered in an organized and efficient manner and provided to the bookkeeper.

Views of Responsible Officials and Planned Corrective Action: Management agrees with the recommendation. See corresponding Corrective Action Plan.

2025-003 **Insufficient collateral**

Condition: In accordance with depositories of public fund and public investments section of the *Minnesota Legal Compliance Audit Guide for Cities*, the City did not have sufficient collateral coverage.

Criteria: The City should have controls in place to ensure proper collateral coverage is obtained for all City bank accounts over the FDIC limit of $250,000.

Effect: No effect on the financial statements.

Cause: There is not a proper review process to ensure there is proper collateral coverage for the City's bank accounts.

Recommendation: We recommend the City adopt a policy to comply with the *Minnesota Legal Compliance Audit Guide for Cities* and perform internal review to ensure compliance is monitored and changes are made as necessary.

Views of Responsible Officials and Planned Corrective Action: Management agrees with the recommendation. See corresponding Corrective Action Plan.

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CORRECTIVE ACTION PLAN (CAP):

The City respectfully submits the following corrective action plan for the year ended December 31, 2025.

The findings from the schedule of findings and responses are discussed below. The findings are numbered consistently with the number assigned in the schedule.

RESPONSE: FINDING 2025-001

Explanation of Disagreement with Audit Finding:
There is no disagreement with the audit finding.

Actions Planned in Response to Finding:
Management agrees with our recommendation and will continue to attempt to segregate duties wherever possible.

Official Responsible for Ensuring CAP:
Jennifer Nash, City Administrator, is the official responsible for ensuring the planned response.

Planned Completion Date for CAP:
Not applicable as the city is willing to accept this risk and will continue to evaluate the recommendation.

Plan to Monitor Completion of CAP:
Not applicable as the city is willing to accept the risk and will continue to evaluate the recommendation.

RESPONSE: FINDING 2025-002

Explanation of Disagreement with Audit Finding:
There is no disagreement with the audit finding.

Actions Planned in Response to Finding:
Management agrees with our recommendation and will continue to attempt to segregate duties wherever possible.

Official Responsible for Ensuring CAP:
Jennifer Nash, City Administrator, is the official responsible for ensuring the planned response.

Planned Completion Date for CAP:
Not applicable as the city is willing to accept this risk and will continue to evaluate the recommendation.

Plan to Monitor Completion of CAP:
Not applicable as the city is willing to accept the risk and will continue to evaluate the recommendation.

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RESPONSE: FINDING 2025-003

Explanation of Disagreement with Audit Finding:
There is no disagreement with the audit finding.

Actions Planned in Response to Finding:
Management agrees with our recommendation and will continue to attempt to segregate duties wherever possible.

Official Responsible for Ensuring CAP:
Jennifer Nash, City Administrator, is the official responsible for ensuring the planned response.

Planned Completion Date for CAP:
Change will be done immediately.

Plan to Monitor Completion of CAP:
Jennifer Nash, City Administrator, will monitor this process.

Welcome to
St. Augusta
WHERE COUNTRY MEETS COMMUNITY

To: Mayor Jeff Schmitz and Council Members
From: Jennifer Nash, City Administrator
Joe Kramer, Fire Chief
Date: July 7, 2026
RE: Fire ATV Purchase from Donation

Background:

The Fire Department is requesting purchase of a specially-equipped ATV for department use. A donation was accepted at the June 16, 2026 Council meeting to cover costs for this purchase. The donation also covered the cost of an upgraded ventilation system for the fire station, and that purchase may also be brought to Council on this July 7 agenda if those competitive bids are available by that time.

Attached are two quotes for the requested ATV. The first is from Polaris with equipment installed at factory, and the second is from Can Am with equipment added after market (with labor for that install not shown and would be extra). Fire Department staff recommends the purchase direct from Polaris which is also the lower price at $67,785.08.

Financial Impact:
$67,785.08 covered from donation made for this purpose

Recommendation:
Staff recommends a motion to approve purchase of an ATV from Polaris as shown on the attached quote.

