



Annual Comprehensive Financial Report

For the Year Ended December 31, 2025

City of Albertville, Minnesota

THIS PAGE IS LEFT
BLANK INTENTIONALLY

CITY OF ALBERTVILLE, MINNESOTA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2025

ADAM NAFSTAD - CITY ADMINISTRATOR
TINA LANNES - FINANCE DIRECTOR

PREPARED BY
DEPARTMENT OF FINANCE

Member of the Government Finance Officers' Association
of the United States and Canada

THIS PAGE IS LEFT
BLANK INTENTIONALLY

City of Albertville, Minnesota
 Annual Comprehensive Financial Report
 Table of Contents
 For the Year Ended December 31, 2025

	<u>Page No.</u>
Introductory Section	
Letter of Transmittal from City Administrator and Finance Director	11
Certificate of Achievement of Excellence in Financial Reporting	15
Organizational Chart	16
Elected and Appointed Officials	17
Financial Section	
Independent Auditor’s Report	21
Management’s Discussion and Analysis	25
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	37
Statement of Activities	38
Fund Financial Statements	
Governmental Funds	
Balance Sheet	42
Reconciliation of the Balance Sheet to the Statement of Net Position	43
Statement of Revenues, Expenditures and Changes in Fund Balances	44
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	46
Proprietary Funds	
Statement of Net Position	47
Statement of Revenues, Expenses and Changes in Net Position	48
Statement of Cash Flows	49
Fiduciary Funds	
Statement of Fiduciary Net Position	50
Statement of Changes in Fiduciary Net Position	51
Notes to the Financial Statements	53
Required Supplementary Information	
Schedule of Employer’s Share of Public Employees Retirement Association Net Pension Liability - General Employees Retirement Fund	88
Schedule of Employer’s Public Employees Retirement Association Contributions - General Employees Retirement Fund	88
Notes to the Required Supplementary Information - General Employees Retirement Fund	89
Schedule of Employer’s Share of Public Employees Retirement Association Net Pension Liability - Public Employees Police and Fire Fund	91
Schedule of Employer’s Public Employees Retirement Association Contributions - Public Employees Police and Fire Fund	91
Notes to the Required Supplementary Information - Public Employees Police and Fire Fund	92
Schedule of Changes in the Fire Relief Association’s Net Pension Liability (Asset) and Related Ratios	94
Schedule of Employer’s Fire Relief Association Contributions	95
Budgetary Comparison Schedule – General fund	96
Notes to the Required Supplemental Information – Budgetary Reporting	97

THIS PAGE IS LEFT
BLANK INTENTIONALLY

City of Albertville, Minnesota
Annual Comprehensive Financial Report
Table of Contents (Continued)
For the Year Ended December 31, 2025

	<u>Page No.</u>
Combining and Individual Fund Financial Statements and Schedules	
Nonmajor Governmental Funds	
Combining Balance Sheet	102
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	103
Nonmajor Special Revenue Funds	
Combining Balance Sheet	106
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	107
Nonmajor Capital Projects Funds	
Combining Balance Sheet	110
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	112
Nonmajor Proprietary Funds	
Statement of Net Position	114
Statement of Revenues, Expenses and Changes in Net Position	115
Statement of Cash Flows	117
General Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances	118
Debt Service Funds	
Combining Balance Sheet	122
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	124
Fiduciary Funds	
Combining Statement of Fiduciary Net Position	126
Combining Statement of Changes in Fiduciary Net Position	127

	<u>Table</u>	<u>Page No.</u>
Statistical Section (Unaudited)		
Net Position by Component	1	132
Changes in Net Position	2	134
Fund Balances of Governmental Funds	3	138
Changes in Fund Balances of Governmental Funds	4	140
Tax Capacity, Market Value and Estimated Actual Value of Taxable Property	5	142
Property Tax Capacity Rates - Direct and Overlapping Governments	6	144
Principal Taxpayers	7	145
Property Tax Levies and Collections	8	146
Ratios of Outstanding Debt by Type	9	147
Ratios of General Bonded Debt Outstanding	10	148
Computation of Direct and Overlapping Debt	11	149
Legal Debt Margin Information	12	150
Pledged-Revenue Coverage	13	152
Demographic and Economic Statistics	14	153
Principal Employers	15	155
Full-time Equivalent City Government Employees by Function	16	156
Operating Indicators by Function	17	158
Capital Asset Statistics by Function	18	160

THIS PAGE IS LEFT
BLANK INTENTIONALLY

INTRODUCTORY SECTION

CITY OF ALBERTVILLE
ALBERTVILLE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2025

THIS PAGE IS LEFT
BLANK INTENTIONALLY



April 13, 2026

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

Minnesota statutes require the City to issue an annual report on its financial position and activity, prepared in accordance with generally accepted accounting principles (GAAP), and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants, or the Office of the State Auditor. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the City of Albertville for the fiscal year ended December 31, 2025.

This report consists of management's representations concerning the finances of the City of Albertville. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control standards that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Albertville's financial statements have been audited by the public accounting firm of Abdo. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Albertville for the fiscal year ended December 31, 2025, are free of any material misstatements. Included within this report, Abdo. has issued an unqualified opinion on the City of Albertville's financial statements for the year ended December 31, 2025.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Profile of the City of Albertville

The City of Albertville is located in the east central portion of Minnesota, approximately 35 miles northwest of the Twin Cities, and approximately halfway between the metropolitan areas of Minneapolis/St. Paul and St. Cloud. The City of Albertville is located in the northeastern portion of Wright County, along the Interstate 94 corridor.

The City covers approximately 4.5 square miles. The current population is approximately 8,569.

The City of Albertville operates under the council/administrator form of government. The governing body consists of the Mayor and four Council members, elected at large and on a non-partisan basis. The Mayor is elected to a two-year term and four Council Members are elected to a four-year term, with elections held in each even-numbered year. Not more than two Council member's terms expire in any one year.

The Mayor and Council appoint a full-time City Administrator, who is responsible for overall supervision of City operations. The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, hiring the City Administrator, other staff and appointing consultants.

The City provides its residents and businesses with a full range of services, including fire protection, law enforcement, public works, building inspection, planning and code enforcement, parks/trail improvements and maintenance, curbside recycling and other general activities. The City contracts with the Wright County Sheriff's Department for law enforcement. In addition, the City offers the following services to residents: water, sewer, storm drainage, and recycling, which are operated as enterprises. The City also partners with neighboring communities to provide library and senior center services. In addition, the governing body is financially accountable for the Economic Development Authority and therefore, these activities are included in the reporting entity.

Relevant Financial Policies

The annual budget serves as the foundation for the City's financial planning and control. Developing the budget begins annually in June when the Finance Director prepares projected revenues and expenses for the next year's draft budget. Upon review and revisions by the Finance Director and City Administrator, the draft budget is reviewed by the Department Heads. Department budget requests are compiled by the Finance Director and reviewed by both the Finance Director and City Administrator. Integral to the budget process are staff meetings to review the draft budget, which is then presented to the City Council. City Council and staff work on the budget over the course of two to three budget workshops. Following Council direction and public input, the preliminary budget is updated and brought back for City Council approval. City Council adopts the preliminary budget in September and the Final Budget is adopted in December of each year. The General Fund is appropriated annually based on the adopted budget.

The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. Expenditures for departments or divisions that exceed appropriations are not authorized unless additional revenue sources or fund balance are identified and available. Unused appropriated expenditures lapse at year-end.

If a need arises for a significant budget amendment during the year, it is brought to City Council for approval.

Also, available within, are notes pertaining to basic financial statements for information on the Joint Powers Water Board (the City's water operations, operated in conjunction with the cities of St. Michael and Hanover).

Economic Condition and Outlook

Key factors affecting the City's economic condition and financial outlook include:

- Based on permit activity, the local economy is strong and continues to grow. A total of 756 building permits were issued in 2025 with a total valuation of \$47,601,037.
- The State of Minnesota continues its expansion of Interstate 94 through the City of Albertville.
- The Wright County Highway Department is expanding CR 37/137.
- The area school districts are highly desirable and driving new residential interest to the area.
- Housing demand remains high and property values continue to rise.
- Expansion of existing senior living facility (Engel Haus)

Commercial, Industrial and Retail

The City of Albertville's commercial activity remains steady and it is a priority of the City to stimulate new commercial and industrial development. Currently, there are a number of commercial and industrial projects underway, including:

- Albertville Plaza 3rd (commercial subdivision)
- Mold Tech (industrial expansion)
- Costco (located in Otsego, but driving strong growth in Albertville)
- New construction including: Toybox storage/car condos, Aldi, Mister Carwash

Major Initiatives

Maintenance and preservation of the City infrastructure and facilities is a priority for the City. In 2025, the City completed multiple infrastructure improvements related to streets, utilities, trails and parks. Other major initiatives include:

- The I-94 West Corridor Coalition
- Main Avenue NE reconstruction project
- Central Park improvements
- WTP Expansion
- WWTP Biosolids Dewatering Improvements

Long-term Financial Planning

The City of Albertville recognizes the importance of maintaining an appropriate level of fund balance. Sound fiscal management of Albertville's general fund operation budget is made more secure by establishing City goals regarding the size and use of the annual general fund balances. This policy provides two goals and measures for determining the appropriate fund balance. The security factor must be met before the dependence factor can be applied. The City of Albertville will strive to meet these goals.

1. **Security.** Ensure that, at NO time during budget preparation, the amounts remaining in current year-end fund balance (defined as the prior year's known fund balance amount less the amount designated for application to the current year budget) be allowed to be less than 35% of the next year's planned budget for the General Fund as a minimum. As economic conditions warrant, an amount larger than this shall be maintained. This will be applied to cash flow, revenue reserves and insurance, and liability needs, or be available in the time of emergencies.

It is intended for the current fund balance to meet or exceed the 35% minimum and maintain a level of 50% of next year's expenditures. If the fund balance level falls below the 35% due to unexpected expenses, a replenishment plan will be developed.

2. **Dependence.** In building the next year's budget, the percentage of total annual budget financing that can come from fund balances will not exceed 5% of the planned budget.

Property Taxes

To sustain or expand City services, while keeping property taxes stable, the Council has diligently strived to maintain a level tax rate. The property tax levy for the year divided by the city-wide total net tax capacity equals the tax rate.

Independent Audit

The financial statements were audited by Abdo, Certified Public Accountants, and their opinion has been included in this report. The scope of the audit included the basic financial statements of the City for the year ended December 31, 2025. Their audit was made in accordance with auditing standards generally accepted in the United States of America. The scope of the audit was sufficient to satisfy state and federal requirements. The auditors' opinion on the City's financial statements indicates that the auditors' examination has disclosed no conditions which cause them to believe that the financial statements are not fairly stated, in all material respects.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its ACFR for the fiscal year ended December 31, 2024. This is the fourteenth consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR, whose contents conforms to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current ACFR continues to meet the Certificate of Achievement's requirements and we are again submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

I would like to commend Finance Director Lannes and the entire city staff for their hard work and dedication. I would like to recognize the CPA firm Abdo for their professional assistance. Finally, thank you to the Mayor and members of the City Council for your continued interest and support in planning and conducting the financial operations of the City in a very responsible and professional manner.

Respectfully submitted,



Adam Nafstad
City Administrator/PWD/CE



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Albertville
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

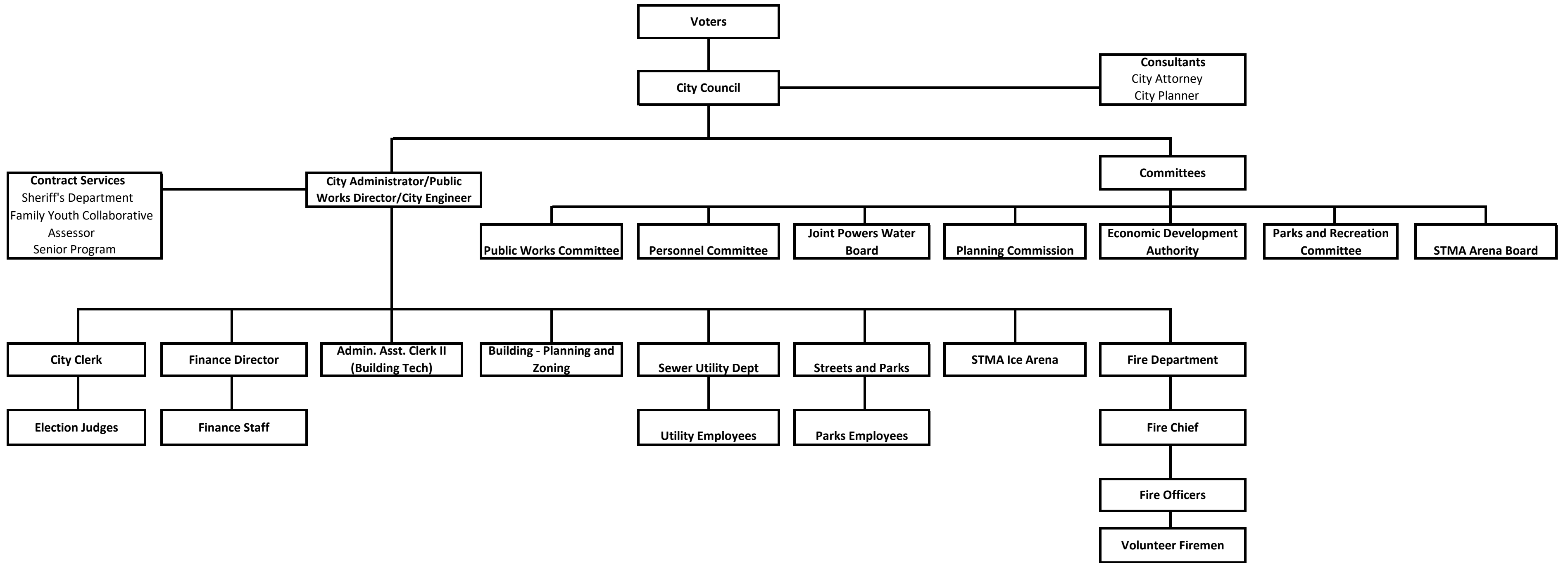
December 31, 2024

Christopher P. Morill

Executive Director/CEO



City of Albertville Organizational Chart



City of Albertville, Minnesota
 Elected and Appointed Officials
 For the Year Ended December 31, 2025

ELECTED

Name	Title	Term Expires
Jillian Hendrickson	Mayor	12/31/26
Rob Olson	Council Member	12/31/26
Aaron Cocking	Council Member	12/31/28
Bob Zagorski	Council Member	12/31/26
John Hayden	Council Member	12/31/28

APPOINTED

Name	Title
Adam Nafstad	City Administrator
Tina Lannes	Finance Director

THIS PAGE IS LEFT
BLANK INTENTIONALLY

FINANCIAL SECTION
CITY OF ALBERTVILLE
ALBERTVILLE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2025

THIS PAGE IS LEFT
BLANK INTENTIONALLY

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Albertville, Minnesota

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Albertville, Minnesota (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 as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Management's Responsibility for the Financial Statements

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

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

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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 21 and the Schedules of Employer's Share of the Net Pension Liability, the Schedules of Employer's Contributions, the related note disclosures, the Schedule of Changes in Net Pension Liability (Asset), Related Ratios, and the respective budgetary comparison schedules and related note disclosures, starting on page 88 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.



Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 13, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Abdo
Minneapolis, Minnesota
April 13, 2026



THIS PAGE IS LEFT
BLANK INTENTIONALLY

Management's Discussion and Analysis

As management of the City of Albertville, Minnesota, (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2025.

Overview of the Financial Statements

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

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of combining and individual fund financial statements and schedules which further explain and support the information in the financial statements. Figure 1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining and individual fund financial statements and schedules that provide details about non-major governmental funds, which are added together and presented in single columns in the basic financial statements.

Figure 1
Required Components of the
City's Annual Financial Report

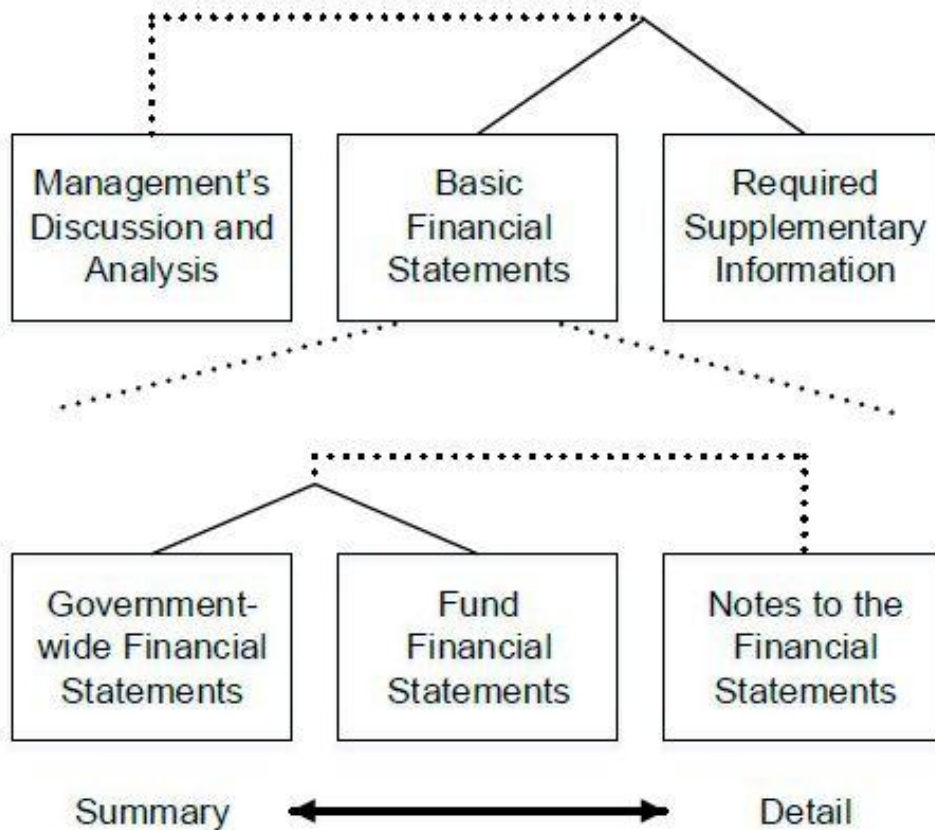


Figure 2 summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

Figure 2
Major Features of the Government-wide and Fund Financial Statements

	Fund Financial Statements		
	Government-wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire City government (except fiduciary funds) and the City’s component units	The activities of the City that are not proprietary or fiduciary, such as police, fire and parks	Activities the City operates similar to private businesses, such as the water and sewer system
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statements of Net Position • Statements of Revenues, Expenses and Changes in Net Position • Statements of Cash Flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of deferred outflows/inflows of resources information	All deferred outflows/inflows of resources, regardless of when cash is received or paid	Only deferred outflows of resources expected to be used up and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included	All deferred outflows/inflows of resources, regardless of when cash is received or paid
Type of in flow/out flow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

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

The *statement of net position* presents information on all of the City’s assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City 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 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 that are principally supported by taxes and intergovernmental revenue (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, culture and recreation, economic development and interest on long-term debt. The business-type activities of the City include sewer, water, storm water and recycling.

The government-wide financial statements start on page 37 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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same 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 financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact by 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 maintains several 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, Capital Outlay Reserve, Main Avenue Project, and Central Park Project funds - all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements or schedules* elsewhere in this report.

The basic governmental fund financial statements start on page 42 of this report.

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

The basic proprietary fund financial statements start on page 47 of this report.

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

The basic fiduciary fund financial statements are on page 50 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 start on page 53 of this report.

Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City’s progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found starting on page 88 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented following the notes to the financial statements. Combining and individual fund statements and schedules start on page 102 of this report.

Analysis of the City’s Finances

	Governmental Activities			Business-type Activities		
	2025	2024	Increase (Decrease)	2025	2024	Increase (Decrease)
Current and Other Assets	\$ 25,857,352	\$ 16,761,360	\$ 9,095,992	\$ 19,324,136	\$ 17,749,235	\$ 1,574,901
Capital Assets	26,178,115	23,504,525	2,673,590	26,950,879	26,820,444	130,435
Total Assets	<u>52,035,467</u>	<u>40,265,885</u>	<u>11,769,582</u>	<u>46,275,015</u>	<u>44,569,679</u>	<u>1,705,336</u>
Deferred Outflows of Resources	528,755	625,853	(97,098)	81,857	70,355	11,502
Long-term Liabilities Outstanding	9,882,907	2,744,064	7,138,843	15,467,534	15,110,256	357,278
Other Liabilities	680,332	411,133	269,199	390,771	405,675	(14,904)
Total Liabilities	<u>10,563,239</u>	<u>3,155,197</u>	<u>7,408,042</u>	<u>15,858,305</u>	<u>15,515,931</u>	<u>342,374</u>
Deferred Inflows of Resources	539,163	632,047	(92,884)	150,740	169,628	(18,888)
Net Position						
Net investment in capital assets	20,977,236	21,559,851	(582,615)	14,509,401	13,952,765	556,636
Restricted	4,758,556	5,877,307	(1,118,751)	-	-	-
Unrestricted	<u>15,726,028</u>	<u>9,667,336</u>	<u>6,058,692</u>	<u>15,838,426</u>	<u>15,001,710</u>	<u>836,716</u>
Total Net Position	<u>\$ 41,461,820</u>	<u>\$ 37,104,494</u>	<u>\$ 4,357,326</u>	<u>\$ 30,347,827</u>	<u>\$ 28,954,475</u>	<u>\$ 1,393,352</u>
Net Position as a Percent of Total						
Net investment in capital assets	50.6 %	58.1 %		47.8 %	48.2 %	
Restricted	11.5	15.8		-	-	
Unrestricted	<u>37.9</u>	<u>26.1</u>		<u>52.2</u>	<u>51.8</u>	
	<u>100.0 %</u>	<u>100.0 %</u>		<u>100.0 %</u>	<u>100.0 %</u>	

As shown in the table above, as of December 31, 2025, the City’s assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources. The City’s total net position increased as a result of the financial performance of the governmental activities. The following sections of the MD&A analyze the finances of the governmental activities and business-type activities separately.

Governmental Activities. Governmental activities increased the City's net position, as shown below.

