

**SHAKOPEE PUBLIC UTILITIES COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

UTILITY FINANCIAL ANALYSIS (CONTINUED)

**TABLE 2
CONDENSED STATEMENT OF NET POSITION – WATER UTILITY**

	2023	2022	Change
ASSETS			
Current and Other Assets	\$ 40,337,359	\$ 37,064,563	\$ 3,272,796
Net Capital Assets	70,042,269	62,361,364	7,680,905
Total Assets	<u>110,379,628</u>	<u>99,425,927</u>	<u>10,953,701</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>407,795</u>	<u>536,023</u>	<u>(128,228)</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 110,787,423</u>	<u>\$ 99,961,950</u>	<u>\$ 10,825,473</u>
LIABILITIES			
Net Pension Liability	\$ 1,253,988	\$ 1,628,441	\$ (374,453)
Other Liabilities	2,822,107	1,187,766	1,634,341
Total Liabilities	<u>4,076,095</u>	<u>2,816,207</u>	<u>1,259,888</u>
DEFERRED INFLOWS OF RESOURCES	2,729,631	1,812,886	916,745
NET POSITION			
Net Investment in Capital Assets	70,006,775	62,361,364	7,645,411
Restricted	19,835,106	18,729,524	1,105,582
Unrestricted	14,139,816	14,241,969	(102,153)
Total Net Position	<u>103,981,697</u>	<u>95,332,857</u>	<u>8,648,840</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 110,787,423</u>	<u>\$ 99,961,950</u>	<u>\$ 10,825,473</u>

As can be seen from the table above, the water utility's net position increased \$8,648,840 to \$103,981,697 in 2023, an increase of 9.1%. Total assets increased by \$10,953,701 due to an increase of \$874,716 in cash and investments and an increase in other accounts receivable of \$603,743. Deferred outflows of resources decreased \$128,228 reflecting the GASB 68 pension reporting activity. Total liabilities increased \$1,259,888 due to increase in accounts payable of \$1,514,508 with an offset decrease in net pension liability of \$374,453. Deferred inflows of resources increased \$916,745 due to the net impact of a reduction related to GASB 68 pension report activity and the reflection of deferred inflows related to leases receivable.

The restricted portion of net position includes accounts that are limited by bond covenants. Listed below are restricted assets:

Customer Deposit Account - Restricted resources from customers required to deposit monies before the utility will begin service. These deposits are subject to repayment when the customer leaves the utility's service area.

Connection and Trunk Water Accts - Restricted resources, per enabling legislation, to be used for future water production and trunk distribution facility acquisitions.