Attachments:
- Polaris Quote
- Can Am + Equipment Package Estimates

POLARIS

Polaris Sales Inc., Medina, MN 55340
gov.info@polaris.com
Phone: 866-468-7783
www.polaris.com/gov

QUOTE

Contact Information

Name: JOE KRAMER
Email: joe.kramer@staugustafire.org
Phone:
Fax:

Bill To: St. Augusta Fire
1838 37TH ST S

SAINT CLOUD, MN 56301

Ship To: St. Augusta Fire
1838 37TH ST S

SAINT CLOUD, MN 56301

Quote Number: QUO-76935-N6X4G8
Revision #: 1
Date: 6/3/2026 1:07 PM
Quote Expires: 7/3/2026

Contract Name: Polaris Direct
Contract #:
Expiration Date:

Cage: 3FP69
Duns#: 123399383
Tax ID#: 41-1921490
Customer#:

Freight	Delivery Terms	Payment Terms	Payment Methods
FOB Destination-CONUS US Continental (CONUS) Only	180 Days	Prepay - Other	Visa Mastercard Wire Check

Item #	QTY	Description	MSRP	Discount Price	Extended	Install Amount
R26X6L1RBJ	1	RANGER Crew XD 1500 NorthStar Premium - Super Graphite Smoke - 50 State	$44,999.00	$42,769.88	$42,769.88	$0.00
2891925	1	XD 1500 Federal Signal Premium Emergency Light Package (req. full cab)	$5,999.99	$5,138.53	$5,138.53	$2,100.00
2891931	1	Federal Signal XP 1000 / XD 1500 Ultimate Roof Light Bar Upgrade (requires Mount)	$4,499.99	$3,853.90	$3,853.90	$300.00
2891418	1	QTAC Fire and Rescue Skid 6 HP (req. installation package)	$9,689.99	$9,470.32	$9,470.32	$0.00
2891472	1	XD 1500 NorthStar Skid Installation Package	$599.99	$513.85	$513.85	$187.50
2891495	1	QTAC VIPER Nozzle	$544.99	$532.64	$532.64	$0.00
2890854	1	XD Brushguard Shackles	$89.99	$77.07	$77.07	$37.50

POLARIS

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Freight	Delivery Terms	Payment Terms	Payment Methods
FOB Destination-CONUS US Continental (CONUS) Only	180 Days	Prepay - Other	Visa Mastercard Wire Check

Item #	QTY	Description	MSRP	Discount Price	Extended	Install Amount
2884876	1	XD Rear Brushguard	$294.99	$252.64	$252.64	$75.00
2884872	1	XD Upper Front Brushguard	$449.99	$385.38	$385.38	$75.00
2889767	1	XD Auxiliary Lights for Front Brushguard	$399.99	$342.56	$342.56	$150.00
2889771	1	XD Rear Work Light	$249.99	$214.10	$214.10	$75.00
2889862	1	XD Door Mount Sideview Mirrors	$179.99	$154.15	$154.15	$37.50
2891719	1	Roof Lightbar Mount for Crew XD 1000	$399.99	$342.56	$342.56	$0.00

Comments:

SUBTOTAL	$64,047.58
INSTALL*	$3,037.50
FREIGHT	$700.00
TAX	$0.00
TOTAL	$67,785.08

Vehicle model year and color are subject to change dependent upon delivery date.

To accept the above quotation, please provide a purchase order via email (gov.info@polaris.com) and include the following:

- Bill to Address
- Billing Phone Number
- Ship to Address
- Point of Contact for Delivery
- Point of Contact E-Mail
- Point of Contact Phone
- Quote Number
- Alternate Point of Contact (Required)
- Do you have a loading dock, ramps, or forklift for offloading
- Tax exempt form for state we are shipping (or inform if taxable)

Polaris Sales Inc., Medina, MN 55340
gov.info@polaris.com
Phone: 866-468-7783
www.polaris.com/gov

If you would like to submit payment via credit card, please call (866) 468-7783 to process payment during our hours of operation from 8:30 AM to 4:30 PM CST Monday through Friday. We accept Visa, Mastercard & American Express.