City of Albertville's Changes in Net Position

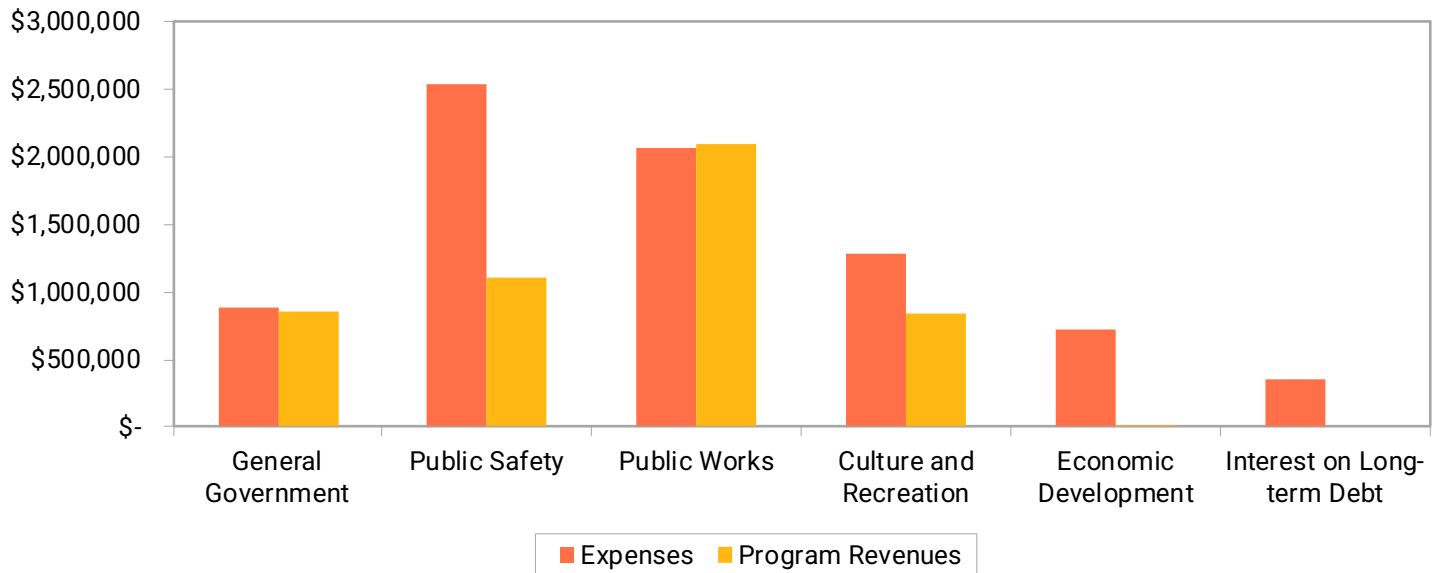
	Governmental Activities			Business-type Activities		
	2025	2024	Increase (Decrease)	2025	2024	Increase (Decrease)
Revenues						
Program Revenues						
Charges for services	\$ 2,351,953	\$ 1,766,484	\$ 585,469	\$ 2,298,316	\$ 2,149,427	\$ 148,889
Operating grants and contributions	2,516,176	793,051	1,723,125	11,271	102,826	(91,555)
Capital grants and contributions	28,356	78,896	(50,540)	641,006	1,096,687	(455,681)
General Revenues						
Taxes						
Property taxes	5,369,073	5,195,799	173,274	441,083	332,528	108,555
Tax increments	592,052	627,846	(35,794)	-	-	-
Franchise fees	400,728	336,872	63,856	-	-	-
Grants and contributions not restricted to specific programs	271,171	259,035	12,136	128,927	129,624	(697)
Gain on sale of capital assets	-	10,856	(10,856)	-	-	-
Unrestricted investment earnings	652,299	539,135	113,164	906,045	769,495	136,550
Total Revenues	12,181,808	9,607,974	2,573,834	4,426,648	4,580,587	(153,939)
Expenses						
General government	886,140	1,123,145	(237,005)	-	-	-
Public safety	2,535,309	2,743,870	(208,561)	-	-	-
Public works	2,061,492	2,261,304	(199,812)	-	-	-
Culture and recreation	1,277,886	1,019,553	258,333	-	-	-
Economic development	717,656	467,423	250,233	-	-	-
Interest on long-term debt	345,999	81,151	264,848	-	-	-
Sewer	-	-	-	1,855,391	1,700,097	155,294
Water	-	-	-	698,131	501,642	196,489
Storm water	-	-	-	310,499	334,065	(23,566)
Recycling	-	-	-	169,275	164,830	4,445
Total Expenses	7,824,482	7,696,446	128,036	3,033,296	2,700,634	332,662
Change in Net Position	4,357,326	1,911,528	2,445,798	1,393,352	1,879,953	(486,601)
Net Position, January 1	37,104,494	35,192,966	1,911,528	28,954,475	27,074,522	1,879,953
Net Position, December 31	<u>\$ 41,461,820</u>	<u>\$ 37,104,494</u>	<u>\$ 4,357,326</u>	<u>\$ 30,347,827</u>	<u>\$ 28,954,475</u>	<u>\$ 1,393,352</u>

Key elements of this increase are as follows:

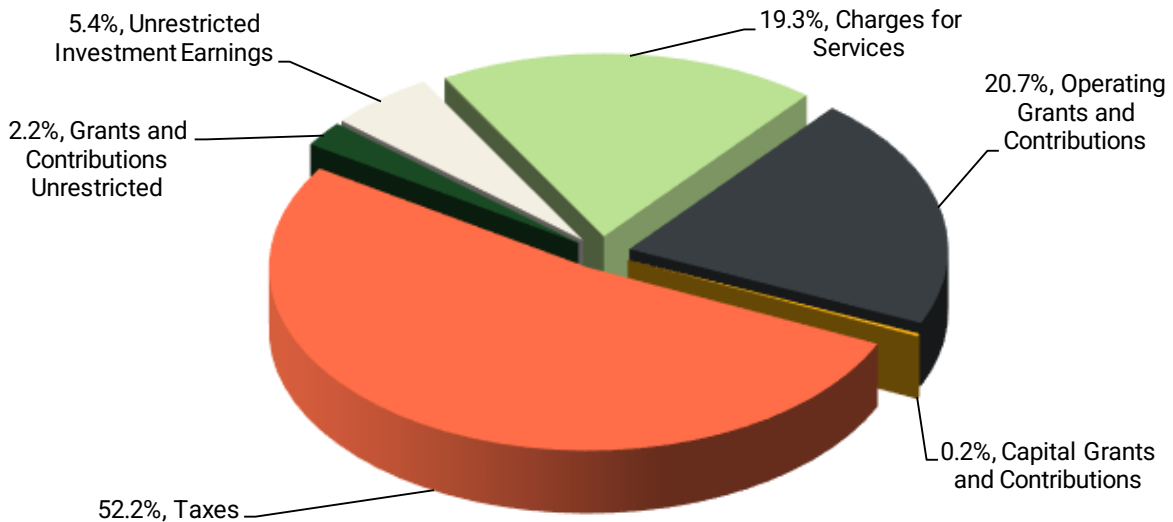
- Increased intergovernmental grant revenues from state and federal sources, including increased Municipal State Aid Street funding.
- Growth in charges for services driven by building and housing permits, culture & recreation fees, and special fire protection services.
- Stronger general revenues supported by increased property tax collections during the year.
- Improved investment earnings reflecting favorable economic conditions.

The following graph depicts various governmental activities and shows the revenue and expenses directly related to those activities.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities

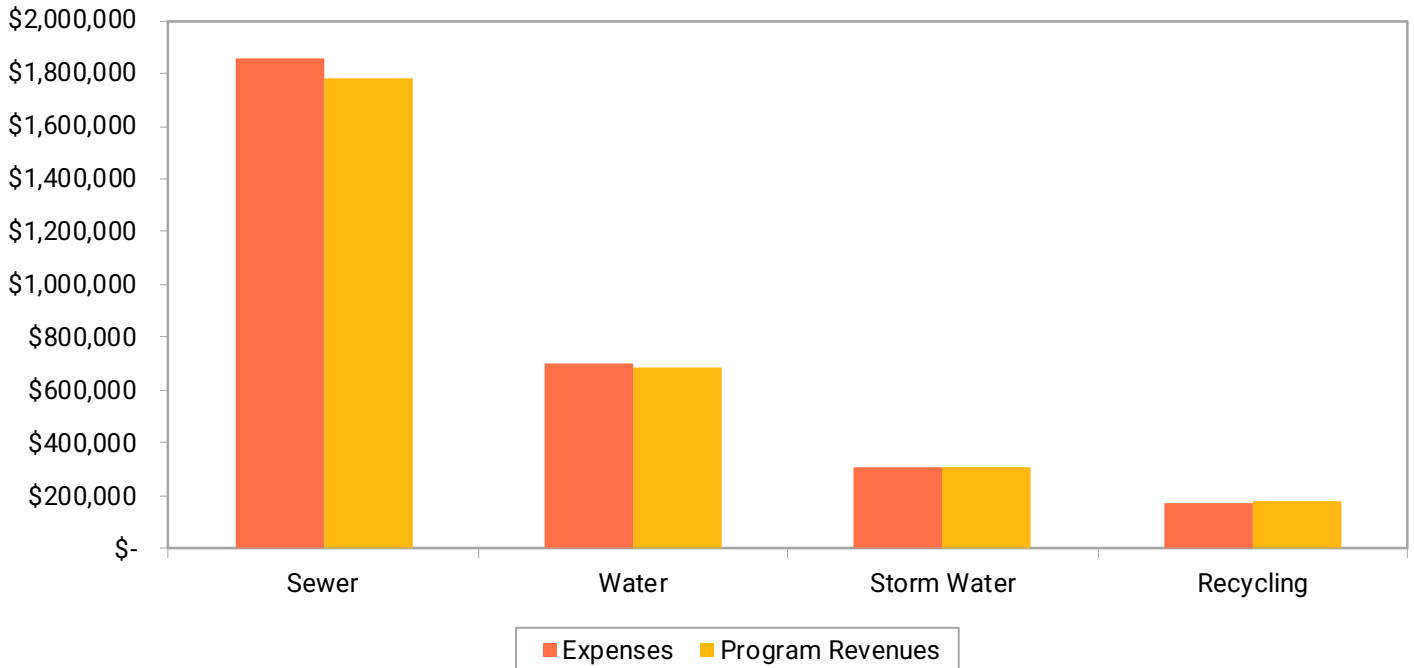


Business-type Activities. Business-type activities increased the City’s net position as shown in the changes in net position table.

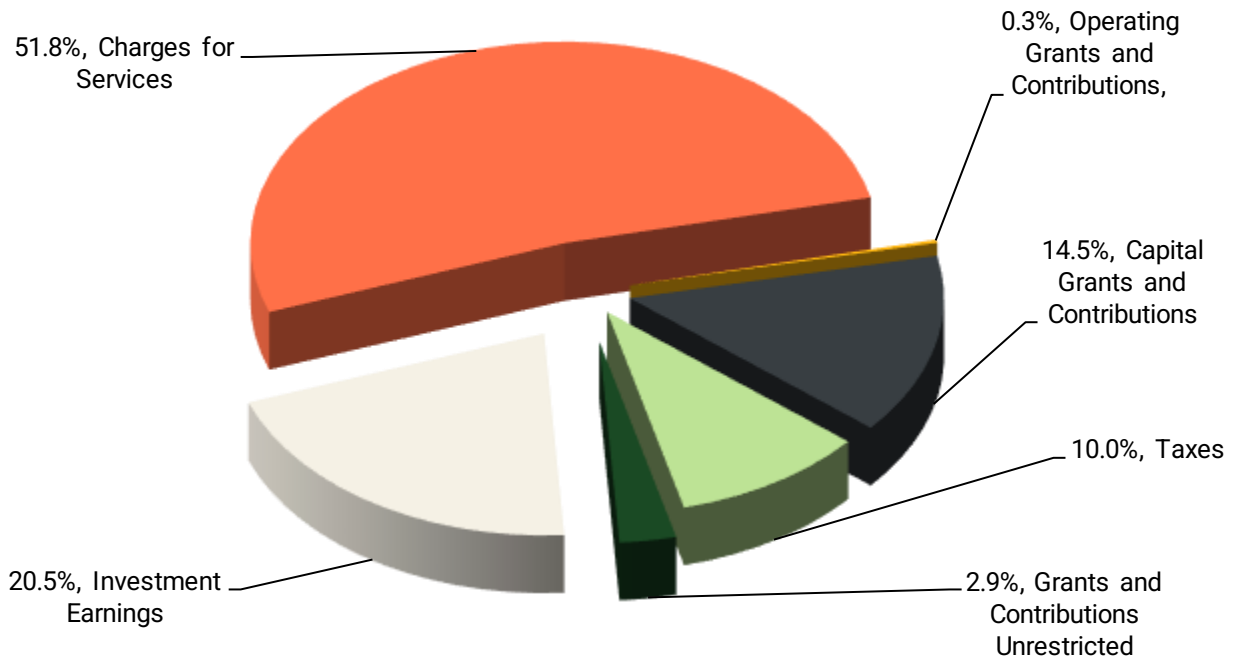
Key elements of this increase are as follows:

- Growth in charges for services driven by ongoing utility operations.
- Increased property tax collections during the year.
- Improved investment earnings reflecting favorable economic conditions.
- Other grant awards related to capital and general unrestricted purposes.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



Financial Analysis of the Government's Funds

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

Governmental Funds: The focus of the City'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'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.

	General	Capital Outlay Reserve	Main Avenue Project	Central Park Project	Other Governmental Funds	Total	Prior Year Total	Increase/ (Decrease)
Fund Balances								
Nonspendable	\$ 148,743	\$ -	\$ -	\$ -	\$ -	\$ 148,743	\$ 191,320	\$ (42,577)
Restricted	-	349,995	3,409,353	793,569	3,478,277	8,031,194	4,732,741	3,298,453
Committed	-	-	-	-	176,621	176,621	167,272	9,349
Assigned	-	9,256,086	-	-	-	9,256,086	5,986,659	3,269,427
Unassigned	3,175,458	-	-	-	(983,629)	2,191,829	1,769,034	422,795
	<u>\$ 3,324,201</u>	<u>\$ 9,606,081</u>	<u>\$ 3,409,353</u>	<u>\$ 793,569</u>	<u>\$ 2,671,269</u>	<u>\$ 19,804,473</u>	<u>\$ 12,847,026</u>	<u>\$ 6,957,447</u>

The *General Fund* is the chief operating fund of the City. At the end of the current year, the fund balance of the General fund is shown in the table above. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. The total unassigned fund balance as a percentage of total fund expenditures is shown in the chart below along with total fund balance as a percentage of total expenditures.

	Current Year Ending Balance	Prior Year Ending Balance	Increase/ (Decrease)
General Fund Fund Balances			
Nonspendable	\$ 148,743	\$ 191,320	\$ (42,577)
Unassigned	3,175,458	2,647,909	527,549
Total Fund Balance	<u>\$ 3,324,201</u>	<u>\$ 2,839,229</u>	<u>\$ 484,972</u>
General Fund expenditures	\$ 5,330,662	\$ 5,140,733	
Unassigned as a percent of expenditures	59.6%	51.5%	
Total Fund Balance as a percent of expenditures	62.4%	55.2%	

The fund balance of the City's General fund increased during the current fiscal year as shown in the table above. The change is mainly due to increased revenues such as interest earnings, building permits, licensing for business, and licensing for non-business in excess of the budget.

Other major governmental fund analysis is shown below:

	December 31, 2025	December 31, 2024	Increase (Decrease)
Capital Outlay Reserve	\$ 9,606,081	\$ 6,336,654	\$ 3,269,427
<i>Fund balance increased as a result of the tax levy in excess of expenditures as the city is building reserves for future capital projects</i>			
Main Avenue Project	\$ 3,409,353	\$ -	\$ 3,409,353
<i>Fund balance increased due to the cash received from the bond issuance of the Main Avenue Project. The project will be continuing into 2026.</i>			
Central Park Project	\$ 793,569	\$ -	\$ 793,569
<i>Fund balance increased due to the cash received from the bond issuance of the Central Park Project. The project will be continuing into 2026.</i>			

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

	Ending Net Position 2025	Ending Net Position 2024	Increase/ (Decrease)
Sewer	\$ 24,216,678	\$ 23,045,706	\$ 1,170,972
<i>Increased net position can be attributed to capital contributions and revenues in excess of expenses</i>			
Water	\$ 3,716,632	\$ 3,569,790	\$ 146,842
<i>Increased net position is due to capital contributions and revenues in excess of expenses</i>			

Capital Asset and Debt Administration

Capital Assets: The City’s investment in capital assets for its governmental and business-type activities as of December 31, 2025, is shown below in the capital asset table (net of accumulated depreciation). This investment in capital assets includes land, structures, improvements, machinery and equipment, vehicles, roads, highways and bridges. The total increase in the City’s investment in capital assets for the current fiscal year for governmental and business-type activities is due to:

- Central Park Improvements
- Main Avenue Improvements
- Wastewater Treatment Plant Construction
- Linwood Park Improvements
- Purchase of Public Works vehicles

Additional information on the City’s capital assets can be found in Note 3B starting on page 65 of this report.

**City of Albertville’s Capital Assets
(Net of Depreciation)**

	Governmental Activities			Business-type Activities		
	2025	2024	Increase (Decrease)	2025	2024	Increase (Decrease)
Land	\$ 4,490,242	\$ 4,490,242	\$ -	\$ 351,834	\$ 351,834	\$ -
Construction in Progress	4,897,537	1,254,646	3,642,891	10,973,483	10,591,635	381,848
Buildings	3,521,531	2,458,078	1,063,453	2,370,194	2,488,188	(117,994)
Infrastructure	9,391,670	11,312,186	(1,920,516)	12,604,223	13,066,058	(461,835)
Land Improvements	1,431,131	1,604,630	(173,499)	-	-	-
Machinery and Equipment	781,935	871,332	(89,397)	508,457	198,121	310,336
Vehicles	1,664,069	1,513,411	150,658	142,688	124,608	18,080
Total	\$ 26,178,115	\$ 23,504,525	\$ 2,673,590	\$ 26,950,879	\$ 26,820,444	\$ 130,435

Long-term Debt: At the end of the current fiscal year, the City had total bonded debt outstanding indicated below. This amount consists of general obligation special assessments, general obligation revenue bonds and revenue bonds. While many of these bonds have their own revenue streams, they are backed by the full faith and credit of the City.

City of Albertville's Outstanding Debt

	Governmental Activities			Business-type Activities		
	2025	2024	Increase (Decrease)	2025	2024	Increase (Decrease)
General Obligation Special Assessment Bonds	\$ 9,171,458	\$ 1,944,674	\$ 7,226,784	\$ -	\$ -	\$ -
General Obligation Revenue Bonds	-	-	-	15,099,693	14,691,000	408,693
Total	<u>\$ 9,171,458</u>	<u>\$ 1,944,674</u>	<u>\$ 7,226,784</u>	<u>\$ 15,099,693</u>	<u>\$ 14,691,000</u>	<u>\$ 408,693</u>

The City's total bonded debt increased during the current fiscal year. The increase was a result of issuance of general obligation bonds, offset by decreases from scheduled debt service payments.

Minnesota statutes limit the amount of net general obligation debt a City may issue to 3 percent of the market value of taxable property within the City. Net debt is debt payable solely from ad valorem taxes. The City's applicable debt does not exceed the limit set forth in statute.

Additional information on the City's long-term debt can be found in Note 3D starting on page 67 of this report.

Currently Known Facts, Decisions, or Conditions

Residential property values continue to show stable growth and home improvement activity remains strong. New housing starts will be limited as there is limited land zoned for new housing.

Commercial property values have increased and commercial interest is strong. The interstate highway, proximity to metropolitan areas, and strong residential markets in neighboring cities will continue to promote Albertville's commercial growth. The city had 2 commercial businesses added in 2025 plus 1 industrial expansion project.

Budgeted capital projects are generally targeted towards maintenance and preservation of the City's infrastructure. The City of Albertville budgets for future projects such as roads, equipment, other capital purchases rather than bond, loan or certificate as those amounts individually doesn't seem fiscally responsible to borrow for. The City follows a five year capital project plan which is reviewed and updated annually.

Budgeted contract services are reviewed and adjusted annually. Contract services for the city are used for items where it wouldn't be fiscally responsible to have full-time staff and infrastructure. The largest contracted service is with the Sherriff's department.

State and/or Federal funds received due to the COVID 19 pandemic are expected to be used for economic development and/or capital improvements. The City has used the funds for capital purchases such as water meters, equipment, lift station upgrades, generators and vehicles. The \$823,878 has all been used for the capital purchases and all projects are completed.

Requests for Information

This financial report is designed to provide a general overview of the City'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 financial information should be addressed to the Finance Director, City of Albertville, 5959 Main Avenue, Albertville, Minnesota 55301.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF ALBERTVILLE
ALBERTVILLE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2025

THIS PAGE IS LEFT
BLANK INTENTIONALLY

City of Albertville, Minnesota

Statement of Net Position

December 31, 2025

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and temporary investments	\$ 19,405,348	\$ 18,931,122	\$ 38,336,470
Receivables			
Interest	93,373	-	93,373
Taxes	57,946	-	57,946
Accounts	173,863	246,024	419,887
Notes - due within one year	73,148	-	73,148
Notes - due in more than one year	438,890	-	438,890
Special assessments	422,566	96,505	519,071
Due from other governments	3,936,575	16,159	3,952,734
Prepaid items	97,743	34,326	132,069
Equity interest in joint venture	289,239	-	289,239
Net pension asset	327,287	-	327,287
Land held for resale	541,374	-	541,374
Capital assets			
Land and construction in progress	9,387,779	11,325,317	20,713,096
Depreciable assets, net of accumulated depreciation	16,790,336	15,625,562	32,415,898
Total Assets	<u>52,035,467</u>	<u>46,275,015</u>	<u>98,310,482</u>
Deferred Outflows of Resources			
Deferred pension resources	<u>528,755</u>	<u>81,857</u>	<u>610,612</u>
Liabilities			
Accounts and contracts payable	365,430	34,670	400,100
Escrows payable	119,996	-	119,996
Due to other governments	32,102	123,201	155,303
Accrued interest payable	144,830	221,697	366,527
Accrued salaries payable	17,974	11,203	29,177
Noncurrent liabilities			
Due within one year			
Long-term liabilities	232,600	557,793	790,393
Due in more than one year			
Long-term liabilities	9,082,994	14,662,380	23,745,374
Net pension liability	567,313	247,361	814,674
Total Liabilities	<u>10,563,239</u>	<u>15,858,305</u>	<u>26,421,544</u>
Deferred Inflows of Resources			
Deferred pension resources	<u>539,163</u>	<u>150,740</u>	<u>689,903</u>
Net Position			
Net investment in capital assets	20,977,236	14,509,401	35,486,637
Restricted for			
Net pension asset	327,287	-	327,287
Public safety - charitable gambling	132,197	-	132,197
Debt service	2,156,589	-	2,156,589
Park improvements	1,417,408	-	1,417,408
Tax increment	375,080	-	375,080
Public safety aid	349,995	-	349,995
Unrestricted	<u>15,726,028</u>	<u>15,838,426</u>	<u>31,564,454</u>
Total Net Position	<u>\$ 41,461,820</u>	<u>\$ 30,347,827</u>	<u>\$ 71,809,647</u>

The notes to the financial statements are an integral part of this statement.

City of Albertville, Minnesota
Statement of Activities
For the Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 886,140	\$ 716,193	\$ 116,508	\$ 16,341
Public safety	2,535,309	715,085	384,751	-
Public works	2,061,492	115,820	1,984,727	15
Culture and recreation	1,277,886	804,855	21,351	12,000
Economic development	717,656	-	8,839	-
Interest on long-term debt	345,999	-	-	-
Total Governmental Activities	<u>7,824,482</u>	<u>2,351,953</u>	<u>2,516,176</u>	<u>28,356</u>
Business-type Activities				
Sewer	1,855,391	1,234,470	8,683	535,750
Water	698,131	579,156	-	105,256
Storm water	310,499	308,053	-	-
Recycling	169,275	176,637	2,588	-
Total Business-type Activities	<u>3,033,296</u>	<u>2,298,316</u>	<u>11,271</u>	<u>641,006</u>
Total	<u>\$ 10,857,778</u>	<u>\$ 4,650,269</u>	<u>\$ 2,527,447</u>	<u>\$ 669,362</u>

General Revenues

Taxes

Property taxes levied for general purposes

Property taxes levied for debt service

Tax increments

Franchise fees

Grants and contributions not restricted to specific programs

Unrestricted investment earnings

Total General Revenues

Change in Net Position

Net Position, January 1

Net Position, December 31

The notes to the financial statements are an integral part of this statement.

Net (Expenses) Revenues
and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (37,098)	\$ -	\$ (37,098)
(1,435,473)	-	(1,435,473)
39,070	-	39,070
(439,680)	-	(439,680)
(708,817)	-	(708,817)
(345,999)	-	(345,999)
<u>(2,927,997)</u>	<u>-</u>	<u>(2,927,997)</u>
-	(76,488)	(76,488)
-	(13,719)	(13,719)
-	(2,446)	(2,446)
-	9,950	9,950
<u>-</u>	<u>(82,703)</u>	<u>(82,703)</u>
<u>(2,927,997)</u>	<u>(82,703)</u>	<u>(3,010,700)</u>
5,109,418	441,083	5,550,501
259,655	-	259,655
592,052	-	592,052
400,728	-	400,728
271,171	128,927	400,098
652,299	906,045	1,558,344
<u>7,285,323</u>	<u>1,476,055</u>	<u>8,761,378</u>
4,357,326	1,393,352	5,750,678
<u>37,104,494</u>	<u>28,954,475</u>	<u>66,058,969</u>
<u>\$ 41,461,820</u>	<u>\$ 30,347,827</u>	<u>\$ 71,809,647</u>

The notes to the financial statements are an integral part of this statement.

THIS PAGE IS LEFT
BLANK INTENTIONALLY

FUND FINANCIAL STATEMENTS

CITY OF ALBERTVILLE
ALBERTVILLE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2025

City of Albertville, Minnesota

Balance Sheet
Governmental Funds
December 31, 2025

	General	Capital Outlay Reserve	Main Avenue Project	Central Park Project	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and temporary investments	\$ 3,080,008	\$ 8,229,608	\$ 3,496,463	\$ 938,802	\$ 3,660,467	\$ 19,405,348
Receivables						
Taxes	57,946	-	-	-	-	57,946
Accounts	164,863	9,000	-	-	-	173,863
Special assessments	186,777	-	-	-	235,789	422,566
Interest	90,642	-	-	-	2,731	93,373
Notes	-	-	-	-	512,038	512,038
Advances to other funds	-	991,929	-	-	-	991,929
Due from other governments	-	936,575	3,000,000	-	-	3,936,575
Prepaid items	97,743	-	-	-	-	97,743
Land held for resale	51,000	490,374	-	-	-	541,374
Total Assets	\$ 3,728,979	\$ 10,657,486	\$ 6,496,463	\$ 938,802	\$ 4,411,025	\$ 26,232,755
Liabilities						
Accounts and contracts payable	\$ 27,477	\$ 105,610	\$ 87,110	\$ 145,233	\$ -	\$ 365,430
Escrows payable	119,996	-	-	-	-	119,996
Advances from other funds	-	-	-	-	991,929	991,929
Due to other governments	22,882	9,220	-	-	-	32,102
Accrued salaries payable	17,974	-	-	-	-	17,974
Total Liabilities	188,329	114,830	87,110	145,233	991,929	1,527,431
Deferred Inflows of Resources						
Unavailable revenue - property taxes	27,333	-	-	-	-	27,333
Unavailable revenue - special assessments	189,116	-	-	-	235,789	424,905
Unavailable revenue - notes/intergovernmental	-	936,575	3,000,000	-	512,038	4,448,613
Total Deferred Inflows of Resources	216,449	936,575	3,000,000	-	747,827	4,900,851
Fund Balances						
Nonspendable	148,743	-	-	-	-	148,743
Restricted	-	349,995	3,409,353	793,569	3,478,277	8,031,194
Committed	-	-	-	-	176,621	176,621
Assigned	-	9,256,086	-	-	-	9,256,086
Unassigned	3,175,458	-	-	-	(983,629)	2,191,829
Total Fund Balances	3,324,201	9,606,081	3,409,353	793,569	2,671,269	19,804,473
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,728,979	\$ 10,657,486	\$ 6,496,463	\$ 938,802	\$ 4,411,025	\$ 26,232,755

The notes to the financial statements are an integral part of this statement.

City of Albertville, Minnesota
 Reconciliation of the Balance Sheet
 to the Statement of Net Position
 December 31, 2025

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

Total Fund Balances - Governmental	\$ 19,804,473
Governmental funds do not report an asset for equity interest in the joint venture	289,239
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of capital assets	60,152,342
Less: accumulated depreciation	(33,974,227)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Long-term liabilities at year-end consist of	
Compensated absences payable	(144,136)
Bond principal payable	(9,171,458)
Net pension liability	(567,313)
Some receivables are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.	
Special assessments	424,905
Taxes	27,333
Notes/intergovernmental	4,448,613
Governmental funds do not report long-term amounts related to pension.	
Deferred outflows of pension resources	528,755
Deferred inflows of pension resources	(539,163)
Net pension asset	327,287
Governmental funds do not report a liability for accrued interest until due and payable.	(144,830)
Total Net Position - Governmental Activities	\$ 41,461,820

The notes to the financial statements are an integral part of this statement.

City of Albertville, Minnesota
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2025

	General	Formerly Major Fund Debt Service	Capital Outlay Reserve	Main Avenue Project
Revenues				
Taxes	\$ 3,113,128		\$ 2,344,018	\$ -
Licenses and permits	463,552		-	-
Intergovernmental	542,736		-	-
Charges for services	1,260,962		-	-
Fines and forfeitures	32,441		-	-
Special assessments	67,044		15	-
Investment earnings	148,654		384,243	-
Miscellaneous	187,117		177,375	-
Total Revenues	<u>5,815,634</u>		<u>2,905,651</u>	<u>-</u>
Expenditures				
Current				
General government	1,306,386		-	-
Public safety	2,432,094		-	-
Public works	713,381		-	-
Culture and recreation	858,873		-	-
Economic development	19,928		-	-
Capital outlay				
General government	-		46,171	-
Public safety	-		327,512	-
Public works	-		233,077	2,070,100
Culture and recreation	-		236,403	-
Economic development	-		8,978	-
Debt service				
Principal	-		-	-
Interest and other	-		-	-
Bond issuance costs	-		-	139,481
Total Expenditures	<u>5,330,662</u>		<u>852,141</u>	<u>2,209,581</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>484,972</u>		<u>2,053,510</u>	<u>(2,209,581)</u>
Other Financing Sources (Uses)				
Transfers in	-		1,229,935	-
Bond issuance	-		-	5,423,313
Premiums on bonds sold	-		-	195,621
Transfers out	-		(14,018)	-
Total Other Financing Sources (Uses)	<u>-</u>		<u>1,215,917</u>	<u>5,618,934</u>
Net Change in Fund Balances	<u>484,972</u>		<u>3,269,427</u>	<u>3,409,353</u>
Fund Balances, January 1, as previously stated	2,839,229	2,766,556	6,336,654	-
Change within financial reporting entity	<u>-</u>	<u>(2,766,556)</u>	<u>-</u>	<u>-</u>
Fund balance, January 1, as adjusted	<u>2,839,229</u>	<u>-</u>	<u>6,336,654</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 3,324,201</u>	<u>\$ -</u>	<u>\$ 9,606,081</u>	<u>\$ 3,409,353</u>

The notes to the financial statements are an integral part of this statement.

Central Park Project	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 906,095	\$ 6,363,241
-	-	463,552
-	1,551	544,287
-	354,109	1,615,071
-	-	32,441
-	42,523	109,582
-	119,402	652,299
-	202,534	567,026
<u>-</u>	<u>1,626,214</u>	<u>10,347,499</u>
-	1,200	1,307,586
-	-	2,432,094
-	-	713,381
13,459	-	872,332
-	688,750	708,678
-	-	46,171
-	-	327,512
-	-	2,303,177
1,192,972	256,679	1,686,054
-	-	8,978
-	593,000	593,000
-	36,895	36,895
41,571	-	181,052
<u>1,248,002</u>	<u>1,576,524</u>	<u>11,216,910</u>
<u>(1,248,002)</u>	<u>49,690</u>	<u>(869,411)</u>
-	1,128,207	2,358,142
1,940,334	166,353	7,530,000
101,237	-	296,858
-	(2,344,124)	(2,358,142)
<u>2,041,571</u>	<u>(1,049,564)</u>	<u>7,826,858</u>
<u>793,569</u>	<u>(999,874)</u>	<u>6,957,447</u>
-	904,587	12,847,026
-	2,766,556	-
-	3,671,143	12,847,026
<u>\$ 793,569</u>	<u>\$ 2,671,269</u>	<u>\$ 19,804,473</u>

The notes to the financial statements are an integral part of this statement.

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

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

Total Change in Fund Balances	\$ 6,957,447
Governmental funds do not report income or loss in a joint venture.	19,453
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.	
Capital outlays	4,254,914
Depreciation expense	(1,581,324)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities.	
Principal repayments	593,000
Bonds issued	(7,530,000)
Premium on debt issued	(296,858)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	(128,052)
Long-term pension activity is not reported in governmental funds.	
Pension expense	240,109
Pension revenue	587
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Compensated absences	13,781
Certain revenues are recognized as soon as they are earned. Under the modified accrual basis of accounting certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.	
Special assessments	(84,387)
Taxes	(1,388)
Intergovernmental	<u>1,900,044</u>
 Change in Net Position - Governmental Activities	 <u><u>\$ 4,357,326</u></u>

The notes to the financial statements are an integral part of this statement.

City of Albertville, Minnesota

Statement of Net Position

Proprietary Funds

December 31, 2025

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Nonmajor	Total
Assets				
Current Assets				
Cash and temporary investments	\$ 13,408,025	\$ 4,177,177	\$ 1,345,920	\$ 18,931,122
Receivables				
Accounts	94,346	113,263	38,415	246,024
Delinquent special assessments	-	-	18	18
Special assessments, current portion	13,479	10,705	4,052	28,236
Due from other governments	16,159	-	-	16,159
Prepaid items	19,522	12,953	1,851	34,326
Total Current Assets	<u>13,551,531</u>	<u>4,314,098</u>	<u>1,390,256</u>	<u>19,255,885</u>
Noncurrent Assets				
Special assessments, net of current portion	57,963	10,288	-	68,251
Capital Assets				
Land	205,722	-	146,112	351,834
Buildings	4,706,363	13,330	-	4,719,693
Infrastructure	16,976,383	1,401,010	1,509,297	19,886,690
Machinery and equipment	613,668	352,021	-	965,689
Vehicles	326,103	216,921	69,177	612,201
Construction in progress	10,973,483	-	-	10,973,483
Less: Accumulated depreciation	(8,967,453)	(1,021,096)	(570,162)	(10,558,711)
Net Capital Assets	<u>24,834,269</u>	<u>962,186</u>	<u>1,154,424</u>	<u>26,950,879</u>
Total Noncurrent Assets	<u>24,892,232</u>	<u>972,474</u>	<u>1,154,424</u>	<u>27,019,130</u>
Total Assets	<u>38,443,763</u>	<u>5,286,572</u>	<u>2,544,680</u>	<u>46,275,015</u>
Deferred Outflows of Resources				
Deferred pension resources	42,080	20,111	19,666	81,857
Liabilities				
Current Liabilities				
Accounts and contracts payable	6,728	9,257	18,685	34,670
Due to other governments	-	113,201	10,000	123,201
Accrued interest payable	200,151	21,546	-	221,697
Accrued salaries payable	3,223	5,164	2,816	11,203
Compensated absences payable, current portion	11,894	18,732	7,167	37,793
Bonds payable, current portion	509,600	10,400	-	520,000
Total Current Liabilities	<u>731,596</u>	<u>178,300</u>	<u>38,668</u>	<u>948,564</u>
Noncurrent Liabilities				
Compensated absences payable	26,552	40,494	15,641	82,687
Bonds payable	13,378,017	1,201,676	-	14,579,693
Net pension liability	58,085	128,952	60,324	247,361
Total Noncurrent Liabilities	<u>13,462,654</u>	<u>1,371,122</u>	<u>75,965</u>	<u>14,909,741</u>
Total Liabilities	<u>14,194,250</u>	<u>1,549,422</u>	<u>114,633</u>	<u>15,858,305</u>
Deferred Inflows of Resources				
Deferred pension resources	74,915	40,629	35,196	150,740
Net Position				
Net investment in capital assets	12,427,867	927,110	1,154,424	14,509,401
Unrestricted	11,788,811	2,789,522	1,260,093	15,838,426
Total Net Position	<u>\$ 24,216,678</u>	<u>\$ 3,716,632</u>	<u>\$ 2,414,517</u>	<u>\$ 30,347,827</u>

The notes to the financial statements are an integral part of this statement.

City of Albertville, Minnesota
Statement of Revenues, Expenses and
Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2025

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Nonmajor	Total
Operating Revenues				
Charges for services	\$ 1,234,470	\$ 579,156	\$ 484,690	\$ 2,298,316
Operating Expenses				
Personal services	428,313	281,921	213,109	923,343
Supplies	67,325	36,068	186	103,579
Professional services	27,780	18,458	67,041	113,279
Utilities	119,681	42,506	-	162,187
Insurance	19,261	9,881	1,876	31,018
Repairs and maintenance	47,526	82,399	158	130,083
Depreciation	578,815	66,468	37,139	682,422
Other charges	101,217	113,952	160,265	375,434
Total Operating Expenses	<u>1,389,918</u>	<u>651,653</u>	<u>479,774</u>	<u>2,521,345</u>
Operating Income (Loss)	<u>(155,448)</u>	<u>(72,497)</u>	<u>4,916</u>	<u>(223,029)</u>
Nonoperating Revenues (Expenses)				
Property taxes	441,083	-	-	441,083
Interest income	677,450	160,561	68,034	906,045
Intergovernmental	128,927	-	2,588	131,515
Interest expense and other	(465,473)	(46,478)	-	(511,951)
Other income	8,683	-	-	8,683
Total Nonoperating Revenues (Expenses)	<u>790,670</u>	<u>114,083</u>	<u>70,622</u>	<u>975,375</u>
Income (Loss) Before Contributions	635,222	41,586	75,538	752,346
Contributions				
Capital contributions	<u>535,750</u>	<u>105,256</u>	<u>-</u>	<u>641,006</u>
Change in Net Position	1,170,972	146,842	75,538	1,393,352
Net Position, January 1	<u>23,045,706</u>	<u>3,569,790</u>	<u>2,338,979</u>	<u>28,954,475</u>
Net Position, December 31	<u>\$ 24,216,678</u>	<u>\$ 3,716,632</u>	<u>\$ 2,414,517</u>	<u>\$ 30,347,827</u>

The notes to the financial statements are an integral part of this statement.

City of Albertville, Minnesota
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2025

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Nonmajor	Totals
Cash Flows from Operating Activities				
Receipts from customers and users	\$ 1,247,986	\$ 571,207	\$ 466,701	\$ 2,285,894
Payments to suppliers	(432,960)	(304,514)	(203,472)	(940,946)
Payments to employees	(457,334)	(305,516)	(238,770)	(1,001,620)
Net Cash Provided by (Used) Operating Activities	<u>357,692</u>	<u>(38,823)</u>	<u>24,459</u>	<u>343,328</u>
Cash Flows from Noncapital Financing Activities				
Advance to other funds	-	-	36,000	36,000
Intergovernmental receipts	128,927	-	2,588	131,515
Tax receipts	441,083	-	-	441,083
Net Cash Provided by Noncapital Financing Activities	<u>570,010</u>	<u>-</u>	<u>38,588</u>	<u>608,598</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition of capital assets	(722,353)	(90,504)	-	(812,857)
Capital contributions	524,956	122,702	-	647,658
Bond proceeds	-	1,185,000	-	1,185,000
Premium on bonds issued	-	17,016	-	17,016
Interest paid on bonds	(496,884)	(25,593)	-	(522,477)
Principal paid on bonds	(759,600)	(10,400)	-	(770,000)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,453,881)</u>	<u>1,198,221</u>	<u>-</u>	<u>(255,660)</u>
Cash Flows from Investing Activities				
Interest received on investments	677,450	160,561	68,034	906,045
Net Increase (Decrease) in Cash and Cash Equivalents	151,271	1,319,959	131,081	1,602,311
Cash and Cash Equivalents, January 1	13,256,754	2,857,218	1,214,839	17,328,811
Cash and Cash Equivalents, December 31	<u>\$ 13,408,025</u>	<u>\$ 4,177,177</u>	<u>\$ 1,345,920</u>	<u>\$ 18,931,122</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating income (loss)	\$ (155,448)	\$ (72,497)	\$ 4,916	\$ (223,029)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Other income related to operations	8,683	-	-	8,683
Depreciation	578,815	66,468	37,139	682,422
(Increase) decrease in assets/deferred outflows of resources				
Accounts receivable	6,124	(7,949)	(13,971)	(15,796)
Prepays	5,388	(2,567)	454	3,275
Due from other governments	(1,291)	-	2,588	1,297
Special assessments receivable	-	-	(4,018)	(4,018)
Deferred pension resources	(2,881)	(5,870)	(2,751)	(11,502)
Increase (decrease) in liabilities/deferred inflows of resources				
Accounts payable	(55,511)	(48,841)	15,600	(88,752)
Due to other governments	(47)	50,158	10,000	60,111
Accrued salaries payable	904	1,740	884	3,528
Unearned revenue	-	-	(2,588)	(2,588)
Compensated absences payable	(10,062)	(6,342)	(15,868)	(32,272)
Net pension liability	(9,037)	(6,193)	(3,913)	(19,143)
Deferred pension resources	(7,945)	(6,930)	(4,013)	(18,888)
Net Cash Provided (Used) by Operating Activities	<u>\$ 357,692</u>	<u>\$ (38,823)</u>	<u>\$ 24,459</u>	<u>\$ 343,328</u>
Schedule of Noncash Capital and Financing Activities				
Amortization of bond premiums	<u>\$ 22,983</u>	<u>\$ 340</u>	<u>\$ -</u>	<u>\$ 23,323</u>

The notes to the financial statements are an integral part of this statement.

City of Albertville, Minnesota
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2025

	Custodial Funds
Assets	
Cash and temporary investments	\$ 1,090,608
Accounts receivable	107,224
Inventory	3,078
Prepaid items	13,383
Total Assets	1,214,293
Liabilities	
Accounts payable	8,844
Net Position	
Restricted for organizations and other governments	\$ 1,205,449

The notes to the financial statements are an integral part of this statement.

City of Albertville, Minnesota
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2025

	Custodial Funds
Additions	
Contributions	
Charges for services	\$ 830,744
Donations	2,250
Concessions	91,226
Total Contributions	924,220
Investment earnings	48,309
Miscellaneous	58,436
Total Additions	1,030,965
Deductions	
Professional services	401,938
Supplies	39,643
Utilities	246,653
Insurance	32,899
Repairs and maintenance	114,133
Capital outlay	33,513
Miscellaneous	26,684
Total Deductions	895,463
Net Increase (Decrease) in Fiduciary Net Position	135,502
Net Position, January 1	1,069,947
Net Position, December 31	\$ 1,205,449

The notes to the financial statements are an integral part of this statement.

THIS PAGE IS LEFT
BLANK INTENTIONALLY

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

The City of Albertville, Minnesota (the City) operates under the "Optional Plan A" form of government as defined in the State of Minnesota statutes. Under this plan, the government of the City is directed by a City Council composed of an elected Mayor and four elected City Council members. The City Council exercises legislative authority and determines all matters of policy. The City Council appoints personnel responsible for the proper administration of all affairs relating to the City. The City has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government.

Blended Component Unit

The Albertville Economic Development Authority (EDA) is a legally separate entity created to carry out economic development activities. The EDA is governed by five members, which consist of the City Council and the operational responsibility for the EDA rests with the management of the City. The criterion that results in the EDA being reported as a blended component unit includes 1) the five board members are members of the City Council and 2) the operational responsibility of the EDA rests with the management of the City. The EDA does not issue separate financial statements and is included in the financial section of this 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 nonfiduciary 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 are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions 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, proprietary funds and fiduciary 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. All fiduciary funds, including custodial funds, use the economic resources measurement focus basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

City of Albertville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when 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 specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as unearned revenue.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The City reports the following major governmental funds:

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

The *Capital Outlay Reserve Fund* accounts for the accumulation of resources necessary to fund future capital improvements and equipment purchases.

The *Main Avenue Project Fund* accounts for the financial resources used to plan, design, reconstruct, and improve Main Avenue.

The *Central Park Project Fund* accounts for the accumulation and use of resources dedicated to the development and improvement of Central Park facilities.

The City reports the following major proprietary funds:

The *Sewer fund* accounts for the activities of the City's sewage collection utility.

The *Water fund* accounts for the activities of the City's water utility.

Note 1: Summary of Significant Accounting Policies (Continued)

Additionally, the City reports the following fund types:

Fiduciary Funds

Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. The City's custodial fund accounts for activities of St. Michael-Albertville Ice Arena, Albertville Lions and Friendly City Days. The City manages the assets on behalf of these entities and administers the assets according to each entity's guidance.

The *STMA Arena fund* accounts for the activities of the ice arena which is jointly owned by the City of St. Michael, the City of Albertville and the Independent School District No. 885.

The *Albertville Lions fund* accounts for the activities of the Albertville Lions Club.

The *Friendly City Days fund* accounts for the activities of the City's Friendly City Days celebration.

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City 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 on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balances

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The proprietary funds' portion in the government-wide cash and temporary investments pool is considered to be cash and cash equivalents for purposes of the statement of cash flows.

Cash balances from all funds are pooled and invested, to the extent available, in certificates of deposit and other authorized investments. Earnings from such investments are allocated on the basis of applicable participation by each of the funds.

The City may also invest idle funds as authorized by Minnesota statutes, as follows:

1. Direct obligations or obligations guaranteed by the United States or its agencies.
2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of thirteen months or less.
3. General obligations of a state or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.
4. General obligations of the Minnesota Housing Finance Agency rated "A" or better.

City of Albertville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

5. Obligation of a school district with an original maturity not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to statute section 126C.55.
6. Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.
7. Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.
8. Repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
9. Guaranteed Investment Contracts (GIC's) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

Broker money market funds operate in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the shares.

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

The City has the following recurring fair value measurements as of December 31, 2025:

- Brokered Certificates of Deposit are valued using quoted market prices (Level 2 inputs)
- Municipal Bonds are valued using a matrix pricing model (Level 2 inputs)
- Governmental Securities are valued using a matrix pricing model (Level 1 inputs)
- Mortgage Backed Securities are valued using a matrix pricing model (Level 1 inputs)

See investments disclosure in note 3 for additional information.

The Minnesota Municipal Money Market Fund is regulated by Minnesota statutes and the Board of Directors of the League of Minnesota Cities and is an external investment pool not registered with the Securities Exchange Commission (SEC) that follows the regulatory rules of the SEC. In accordance with GASB Statement No. 79, the City's investment in this pool is valued at amortized cost, which approximates fair value. There are no restrictions or limitations on withdrawals from the 4M Liquid Asset Fund. Investments in the 4M Plus must be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period will be subject to a penalty equal to seven days interest on the amount withdrawn. Seven days' notice of redemption is required for withdrawals of investments in the 4M Term Series withdrawn prior to the maturity date of that series. A penalty could be assessed as necessary to recoup the Series for any charges, losses, and other costs attributable to the early redemption. Financial statements of the 4M Fund can be obtained by contacting the League of Minnesota Cities Finance Department at 145 University Avenue West, St. Paul, Minnesota, 55103-2044 or call (651) 281-1200.

Note 1: Summary of Significant Accounting Policies (Continued)

Investment Policy

The City's investment policy incorporates Minnesota statutes as described above which reduces the City's exposure to credit, custodial credit and interest rate risks. Specific risk information for the City is as follows:

- *Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk. Minnesota statutes and the City's investment policy limit the City's investments to the list above.
- *Custodial Credit Risk.* The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investments or collateral securities that are in the possession of an outside party. The City's investments held by the broker-dealer were insured by SIPC or other supplemental insurance as of December 31, 2025. However, each investment brokerage firm may have a limit to their supplemental insurance and because of the size of the City's portfolio in relation to the brokerage firm's excess SIPC coverage limits the portion of the supplemental policy applicable to the City's portfolio is unknown. The City's investment policy does not address custodial credit risk. The City accepts the risk due to the controls in place at the broker-dealer.
- *Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. In accordance with the City's investment policy, the City diversifies its 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 maturities selected shall provide for stability of income and reasonable liquidity.
- *Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than an average expected life of ten years from the date of the purchase.