Electric Hose reel

Enough work lights?

2026

DEFENDER MAX LONE STAR CAB HD11

0006LTA00	$39,699.00
Vehicle Options	**$0.00**
Accessories	**$4,687.56**
	$44,386.56

KEY FEATURES

- Heating, venting and air conditioning (HVAC) climate system
- Smart-Lok technology front differential
- JL Audio Level 4, 6 speakers audio roof
- 10.25 in. touchscreen display with front and rear cameras
- 30 in. XPS Trac Force with 15 in. aluminum wheels

VEHICLE OPTIONS

COLOR

Stealth Black

ENGINE

HD11

With emergency lighting Package $ 7381.53

QTAC 85EMS-C

BASE PRICE $6,395.00

The QTAC 85EMS-C is a fire-rescue skid that features a unique, 'convertible' rescue litter platform that allows for the tailgate to be closed on most UTVs when not in use.

85EMS-C, KOSHIN SEH-40H, Manual Hannay Reel, 75' Hose, Brass Bulls-eye Nozzle: $6,395.00

85EMS-C, WATERAX VERSAX 6, Manual Hannay Reel, 75' Hose, Brass Bulls-eye Nozzle: $8,250.00

85EMS-C, WATERAX VERSAX 9, Manual Hannay Reel, 75' Hose, Brass Bulls-eye Nozzle: $11,295.00

Hannay Electric Hose Reel Upgrade: $985

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STATUS REPORT
Revised: 7/7/2026

Moore Project Number:	**30543**
Project Contract Name:	**238th St, Gaberdine Rd, 240th St Road**
Location of Work:	**St. Augusta**
PM/Engineer:	**Chris Bunders**

Prepared By: **Chris Bunders**

Submitted To: **Jennifer Nash – City Administrator**

Preliminary Engineering, Environmental Documentation

SUMMARY OF ACTIVITIES:

Earthwork and subgrade preparations have continued for the 238th St, Gaberdine Rd, 240th St Road Project. Below is a list of items completed over the last month of construction:

- Roadway earthwork has been conducted, and the road has been removed down to the subgrade.
- During the initial investigation of the subgrade, poor soils were discovered by the contractor.
- Moore requested an expert opinion from ITT Geotech. They were brought in to do further testing of the subgrade and determine steps forward for soil remediation of the subgrade.
- After the testing came back there was 1700' of subgrade that required a 1' deep subcut and removal of the material and placement of Type 5 fabric to stabilize the road subgrade.
- This subcut was not initially included in the base bid of the contract and resulted in a change order #1 of $101,936.54. This was approved by the Mayor and City Administrator after City Council gave them the ability to preapprove the change order before it was brought in front of the City Council at an official meeting.
- The subcontractor has completed this subcut work as of 6/30/26.
- Xcel Energy gas main and service lines were encountered when earthwork was done to get down to subgrade elevation of the roadway.
- Moore contacted Xcel and coordinated the relocation and lowering of the gas main and service along 240th Street.

- New gas main has been bored, and the gas main contractor is anticipated to connect to existing gas main by 07/02.
- A City curb stop was hit by the contractor and damaged to the point of leaking on 6/30/26. PW staff were able to perform an emergency fix on the curb stop to get it to stop leaking.
- The contractor on site has offered to help the PW staff with the repairs to the curb stop.

PROJECTED ACTIVITY NEXT PERIOD:

- Knife River- place aggregate base class 5 – 7/1-7/2 no work Friday for the holiday and then finish up on 7/6.
- Curb and gutter will be completed by French Lake on 7/9-7/10
- Final roadway tolerance will be completed on 7/13-7/14
- Begin paving base course 7/15
- Begin paving trail 7/16

REQUIRED ACTION BY City of St. Augusta:

- Approve Change Order #1 for $101,936.54 for the subcut of 1700’ of roadway and the addition of Type 5 Fabric.
- Approve Pay Application #1 for $316,060.20 for the month of May/June construction.

MILESTONE SCHEDULE/COMMENTS:

- See above for next steps.

PROBLEMS ENCOUNTERED:

- Poor subgrade materials encountered.
- Gas main/service encounter and has been lowered and relocated as of 7/1/26.

SUMMARY OF PROJECT DECISIONS:

- Approved subcut and Change Order #1 by the City.

OUT OF SCOPE SERVICES:

- Change Order #1 for the subcut of poor subgrade materials.

Contractor's Application for Payment

Owner:	City of St. Augusta	**Owner's Project No.:**	
Engineer:	Moore Engineering, Inc.	**Engineer's Project No.:**	30543
Contractor:	Knife River Corporation - North Central	**Contractor's Project No.:**	32262021
Project:	238th Street, 240th Street, & Gaberdine Road Reconstruction		
Contract:	Road reconstruction, multi-use path construction, culvert replacement & grading		

Application No.: 1 **Application Date:** 6/19/2026

Application Period: **From** 5/20/2026 **to** 6/16/2026

1. Original Contract Price	$ 1,052,511.78
2. Net change by Change Orders	$ -
3. Current Contract Price (Line 1 + Line 2)	$ 1,052,511.78
4. Total Work completed and materials stored to date (Sum of Column J Unit Price Total)	$ 332,694.95
5. Retainage	
a. 5% X $ 332,694.95 Work Completed	$ 16,634.75
b. X $ - Stored Materials	$ -
c. Total Retainage (Line 5.a + Line 5.b)	$ 16,634.75
6. Amount eligible to date (Line 4 - Line 5.c)	$ 316,060.20
7. Less previous payments (Line 6 from prior application)	
8. Amount due this application	$ 316,060.20
9. Balance to finish, including retainage (Line 3 - Line 6)	$ 736,451.58

Payment Recommended By Engineer $ **316,060.20**
(Line 8 or other - attach explanation of the other amount)

Payment Approved by Owner $
(Line 8 or other - attach explanation of the other amount)

Contractor's Certification

The undersigned Contractor certifies, to the best of its knowledge, the following:
(1) All previous progress payments received from Owner on account of Work done under the Contract have been applied on account to discharge Contractor's legitimate obligations incurred in connection with the Work covered by prior Applications for Payment;
(2) Title to all Work, materials and equipment incorporated in said Work, or otherwise listed in or covered by this Application for Payment, will pass to Owner at time of payment free and clear of all liens, security interests, and encumbrances (except such as are covered by a bond acceptable to Owner indemnifying Owner against any such liens, security interest, or encumbrances); and
(3) All the Work covered by this Application for Payment is in accordance with the Contract Documents and is not defective.

Contractor: Knife River Corporation - NC

Signature: [signature] **Date:** 6-23-26

Recommended by Engineer		**Approved by Owner**	
By:	[signature]	**By:**	
Title:	City Engineer	**Title:**	
Date:	06/23/2026	**Date:**	

Approved by Funding Agency			
By:		**By:**	
Title:		**Title:**	
Date:		**Date:**	

Progress Estimate - Unit Price Work — **Contractor's Application for Payment**

Owner:	City of St. Augusta	**Owner's Project No.:**	0
Engineer:	Moore Engineering, Inc.	**Engineer's Project No.:**	30543
Contractor:	Knife River Corporation - North Central	**Contractor's Project No.:**	32262021
Project:	238th Street, 240th Street, & Gaberdine Road Reconstruction		
Contract:	Road reconstruction, multi-use path construction, culvert replacement & grading		

Application No.: 1 **Application Period:** From 5/20/2026 to 6/16/2026 **Application Date:** 6/19/2026