Property Taxes

The City Council annually adopts a tax levy in December and certifies it to the County for collection in the following year. The County is responsible for collecting all property taxes for the City. These taxes attach an enforceable lien on taxable property within the City on January 1 and are payable by the property owners in two installments. The taxes are collected by the County Auditor and tax settlements are made to the City during January, June, and November each year.

Delinquent taxes receivable include the past six years' uncollected taxes. Delinquent taxes have been offset by a deferred inflow of resources for taxes not received within 60 days after year end in the fund financial statements.

Accounts Receivable

Accounts receivable include amounts billed for services provided before year end. To the extent necessary, the City annually certifies delinquent water, sewer and storm water accounts to the County for collection in the following year. Therefore, there has been no allowance for doubtful accounts established.

Special Assessments

Special assessments represent the financing for public improvements paid for by benefiting property owners. These assessments are recorded as receivables upon certification to the County. Special assessments are recognized as revenue when they are received in cash or within 60 days after year end. All governmental fund special assessments receivable are offset by a deferred inflow of resources in the fund financial statements.

City of Albertville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

Interfund Receivables and Payables

All outstanding balances between funds are reported as “due to/from other funds” or “advances to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Land Held for Resale

The City acquires properties for redevelopment purposes. These properties are reported at their net realizable value in the financial statements. Any costs incurred that are above a property’s net realizable value are reported as expenditures of the current period. The balance of land held for resale is offset with nonspendable or restricted fund balance to indicate that it is not available for appropriation.

Notes Receivable

Notes receivable include amounts paid by or loaned by the City that will be paid back by other entities. A portion of the notes are forgivable based on whether certain criteria are met. The forgivable portion of the notes is offset by an allowance for uncollectible accounts.

Inventories and Prepaid Items

Inventories held for resale are stated at the lower of cost or market on the first-in, first-out (FIFO) method and inventories of supplies are reported at cost. Inventories in governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The City uses the consumption method to account for all prepaid items.

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 City as assets with an estimated useful life of more than one year and an initial individual cost of more than the following:

Category	Cost
Land/Land Improvements	\$ 10,000
Other Improvements	25,000
Infrastructure	100,000
Buildings	25,000
Building Improvements	25,000
Vehicles	5,000
Other Equipment	5,000
Intangible Assets	10,000

The City reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements regardless of their amounts.

City of Albertville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

In the case of initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include items dating back to June 30, 1980. The City was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the City values these capital assets at the acquisition value of the item at the date of its donation.

Property, plant and equipment will be depreciated using the straight-line method over the following estimated useful lives:

Assets	Useful Lives in Years
Land Improvements	5 to 30
Infrastructure	15 to 50
Buildings	15 to 40
Vehicles	3 to 15
Other Equipment	3 to 20

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to future periods and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this category. The item, deferred pension resources, is reported only in the statements of net position. This item results from actuarial calculations and current year pension contributions made subsequent to the measurement date.

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 except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General Fund is typically used to liquidate the governmental net pension liability. For purposes of measuring the net pension liability (asset) and deferred outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit plan administered by the Albertville Firefighter's Relief Association and additions to and deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. Investments are reported at fair value.

The total pension expense for the GERP, PEPFF, PEDCP and the Fire Relief Association is as follows:

	GERP	PEPFF	PEDCP	FRA	Total
City's proportionate share	\$ (15,377)	\$ 30,416	\$ 248	\$ 62,035	\$ 77,323
Proportionate share of State's contribution	(2,527)	2,207	-	-	(320)
Total pension expense	\$ (17,904)	\$ 32,623	\$ 248	\$ 62,035	\$ 77,003

City of Albertville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The General Fund is typically used to liquidate the governmental compensated absences liability. Compensated absences liability at year-end is shown in the chart below for governmental and business-type activities.

	Governmental activities	Business-type activities	Total
Compensated absences	\$ 144,136	\$ 120,480	\$ 264,616

Long-term Obligations

In the government-wide financial statements, proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. The recognition of bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

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.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, special assessments and notes/intergovernmental receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The City has an additional item which qualifies for reporting in this category. The item, deferred pension resources, is reported only in the statements of net position and results from actuarial calculations.

Fund Balance

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources reported in the governmental funds. These classifications are defined as follows:

Nonspendable - Amounts that cannot be spent because they are not in spendable form, such as land held for resale.

Restricted - Amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

City of Albertville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

Committed - Amounts constrained for specific purposes that are internally imposed by formal action (resolution) of the City Council, which is the City's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the City Council modifies or rescinds the commitment by resolution.

Assigned - Amounts constrained for specific purposes that are internally imposed. In governmental funds other than the General Fund, assigned fund balance represents all remaining amounts that are not classified as nonspendable and are neither restricted nor committed. In the General Fund, assigned amounts represent intended uses established by the City Council itself or by an official to which the governing body delegates the authority. The City Council has adopted a fund balance policy which delegates the authority to assign amounts for specific purposes to the Finance Director and/or City Administrator.

Unassigned - The residual classification for the General Fund and also negative residual amounts in other funds.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance are available. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City has formally adopted a fund balance policy for the General fund. The City's policy is to maintain a minimum unassigned fund balance of 35 percent of next year's budgeted operating expenditures for cash-flow timing needs.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquiring capital assets.
- b. Restricted net position - Consists of net position restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

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.

Note 2: Stewardship, Compliance and Accountability

A. Budgetary Information

An annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund. All annual appropriations lapse at fiscal year-end. The City does not use encumbrance accounting.

In June of each year, all departments of the City submit requests for appropriations to the City Administrator so that a budget may be prepared. Before September 30, the proposed budget is presented to the City Council for review. The City Council holds public hearings, and a final budget is prepared and adopted in early December.

The appropriated budget is prepared by fund, function and department. The City's department heads, with the approval of the City Administrator, may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Council. The legal level of budgetary control is the department level. Budgeted amounts are as originally adopted by the City Council. There were no budget amendments made in 2025.

City of Albertville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 2: Stewardship, Compliance and Accountability (Continued)

B. Deficit Fund Equity

The following funds had deficit fund balances as of December 31, 2025:

Fund	Amount
Nonmajor	
TIF #12 Schultz & Schupp	\$ 420
TIF #17 Old Castle	169,692
TIF #20 Scherer Brothers	540,196
Mold Tech	248,513
GA Engel House	14,569
TIF #21 Medart	10,239

The deficit fund balances will be eliminated with future tax increments.

C. Excess of Expenditures over Appropriations

For the year ended December 31, 2025 expenditures exceeded appropriations in the following fund:

Fund	Final Budget	Actual	Excess of Expenditures Over Appropriations
General	<u>\$ 4,553,805</u>	<u>\$ 5,330,662</u>	<u>\$ 776,857</u>

The excess of expenditures over appropriations was funded by revenues in excess of budget.

Note 3: Detailed Notes on All Funds

A. Deposits and Investments

Deposits

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the City's deposits and investments may not be returned, or the City will not be able to recover collateral securities in the possession of an outside party. In accordance with Minnesota statutes and as authorized by the City Council, the City maintains deposits at those depository banks, all of which are members of the Federal Reserve System.

Minnesota statutes require that all City deposits be protected by insurance, surety bond, or collateral. The fair value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds, with the exception of irrevocable standby letters of credit issued by Federal Home Loan Banks, as this type of collateral only requires collateral pledged equal to 100 percent of the deposits not covered by insurance or bonds.

Authorized collateral in lieu of a corporate surety bond includes:

- United States government Treasury bills, Treasury notes, Treasury bonds;
- Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;

City of Albertville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 3: Detailed Notes on All Funds (Continued)

- General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and
- Time deposits that are fully insured by any federal agency.

Minnesota statutes require that all collateral shall be placed in safekeeping in a restricted account at a Federal Reserve Bank, or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The selection should be approved by the government entity.

At year end, the City's carrying amount of deposits, bank balance, FDIC coverage and pledged collateral are shown in the chart below.

Carrying amount of deposits	<u>\$ 1,658,854</u>
Bank balance	\$ 2,061,561
Covered by FDIC	<u>(500,000)</u>
Collateralized with securities pledged in City's name	<u>\$ 1,561,561</u>

City of Albertville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 3: Detailed Notes on All Funds (Continued)

Investments

As of December 31, 2025, the City had the following investments:

Types of Investments	Credit Quality/ Ratings (1)	Segmented Time Distribution (2)	Amounts	Fair Value Measurement Using		
				Level 1	Level 2	Level 3
Pooled Investments at Amortized Costs						
4M Fund	N/A	Less than 1 year	\$ 4,398,782	\$ -	\$ -	\$ -
Brokered Money Market Funds	N/A	Less than 1 year	14,827,628	-	-	-
Non-pooled Investments at Fair Value						
Brokered Certificate of Deposit	NA	Less than 1 year	1,610,319	-	1,610,319	-
Brokered Certificate of Deposit	NA	1 to 5 years	2,540,116	-	2,540,116	-
Municipal Bond	AA-	1 to 5 years	588,333	-	588,333	-
Municipal Bond	AA	1 to 5 years	1,907,101	-	1,907,101	-
Municipal Bond	AA+	1 to 5 years	805,366	-	805,366	-
Municipal Bond	AAA	1 to 5 years	932,726	-	932,726	-
Municipal Bond	AA	More than 5 years	454,505	-	454,505	-
Governmental Securities	NA	Less than 1 year	242,765	242,765	-	-
Governmental Securities	NA	1 to 5 years	2,290,420	2,290,420	-	-
Governmental Securities	NA	More than 5 years	248,424	248,424	-	-
Mortgage Backed Securities	NA	1 to 5 years	3,258,406	3,258,406	-	-
Mortgage Backed Securities	NA	More than 5 years	3,662,484	3,662,484	-	-
Total Investments			\$ 37,767,375	\$ 9,702,499	\$ 8,838,466	\$ -

(1) Ratings are provided by various credit rating agencies where applicable to indicate associated credit risk.

(2) Interest rate risk is disclosed using the segmented time distribution method.

N/A Indicates not applicable or available.

Cash and Investments Summary

A reconciliation of cash and temporary investments as shown on the financial statements for the City follows:

Carrying Amount of Deposits	\$ 1,658,854
Investments	37,767,375
Cash on Hand	849
Total	\$ 39,427,078
Cash and Investments	
Statement of net position	
Cash and temporary investments	\$ 38,336,470
Statement of Fiduciary net position	1,090,608
Total	\$ 39,427,078

City of Albertville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 3: Detailed Notes on All Funds (Continued)

B. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets not Being Depreciated				
Land	\$ 4,490,242	\$ -	\$ -	\$ 4,490,242
Construction in progress	1,254,646	3,642,891		4,897,537
Total Capital Assets not Being Depreciated	<u>5,744,888</u>	<u>3,642,891</u>	<u>-</u>	<u>9,387,779</u>
Capital Assets Being Depreciated				
Buildings	6,584,444	111,363	-	6,695,807
Infrastructure	34,870,960	-	-	34,870,960
Land improvements	3,523,936	69,866	-	3,593,802
Machinery and equipment	1,852,395	149,597	-	2,001,992
Vehicles	3,320,805	281,197	-	3,602,002
Total Capital Assets Being Depreciated	<u>50,152,540</u>	<u>612,023</u>	<u>-</u>	<u>50,764,563</u>
Less Accumulated Depreciation for				
Buildings	(3,008,870)	(165,406)	-	(3,174,276)
Infrastructure	(24,534,972)	(944,318)	-	(25,479,290)
Land improvements	(2,046,001)	(116,670)	-	(2,162,671)
Machinery and equipment	(1,070,469)	(149,588)	-	(1,220,057)
Vehicles	(1,732,591)	(205,342)	-	(1,937,933)
Total Accumulated Depreciation	<u>(32,392,903)</u>	<u>(1,581,324)</u>	<u>-</u>	<u>(33,974,227)</u>
Total Capital Assets Being Depreciated, Net	<u>17,759,637</u>	<u>(969,301)</u>	<u>-</u>	<u>16,790,336</u>
Governmental Activities Capital Assets, Net	<u>\$ 23,504,525</u>	<u>\$ 2,673,590</u>	<u>\$ -</u>	<u>\$ 26,178,115</u>

City of Albertville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 3: Detailed Notes on All Funds (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets not Being Depreciated				
Land	\$ 351,834	\$ -	\$ -	\$ 351,834
Construction in progress	10,591,635	381,848	-	10,973,483
Total Capital Assets not Being Depreciated	<u>10,943,469</u>	<u>381,848</u>	<u>-</u>	<u>11,325,317</u>
Capital Assets Being Depreciated				
Buildings	4,719,693	-	-	4,719,693
Infrastructure	19,886,690	-	-	19,886,690
Machinery and equipment	571,255	394,434	-	965,689
Vehicles	575,626	36,575	-	612,201
Total Capital Assets Being Depreciated	<u>25,753,264</u>	<u>431,009</u>	<u>-</u>	<u>26,184,273</u>
Less Accumulated Depreciation for				
Buildings	(2,231,505)	(117,994)	-	(2,349,499)
Infrastructure	(6,820,632)	(461,835)	-	(7,282,467)
Machinery and equipment	(373,134)	(84,098)	-	(457,232)
Vehicles	(451,018)	(18,495)	-	(469,513)
Total Accumulated Depreciation	<u>(9,876,289)</u>	<u>(682,422)</u>	<u>-</u>	<u>(10,558,711)</u>
Total Capital Assets Being Depreciated, Net	<u>15,876,975</u>	<u>(251,413)</u>	<u>-</u>	<u>15,625,562</u>
Business-type Activities Capital Assets, Net	<u>\$ 26,820,444</u>	<u>\$ 130,435</u>	<u>\$ -</u>	<u>\$ 26,950,879</u>

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

Governmental Activities		
General government		\$ 152,608
Public safety		197,645
Public works		1,125,065
Culture and recreation		106,006
Total Depreciation Expense - Governmental Activities		<u>\$ 1,581,324</u>
Business-type Activities		
Sewer		\$ 578,815
Water		66,468
Storm water		37,139
Total Depreciation Expense - Business-type Activities		<u>\$ 682,422</u>

C. Advances to/from other Funds and Transfers

The composition of interfund balances as of December 31, 2025 is as follows:

Receivable Fund	Payable Fund	Amount
Capital Outlay Reserve	Other Governmental Funds	<u>\$ 991,929</u>

The above interfund balance is to eliminate deficit cash balances and finance projects in multiple different funds.

City of Albertville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 3: Detailed Notes on All Funds (Continued)

The City made transfers during the year as shown and described below:

Fund	Transfer In		Total
	Capital Outlay Reserve	Other Governmental Funds	
Transfer Out			
Capital Outlay Reserve	\$ -	\$ 14,018	\$ 14,018
Other Governmental Funds	1,229,935	1,114,189	2,344,124
Total	\$ 1,229,935	\$ 1,128,207	\$ 2,358,142

During the year ended December 31, 2025, the City made the following transfers:

- The City made a transfer in the current year to close out the TIF 16 Mold Tech fund. The Capital Outlay Reserve fund transferred \$14,018 into the fund.
- The City transferred \$1,114,189 between debt service funds to reallocate cash balances to the 2025A G.O. improvement fund. The other fund's debt has matured.
- The City transferred ownership of interfund balances and assets held for resale, totaling \$1,229,935, from the debt service funds to the Capital Outlay Reserve fund.

D. Long-term Debt

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental activities and business-type activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues.

General obligation bonds are direct obligations of the City and pledge the full faith and credit of the City.

General Obligation Special Assessment Bonds and Improvement Notes

The following bonds were issued to finance various improvement projects in the City and will be repaid with the collection of special assessment levies.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Improvement Note, Series 2012	\$ 4,113,700	1.28 %	03/23/12	08/20/32	\$ 1,346,000
G.O. Improvement Bonds, Series 2025A	7,530,000	4.00 - 5.00	07/07/25	02/01/46	<u>7,530,000</u>
Total G.O. Special Assessment Bonds and Improvement Notes					<u>\$ 8,876,000</u>

City of Albertville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 3: Detailed Notes on All Funds (Continued)

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

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2026	\$ 185,000	\$ 348,066	\$ 533,066
2027	477,000	336,626	813,626
2028	500,000	319,238	819,238
2029	507,000	301,187	808,187
2030	535,000	282,360	817,360
2031 - 2035	2,362,000	1,105,424	3,467,424
2036 - 2040	2,415,000	627,500	3,042,500
2041 - 2045	1,605,000	198,100	1,803,100
2046	290,000	5,800	295,800
Total	<u>\$ 8,876,000</u>	<u>\$ 3,524,301</u>	<u>\$ 12,400,301</u>

General Obligation Revenue Bonds

The following bonds were issued to finance capital improvements in the enterprise funds. They will be repaid from future net operating revenues and transfers in from the enterprise funds and are backed by the taxing power of the City. Annual net operating revenues, principal and interest payments, and the percentage of revenue required to cover principal and interest payments are as follows:

	Sewer	Water
Net Operating Revenues	\$ 1,234,470	\$ 579,156
Principal and Interest	1,256,484	35,993
Percentage of Revenues	102 %	6 %

The components of the general obligation revenue bonds are as follows:

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Utility Revenue Bonds, Series 2011A	\$ 520,000	1.10 - 3.70 %	04/21/11	02/01/26	\$ 40,000
G.O. Sewer Revenue Bonds, Series 2019A	5,720,000	2.00 - 3.00	09/24/19	02/01/39	4,225,000
G.O. Disposal System Bonds, Series 2023A	9,400,000	4.00 - 5.00	06/13/23	02/01/49	9,190,000
G.O. Water Revenue Bonds, Series 2025A	1,185,000	4.00 - 5.00	07/07/25	02/01/51	<u>1,185,000</u>
Total G.O. Revenue Bonds					<u>\$ 14,640,000</u>

City of Albertville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 3: Detailed Notes on All Funds (Continued)

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

Year Ending December 31,	Business-type Activities		
	Principal	Interest	Total
2026	\$ 520,000	\$ 521,650	\$ 1,041,650
2027	525,000	500,803	1,025,803
2028	550,000	480,753	1,030,753
2029	565,000	461,203	1,026,203
2030	585,000	440,928	1,025,928
2031 - 2035	3,245,000	1,877,541	5,122,541
2036 - 2040	3,455,000	1,318,029	4,773,029
2041 - 2045	2,580,000	793,713	3,373,713
2046 - 2050	2,540,000	233,388	2,773,388
2051	75,000	1,591	76,591
Total	\$ 14,640,000	\$ 6,629,599	\$ 21,269,599

Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Bonds Payable					
G.O. Special					
Assessment bonds	\$ 1,939,000	\$ 7,530,000	\$ (593,000)	\$ 8,876,000	\$ 185,000
Unamortized premium	5,674	296,858	(7,074)	295,458	-
Total Bonds Payable	<u>1,944,674</u>	<u>7,826,858</u>	<u>(600,074)</u>	<u>9,171,458</u>	<u>185,000</u>
Compensated					
Absences Payable*	<u>157,916</u>	<u>-</u>	<u>(13,780)</u>	<u>144,136</u>	<u>47,600</u>
Governmental Activity Long-term Liabilities	<u>\$ 2,102,590</u>	<u>\$ 7,826,858</u>	<u>\$ (613,854)</u>	<u>\$ 9,315,594</u>	<u>\$ 232,600</u>
Business-type Activities					
Bonds Payable					
G.O. Revenue bonds	\$ 14,225,000	\$ 1,185,000	\$ (770,000)	\$ 14,640,000	\$ 520,000
Unamortized premium	466,000	17,016	(23,323)	459,693	-
Total Bonds Payable	<u>14,691,000</u>	<u>1,202,016</u>	<u>(793,323)</u>	<u>15,099,693</u>	<u>520,000</u>
Compensated					
Absences Payable*	<u>152,752</u>	<u>-</u>	<u>(32,272)</u>	<u>120,480</u>	<u>37,793</u>
Business-type Activity Long-term Liabilities	<u>\$ 14,843,752</u>	<u>\$ 1,202,016</u>	<u>\$ (825,595)</u>	<u>\$ 15,220,173</u>	<u>\$ 557,793</u>

*Change in compensated absences is shown as net.

City of Albertville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 3: Detailed Notes on All Funds (Continued)

In the event an employee of the City would retire or resign, in good standing, a portion of the governmental compensated absences would mature. The portion applicable to that employee would be recorded as a liability and would be liquidated through the General Fund.

E. Components of Fund Balance

At December 31, 2025, portions of the City's fund balance are not available for appropriation due to not being in spendable form (Nonspendable), legal restrictions (Restricted), City Council action (Committed), policy and/or intent (Assigned). The following is a summary of the components of fund balance:

Fund	Purpose	Amount
Nonspendable		
General	Land held for resale	\$ 51,000
General	Prepaid items	97,743
Total Nonspendable		<u>148,743</u>
Restricted		
Debt Service	Debt service	1,553,592
Capital Outlay Reserve	Public safety	349,995
Main Avenue Project	Capital projects	3,409,353
Central Park Project	Capital projects	793,569
Other governmental funds	Public safety - charitable gambling	132,197
Other governmental funds	Park improvements	1,417,408
Other governmental funds	Tax increment financing	375,080
Total Restricted		<u>8,031,194</u>
Committed		
Other governmental funds	Revolving loan	174,671
Other governmental funds	Election resources	1,950
Total Committed		<u>176,621</u>
Assigned		
Capital Outlay Reserve	Future capital projects	<u>9,256,086</u>
Unassigned		
General		3,175,458
Other governmental funds		(983,629)
Total Unassigned		<u>2,191,829</u>
Total		<u>\$ 19,804,473</u>

Note 4: Defined Benefit Pension Plans - Statewide

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.

General Employees Retirement Plan (General Plan)

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

Public Employees Police and Fire Plan (Police and Fire Plan)

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

B. Benefits Provided

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

General Employee 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% of the highest average salary for each of the first 10 years of service and 1.7% for each additional year. Under the Level formula, General Plan members receive 1.7% of 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 retirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of .25% for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or 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.

City of Albertville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. The 2025 annual increase was 1.25%. 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.

Police and Fire Plan Benefits

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

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

General Employees Fund Contributions

General Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2025 and the City was required to contribute 7.50% for General Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2025, were \$148,265. The City's contributions were equal to the required contributions as set by state statute.

Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2025 and the City was required to contribute 17.70% for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the year ended December 31, 2025, were \$30,823. The City's contributions were equal to the required contributions as set by state statute.

City of Albertville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

D. Pension Costs

General Employees Fund Pension Costs

At December 31, 2025, the City reported a liability of \$683,074 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$16,478.

City's proportionate share of the net pension liability	\$	683,074
State of Minnesota's proportionate share of the net pension liability associated with the City		16,478
Total	\$	699,552

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 0.0206% at the end of the measurement period and 0.0204% for the beginning of the period.

For the year ended December 31, 2025, the City recognized pension expense of negative \$15,377 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional negative \$2,527 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	\$ 65,082	\$ -
Changes in actuarial assumptions	16,458	157,173
Net difference between projected and actual investment earnings	-	271,802
Changes in proportion	67,927	-
Employer contributions subsequent to the measurement date	82,305	-
Total	\$ 231,772	\$ 428,975

City of Albertville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

The \$82,305 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:

2026		\$	(37,807)
2027			(102,263)
2028			(90,883)
2029			(48,555)

Police and Fire Fund Pension Costs

At December 31, 2025, the City reported a liability of \$131,600 for its proportionate share of the Police and Fire Fund's net pension liability. 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 proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 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 0.0112% at the end of the measurement period and 0.0116% for the beginning of the period.

The State of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2025. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state aid was paid on October 1, 2024. The direct state aid payment will increase by \$17.7 million which was paid on October 1, 2025. Thereafter, by October 1 of each year, the state will pay \$26.7 million to the Police and Fire Fund until the fund is 110% funded for a minimum of three consecutive years (on an actuarial value of assets basis). The \$9 million in supplemental state aid will continue until the fund and the State Patrol Plan (administered by the Minnesota State Retirement System) are 100% funded for three consecutive years (on an actuarial value of assets basis). The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$4,562.

City's proportionate share of the net pension liability	\$	131,600
State of Minnesota's proportionate share of the net pension liability associated with the City		4,562
Total	\$	136,162

For the year ended December 31, 2025, the City recognized pension expense of \$30,416 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized \$2,207 as grant revenue and pension expense for its proportionate share of the State of Minnesota's contribution of \$9 million to the Police and Fire special funding situation.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid because this contribution was not considered to meet the definition of a special funding situation. The City recognized \$1,011 for the year ended December 31, 2025 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

City of Albertville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

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	\$ 60,804	\$ -
Changes in actuarial assumptions	99,795	164,890
Net difference between projected and actual earnings on investments	-	58,735
Changes in proportion	13,336	5,763
Employer contributions subsequent to the measurement date	16,691	-
Total	\$ 190,626	\$ 229,388

The \$16,691 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 inflows of resources related to pensions will be recognized in pension expense as follows:

2026	\$ 34,356
2027	(26,557)
2028	(62,617)
2029	(2,928)
2030	2,293

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 Return on Investment
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 %	

City of Albertville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

F. Actuarial 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, and Police & Fire Plan.
- Benefit increases after retirement are assumed to be 1.50% for the General Employees Plan and 1% for the Police & Fire 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. In the Police & Fire Plan, salary growth assumptions range in annual increments from 10.75% after one year of service to 3% after 23 years of service.

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

Actuarial assumptions for the General Employees Plan are reviewed every four years. The General Employees Plan was last reviewed in 2022. The assumption changes were adopted by the board and became effective with the July 1, 2023 actuarial valuation. The Police & Fire Plan was reviewed in 2024. The assumption changes were adopted by the board and became effective with the July 1, 2025 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 non-vested, 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.

City of Albertville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

Police and Fire Fund

Changes in Actuarial Assumptions:

- Assumed rates of salary increases were reduced slightly.
- Assumed rates of retirement were adjusted, resulting in an overall increase in unreduced (full) retirements and an overall increase in reduced (early) retirements.
- Assumed rates of withdrawal were modified; the new rates will increase predicted terminations, especially in the first few years of employment.
- Assumed rates of disabled retirement were significantly increased, especially for ages over age 30.
- Continued use of Pub-2010 Public Safety Mortality Table with rates adjusted to better fit observed experience.
- Percent married assumption for female retirees lowered from 70% to 65%.
- Minor changes were made to form of payment assumptions for retirees.
- Minor changes were made to assumptions made with respect to missing participant data.
- The combined service annuity load changed from 33% to 13% for vested, terminated members and from 2% to 38% for non-vested, terminated members.

Changes in Plan Provisions:

- The period of time needed for benefit recipients to receive their first benefit increase was reduced by one year (from 36 months to 24 months for a full increase).
- The January 1, 2026 benefit increase changed from 1% to 3%; subsequent January 1 increases will be 1%.
- The threshold to end the \$9 million annual state aid contribution changed from the earlier of July 1, 2048 or 90% funded for both PERA Police & Fire and MSRS State Patrol for three consecutive years to 100% funded for both PERA Police & Fire and MSRS State Patrol for three consecutive years (on an actuarial value of assets basis).
- The threshold to end the additional \$9 million annual state aid contribution changed from the earlier of July 1, 2024 or 100% funded for a minimum of three consecutive years to 110% funded for a minimum of three consecutive years (on an actuarial value of assets basis).
- An additional \$17.7 million in direct state aid will be paid annually each October 1 beginning October 1, 2025 through June 30, 2048.
- Joint and survivor actuarial equivalent factors were updated to reflect changes in assumptions.

G. Discount Rate

The discount rate used to measure the total pension liability in 2025 was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees and Police and Fire Plans were projected to be available to make all projected future benefit payments of current plan members. The long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Albertville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

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:

	1 Percent Decrease (6.00%)	Current (7.00%)	1 Percent Increase (8.00%)
General Employees Fund	\$ 1,659,079	\$ 683,074	\$ (108,686)
Police and Fire Fund	344,821	131,600	(43,487)

I. Pension Plan Fiduciary Net Position

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

City of Albertville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 5: Public Employees Defined Contribution Plan (Defined Contribution Plan)

Elected Officials 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.03, 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. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. 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 2.0 percent of employer contributions and twenty-five hundredths of 1.0 percent (0.25 percent) of the assets in each member's account annually.

Total contributions made by the City during the fiscal year 2025 was \$248.

Note 6: Defined Benefit Pension Plans - Fire Relief Association

A. Plan Description

The Albertville Fire Department (the Department) participates in the Statewide Volunteer Firefighter Retirement Plan (Volunteer Firefighter Plan accounted for in the Volunteer Firefighter Fund), an agent multiple-employer lumpsum [or monthly] defined benefit pension plan administered by the Public Employees Retirement Association of Minnesota (PERA). The Volunteer Firefighter Plan covers volunteer firefighters of municipal fire departments or independent nonprofit firefighting corporations that have elected to join the plan. As of December 31, 2024, the plan covered 27 active firefighters and 2 deferred members.

B. Benefits Provided

The Volunteer Firefighter Plan provides retirement, death, and supplemental benefits to covered firefighters and survivors. Benefits are paid based on the number of years of service multiplied by a benefit level approved by the City. Members are eligible for a lump-sum retirement benefit at 50 years of age with either five or ten years of service, depending on the vesting schedule selected. Plan provisions include a pro-rated vesting schedule that increases from one of the following: (1) 5 years at 40 percent through 20 years at 100 percent, (2) 5 years at 40 percent through 10 years at 100 percent, (3) 10 years at 40 percent through 20 years at 100 percent.

C. Contributions

Minnesota statutes, chapters 424 and 424A authorize pension benefits for volunteer fire relief associations. The plan is funded by fire state aid, investment earnings and, if necessary, employer contributions as specified in Minnesota statutes and voluntary City contributions (if applicable). The State of Minnesota contributed \$162,670 in fire state aid to the plan on behalf of the Albertville Fire Department for the year ended December 31, 2025, which was recorded as a revenue within the City's financial statements. Required employer contributions are calculated annually based on statutory provisions. The City made no voluntary contributions to the plan in 2025.

City of Albertville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 6: Defined Benefit Pension Plans - Fire Relief Association (Continued)

D. Pension Costs

At December 31, 2025, the City reported a net pension liability (asset) of (\$327,287) for the Volunteer Firefighter Fund. The net pension asset was measured as of December 31, 2024. The total pension asset used to calculate the net pension asset in accordance with GASB 68 was determined by PERA applying an actuarial formula to specific census data certified by the Department. The following table presents the changes in net pension liability (asset) during the year.

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a-b)
Beginning Balance January 1, 2025	\$ 913,545	\$ 1,070,084	\$ (156,539)
Changes for the Year			
Service cost	54,120	-	54,120
Interest cost	74,821	-	74,821
Projected investment earnings	-	66,550	(66,550)
Employer Contributions	-	39,324	(39,324)
Nonemployer Contributions	-	162,670	(162,670)
Asset Gain or Loss	-	39,425	(39,425)
Benefit payouts	(109,000)	(109,000)	-
Administrative costs	-	(1,740)	1,740
Other	-	(6,540)	6,540
Total Net Changes	19,941	190,689	(170,748)
Ending Balance December 31, 2025	\$ 933,486	\$ 1,260,773	\$ (327,287)

For the year ended December 31, 2025, the City recognized negative pension expense of \$62,035.

At December 31, 2025, the City reported deferred inflows of resources and deferred outflows of resources, its contributions subsequent to the measurement date, related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual Earnings on Plan Investments	\$ -	\$ 31,540
Contributions to Plan Subsequent to the Measurement Date	188,214	-
Total	\$ 188,214	\$ 31,540

City of Albertville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 6: Defined Benefit Pension Plans - Fire Relief Association (Continued)

Deferred outflows of resources totaling \$188,214 related to pensions resulting from the City's contributions to the plan subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources related to the plan will be recognized in pension expense as follows:

2025		\$ (7,885)
2026		(7,885)
2027		(7,885)
2028		(7,885)

E. Actuarial Assumptions

The total pension liability (asset) at December 31, 2025, was determined using the entry age normal actuarial cost method and the following actuarial assumptions:

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

There were no changes in actuarial assumptions in the 2024 plan year.

F. Discount Rate

The discount rate used to measure the total pension liability was 6.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions to the plan will be made as specified in statute. Based on that assumption and considering the funding ratio of the plan, the fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

G. Pension Liability Sensitivity

The following presents the City's net pension liability (asset) for the plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate one percent lower or one percent higher than the current discount rate:

	1 Percent Decrease (5.0%)	Current (6.0%)	1 Percent Increase (7.0%)
Defined Benefit Plan	\$ (285,206)	\$ (327,287)	\$ (367,708)

H. Investment Policy

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

All investments undertaken by the SBI are governed by the prudent person rule and other standards codified in *Minnesota statutes*, chapter 11a and chapter 353g.

City of Albertville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 6: Defined Benefit Pension Plans - Fire Relief Association (Continued)

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

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Stocks	33.5 %	5.10 %
International Stocks	16.5	5.30
Fixed Income	25.0	0.75
Private Markets	25.0	5.90
Total	100.00 %	

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

The SBI made no significant changes to their investment policy during calendar year 2024 for the Volunteer Firefighter Fund.

I. Pension Plan Fiduciary Net Position

Detailed information about the Volunteer Firefighter Fund’s fiduciary net position as of December 31, 2024, is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained at www.mnpera.org.

Note 7: Joint Ventures

Joint Powers Water Board of Albertville, Hanover and St. Michael

The Joint Powers Water Board of Albertville, Hanover and St. Michael (the "JPWB") was established under a joint powers agreement among the Cities of Albertville, Hanover and St. Michael to provide water service to the local area. The JPWB operates as an enterprise and provides water service to the general public, with the majority of its costs being paid by various fees and charges to users of the water system. The governing body consists of a six-member Board of Commissioners (the "Board"). Two individuals, the Mayor and another City Council Member from each City, are appointed by their respective City Council to serve on the Board. The JPWB does not have any component units.

The JPWB's agreement states that charges billed and collected for water supply remain with the JPWB, while the charges for distribution are billed by the JPWB but the collections are owned by each member City and will be remitted to them upon collection. The financial statements from 2024, the most recent available, are summarized below.

City of Albertville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 7: Joint Ventures (Continued)

Separate financial statements can be obtained by writing to the Joint Powers Water Board, 11100 50th Street NE, Albertville, Minnesota 55301.

Joint Powers Water Board
Statement of Net Position
December 31, 2024

Assets and Deferred Outflows of Resources	<u>\$ 37,952,430</u>
Liabilities	\$ 2,077,462
Net Position	<u>35,874,968</u>
 Total Liabilities and Net Position	 <u>\$ 37,952,430</u>

Joint Powers Water Board
Summary Statement of Activities
For the Year Ended December 31, 2024

Operating Revenues	\$ 2,918,049
Operating Expenses	<u>2,535,279</u>
Operating Income	382,770
Net Nonoperating Revenues	<u>2,352,349</u>
Change in Net Position	2,735,119
Net Position, January 1	<u>33,139,849</u>
Net Position, December 31	<u>\$ 35,874,968</u>

St. Michael - Albertville Ice Arena

In 1996-97, the City entered into a Joint Powers Agreement with the City of St. Michael and the Independent School District No. 885. The agreement was for the construction and maintenance of a qualified ice arena. During 2006, the City was notified as being selected as Mighty Ducks Grant recipient to help fund the cost of the ice arena. The arena was constructed with the grant award and contributions and donations from the City of Albertville, the City of St. Michael and the Independent School District No. 885. In 2019, a new ice sheet was opened by Independent School District No. 885 leading to an amended Joint Powers Agreement with the City of St. Michael and the Independent School District No. 885.

The City has an ongoing one-sixth equity financial interest of \$289,239 as of December 31, 2025.

Separate financial statements can be obtained by contacting Tina Lannes, Finance Director at Albertville City Hall.

City of Albertville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 7: Joint Ventures (Continued)

St. Michael - Albertville Ice Arena
Statement of Net Position
December 31, 2025

Assets	\$ 1,989,827
Liabilities	\$ 8,844
Net Position	1,980,983
 Total Liabilities and Net Position	 \$ 1,989,827

St. Michael - Albertville Ice Arena
Summary Statement of Activities
December 31, 2025

Program Revenues	\$ 980,406
Expenses	(910,434)
Interest Revenue	42,294
 Change in Net Position	 112,266
Net Position, January 1	1,868,717
Net Position, December 31	\$ 1,980,983

Note 8: Other Information

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries insurance. The City obtains insurance through participation in the League of Minnesota Cities Insurance Trust (LMCIT), which is a risk-sharing pool with approximately 800 other governmental units. The City pays an annual premium to LMCIT for its workers compensation and property and casualty insurance. The LMCIT is self-sustaining through member premiums and will reinsure for claims above a prescribed dollar amount for each insurance event. Settled claims have not exceeded the City's coverage in any of the past three fiscal years.

Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims in excess of \$1,000,000. Liabilities, if any, include an amount for claims that have been incurred but not reported (IBNRs). The City's management is not aware of any incurred but not reported claims.

B. Legal Debt Margin

In accordance with Minnesota statutes, the City may not incur or be subject to net debt in excess of three percent of the market value of taxable property within the City. Net debt is payable solely from ad valorem taxes and, therefore, excludes debt financed partially or entirely by special assessments, enterprise fund revenues or tax increments. The City's applicable debt does not exceed the limit.

City of Albertville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 8: Other Information (Continued)

C. Conduit Debt Obligations

Conduit debt obligations are certain limited-obligation revenue bonds or similar debt instruments issued for the express purpose of providing capital financing for a specific third party. The City has issued revenue bonds to provide financial assistance to private-sector entities for projects deemed to be in the public interest. Although these bonds bear the name of the City, the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

Description	Authorized and Issued	Balance at Year End
Multifamily Housing Revenue Refunding Bonds, Series 2007	\$ 3,540,000	\$ 2,485,000
Multifamily Housing Revenue Bonds, Series 2010 A	<u>4,750,000</u>	<u>3,545,000</u>
Total Conduit Debt	<u>\$ 8,290,000</u>	<u>\$ 6,030,000</u>

D. Tax Increment Financing Districts

The City's tax increment districts are subject to review by the State of Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance which would have a material effect on the financial statements.

E. Commitment Cost-sharing Agreement

The City has entered into a cost sharing agreement for the construction and maintenance of a library with the City of St. Michael, Minnesota. The library's net cost is split based on the pro rata share of population and market value.

THIS PAGE IS LEFT
BLANK INTENTIONALLY

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ALBERTVILLE
ALBERTVILLE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2025

City of Albertville, Minnesota
Required Supplementary Information
For the Year Ended December 31, 2025

Schedule of Employer's Share of PERA Net Pension Liability - General Employees Fund

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2025	0.0206 %	\$ 683,074	\$ 16,478	\$ 699,552	\$ 1,866,822	36.6 %	90.8 %
6/30/2024	0.0204	754,926	19,521	774,447	1,728,282	43.7	89.1
6/30/2023	0.0189	1,056,867	29,103	1,085,970	1,504,289	70.3	83.1
6/30/2022	0.0181	1,433,526	41,958	1,475,484	1,354,549	105.8	76.7
6/30/2021	0.0181	772,951	23,664	796,615	1,306,061	59.2	87.0
6/30/2020	0.0174	1,043,210	32,283	1,075,493	1,244,313	83.8	79.1
6/30/2019	0.0161	890,133	27,665	917,798	1,133,606	78.5	80.2
6/30/2018	0.0147	815,496	26,781	842,277	986,845	82.6	79.5
6/30/2017	0.0151	963,974	12,125	976,099	1,010,559	95.4	75.9
6/30/2016	0.0155	1,258,523	16,464	1,274,987	921,545	136.6	68.9

Schedule of Employer's PERA Contributions - General Employees Fund

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/2025	\$ 148,265	\$ 148,265	\$ -	\$ 1,976,866	7.50 %
12/31/2024	140,213	140,213	-	1,869,511	7.50
12/31/2023	122,281	122,281	-	1,630,410	7.50
12/31/2022	106,351	106,351	-	1,418,015	7.50
12/31/2021	99,408	99,408	-	1,325,438	7.50
12/31/2020	95,790	95,790	-	1,277,201	7.50
12/31/2019	90,361	90,361	-	1,204,809	7.50
12/31/2018	77,347	77,347	-	1,031,293	7.50
12/31/2017	72,910	72,910	-	972,129	7.50
12/31/2016	72,244	72,244	-	963,255	7.50

City of Albertville, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2025

Notes to the Required Supplementary Information - General Employee Retirement Fund

Changes in Actuarial Assumptions

2025 - The combined service annuity loading factors increased from 15% to 19% for vested terminated members and from 3% to 44% for non-vested, terminated members. The assumed post-retirement benefit increase changed from 1.25% to 1.5%.

2024 - The following changes in assumptions are effective with the July 1, 2024 valuation, as recommended in the most recent experience study (dated June 29, 2023): 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.

2023 - The investment return and single discount rates were changed from 6.5 percent to 7.0 percent.

2022 - The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2021 - The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes. The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

2020 - 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.

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - The mortality projection scale was changed from MP-2015 to MP-2017. The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

2017 - The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability. The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 percent. Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

City of Albertville, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2025

Notes to the Required Supplementary Information - General Employee Retirement Fund (Continued)

Changes in Plan Provisions

2025 - 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 - The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

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

2022 - There were no changes in plan provisions since the previous valuation.

2021 - There were no changes in plan provisions since the previous valuation.

2020 - 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 - The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The state's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018 - 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 percent to 3.0 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.0 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Contribution stabilizer provisions were repealed. Postretirement benefit increases were changed from 1.0 percent per year with a provision to increase to 2.5 percent upon attainment of 90.0 percent funding ratio to 50.0 percent of the Social Security Cost of Living Adjustment, not less than 1.0 percent and not more than 1.5 percent, beginning January 1, 2019. For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

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

2016 - There were no changes in plan provisions since the previous valuation.

City of Albertville, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2025

Schedule of Employer's Share of PERA Net Pension Liability - Police and Fire Fund

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2025	0.0112 %	\$ 131,600	\$ 4,562	\$ 136,162	\$ 170,464	77.2 %	91.8 %
6/30/2024	0.0116	153,052	5,834	158,886	161,095	95.0	90.2
6/30/2023	0.0110	189,956	7,690	197,646	144,548	131.4	86.5
6/30/2022	0.0106	461,270	20,036	481,306	128,217	359.8	70.5
6/30/2021	0.0102	78,733	3,520	82,253	120,137	65.5	93.7
6/30/2020	0.0099	130,493	3,064	133,557	111,109	117.4	87.2
6/30/2019	0.0090	95,814	-	95,814	95,184	100.7	89.3
6/30/2018	0.0088	93,799	-	93,799	96,188	97.5	88.8
6/30/2017	0.0090	121,511	-	121,511	89,111	136.4	85.4
6/30/2016	0.0090	361,186	-	361,186	84,960	425.1	63.9

Schedule of Employer's PERA Contributions - Police and Fire Fund

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/2025	\$ 30,823	\$ 30,823	\$ -	\$ 174,144	17.70 %
12/31/2024	30,694	30,694	-	173,415	17.70
12/31/2023	27,424	27,424	-	154,936	17.70
12/31/2022	23,827	23,827	-	134,618	17.70
12/31/2021	21,738	21,738	-	122,814	17.70
12/31/2020	20,812	20,812	-	117,583	17.70
12/31/2019	17,055	17,055	-	100,617	16.95
12/31/2018	15,197	15,197	-	93,809	16.20
12/31/2017	14,820	14,820	-	91,482	16.20
12/31/2016	14,111	14,111	-	87,106	16.20

City of Albertville, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2025

Notes to the Required Supplementary Information - Police and Fire Fund

Changes in Actuarial Assumptions

2025 - Assumed rates of salary increases were reduced slightly. Assumed rates of retirement were adjusted, resulting in an overall increase in unreduced (full) retirements and an overall increase in reduced (early) retirements. Assumed rates of withdrawal were modified; the new rates will increase predicted terminations, especially in the first few years of employment. Assumed rates of disabled retirement were significantly increased, especially for ages over age 30. Continued use of Pub-2010 Public Safety Mortality Table with rates adjusted to better fit observed experience. Percent married assumption for female retirees lowered from 70% to 65%. Minor changes were made to form of payment assumptions for retirees. Minor changes were made to assumptions made with respect to missing participant data. The combined service annuity load changed from 33% to 13% for vested, terminated members and from 2% to 38% for non-vested, terminated members.

2024 - There were no changes in actuarial assumptions since the previous valuation.

2023 - The investment return assumption was changed from 6.5 percent to 7.0 percent. The single discount rate changed from 5.4 percent to 7.0 percent.

2022 - The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021. The single discount rate changed from 6.50 percent to 5.40 percent.

2021 - The investment return and single discount rates were changed from 7.5 percent to 6.5 percent, for financial reporting purposes. The inflation assumption was changed from 2.5 percent to 2.25 percent. The payroll growth assumption was changed from 3.25 percent to 3.0 percent. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020. The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020). Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates. Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements. Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations. Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities. Assumed percent married for active female members was changed from 60.0 percent to 70.0 percent. Minor changes to form of payment assumptions were applied.

2020 - The mortality projection scale was changed from MP-2018 to MP-2019.

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - The mortality projection scale was changed from MP-2016 to MP-2017.

2017 - Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The Combined Service Annuity (CSA) load was 30 percent for vested and non-vested deferred members. The CSA has been changed to 33 percent for vested members and 2 percent for non-vested members. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees. Assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall. Assumed percentage of married female members was decreased from 65 percent to 60 percent. Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females. The assumed percentage of female members electing joint and survivor annuities was increased. The assumed post-retirement benefit increase rate was changed from 1.0 percent for all years to 1.0 percent per year through 2064 and 2.5 percent thereafter. The single discount rate was changed from 5.6 percent to 7.5 percent.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2037 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 5.6 percent. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.5 percent for inflation.

City of Albertville, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2025

Notes to the Required Supplementary Information - Police and Fire Fund (Continued)

Changes in Plan Provisions

2025 - The period of time needed for benefit recipients to receive their first benefit increase was reduced by one year (from 36 months to 24 months for a full increase). The January 1, 2026 benefit increase changed from 1% to 3%; subsequent January 1 increases will be 1%. The threshold to end the \$9 million annual state aid contribution changed from the earlier of July 1, 2048 or 90% funded for both PERA Police & Fire and MSRS State Patrol for three consecutive years to 100% funded for both PERA Police & Fire and MSRS State Patrol for three consecutive years (on an actuarial value of assets basis). The threshold to end the additional \$9 million annual state aid contribution changed from the earlier of July 1, 20248 or 100% funded for a minimum of three consecutive years to 110% funded for a minimum of three consecutive years (on an actuarial value of assets basis). An additional \$17.7 million in direct state aid will be paid annually each October 1 beginning October 1, 2025 through June 30, 2048. Joint and survivor actuarial equivalent factors were updated to reflect changes in assumptions.

2024 - The State contribution of \$9.0 million per year will continue until the earlier of 1) both the Police and Fire Plan and the State Patrol Retirement Fund attain 90.0 percent funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90.0 percent funded status for one year. The additional \$9.0 million contribution will continue until the Police and Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

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

2022 - There were no changes in plan provisions since the previous valuation.