A		B	C	D	E	F		G	H	I	J	K	L
			Contract Information					Work Completed					
Bid Item No.		Description	Current Item Quantity	Units	Unit Price ($)	Value of Bid Item (C X E) ($)	Estimated Quantity Installed This Period	Estimated Quantity Incorporated in the Work	Value of Work Completed to Date (E X G) ($)	Materials Currently Stored (not in G) ($)	Work Completed and Materials Stored to Date (H + I) ($)	% of Value of Item (J / F) (%)	Balance to Finish (F - J) ($)
						Current Contract							
BASE BID													
1	2021.5010	MOBILIZATION	1.00	L SUM	$ 53,500.00	$ 53,500.00		0.75	$ 40,125.00		$ 40,125.00	75%	$ 13,375.00
2	2101.50	CLEARING AND GRUBBING	1.00	L SUM	$ 15,000.00	$ 15,000.00		1.00	$ 15,000.00		$ 15,000.00	100%	$ -
3	2104.50	REMOVE SIGN	2.00	EACH	$ 25.00	$ 50.00		2.00	$ 50.00		$ 50.00	100%	$ -
4	2104.50	REMOVE MAIL BOX SUPPORT	13.00	EACH	$ 175.00	$ 2,275.00		13.00	$ 2,275.00		$ 2,275.00	100%	$ -
5	2104.50	SALVAGE SIGN	39.00	EACH	$ 25.00	$ 975.00		39.00	$ 975.00		$ 975.00	100%	$ -
6	2104.50	SALVAGE MAIL BOX SUPPORT	22.00	EACH	$ 175.00	$ 3,850.00		22.00	$ 3,850.00		$ 3,850.00	100%	$ -
7	2104.50	SAWING CONCRETE PAVEMENT (FULL DEPTH)	222.00	LIN FT	$ 7.00	$ 1,554.00		268.00	$ 1,876.00		$ 1,876.00	121%	$ (322.00)
8	2104.50	SAWING BITUMINOUS PAVEMENT (FULL DEPTH)	408.00	LIN FT	$ 5.00	$ 2,040.00		368.00	$ 1,840.00		$ 1,840.00	90%	$ 200.00
9	2104.50	REMOVE PIPE CULVERTS	470.60	LIN FT	$ 10.00	$ 4,706.00		468.00	$ 4,680.00		$ 4,680.00	99%	$ 26.00
10	2104.50	REMOVE CONCRETE DRIVEWAY PAVEMENT	466.11	SQ YD	$ 9.50	$ 4,428.06		688.00	$ 6,536.00		$ 6,536.00	148%	$ (2,107.94)
11	2104.50	REMOVE BITUMINOUS DRIVEWAY PAVEMENT	875.89	SQ YD	$ 5.20	$ 4,554.62		860.00	$ 4,472.00		$ 4,472.00	98%	$ 82.62
12	2104.50	REMOVE BITUMINOUS PAVEMENT	17,565.78	SQ YD	$ 2.70	$ 47,427.60		17,566.00	$ 47,428.20		$ 47,428.20	100%	$ (0.60)
13	2106.51	EXCAVATION - COMMON	9,500.00	CU YD	$ 10.50	$ 99,750.00		9,310.00	$ 97,755.00		$ 97,755.00	98%	$ 1,995.00
14	2106.51	COMMON EMBANKMENT (CV)	3,056.00	CU YD	$ 6.00	$ 18,336.00		2,903.00	$ 17,418.00		$ 17,418.00	95%	$ 918.00
15	2112.60	SUBGRADE PREPARATION	21,329.44	SQ YD	$ 0.75	$ 15,997.08		19,338.00	$ 14,503.50		$ 14,503.50	91%	$ 1,493.58
16	2118.51	AGGREGATE SURFACING CLASS 1	394.90	TON	$ 27.50	$ 10,859.70		0.00	$ -		$ -	0%	$ 10,859.70
17	2211.51	AGGREGATE BASE (CV) CLASS 5	5,735.00	CU YD	$ 35.50	$ 203,592.50		0.00	$ -		$ -	0%	$ 203,592.50
18	2360.51	TYPE SP 12.5 WEARING COURSE MIXTURE (2;C)	5,156.00	TON	$ 70.00	$ 360,920.00		0.00	$ -		$ -	0%	$ 360,920.00
19	2501.50	15" CS PIPE APRON	22.00	EACH	$ 275.00	$ 6,050.00		22.00	$ 6,050.00		$ 6,050.00	100%	$ -