2021 - There were no changes in plan provisions since the previous valuation.

2020 - There were no changes in plan provisions since the previous valuation.

2019 - There were no changes in plan provisions since the previous valuation.

2018 - As set by statute, the assumed post-retirement benefit increase was changed from 1.0 percent per year through 2064 and 2.5 percent per year, thereafter, to 1.0 percent for all years, with no trigger. An end date of July 1, 2048 was added to the existing \$9 million state contribution. New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9 million thereafter until the plan reaches 100 percent funding, or July 1, 2048, if earlier. Member contributions were changed from 10.8 percent to 11.3 percent of pay, effective January 1, 2019 and 11.8 percent of pay, effective January 1, 2020. Employer contributions were changed from 16.2 percent to 16.95 percent of pay, effective January 1, 2019 and 17.7 percent of pay, effective January 1, 2020. Interest credited on member contributions decreased from 4.0 percent to 3.0 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.0 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 - Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The combined service annuity (CSA) load was 30.0 percent for vested and non-vested, deferred members. The CSA has been changed to 33.0 percent for vested members and 2.0 percent for non-vested members. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees. Assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall. Assumed percentage of married female members was decreased from 65.0 percent to 60.0 percent. Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females. The assumed percentage of female members electing joint and survivor annuities was increased. The assumed postretirement benefit increase rate was changed from 1.0 percent for all years to 1.0 percent per year through 2064 and 2.5 percent thereafter. The single discount rate was changed from 5.6 percent per annum to 7.5 percent per annum.

2016 - There were no changes in plan provisions since the previous valuation.

City of Albertville, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2025

Schedule of Changes in the Fire Relief Association's Net Pension Liability (Asset) and Related Ratios

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service cost	\$ 54,120	\$ 49,874	\$ 50,134	\$ 42,301	\$ 33,673	\$ 32,852	\$ 32,747	\$ 29,490	\$ 15,570	\$ 16,177
Interest on pension liability (asset)	74,821	40,601	37,634	33,394	33,067	34,839	31,217	27,065	30,956	32,273
Changes of benefit terms	-	209,864	43,852	108,435	77,330	-	37,505	40,146	104,288	-
Gain or loss	-	-	(19,589)	-	(3,488)	-	(5,308)	-	(40,750)	-
Changes of assumptions	-	-	(13,630)	-	10,363	-	(9,656)	-	(21,365)	-
Benefit payments	(109,000)	(150,232)	(75,000)	(139,338)	(46,480)	(155,000)	-	(33,851)	(41,296)	(127,238)
Net Change in Total Pension Liability	19,941	150,107	23,401	44,792	104,465	(87,309)	86,505	62,850	47,403	(78,788)
Total Pension Liability - January 1	913,545	763,438	740,037	695,245	590,780	678,089	591,584	528,734	481,331	560,119
Total Pension Liability - December 31 (a)	\$ 933,486	\$ 913,545	\$ 763,438	\$ 740,037	\$ 695,245	\$ 590,780	\$ 678,089	\$ 591,584	\$ 528,734	\$ 481,331
Plan Fiduciary Net Position										
Employer contributions	\$ 39,324	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonemployer contributions	162,670	134,452	111,566	95,777	88,875	79,430	67,699	65,732	69,454	65,940
Projected investment return	66,550	53,939	56,172	53,250	-	46,140	44,300	37,625	45,246	46,826
Asset Gain or Loss	39,425	44,081	(207,778)	10,344	86,458	107,361	(85,101)	48,772	(15,836)	(53,155)
Benefit payments	(109,000)	(150,232)	(75,000)	(139,338)	(46,480)	(155,000)	-	(33,851)	(41,296)	(127,238)
Administrative expenses	(1,740)	(1,528)	(1,498)	(1,810)	(1,498)	(2,513)	(2,182)	(3,204)	(2,835)	-
Other	(6,540)	-	-	-	6,966	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	190,689	80,712	(116,538)	18,223	134,321	75,418	24,716	115,074	54,733	(67,627)
Plan Fiduciary Net Position - January 1	1,070,084	989,372	1,105,910	1,087,687	953,366	877,948	853,232	738,158	683,425	751,052
Plan Fiduciary Net Position - December 31 (b)	\$ 1,260,773	\$ 1,070,084	\$ 989,372	\$ 1,105,910	\$ 1,087,687	\$ 953,366	\$ 877,948	\$ 853,232	\$ 738,158	\$ 683,425
Fire Reliefs Net Pension Liability (Asset) - December 31 (a-b)	\$ (327,287)	\$ (156,539)	\$ (225,934)	\$ (365,873)	\$ (392,442)	\$ (362,586)	\$ (199,859)	\$ (261,648)	\$ (209,424)	\$ (202,094)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (b/a)	135.06%	117.14%	129.59%	149.44%	156.45%	161.37%	129.47%	144.23%	139.61%	141.99%
Covered-employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fire Reliefs Net Pension Liability (Asset) as a Percentage of Covered-employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

City of Albertville, Minnesota
 Required Supplementary Information (Continued)
 For the Year Ended December 31, 2025

Schedule of Employer's Fire Relief Association Contributions

Year Ending	Actuarial Determined Contribution (a)	Actual Contributions Paid (b)	Contribution Deficiency (Excess) (a-b)
12/31/25	\$ 188,214	\$ 188,214	\$ -
12/31/24	162,670	162,670	-
12/31/23	131,452	131,452	-
12/31/22	110,566	110,566	-
12/31/21	91,777	91,777	-
12/31/20	92,750	92,750	-
12/31/19	93,326	93,326	-
12/31/18	65,732	65,732	-
12/31/17	64,732	64,732	-
12/31/16	47,401	47,401	-

City of Albertville, Minnesota
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended December 31, 2025

	2025		
	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget
Revenues			
Taxes	\$ 3,073,994	\$ 3,113,128	\$ 39,134
Licenses and permits	263,000	463,552	200,552
Intergovernmental	322,850	542,736	219,886
Charges for services	868,961	1,260,962	392,001
Fines and forfeitures	-	32,441	32,441
Special assessments	-	67,044	67,044
Investment earnings	-	148,654	148,654
Miscellaneous	25,000	187,117	162,117
Total Revenues	<u>4,553,805</u>	<u>5,815,634</u>	<u>1,261,829</u>
Expenditures			
Current			
General government	1,039,704	1,306,386	(266,682)
Public safety	2,286,635	2,432,094	(145,459)
Public works	604,876	713,381	(108,505)
Culture and recreation	617,590	858,873	(241,283)
Economic development	5,000	19,928	(14,928)
Total Expenditures	<u>4,553,805</u>	<u>5,330,662</u>	<u>(776,857)</u>
Net Change in Fund Balances	-	484,972	484,972
Fund Balances, January 1	<u>2,839,229</u>	<u>2,839,229</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 2,839,229</u>	<u>\$ 3,324,201</u>	<u>\$ 484,972</u>

The notes to the financial statements are an integral part of this statement.

City of Albertville, Minnesota
 Required Supplementary Information (Continued)
 For the Year Ended December 31, 2025

Notes to the Required Supplementary Information - Budgetary Reporting

A. Budgetary Comparison Schedule

The budgetary comparison schedule presents the comparison of the original and legally amended budget with actual amounts on a departmental level for the General funds. The departmental level budgets are adopted on a basis consistent with generally accepted accounting principles. The fund balance reports revenue in the period in which it becomes measurable and available.

B. Excess of Expenditures Over Appropriations

For the year ended December 31, 2025, expenditures exceeded appropriations in the following funds:

Fund	Final Budget	Actual	Excess of Expenditures Over Appropriations
General	\$ 4,553,805	\$ 5,330,662	\$ 776,857

These excess expenditures were funded by revenues in excess of budget.

C. Summary of Significant Budget Variances

The General fund revenues and expenditures varied significantly from final budget amounts as noted below:

Revenues

- Licenses and permits revenue exceeded final budgeted amounts due to more housing development revenue than anticipated at the time of final budget approval.
- Intergovernmental revenue exceeded the final budgeted amounts due to the fire state aid received during the year.
- Fines and forfeitures, special assessments and investment earnings are unbudgeted. These line items also contributed to the positive revenue budget variance.

Expenditures

- General government expenditures were over the final budgeted amounts due to general engineering fees associated with the city’s various projects being greater than anticipated.
- Public Safety expenditures were over final budgeted amounts due to the fire state aid pass-through payment during the year.

D. Budgetary Compliance

There were no budgetary compliance violations for the fiscal year ending December 31, 2025.

THIS PAGE IS LEFT
BLANK INTENTIONALLY

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

CITY OF ALBERTVILLE
ALBERTVILLE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2025

THIS PAGE IS LEFT
BLANK INTENTIONALLY

NONMAJOR GOVERNMENTAL FUNDS

CITY OF ALBERTVILLE
ALBERTVILLE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2025

City of Albertville, Minnesota
 Nonmajor Governmental Funds
 Combining Balance Sheet
 December 31, 2025

	Special Revenue	Capital Projects	Debt Service	Total Nonmajor Funds
Assets				
Cash and temporary investments	\$ 308,818	\$ 1,800,788	\$ 1,550,861	\$ 3,660,467
Receivables				
Special assessments	-	-	235,789	235,789
Interest	-	-	2,731	2,731
Notes	-	-	512,038	512,038
	<u>\$ 308,818</u>	<u>\$ 1,800,788</u>	<u>\$ 2,301,419</u>	<u>\$ 4,411,025</u>
Liabilities				
Advances from other funds	\$ -	\$ 991,929	\$ -	\$ 991,929
Deferred Inflows of Resources				
Unavailable revenue - special assessments		-	235,789	235,789
Unavailable revenue - notes		-	512,038	512,038
Total Deferred Inflows of Resources		<u>-</u>	<u>747,827</u>	<u>747,827</u>
Fund Balances				
Restricted	132,197	1,792,488	1,553,592	3,478,277
Committed	176,621	-	-	176,621
Unassigned	-	(983,629)	-	(983,629)
Total Fund Balances	<u>308,818</u>	<u>808,859</u>	<u>1,553,592</u>	<u>2,671,269</u>
Total Liabilities and Fund Balances	<u>\$ 308,818</u>	<u>\$ 1,800,788</u>	<u>\$ 2,301,419</u>	<u>\$ 4,411,025</u>

City of Albertville, Minnesota
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 For the Year Ended December 31, 2025

	Special Revenue	Capital Projects	Formerly Major Fund Debt Service	Total Nonmajor Funds
Revenues				
Property taxes	\$ -	\$ -	\$ 314,043	\$ 314,043
Tax increments	-	592,052	-	592,052
Intergovernmental	1,551	-	-	1,551
Charges for service	-	354,109	-	354,109
Special assessments	-	-	42,523	42,523
Investment earnings	8,998	68,386	42,018	119,402
Miscellaneous	129,386	-	73,148	202,534
Total Revenues	<u>139,935</u>	<u>1,014,547</u>	<u>471,732</u>	<u>1,626,214</u>
Expenditures				
Current				
General government	1,200	-	-	1,200
Economic development	-	688,750	-	688,750
Capital outlay				
Culture and recreation	256,679	-	-	256,679
Debt service				
Principal	-	-	593,000	593,000
Interest	-	8,781	28,114	36,895
Total Expenditures	<u>257,879</u>	<u>697,531</u>	<u>621,114</u>	<u>1,576,524</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(117,944)</u>	<u>317,016</u>	<u>(149,382)</u>	<u>49,690</u>
Other Financing Sources (Uses)				
Transfers in	-	14,018	1,114,189	1,128,207
Bond issuance	-	-	166,353	166,353
Transfers out	-	-	(2,344,124)	(2,344,124)
Total Other Financing Sources (Uses)	<u>-</u>	<u>14,018</u>	<u>(1,063,582)</u>	<u>(1,049,564)</u>
Special Item				
Decrease in land held for resale	-	-	-	-
Net Change in Fund Balances	<u>(117,944)</u>	<u>331,034</u>	<u>(1,212,964)</u>	<u>(999,874)</u>
Fund Balances, January 1, as previously stated	426,762	477,825	-	904,587
Change within financial reporting entity	-	-	2,766,556	2,766,556
Fund balance, January 1, as adjusted	<u>426,762</u>	<u>477,825</u>	<u>2,766,556</u>	<u>3,671,143</u>
Fund Balances, December 31	<u>\$ 308,818</u>	<u>\$ 808,859</u>	<u>\$ 1,553,592</u>	<u>\$ 2,671,269</u>

THIS PAGE IS LEFT
BLANK INTENTIONALLY

NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are established to account for specific revenue or other sources that are designated for financing particular functions or activities as required by regulations, Minnesota statute, City charter provisions, local ordinances, or specific grant agreements. Most of the special revenue funds are related to specific Federal and State housing programs or grants for specific activities.

Economic Development Loan - This fund accounts for the accumulation of resources and payments made for the Economic Development Loan activity.

Election Resources - This fund accounts for funding some of the voter operations for cities that manage their own absentee voting. Monies are received from the state annually based on the number of voters the city serves for administration of absentee voting.

Charitable Gambling - This fund was created for the purposes of managing and directing funds to support public welfare initiatives and community-based projects that align with the goals of promoting social good, health, education, and other charitable endeavors within the city.

City of Albertville, Minnesota
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 December 31, 2025

	104 Economic Development Loan Fund	207 Election Resources	208 Charitable Gambling	Total
Assets				
Cash and temporary investments	<u>\$ 174,671</u>	<u>\$ 1,950</u>	<u>\$ 132,197</u>	<u>\$ 308,818</u>
Fund Balances				
Restricted	-	-	132,197	132,197
Committed	<u>174,671</u>	<u>1,950</u>	<u>-</u>	<u>176,621</u>
Total Fund Balances	<u>174,671</u>	<u>1,950</u>	<u>132,197</u>	<u>308,818</u>
Total Liabilities and Fund Balances	<u>\$ 174,671</u>	<u>\$ 1,950</u>	<u>\$ 132,197</u>	<u>\$ 308,818</u>

City of Albertville, Minnesota
 Nonmajor Special Revenue Funds
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 For the Year Ended December 31, 2025

	104 Economic Development Loan Fund	207 Election Resources	208 Charitable Gambling	Total
Revenues				
Intergovernmental	\$ -	\$ 1,551	\$ -	\$ 1,551
Investment earnings	8,998	-	-	8,998
Miscellaneous	-	-	129,386	129,386
Total Revenues	<u>8,998</u>	<u>1,551</u>	<u>129,386</u>	<u>139,935</u>
Expenditures				
Current				
General government	-	1,200	-	1,200
Capital outlay				
Culture and recreation	-	-	256,679	256,679
Total Expenditures	<u>-</u>	<u>1,200</u>	<u>256,679</u>	<u>257,879</u>
Net Change in Fund Balances	8,998	351	(127,293)	(117,944)
Fund Balances, January 1	<u>165,673</u>	<u>1,599</u>	<u>259,490</u>	<u>426,762</u>
Fund Balances, December 31	<u>\$ 174,671</u>	<u>\$ 1,950</u>	<u>\$ 132,197</u>	<u>\$ 308,818</u>

THIS PAGE IS LEFT
BLANK INTENTIONALLY

NONMAJOR CAPITAL PROJECTS FUNDS

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

Park – This fund accounts for the accumulation of resources and payments made for the construction of park improvements. Park dedication fees, contributions and donations as well as interest are the main financing sources.

TIF #7 Senior Housing - This fund was created to facilitate the construction of the Senior Housing project within the City. This fund accounts for the financial activity related to that project.

TIF #12 Schultz & Schupp - This fund was created to facilitate the Schultz & Schupp project within the City. This fund accounts for the financial activity related to that project.

TIF #15 Guardian Angels - This fund was created to facilitate the Fraser Steel project within the City. This fund accounts for the financial activity related to that project.

TIF #16 Mold Tech - This fund was created to facilitate the Mold Tech project within the City. This fund accounts for the financial activity related to that project.

TIF #17 Old Castle - This fund accounts for the accumulation of resources and payments made for the Old Castle project.

TIF #18 AVA – This fund was created to facilitate the Advanced Volumetric Alliance project within the City. This fund accounts for the financial activity related to that project.

TIF #19 Fehn - This fund was created to facilitate the Fehn project within the City. This fund accounts for the financial activity related to that project.

TIF #20 Scherer Brothers – This fund accounts for the accumulation of resources and payments made for the TIF #20 project.

TIF #21 Medart – This fund was created to facilitate the Medart project within the city. This fund accounts for the financial activity related to that project.

TIF #22 Mold Tech - This fund was created to facilitate the continued Mold Tech project within the City. This fund accounts for the financial activity related to that project.

TIF #23 Guardian Angels Engel Haus - This fund was created to facilitate the Engel Haus project within the City. This fund accounts for the financial activity related to that project.

City of Albertville, Minnesota
 Nonmajor Capital Projects Funds
 Combining Balance Sheet
 December 31, 2025

	201	407	412	415	416
	Park Fund	TIF #7 Senior Housing	TIF #12 Schultz & Schupp	TIF #15 Guardian Angels	TIF #16 Mold Tech
Assets					
Cash and temporary investments	<u>\$ 1,417,408</u>	<u>\$ 66,914</u>	<u>\$ -</u>	<u>\$ 115,787</u>	<u>\$ -</u>
Liabilities					
Advances from other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 420</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances					
Restricted	1,417,408	66,914	-	115,787	-
Unassigned	-	-	(420)	-	-
Total Fund Balances	<u>1,417,408</u>	<u>66,914</u>	<u>(420)</u>	<u>115,787</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 1,417,408</u>	<u>\$ 66,914</u>	<u>\$ -</u>	<u>\$ 115,787</u>	<u>\$ -</u>

417 TIF #17 Old Castle	418 TIF #18 AVA	419 TIF #19 Fehn	420 TIF #20 Scherer Brothers	421 TIF #21 Medart	422 TIF #22 Mold Tech	423 TIF #23 Guardian Angels Engel Haus	Total
<u>\$ 5,327</u>	<u>\$ 171,414</u>	<u>\$ 20,965</u>	<u>\$ 2,973</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,800,788</u>
<u>\$ 175,019</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 543,169</u>	<u>\$ 10,239</u>	<u>\$ 248,513</u>	<u>\$ 14,569</u>	<u>\$ 991,929</u>
-	171,414	20,965	-	-	-	-	1,792,488
<u>(169,692)</u>	<u>-</u>	<u>-</u>	<u>(540,196)</u>	<u>(10,239)</u>	<u>(248,513)</u>	<u>(14,569)</u>	<u>(983,629)</u>
<u>(169,692)</u>	<u>171,414</u>	<u>20,965</u>	<u>(540,196)</u>	<u>(10,239)</u>	<u>(248,513)</u>	<u>(14,569)</u>	<u>808,859</u>
<u>\$ 5,327</u>	<u>\$ 171,414</u>	<u>\$ 20,965</u>	<u>\$ 2,973</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,800,788</u>

City of Albertville, Minnesota
Nonmajor Capital Projects Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended December 31, 2025

	201	407	412	415	416
	Park Fund	TIF #7 Senior Housing	TIF #12 Schultz & Schupp	TIF #15 Guardian Angels	TIF #16 Mold Tech
Revenues					
Tax increments	\$ -	\$ -	\$ -	\$ 105,131	\$ -
Charges for services	354,109	-	-	-	-
Investment earnings	58,719	3,327	-	3,646	-
Total Revenues	<u>412,828</u>	<u>3,327</u>	<u>-</u>	<u>108,777</u>	<u>-</u>
Expenditures					
Current					
Economic development	-	33,099	-	91,842	14,018
Debt service					
Interest	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>33,099</u>	<u>-</u>	<u>91,842</u>	<u>14,018</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	412,828	(29,772)	-	16,935	(14,018)
Other Financing Sources					
Transfers in	-	-	-	-	14,018
Net Change in Fund Balances	412,828	(29,772)	-	16,935	-
Fund Balances, January 1	<u>1,004,580</u>	<u>96,686</u>	<u>(420)</u>	<u>98,852</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 1,417,408</u>	<u>\$ 66,914</u>	<u>\$ (420)</u>	<u>\$ 115,787</u>	<u>\$ -</u>

417 TIF #17 Old Castle	418 TIF #18 AVA	419 TIF #19 Fehn	420 TIF #20 Scherer Brothers	421 TIF #21 Medart	422 TIF #22 Mold Tech	423 TIF #23 Guardian Angels Engel Haus	Total
\$ 67,935	\$ 283,328	\$ 38,378	\$ 94,831	\$ 2,449	\$ -	\$ -	\$ 592,052
-	-	-	-	-	-	-	354,109
2,453	-	-	241	-	-	-	68,386
<u>70,388</u>	<u>283,328</u>	<u>38,378</u>	<u>95,072</u>	<u>2,449</u>	<u>-</u>	<u>-</u>	<u>1,014,547</u>
-	251,179	34,730	-	800	248,513	14,569	688,750
8,781	-	-	-	-	-	-	8,781
<u>8,781</u>	<u>251,179</u>	<u>34,730</u>	<u>-</u>	<u>800</u>	<u>248,513</u>	<u>14,569</u>	<u>697,531</u>
61,607	32,149	3,648	95,072	1,649	(248,513)	(14,569)	317,016
-	-	-	-	-	-	-	14,018
61,607	32,149	3,648	95,072	1,649	(248,513)	(14,569)	331,034
(231,299)	139,265	17,317	(635,268)	(11,888)	-	-	477,825
<u>\$ (169,692)</u>	<u>\$ 171,414</u>	<u>\$ 20,965</u>	<u>\$ (540,196)</u>	<u>\$ (10,239)</u>	<u>\$ (248,513)</u>	<u>\$ (14,569)</u>	<u>\$ 808,859</u>

City of Albertville, Minnesota
Statement of Net Position
Nonmajor Proprietary Funds
December 31, 2025

	Business-type Activities - Enterprise Funds		
	Storm Water	Recycling	Total Nonmajor Funds
Assets			
Current Assets			
Cash and temporary investments	\$ 1,277,808	\$ 68,112	\$ 1,345,920
Receivables			
Accounts	24,557	13,858	38,415
Delinquent special assessments	18	-	18
Special assessments, current portion	2,831	1,221	4,052
Prepaid items	1,851	-	1,851
Total Current Assets	1,307,065	83,191	1,390,256
Capital Assets			
Land	146,112	-	146,112
Infrastructure	1,509,297	-	1,509,297
Vehicles	69,177	-	69,177
Less: Accumulated depreciation	(570,162)	-	(570,162)
Net Capital Assets	1,154,424	-	1,154,424
Total Noncurrent Assets	1,154,424	-	1,154,424
Total Assets	2,461,489	83,191	2,544,680
Deferred Outflows of Resources			
Deferred pension resources	19,643	23	19,666
Liabilities			
Current Liabilities			
Accounts and contracts payable	5,648	13,037	18,685
Due to other governments	10,000	-	10,000
Accrued salaries payable	2,704	112	2,816
Compensated absences payable, current portion	7,167	-	7,167
Total Current Liabilities	25,519	13,149	38,668
Noncurrent Liabilities			
Compensated absences payable	15,641	-	15,641
Net pension liability	59,116	1,208	60,324
Total Noncurrent Liabilities	74,757	1,208	75,965
Total Liabilities	100,276	14,357	114,633
Deferred Inflows of Resources			
Deferred pension resources	35,161	35	35,196
Net Position			
Investment in capital assets	1,154,424	-	1,154,424
Unrestricted	1,191,271	68,822	1,260,093
Total Net Position	\$ 2,345,695	\$ 68,822	\$ 2,414,517

The notes to the financial statements are an integral part of this statement.