20	2501.50	15" CS PIPE CULVERT	654.00	LIN FT	$ 47.50	$ 31,065.00		658.00	$ 31,255.00		$ 31,255.00	101%	$ (190.00)
21	2504.60	ADJUST VALVE BOX	2.00	EACH	$ 500.00	$ 1,000.00		0.00	$ -		$ -	0%	$ 1,000.00
22	2506.50	ADJUST FRAME AND RING CASTING	2.00	EACH	$ 875.00	$ 1,750.00		0.00	$ -		$ -	0%	$ 1,750.00
23	2521.52	6" CONCRETE WALK	471.00	SQ FT	$ 10.00	$ 4,710.00		0.00	$ -		$ -	0%	$ 4,710.00
24	2531.50	CONCRETE CURB AND GUTTER DESIGN B618	588.00	LIN FT	$ 22.00	$ 12,936.00		0.00	$ -		$ -	0%	$ 12,936.00
25	2531.50	6" CONCRETE DRIVEWAY PAVEMENT	520.56	SQ YD	$ 68.00	$ 35,397.78		0.00	$ -		$ -	0%	$ 35,397.78
26	2531.62	TRUNCATED DOMES	76.00	SQ FT	$ 65.00	$ 4,940.00		0.00	$ -		$ -	0%	$ 4,940.00
27	2540.60	INSTALL MAIL BOX SUPPORT	22.00	EACH	$ 175.00	$ 3,850.00		0.00	$ -		$ -	0%	$ 3,850.00
28	2540.60	MAIL BOX	1.00	EACH	$ 3,000.00	$ 3,000.00		0.00	$ -		$ -	0%	$ 3,000.00
29	2563.60	TRAFFIC CONTROL	1.00	L SUM	$ 5,000.00	$ 5,000.00		0.50	$ 2,500.00		$ 2,500.00	50%	$ 2,500.00
30	2564.50	INSTALL SIGN	35.00	EACH	$ 90.00	$ 3,150.00		0.00	$ -		$ -	0%	$ 3,150.00
31	2564.52	SIGN PANEL	33.00	SQ FT	$ 65.00	$ 2,145.00		0.00	$ -		$ -	0%	$ 2,145.00
32	2573.50	STABILIZED CONSTRUCTION EXIT	1.00	L SUM	$ 1,000.00	$ 1,000.00		1.00	$ 1,000.00		$ 1,000.00	100%	$ -
33	2573.50	CULVERT END CONTROLS	22.00	EACH	$ 125.00	$ 2,750.00		0.00	$ -		$ -	0%	$ 2,750.00
34	2573.50	STORM DRAIN INLET PROTECTION	1.00	EACH	$ 125.00	$ 125.00		1.00	$ 125.00		$ 125.00	100%	$ -
35	2573.50	SEDIMENT CONTROL LOG TYPE WOOD CHIP	10,427.00	LIN FT	$ 2.50	$ 26,067.50		10,310.50	$ 25,776.25		$ 25,776.25	99%	$ 291.25
36	2575.50	TURF ESTABLISHMENT	1.00	L SUM	$ 10,000.00	$ 10,000.00		0.00	$ -		$ -	0%	$ 10,000.00
37	2575.52	RAPID STABILIZATION METHOD 3	18.06	M GALLON	$ 400.00	$ 7,225.29		14.00	$ 5,600.00		$ 5,600.00	78%	$ 1,625.29
38	2582.50	4" BROKEN LINE PAINT GROUND IN (WR)	795.00	LIN FT	$ 0.85	$ 675.75		0.00	$ -		$ -	0%	$ 675.75
39	2582.50	6" SOLID LINE MULTI-COMPONENT GROUND IN (WR)	13,428.00	LIN FT	$ 1.05	$ 14,099.40		0.00	$ -		$ -	0%	$ 14,099.40
40	2582.50	24" SOLID LINE MULTI-COMPONENT GROUND IN (WR)	50.00	LIN FT	$ 20.00	$ 1,000.00		0.00	$ -		$ -	0%	$ 1,000.00
41	2582.50	4" DOUBLE SOLID LINE MULTI-COMPONENT GROUND IN (WR	2,235.00	LIN FT	$ 1.70	$ 3,799.50		0.00	$ -		$ -	0%	$ 3,799.50
42	2582.52	CROSSWALK MULTI COMP GR IN (WR)	60.00	SQ FT	$ 16.00	$ 960.00		0.00	$ -		$ -	0%	$ 960.00
sting Allowan	0.00	0	-	0	$ -	$ -		0.00	$ -		$ -		$ -
43	12000.00	Testing Allowance ($20,000)	1.00	ALLOW	$ 20,000.00	$ 20,000.00		0.00	$ 1,605.00		$ 1,605.00	8%	$ 18,395.00
*Bolded "Current Item Quantity" indicates a change due to a Change Order					Original Contract Totals	$ 1,052,511.78			$ 332,694.95	$ -	$ 332,694.95	32%	$ 719,816.83