City of Albertville, Minnesota
Statement of Revenues, Expenses and
Changes in Net Position
Nonmajor Proprietary Funds
For the Year Ended December 31, 2025

	Business-type Activities - Enterprise Funds		
	Storm Water	Recycling	Total Nonmajor Funds
Operating Revenues			
Charges for services	\$ 308,053	\$ 176,637	\$ 484,690
Operating Expenses			
Personal services	202,428	10,681	213,109
Supplies	124	62	186
Professional services	62,303	4,738	67,041
Insurance	1,876	-	1,876
Repairs and maintenance	158	-	158
Depreciation	37,139	-	37,139
Other charges	6,471	153,794	160,265
Total Operating Expenses	<u>310,499</u>	<u>169,275</u>	<u>479,774</u>
Operating Income (Loss)	<u>(2,446)</u>	<u>7,362</u>	<u>4,916</u>
Nonoperating Revenues (Expenses)			
Interest income	64,205	3,829	68,034
Intergovernmental	-	2,588	2,588
Total Nonoperating Revenues (Expenses)	<u>64,205</u>	<u>6,417</u>	<u>70,622</u>
Change in Net Position	61,759	13,779	75,538
Net Position, January 1	<u>2,283,936</u>	<u>55,043</u>	<u>2,338,979</u>
Net Position, December 31	<u>\$ 2,345,695</u>	<u>\$ 68,822</u>	<u>\$ 2,414,517</u>

The notes to the financial statements are an integral part of this statement.

THIS PAGE IS LEFT
BLANK INTENTIONALLY

City of Albertville, Minnesota
Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended December 31, 2025

	Business-type Activities - Enterprise Funds		
	Storm Water	Recycling	Total Nonmajor Funds
Cash Flows from Operating Activities			
Receipts from customers and users	\$ 303,659	\$ 163,042	\$ 466,701
Payments to suppliers	(57,557)	(145,915)	(203,472)
Payments to employees	(228,113)	(10,657)	(238,770)
Net Cash Provided by (Used) Operating Activities	<u>17,989</u>	<u>6,470</u>	<u>24,459</u>
Cash Flows from Noncapital Financing Activities			
Advance to other funds	36,000	-	36,000
Intergovernmental receipts	-	2,588	2,588
Net Cash Provided by Noncapital Financing Activities	<u>36,000</u>	<u>2,588</u>	<u>38,588</u>
Cash Flows from Investing Activities			
Interest received on investments	<u>64,205</u>	<u>3,829</u>	<u>68,034</u>
Net Increase (Decrease) in Cash and Cash Equivalents	118,194	12,887	131,081
Cash and Cash Equivalents, January 1	<u>1,159,614</u>	<u>55,225</u>	<u>1,214,839</u>
Cash and Cash Equivalents, December 31	<u>\$ 1,277,808</u>	<u>\$ 68,112</u>	<u>\$ 1,345,920</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities			
Operating income (loss)	\$ (2,446)	\$ 7,362	\$ 4,916
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation	37,139	-	37,139
(Increase) decrease in assets/deferred outflows of resources			
Accounts receivable	(1,581)	(12,390)	(13,971)
Prepays	454	-	454
Due from other governments	-	2,588	2,588
Special assessments receivable	(2,813)	(1,205)	(4,018)
Deferred pension resources	(2,751)	-	(2,751)
Increase (decrease) in liabilities/deferred inflows of resources			
Accounts payable	2,921	12,679	15,600
Due to other governments	10,000	-	10,000
Accrued salaries payable	860	24	884
Unearned revenue	-	(2,588)	(2,588)
Compensated absences payable	(15,868)	-	(15,868)
Net pension liability	(3,913)	-	(3,913)
Deferred pension resources	<u>(4,013)</u>	<u>-</u>	<u>(4,013)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 17,989</u>	<u>\$ 6,470</u>	<u>\$ 24,459</u>

The notes to the financial statements are an integral part of this statement.

City of Albertville, Minnesota
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget to Actual (Continued on the Following Pages)
For the Year Ended December 31, 2025

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget
Revenues			
Taxes			
General property taxes	\$ 2,721,294	\$ 2,712,400	\$ (8,894)
Franchise fees	352,700	400,728	48,028
Total	<u>3,073,994</u>	<u>3,113,128</u>	<u>39,134</u>
Licenses and permits			
Business	60,500	81,977	21,477
Non-business	202,500	381,575	179,075
Total licenses and permits	<u>263,000</u>	<u>463,552</u>	<u>200,552</u>
Intergovernmental			
State			
Local government aid	261,315	261,317	2
Property tax credits	-	173	173
Other	61,535	281,246	219,711
Total intergovernmental	<u>322,850</u>	<u>542,736</u>	<u>219,886</u>
Charges for services			
General government	137,463	223,127	85,664
Public safety	714,498	714,498	-
Culture and recreation	17,000	323,337	306,337
Total charges for services	<u>868,961</u>	<u>1,260,962</u>	<u>392,001</u>
Fines and forfeitures	-	32,441	32,441
Special assessments	-	67,044	67,044
Investment earnings	-	148,654	148,654
Miscellaneous			
Other	25,000	14,622	(10,378)
Refunds and reimbursements	-	172,495	172,495
Total miscellaneous	<u>25,000</u>	<u>187,117</u>	<u>162,117</u>
Total Revenues	<u>4,553,805</u>	<u>5,815,634</u>	<u>1,261,829</u>

City of Albertville, Minnesota
 General Fund
 Schedule of Revenues, Expenditures and
 Changes in Fund Balances - Budget and Actual (Continued)
 For the Year Ended December 31, 2025

	<u>Budgeted Amounts</u> <u>Final</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
Expenditures			
Current			
General government			
Legislative			
Personal services	\$ 27,128	\$ 27,376	\$ (248)
Supplies	2,500	475	2,025
Other services and charges	28,500	29,996	(1,496)
Total legislative	<u>58,128</u>	<u>57,847</u>	<u>281</u>
Administration			
Personal services	184,349	183,950	399
Supplies	5,000	964	4,036
Other services and charges	19,600	19,753	(153)
Total administration	<u>208,949</u>	<u>204,667</u>	<u>4,282</u>
City clerk			
Personal services	100,990	106,879	(5,889)
Supplies	12,100	9,613	2,487
Other services and charges	54,800	51,149	3,651
Total city clerk	<u>167,890</u>	<u>167,641</u>	<u>249</u>
Elections and voter registration			
Other services and charges	27,000	2,549	24,451
Total elections and voter registration	<u>27,000</u>	<u>2,549</u>	<u>24,451</u>
Treasurer			
Personal services	114,781	112,474	2,307
Supplies	8,600	3,384	5,216
Other services and charges	25,500	27,559	(2,059)
Total treasurer	<u>148,881</u>	<u>143,417</u>	<u>5,464</u>
Assessing			
Other services and charges	50,000	46,281	3,719
Legal			
Other services and charges	30,000	60,969	(30,969)

City of Albertville, Minnesota
 General Fund
 Schedule of Revenues, Expenditures and
 Changes in Fund Balances - Budget and Actual (Continued)
 For the Year Ended December 31, 2025

	<u>Budgeted Amounts</u> <u>Final</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
Expenditures (Continued)			
Current (continued)			
General government (continued)			
Engineering			
Other services and charges	\$ 35,000	\$ 210,082	\$ (175,082)
Miscellaneous			
Personal services	27,049	21,449	5,600
Supplies	-	64	(64)
Other services and charges	286,807	391,420	(104,613)
Total miscellaneous	<u>313,856</u>	<u>412,933</u>	<u>(99,077)</u>
Total general government	<u>1,039,704</u>	<u>1,306,386</u>	<u>(266,682)</u>
Public safety			
Police protection			
Other services and charges	<u>1,237,746</u>	<u>1,204,500</u>	<u>33,246</u>
Fire protection			
Personal services	533,616	723,113	(189,497)
Supplies	31,700	25,733	5,967
Other services and charges	160,085	162,129	(2,044)
Total fire protection	<u>725,401</u>	<u>910,975</u>	<u>(185,574)</u>
Protective inspection			
Personal services	297,888	297,683	205
Supplies	3,500	1,345	2,155
Other services and charges	14,100	10,009	4,091
Total protective inspection	<u>315,488</u>	<u>309,037</u>	<u>6,451</u>
Animal control			
Other services and charges	<u>8,000</u>	<u>7,582</u>	<u>418</u>
Total public safety	<u>2,286,635</u>	<u>2,432,094</u>	<u>(145,459)</u>

City of Albertville, Minnesota
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Continued)
For the Year Ended December 31, 2025

	<u>Budgeted Amounts</u> <u>Final</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
Expenditures (Continued)			
Current (continued)			
Public works			
Streets			
Personal services	\$ 372,386	\$ 325,502	\$ 46,884
Supplies	37,000	51,839	(14,839)
Other services and charges	81,490	233,749	(152,259)
Total streets	<u>490,876</u>	<u>611,090</u>	<u>(120,214)</u>
Street lighting			
Other services and charges	<u>114,000</u>	<u>102,291</u>	<u>11,709</u>
Total public works	<u>604,876</u>	<u>713,381</u>	<u>(108,505)</u>
Culture and recreation			
Parks			
Personal services	421,105	352,857	68,248
Supplies	36,750	34,538	2,212
Other services and charges	159,735	169,571	(9,836)
Total parks	<u>617,590</u>	<u>556,966</u>	<u>60,624</u>
Arena			
Personal services	<u>-</u>	<u>301,907</u>	<u>(301,907)</u>
Total culture and recreation	<u>617,590</u>	<u>858,873</u>	<u>(241,283)</u>
Economic development			
Other services and charges	<u>5,000</u>	<u>19,928</u>	<u>(14,928)</u>
Total Expenditures	<u>4,553,805</u>	<u>5,330,662</u>	<u>(776,857)</u>
Net Change in Fund Balances	-	484,972	484,972
Fund Balances, January 1	<u>2,839,229</u>	<u>2,839,229</u>	-
Fund Balances, December 31	<u>\$ 2,839,229</u>	<u>\$ 3,324,201</u>	<u>\$ 484,972</u>

City of Albertville, Minnesota
Debt Service Fund
Combining Balance Sheet
December 31, 2025

	357	358	359	360
	2003A	2011C	2012B	CSAH 19
	G.O.	G.O. CIP	G.O. CIP	2012A
	<u>Improvement</u>	<u>Refunding</u>	<u>Refunding</u>	<u>G.O. Improv.</u>
				<u>Refunding</u>
Assets				
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -
Receivables				
Special assessments	-	-	-	-
Interest	-	-	-	-
Notes	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Deferred Inflows of Resources				
Unavailable revenue - special assessments	\$ -	\$ -	\$ -	\$ -
Unavailable revenue - notes/intergovernmental	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Restricted				
Debt service	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources and Fund Balances	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

361 Lachman 2012A G.O. Improv. Refunding	362 Industrial 2012A G.O. Improv. Refunding	363 2025A Debt Service	468 CSAH 19 Interstate 94	Total
\$ -	\$ -	\$ 1,280,542	\$ 270,319	\$ 1,550,861
-	-	-	235,789	235,789
-	-	-	2,731	2,731
-	-	-	512,038	512,038
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,280,542</u>	<u>\$ 1,020,877</u>	<u>\$ 2,301,419</u>
\$ -	\$ -	\$ -	\$ 235,789	\$ 235,789
-	-	-	512,038	512,038
-	-	-	747,827	747,827
-	-	1,280,542	273,050	1,553,592
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,280,542</u>	<u>\$ 1,020,877</u>	<u>\$ 2,301,419</u>

City of Albertville, Minnesota
Debt Service Fund
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended December 31, 2025

	357	358	359	360
	2003A G.O. Improvement	2011C G.O. CIP Refunding	2012B G.O. CIP Refunding	CSAH 19 2012A G.O. Improv. Refunding
Revenues				
Property taxes	\$ -	\$ -	\$ 261,043	\$ -
Special assessments	-	-	-	-
Investment earnings	2,093	1,521	6,940	1,086
Miscellaneous	-	-	-	-
Total Revenues	<u>2,093</u>	<u>1,521</u>	<u>267,983</u>	<u>1,086</u>
Expenditures				
Debt service				
Principal	-	155,000	255,000	-
Interest and other	-	2,596	5,993	-
Total Expenditures	<u>-</u>	<u>157,596</u>	<u>260,993</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,093</u>	<u>(156,075)</u>	<u>6,990</u>	<u>1,086</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Bond issuance	-	-	-	-
Transfers out	(853,822)	(31,350)	(37,157)	(73,785)
Total Other Financing Sources (Uses)	<u>(853,822)</u>	<u>(31,350)</u>	<u>(37,157)</u>	<u>(73,785)</u>
Net Change in Fund Balances	(851,729)	(187,425)	(30,167)	(72,699)
Fund Balances, January 1	<u>851,729</u>	<u>187,425</u>	<u>30,167</u>	<u>72,699</u>
Fund Balances, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

361 Lachman 2012A G.O. Improv. Refunding	362 Industrial 2012A G.O. Improv. Refunding	363 2025A G.O. Improvement	468 CSAH 19 Interstate 94	Total
\$ -	\$ -	\$ -	\$ 53,000	\$ 314,043
-	-	-	42,523	42,523
2,901	15,114	-	12,363	42,018
-	-	-	73,148	73,148
<u>2,901</u>	<u>15,114</u>	<u>-</u>	<u>181,034</u>	<u>471,732</u>
-	-	-	183,000	593,000
-	-	-	19,525	28,114
-	-	-	202,525	621,114
<u>2,901</u>	<u>15,114</u>	<u>-</u>	<u>(21,491)</u>	<u>(149,382)</u>
-	-	1,114,189	-	1,114,189
-	-	166,353	-	166,353
<u>(197,025)</u>	<u>(1,150,985)</u>	<u>-</u>	<u>-</u>	<u>(2,344,124)</u>
<u>(197,025)</u>	<u>(1,150,985)</u>	<u>1,280,542</u>	<u>-</u>	<u>(1,063,582)</u>
(194,124)	(1,135,871)	1,280,542	(21,491)	(1,212,964)
<u>194,124</u>	<u>1,135,871</u>	<u>-</u>	<u>294,541</u>	<u>2,766,556</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,280,542</u>	<u>\$ 273,050</u>	<u>\$ 1,553,592</u>

City of Albertville, Minnesota
Combining Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2025

	Albertville Friendly City Days	Albertville Lions	STMA Ice Arena	Total Custodial Funds
Assets				
Cash and temporary investments	\$ 85,672	\$ 193,118	\$ 811,818	\$ 1,090,608
Accounts receivable	-	-	107,224	107,224
Inventory	-	-	3,078	3,078
Prepaid items	-	-	13,383	13,383
	<u>85,672</u>	<u>193,118</u>	<u>935,503</u>	<u>1,214,293</u>
Total Assets				
Liabilities				
Accounts payable	-	-	8,844	8,844
	<u>-</u>	<u>-</u>	<u>8,844</u>	<u>8,844</u>
Net Position				
Restricted for organizations and other governments	<u>\$ 85,672</u>	<u>\$ 193,118</u>	<u>\$ 926,659</u>	<u>\$ 1,205,449</u>

City of Albertville, Minnesota
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2025

	Albertville Friendly City Days	Albertville Lions	STMA Ice Arena	Total Custodial Funds
Additions				
Contributions				
Charges for services	\$ -	\$ -	\$ 830,744	\$ 830,744
Donations	-	2,250	-	2,250
Concessions	-	-	91,226	91,226
Total Contributions	<u>-</u>	<u>2,250</u>	<u>921,970</u>	<u>924,220</u>
Investment earnings	4,414	1,601	42,294	48,309
Miscellaneous	-	-	58,436	58,436
Total Additions	<u>4,414</u>	<u>3,851</u>	<u>1,022,700</u>	<u>1,030,965</u>
Deductions				
Professional services	-	41,250	360,688	401,938
Supplies	-	-	39,643	39,643
Utilities	-	-	246,653	246,653
Insurance	-	-	32,899	32,899
Repairs and maintenance	-	-	114,133	114,133
Capital outlay	-	-	33,513	33,513
Miscellaneous	-	-	26,684	26,684
Total Deductions	<u>-</u>	<u>41,250</u>	<u>854,213</u>	<u>895,463</u>
Net Increase (Decrease) in Fiduciary Net Position	4,414	(37,399)	168,487	135,502
Net Position, January 1	<u>81,258</u>	<u>230,517</u>	<u>758,172</u>	<u>1,069,947</u>
Net Position, December 31	<u>\$ 85,672</u>	<u>\$ 193,118</u>	<u>\$ 926,659</u>	<u>\$ 1,205,449</u>

THIS PAGE IS LEFT
BLANK INTENTIONALLY

STATISTICAL SECTION (UNAUDITED)

CITY OF ALBERTVILLE
ALBERTVILLE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2025

THIS PAGE IS LEFT
BLANK INTENTIONALLY

STATISTICAL SECTION (Unaudited)

This part of the City of Albertville's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

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

City of Albertville, Minnesota
Statistical Section (Unaudited)
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental Activities				
Net investment in capital assets	\$ 15,925,140	\$ 16,653,225	\$ 16,996,701	\$ 17,512,792
Restricted	3,240,957	3,543,926	3,482,527	5,398,928
Unrestricted	<u>8,260,766</u>	<u>8,191,522</u>	<u>8,651,739</u>	<u>7,289,708</u>
Total Governmental Activities Net Position	<u>\$ 27,426,863</u>	<u>\$ 28,388,673</u>	<u>\$ 29,130,967</u>	<u>\$ 30,201,428</u>
Business-type Activities				
Net investment in capital assets	\$ 8,632,306	\$ 8,717,564	\$ 9,046,737	\$ 10,922,191
Unrestricted	<u>8,856,604</u>	<u>9,562,439</u>	<u>9,489,105</u>	<u>9,102,051</u>
Total Business-type Activities Net Position	<u>\$ 17,488,910</u>	<u>\$ 18,280,003</u>	<u>\$ 18,535,842</u>	<u>\$ 20,024,242</u>
Total Primary Government				
Net investment in capital assets	\$ 24,557,446	\$ 25,370,789	\$ 26,043,438	\$ 28,434,983
Restricted	3,240,957	3,543,926	3,482,527	5,398,928
Unrestricted	<u>17,117,370</u>	<u>17,753,961</u>	<u>18,140,844</u>	<u>16,391,759</u>
Total Primary Government	<u>\$ 44,915,773</u>	<u>\$ 46,668,676</u>	<u>\$ 47,666,809</u>	<u>\$ 50,225,670</u>

Table 1

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 18,587,524	\$ 18,777,874	\$ 19,783,680	\$ 20,273,389	\$ 21,559,851	\$ 20,977,236
5,120,588	5,683,392	5,667,950	5,714,233	5,877,307	4,758,556
7,153,029	8,481,228	8,458,920	9,205,344	9,667,336	15,726,028
<u>\$ 30,861,141</u>	<u>\$ 32,942,494</u>	<u>\$ 33,910,550</u>	<u>\$ 35,192,966</u>	<u>\$ 37,104,494</u>	<u>\$ 41,461,820</u>
\$ 10,788,055	\$ 11,001,276	\$ 11,189,927	\$ 11,419,846	\$ 13,952,765	\$ 14,509,401
10,545,577	11,685,984	12,978,713	15,654,676	15,001,710	15,838,426
<u>\$ 21,333,632</u>	<u>\$ 22,687,260</u>	<u>\$ 24,168,640</u>	<u>\$ 27,074,522</u>	<u>\$ 28,954,475</u>	<u>\$ 30,347,827</u>
\$ 29,375,579	\$ 29,779,150	\$ 30,973,607	\$ 31,693,235	\$ 35,512,616	\$ 35,486,637
5,120,588	5,683,392	5,667,950	5,714,233	5,877,307	4,758,556
17,698,606	20,167,212	21,437,633	24,860,020	24,669,046	31,564,454
<u>\$ 52,194,773</u>	<u>\$ 55,629,754</u>	<u>\$ 58,079,190</u>	<u>\$ 62,267,488</u>	<u>\$ 66,058,969</u>	<u>\$ 71,809,647</u>

City of Albertville, Minnesota
Statistical Section (Unaudited)
Changes in Net Position (Continued on the Following Pages)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2016	2017	2018	2019
Expenses				
Governmental Activities				
General government	\$ 858,450	\$ 822,891	\$ 737,375	\$ 767,343
Public safety	1,602,075	1,548,674	1,529,785	1,877,457
Public works	1,631,343	1,385,420	1,757,764	1,195,560
Culture and recreation	617,041	788,338	611,258	1,069,989
Economic development	117,086	182,059	221,319	223,663
Interest on long-term debt	197,099	228,006	167,872	191,958
Total Governmental Activities Expenses	<u>5,023,094</u>	<u>4,955,388</u>	<u>5,025,373</u>	<u>5,325,970</u>
Business-type Activities				
Sewer utility	846,349	805,318	818,418	1,102,919
Water utility	418,260	369,100	411,151	451,246
Storm water utility	187,029	265,436	272,024	252,627
Recycling	94,580	95,850	106,514	118,359
Total Business-type Activities Expenses	<u>1,546,218</u>	<u>1,535,704</u>	<u>1,608,107</u>	<u>1,925,151</u>
Total Expenses	<u>\$ 6,569,312</u>	<u>\$ 6,491,092</u>	<u>\$ 6,633,480</u>	<u>\$ 7,251,121</u>
Program Revenues				
Governmental Activities				
Charges for services				
General government	\$ 437,398	\$ 630,143	\$ 608,525	\$ 544,149
Public safety	258,553	276,445	296,707	335,444
Public works	1,700	5,300	3,050	1,750
Culture and recreation	195,815	229,772	165,908	87,525
Operating grants and contributions	240,569	265,983	193,526	191,470
Capital grants and contributions	99,914	118,011	150,340	359,247
Total Governmental Activities Program Revenues	<u>1,233,949</u>	<u>1,525,654</u>	<u>1,418,056</u>	<u>1,519,585</u>
Business-type Activities				
Charges for services				
Sewer utility	786,153	848,544	868,052	866,602
Water utility	272,503	355,075	362,737	348,310
Storm water utility	222,630	213,666	211,420	209,206
Recycling	87,444	82,867	94,134	105,028
Operating grants and contributions	15,954	18,240	16,794	22,416
Capital grants and contributions	114,742	683,125	201,561	1,515,818
Total Business-Type Activities Program Revenues	<u>1,499,426</u>	<u>2,201,517</u>	<u>1,754,698</u>	<u>3,067,380</u>
Total Program Revenues	<u>\$ 2,733,375</u>	<u>\$ 3,727,171</u>	<u>\$ 3,172,754</u>	<u>\$ 4,586,965</u>

Note: The City implemented GASB Statement No. 68 and GASB Statement No. 71 in 2015. Years prior to 2015 have not been restated.