Progress Estimate - Unit Price Work | **Contractor's Application for Payment**

Owner:	City of St. Augusta	**Owner's Project No.:**	0
Engineer:	Moore Engineering, Inc.	**Engineer's Project No.:**	30543
Contractor:	Knife River Corporation - North Central	**Contractor's Project No.:**	32262021
Project:	238th Street, 240th Street, & Gaberdine Road Reconstruction		
Contract:	Road reconstruction, multi-use path construction, culvert replacement & grading		

Application No.: 1 **Application Period:** From 5/20/2026 to 6/16/2026 **Application Date:** 6/19/2026

A		B	C	D	E	F		G	H	I	J	K	L
			Contract Information					Work Completed					
Bid Item No.		Description	Current Item Quantity	Units	Unit Price ($)	Value of Bid Item (C X E) ($)	Estimated Quantity Installed This Period	Estimated Quantity Incorporated in the Work	Value of Work Completed to Date (E X G) ($)	Materials Currently Stored (not in G) ($)	Work Completed and Materials Stored to Date (H + I) ($)	% of Value of Item (J / F) (%)	Balance to Finish (F - J) ($)
						Change Order No. [1]							
			-		$ -	$ -		0.00	$ -		$ -		$ -
			-		$ -	$ -		0.00	$ -		$ -		$ -
						Change Order No. [2]							
			-		$ -	$ -		0.00	$ -		$ -		$ -
			-		$ -	$ -		0.00	$ -		$ -		$ -
						Change Order No. [3]							
			-		$ -	$ -		0.00	$ -		$ -		$ -
			-		$ -	$ -		0.00	$ -		$ -		$ -
					Change Order Totals	$ -			$ -	$ -	$ -		$ -
						Current Contract and Change Orders							
					Project Totals	$ 1,052,511.78			$ 332,694.95	$ -	$ 332,694.95	32%	$ 719,816.83
						Change Order Summary							
						Additions			Deductions				Net Change
		Change Order No. [1]				$ -			$ -				$ -
		Change Order No. [2]				$ -			$ -				$ -
		Change Order No. [3]				$ -			$ -				$ -
					Change Order Totals	$ -			$ -				$ -

EJCDC C-620 Contractor's Application for Payment

CHANGE ORDER NO.:

Owner:	City of St. Augusta	Owner's Project No.:	
Engineer:	Moore Engineering Inc	Engineer's Project No.:	30543
Contractor:	Knife River Corporation – North Central	Contractor's Project No.:	32262021
Project:	238th Street, 240th Street, & Gaberdine Road Reconstruction		
Contract Name:	Road reconstruction, multi-use plath construction, culvert replacement & grading		
Date Issued:	06/25/2026	Effective Date of Change Order:	06/25/2026

The Contract is modified as follows upon execution of this Change Order:

Description:

Change Order for corrective action on failing subgrade material for 1600' on 238th Street and 100' on Gaberdine Road.

Attachments:

ITT Summary of Proof-Roll Observations

Knife River Change Order Request

Change in Contract Price	Change in Contract Times
Original Contract Price: $ 1,052,511.78	Original Contract Times: Substantial Completion: Sept. 11th, 2026 Ready for final payment: Sept. 25th, 2026
Increase from previously approved Change Orders: $ 0.00	Increase from previously approved Change Orders Substantial Completion: None Ready for final payment: None
Contract Price prior to this Change Order: $ 1,052,511.78	Contract Times prior to this Change Order: Substantial Completion: Sept. 11th, 2026 Ready for final payment: Sept. 25th, 2026
Increase this Change Order: $ 101,936.54	[Increase] [Decrease] this Change Order: Substantial Completion: Sept. 11th, 2026 Ready for final payment: Sept. 25th, 2026
Contract Price incorporating this Change Order: $ 1,154,448.32	Contract Times with all approved Change Orders: Substantial Completion: Sept. 11th, 2026 Ready for final payment: Sept. 25th, 2026

	Recommended by Engineer (if required)	Accepted by Contractor
By:		
Title:	City Engineer	Project Manager
Date:	06/25/2026	6/25/26
	Authorized by Owner	Approved by Funding Agency (if applicable)
By:		
Title:		
Date:		

INDEPENDENT TESTING TECHNOLOGIES, INC.
337 31ST AVENUE SOUTH, WAITE PARK, MN 56387
PH: (320) 253-4338 FAX: (320) 253-4547
www.independenttestingtech.com

SUMMARY OF PROOF-ROLL OBSERVATIONS

Report Date: June 16, 2026

Client: City of St. Augusta
Ms. Jennifer Nash
1914 250th Street
St. Augusta, MN 56301

26-202A 2026 Street Improvements
St. Augusta, Minnesota

Email: jnash@staugustamn.gov
chris.bunder@mooreengineering.com

Date of Observation: 6/15/26

Weight of Truck Used: Approx. 60,000lbs.

Observed By: Chuck w/ ITT, Brennon w/ Knife River, Doug w/ Moore Engingeering, Travis Scott

Road Design: 4" Bituminous, 8" Aggregate Base, 12' Subgrade Prep.

Grade Observed: Finished Subgrade: X Finished Class 5 Aggregate: ______

Areas Observed: Gaberdine Road -Approx 100'
238th Street -Approx. 1600'

Observations: Flexing and yeilding observed during testing.

Result of this Proof Roll: **Pass:** ______ **Fail:** X

If Failed, Recommendations Made: Recommend three options: 1-Deeper subgrade prep, drying,farming.
2- Subcut 12" and place select granular borrow with less than 5% passing # 200 sieve.
3- Place geogrid and additional 2 inches of aggregate base.
Option 3 can be done in isolated areas. Option 2 should be done for entire stretches of road to prevent differential movement due to forst, etc.

Submitted By:

Chuck Ackerman, Sr. Engineering Technician

Reviewed By:

Patrick A. Johnson

Patrick A. Johnson, P.E.

KNIFE RIVER

4787 Shadow Wood Dr. NE
Sauk Rapids, MN 56379
(320) 251-9472
(320) 251-0011 FAX

June 25rd, 2026

CHANGE ORDER REQUEST

City of St. Augusta (Owner)
Attn: Chris Bunders – Moore Engineers

Project: St Augusta 2026 Street Imps 238th 240th and Gaberdine

Subgrade excavation and Select Gran Embankment for 1600 LF x 24LF due to poor soils under the existing roadway that wasn't called out in the plans or the specs

- Subgrade Excavation- 1763 CY @ $20.00= $35,260.00
- Select Granular Embankment-1763 CY @ $26.50 =$46719.50
- Type 5 Fabric x 4266 SY @ $3.75=$15,997.50 (If needed)

-Total $97,977 (estimated)

-Price will be paid by the unit price of material hauled out and material hauled in.
-Prime markup as discussed $3959.54

-An increase of $101,936.54 (Estimated)

Thank You,

Matt Otremba
Knife River Corp-North Central