Table 2

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 1,058,803	\$ 1,154,441	\$ 1,273,530	\$ 1,257,890	\$ 1,123,145	\$ 886,140
1,941,340	1,879,989	1,989,621	2,242,841	2,743,870	2,535,309
3,185,369	1,689,856	1,598,677	2,245,612	2,261,304	2,061,492
882,232	871,722	988,150	1,147,360	1,019,553	1,277,886
237,902	227,972	1,354,800	265,896	467,423	717,656
149,493	130,847	112,596	95,580	81,151	345,999
<u>7,455,139</u>	<u>5,954,827</u>	<u>7,317,374</u>	<u>7,255,179</u>	<u>7,696,446</u>	<u>7,824,482</u>
1,111,727	1,067,137	1,348,974	1,692,252	1,700,097	1,855,391
417,826	414,208	465,093	526,850	501,642	698,131
290,418	225,386	265,392	297,395	334,065	310,499
117,364	118,432	145,939	157,099	164,830	169,275
<u>1,937,335</u>	<u>1,825,163</u>	<u>2,225,398</u>	<u>2,673,596</u>	<u>2,700,634</u>	<u>3,033,296</u>
<u>\$ 9,392,474</u>	<u>\$ 7,779,990</u>	<u>\$ 9,542,772</u>	<u>\$ 9,928,775</u>	<u>\$ 10,397,080</u>	<u>\$ 10,857,778</u>
\$ 640,044	\$ 878,311	\$ 1,190,569	\$ 380,077	\$ 506,556	\$ 716,193
458,866	435,005	471,179	521,278	616,941	715,085
4,350	4,250	2,125	1,450	4,250	115,820
301,435	1,193,567	315,636	355,279	638,737	804,855
852,421	403,935	380,209	1,071,298	793,051	2,516,176
1,324,103	677,714	1,606,812	11,930	78,896	28,356
<u>3,581,219</u>	<u>3,592,782</u>	<u>3,966,530</u>	<u>2,341,312</u>	<u>2,638,431</u>	<u>4,896,485</u>
1,072,549	1,147,984	1,010,675	1,106,098	1,181,900	1,234,470
411,854	452,529	493,578	496,765	539,850	579,156
222,281	281,058	300,772	249,451	280,350	308,053
95,461	116,919	135,717	141,778	147,327	176,637
22,273	17,930	19,637	18,581	102,826	11,271
1,203,165	1,129,841	1,818,198	2,426,134	1,096,687	641,006
<u>3,027,583</u>	<u>3,146,261</u>	<u>3,778,577</u>	<u>4,438,807</u>	<u>3,348,940</u>	<u>2,950,593</u>
<u>\$ 6,608,802</u>	<u>\$ 6,739,043</u>	<u>\$ 7,745,107</u>	<u>\$ 6,780,119</u>	<u>\$ 5,987,371</u>	<u>\$ 7,847,078</u>

City of Albertville, Minnesota
Statistical Section (Unaudited)
Changes in Net Position (Continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2016	2017	2018	2019
Net Revenues (Expenses)				
Governmental activities	\$ (3,789,145)	\$ (3,429,734)	\$ (3,607,317)	\$ (3,806,385)
Business-type activities	(46,792)	665,813	146,591	1,142,229
Total Primary Government Revenues (Expenses)	<u>\$ (3,835,937)</u>	<u>\$ (2,763,921)</u>	<u>\$ (3,460,726)</u>	<u>\$ (2,664,156)</u>
General Revenues and Other Changes in Net Position				
General Revenues				
Governmental Activities				
Taxes				
Property taxes, levied for general purpose	\$ 2,746,144	\$ 2,839,090	\$ 3,054,845	\$ 3,497,033
Property taxes, levied for debt service	921,796	916,050	831,410	508,855
Tax increments	169,651	230,131	231,247	232,684
Franchise fees	-	-	-	-
Grants and contributions not restricted to specific programs	102,311	93,140	111,979	113,056
Unrestricted investment earnings (losses)	103,541	138,248	120,130	384,339
Gain on sale of capital assets	-	49,020	-	140,879
Miscellaneous	280,219	172,681	-	-
Transfers	-	(46,816)	-	-
Total Governmental Activities General Revenues	<u>4,323,662</u>	<u>4,391,544</u>	<u>4,349,611</u>	<u>4,876,846</u>
Business-type Activities				
Property taxes levied for general purposes	-	-	-	-
Grants and contributions not restricted to specific programs	-	-	-	-
Unrestricted investment earnings (losses)	74,200	78,464	109,248	346,171
Transfers	-	46,816	-	-
Total Business-type Activities General Revenues	<u>74,200</u>	<u>125,280</u>	<u>109,248</u>	<u>346,171</u>
Total Primary Government	<u>\$ 4,397,862</u>	<u>\$ 4,516,824</u>	<u>\$ 4,458,859</u>	<u>\$ 5,223,017</u>
Change in Net Position				
Governmental activities	\$ 534,517	\$ 961,810	\$ 742,294	\$ 1,070,461
Business-type activities	27,408	791,093	255,839	1,488,400
Total Primary Government	<u>\$ 561,925</u>	<u>\$ 1,752,903</u>	<u>\$ 998,133</u>	<u>\$ 2,558,861</u>

Table 2

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ (3,873,920)	\$ (2,362,045)	\$ (3,350,844)	\$ (4,913,867)	\$ (5,058,015)	\$ (2,927,997)
1,090,248	1,321,098	1,553,179	1,765,211	648,306	(82,703)
<u>\$ (2,783,672)</u>	<u>\$ (1,040,947)</u>	<u>\$ (1,797,665)</u>	<u>\$ (3,148,656)</u>	<u>\$ (4,409,709)</u>	<u>\$ (3,010,700)</u>
\$ 3,469,449	\$ 3,614,097	\$ 3,852,811	\$ 4,143,704	\$ 4,831,192	\$ 5,109,418
506,868	472,425	473,974	364,072	364,607	259,655
240,457	220,464	197,675	462,983	627,846	592,052
-	-	-	325,250	336,872	400,728
126,418	115,426	115,422	305,373	259,035	271,171
190,441	11,191	(320,982)	564,901	539,135	652,299
-	-	-	30,000	10,856	-
-	9,795	-	-	-	-
-	-	-	-	-	-
<u>4,533,633</u>	<u>4,443,398</u>	<u>4,318,900</u>	<u>6,196,283</u>	<u>6,969,543</u>	<u>7,285,323</u>
-	-	222,934	220,624	332,528	441,083
-	-	58,468	111,961	129,624	128,927
219,142	32,530	(353,201)	808,086	769,495	906,045
-	-	-	-	-	-
<u>219,142</u>	<u>32,530</u>	<u>(71,799)</u>	<u>1,140,671</u>	<u>1,231,647</u>	<u>1,476,055</u>
<u>\$ 4,752,775</u>	<u>\$ 4,475,928</u>	<u>\$ 4,247,101</u>	<u>\$ 7,336,954</u>	<u>\$ 8,201,190</u>	<u>\$ 8,761,378</u>
\$ 659,713	\$ 1,070,461	\$ 968,056	\$ 1,282,416	\$ 1,911,528	\$ 4,357,326
1,309,390	1,488,400	1,481,380	2,905,882	1,879,953	1,393,352
<u>\$ 1,969,103</u>	<u>\$ 2,558,861</u>	<u>\$ 2,449,436</u>	<u>\$ 4,188,298</u>	<u>\$ 3,791,481</u>	<u>\$ 5,750,678</u>

City of Albertville, Minnesota
Statistical Section (Unaudited)
Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year			
	2016	2017	2018	2019
General Fund				
Nonspendable	\$ 51,000	\$ 51,000	\$ 133,328	\$ 140,151
Unassigned	<u>1,887,922</u>	<u>2,258,988</u>	<u>2,252,982</u>	<u>2,477,774</u>
Total General Fund	<u>\$ 1,938,922</u>	<u>\$ 2,309,988</u>	<u>\$ 2,386,310</u>	<u>\$ 2,617,925</u>
All Other Governmental Funds				
Nonspendable	\$ 1,614	\$ -	\$ -	\$ -
Restricted	3,272,492	3,670,865	3,758,526	3,387,291
Committed	-	-	-	152,836
Assigned	6,412,396	6,076,678	6,390,844	4,853,536
Unassigned	<u>(469,839)</u>	<u>(514,315)</u>	<u>(432,912)</u>	<u>(425,086)</u>
Total All Other Governmental Funds	<u>\$ 9,216,663</u>	<u>\$ 9,233,228</u>	<u>\$ 9,716,458</u>	<u>\$ 7,968,577</u>

Table 3

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 90,389	\$ 136,098	\$ 159,875	\$ 177,926	\$ 191,320	\$ 148,743
3,200,223	2,178,219	2,433,060	2,554,745	2,647,909	3,175,458
<u>\$ 3,290,612</u>	<u>\$ 2,314,317</u>	<u>\$ 2,592,935</u>	<u>\$ 2,732,671</u>	<u>\$ 2,839,229</u>	<u>\$ 3,324,201</u>
\$ -	\$ -	\$ -	\$ 10,000	\$ -	\$ -
3,388,480	4,090,889	4,074,312	4,396,743	4,732,741	8,031,194
156,143	155,950	151,451	159,322	167,272	176,621
3,965,154	5,634,162	6,062,374	6,187,137	5,986,659	9,256,086
(389,806)	(353,483)	(1,033,498)	(999,190)	(878,875)	(983,629)
<u>\$ 7,119,971</u>	<u>\$ 9,527,518</u>	<u>\$ 9,254,639</u>	<u>\$ 9,754,012</u>	<u>\$ 10,007,797</u>	<u>\$ 16,480,272</u>

City of Albertville, Minnesota
Statistical Section (Unaudited)
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	2016	2017	2018	2019
Revenues				
Taxes	\$ 3,840,259	\$ 4,018,573	\$ 4,109,257	\$ 4,233,810
Licenses and permits	174,928	239,833	258,992	215,108
Intergovernmental	282,508	268,493	312,506	438,035
Charges for services	662,313	888,979	845,182	1,004,236
Fines and forfeitures	-	200	1,500	500
Special assessments	246,350	196,021	291,412	259,787
Investment earnings (losses)	103,541	138,248	120,130	384,339
Miscellaneous	537,803	385,472	175,104	138,771
Total Revenues	5,847,702	6,135,819	6,114,083	6,674,586
Expenditures				
General government	738,974	735,742	894,542	791,250
Public safety	1,302,463	1,350,500	1,395,937	1,557,191
Public works	431,596	387,744	411,944	437,365
Culture and recreation	445,486	501,693	533,359	748,116
Economic development	76,875	141,632	175,193	178,507
Miscellaneous	-	376	-	-
Capital outlay	883,733	1,470,904	1,010,977	3,380,525
Debt service				
Principal	963,240	962,822	992,000	939,000
Interest	170,635	198,979	140,579	165,017
Total Expenditures	5,013,002	5,750,392	5,554,531	8,196,971
Excess (Deficiency) of Revenues Over (Under) Expenditures	834,700	385,427	559,552	(1,522,385)
Other Financing Sources (Uses)				
Transfers in	295,133	323,424	50,068	151,390
Bond issuance	-	-	-	-
Premiums on bonds sold	-	-	-	-
Sale of capital assets	-	49,020	-	6,119
Transfers out	(295,133)	(370,240)	(50,068)	(151,390)
Total Other Financing Sources (Uses)	-	2,204	-	6,119
Net Change in Fund Balances	\$ 834,700	\$ 387,631	\$ 559,552	\$ (1,516,266)
Debt Service as a Percentage of Noncapital Expenditures	25.2%	26.4%	24.5%	20.6%

Table 4

		Fiscal Year									
		2020	2021	2022	2023	2024	2025				
\$	4,221,332	\$	4,323,838	\$	4,517,340	\$	5,280,839	\$	6,168,490	\$	6,363,241
	300,888		403,265		652,406		267,566		358,946		463,552
	2,077,442		302,106		1,383,658		855,346		505,676		544,287
	1,076,374		2,131,559		1,347,603		1,001,605		1,059,050		1,615,071
	-		500		7,590		14,812		25,417		32,441
	352,949		232,077		443,326		151,906		77,539		109,582
	190,441		11,191		(320,982)		564,901		539,135		652,299
	181,825		262,487		236,605		149,077		480,271		567,026
	<u>8,401,251</u>		<u>7,667,023</u>		<u>8,267,546</u>		<u>8,286,052</u>		<u>9,214,524</u>		<u>10,347,499</u>
	920,918		1,021,471		1,102,691		1,021,530		1,447,174		1,307,586
	1,629,347		1,717,622		1,802,833		2,040,819		2,404,848		2,432,094
	427,682		419,418		495,607		597,277		492,356		713,381
	763,021		725,853		760,934		802,971		793,503		872,332
	210,170		203,972		1,304,800		265,896		456,586		708,678
	-		-		-		-		-		-
	3,646,864		1,178,706		1,832,598		2,036,547		2,626,399		4,371,892
	856,000		864,000		876,000		813,000		581,000		593,000
	123,168		104,729		86,344		68,903		52,315		217,947
	<u>8,577,170</u>		<u>6,235,771</u>		<u>8,261,807</u>		<u>7,646,943</u>		<u>8,854,181</u>		<u>11,216,910</u>
	<u>(175,919)</u>		<u>1,431,252</u>		<u>5,739</u>		<u>639,109</u>		<u>360,343</u>		<u>(869,411)</u>
	-		1,803,693		271,670		-		1,516		2,358,142
	-		-		-		-		-		7,530,000
	-		-		-		-		-		296,858
	-		-		-		-		-		-
	-		(1,803,693)		(271,670)		-		(1,516)		(2,358,142)
	-		-		-		-		-		7,826,858
\$	<u>(175,919)</u>	\$	<u>1,431,252</u>	\$	<u>5,739</u>	\$	<u>639,109</u>	\$	<u>360,343</u>	\$	<u>6,957,447</u>
	14.4%		18.3%		14.8%		14.3%		9.7%		11.6%

City of Albertville, Minnesota
Statistical Section (Unaudited)
Tax Capacity, Market Value and Estimated Actual Value of Taxable Property
(Shown by Year of Tax Collectability)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Taxable Market Value				
Personal property	\$ 5,442,200	\$ 6,101,100	\$ 6,101,100	\$ 6,389,500
Real estate	<u>567,786,000</u>	<u>656,054,200</u>	<u>656,054,200</u>	<u>707,392,300</u>
Total Taxable Market Value	<u>\$ 573,228,200</u>	<u>\$ 662,155,300</u>	<u>\$ 662,155,300</u>	<u>\$ 713,781,800</u>
Estimated Actual Value of Taxable Property	<u>\$ 620,513,900</u>	<u>\$ 705,380,300</u>	<u>\$ 705,380,300</u>	<u>\$ 758,532,600</u>
Taxable Market Value as a Percentage of Estimated Actual Value	<u>92.38 %</u>	<u>93.87 %</u>	<u>93.87 %</u>	<u>94.10 %</u>
Tax Capacity				
Personal property	\$ 106,630	\$ 111,611	\$ 119,863	\$ 125,822
Real estate	<u>7,026,956</u>	<u>7,384,373</u>	<u>7,961,892</u>	<u>8,513,031</u>
Subtotal	7,133,586	7,495,984	8,081,755	8,638,853
Less: tax increment	<u>(123,377)</u>	<u>(169,948)</u>	<u>(171,863)</u>	<u>(171,188)</u>
Net Tax Capacity	<u>\$ 7,010,209</u>	<u>\$ 7,326,036</u>	<u>\$ 7,909,892</u>	<u>\$ 8,467,665</u>
Tax levies				
General	\$ 2,749,549	\$ 2,863,190	\$ 3,056,908	\$ 3,442,876
Debt service	<u>921,691</u>	<u>916,045</u>	<u>831,410</u>	<u>561,855</u>
Total	<u>\$ 3,671,240</u>	<u>\$ 3,779,235</u>	<u>\$ 3,888,318</u>	<u>\$ 4,004,731</u>
Tax capacity rate				
General	39.222 %	39.082 %	38.647 %	40.659
Debt service	<u>13.148</u>	<u>12.504</u>	<u>10.511</u>	<u>6.635</u>
Total	<u>52.370 %</u>	<u>51.586 %</u>	<u>49.158 %</u>	<u>47.294</u>

Source: Wright County Auditor/Treasurer Department

Table 5

2020	2021	2022	2023	2024	2025
\$ 7,128,500 745,489,800	\$ 5,738,000 832,227,900	\$ 6,110,500 1,001,635,873	\$ 6,154,000 1,163,031,027	\$ 6,464,600 1,182,282,286	\$ 6,581,400 1,213,002,405
<u>\$ 752,618,300</u>	<u>\$ 837,965,900</u>	<u>\$ 1,007,746,373</u>	<u>\$ 1,169,185,027</u>	<u>\$ 1,188,746,886</u>	<u>\$ 1,219,583,805</u>
<u>\$ 804,315,050</u>	<u>\$ 853,083,000</u>	<u>\$ 1,044,060,600</u>	<u>\$ 1,044,060,600</u>	<u>\$ 1,192,720,900</u>	<u>\$ 1,232,748,800</u>
<u>93.57 %</u>	<u>98.23 %</u>	<u>96.52 %</u>	<u>111.98 %</u>	<u>99.67 %</u>	<u>98.93 %</u>
\$ 140,544 8,952,664	\$ 155,457 9,255,718	\$ 120,132 9,810,351	\$ 122,330 11,702,153	\$ 127,542 14,007,478	129,878 14,519,569
9,093,208 (179,241)	9,411,175 (186,700)	9,930,483 (152,298)	11,824,483 (421,581)	14,135,020 (555,211)	14,649,447 (589,603)
<u>\$ 8,913,967</u>	<u>\$ 9,224,475</u>	<u>\$ 9,778,185</u>	<u>\$ 11,402,902</u>	<u>\$ 13,579,809</u>	<u>\$ 14,059,844</u>
\$ 3,414,096 781,384	\$ 3,572,049 745,104	\$ 3,782,812 749,908	\$ 4,121,198 637,696	\$ 4,772,914 749,157	\$ 5,065,312 755,126
<u>\$ 4,195,480</u>	<u>\$ 4,317,153</u>	<u>\$ 4,532,720</u>	<u>\$ 4,758,894</u>	<u>\$ 5,522,071</u>	<u>\$ 5,820,438</u>
38.301 % 8.766	38.724 % 8.077	38.686 % 7.669	36.142 % 5.592	35.147 % 5.517	36.027 % 5.371
<u>47.066 %</u>	<u>46.801 %</u>	<u>46.355 %</u>	<u>41.734 %</u>	<u>40.664 %</u>	<u>41.398 %</u>

City of Albertville, Minnesota
 Statistical Section (Unaudited)
 Property Tax Capacity Rates - Direct and Overlapping Governments
 (Per \$1,000 of Tax Capacity)

Table 6

Year Taxes Payable	Overlapping Rates			
	City	County	School District No. 885	School District No. 728
2016	52.370 %	39.970 %	49.102 %	39.266 %
2017	51.586	39.599	46.893	36.659
2018	49.158	39.946	47.950	36.137
2019	47.294	44.273	47.143	32.865
2020	47.066	44.421	45.280	34.371
2021	43.717	46.801	44.205	31.712
2022	43.749	46.355	42.428	30.884
2023	37.844	41.793	35.446	26.600
2024	33.733	41.954	32.274	26.605
2025	35.560	42.861	35.655	25.252

Source: Wright County Auditor/Treasurer Department

Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all City property owners (e.g. the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district).

City of Albertville, Minnesota
Statistical Section (Unaudited)
Principal Taxpayers
Current Year and Ten Years Ago
December 31, 2025

Table 7

Taxpayer	2025			2016		
	Tax Capacity	Rank	Percent of Total Tax Capacity	Tax Capacity	Rank	Percent of Total Tax Capacity
CPS Partners, LP	\$ 1,118,990	1	7.96 %	\$ 1,097,256	1	15.65 %
Kingston Crossing of Albertville LLP	500,252	2	3.56	-		-
Advanced Volumetric Alliance	309,982	3	2.20	-		-
Preserve at Albertville	272,196	4	1.94	-		-
Albertville Station LLC	256,590	5	1.82	-		-
M67 LP	166,416	6	1.18	-		-
Carman's Bay Investments LLC	161,780	7	1.15	-		-
Border States Industries, Inc.	144,140	8	1.03	60,420	7	0.86
Bid Properties LLC	129,748	9	0.92	-		-
Engel Haus LLC	106,387	10	0.76	-		-
Fraser Building LP	104,880	9	0.75	77,254	4	1.10
HGP Architectural Glass, Inc	-		-	61,982	6	0.88
MSP Albertville Retail Building LLC	-		-	187,648	2	2.68
Albertville Medical Building, LLC	-		-	79,448	3	1.13
Mollie LLC	-		-	69,250	5	0.99
Evans Park Inc	-		-	60,000	8	0.86
Minnegasco Inc	-		-	51,148	9	0.73
Northern States Power Company	-		-	47,986	10	0.68
Totals	\$ 3,271,361		23.27 %	\$ 1,792,392		25.56 %

Source: Wright County Auditor/Treasurer Department

City of Albertville, Minnesota
 Statistical Section (Unaudited)
 Property Tax Levies and Collections
 Last Ten Fiscal Years

Table 8

Fiscal Year	Total Levy	Collection of Current Year's Levy	Percentage of Levy Collected	Collection in Subsequent Years	Total Collections	Percent of Total Collections to Levy
2016	\$ 3,671,240	\$ 3,641,148	99.18 %	\$ 30,092	\$ 3,652,339	99.49
2017	3,779,235	3,753,984	99.33	25,251	3,760,732	99.51
2018	3,888,318	3,864,947	99.40	23,371	3,869,048	99.50
2019	4,004,731	3,977,179	99.31	27,552	3,999,113	99.86
2020	4,195,480	4,177,746	99.58	17,734	4,190,260	99.88
2021	4,317,153	4,310,349	99.84	6,804	4,317,153	100.00
2022	4,532,720	4,515,278	99.62	17,442	4,518,797	99.69
2023	4,758,894	4,728,200	99.36	30,689	4,728,200	99.36
2024	5,522,071	5,463,963	99.48	54,670	5,493,350	99.48
2025	5,820,438	5,796,548	99.59	-	5,796,548	99.59

Source: Wright County Auditor/Treasurer Department
 (1) Includes state paid property tax credits.

City of Albertville, Minnesota
Statistical Section (Unaudited)
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Table 9

Fiscal Year	Governmental Activities		Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	General Obligation Revenue Bonds	General Obligation Bonds	General Obligation Bonds			
2016	\$ 8,876,782	\$ 2,635,154	\$ 536,019	\$ 12,047,955	4.48	\$ 1,869	
2017	7,908,666	2,365,136	466,535	10,740,337	3.73	1,647	
2018	6,911,370	2,090,118	395,229	9,396,717	3.20	1,457	
2019	5,967,076	7,656,726	318,923	13,942,725	2.66	1,268	
2020	5,104,343	7,064,673	242,617	12,411,633	4.00	1,863	
2021	4,233,610	6,547,620	166,311	10,947,541	2.51	1,386	
2022	3,351,510	6,020,567	85,005	9,457,082	2.01	1,182	
2023	2,532,092	15,263,991	-	17,796,083	3.27	2,165	
2024	1,944,674	14,691,000	-	16,635,674	2.99	1,948	
2025	9,171,458	15,099,693	-	24,271,151	4.18	2,832	

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. See the Schedule of Demographic and Economic Statistics for personal income and population data.

City of Albertville, Minnesota
 Statistical Section (Unaudited)
 Ratios of General Bonded Debt Outstanding
 Last Ten Fiscal Years

Table 10

Fiscal Year	General Obligation Bonds	Less Amounts Available in Debt Service Funds	Net Bonded Debt	Percentage of Estimated Actual Value of Taxable Property	Per Capita
2016	\$ 9,412,801	\$ 2,942,019	\$ 6,470,782	1.04 %	\$ 884
2017	8,375,201	3,216,178	5,159,023	0.73	700
2018	7,306,599	3,133,185	4,173,414	0.59	563
2019	6,285,999	5,268,736	1,017,263	0.13	136
2020	5,346,960	4,979,787	367,173	0.04	49
2021	4,399,921	4,665,741	(265,820)	(0.03)	(35)
2022	3,436,515	4,246,523	(810,008)	(0.09)	(103)
2023	2,532,092	3,875,489	(1,343,397)	(0.13)	(163)
2024	1,944,674	3,754,583	(1,809,909)	(0.15)	(212)
2025	9,171,458	2,156,589	7,014,869	0.59	819

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

See the Schedule of Demographic and Economic Statistics for population data.

See the Schedule of Tax Capacity, Market Value and Estimated Actual Value of Taxable Property for property value data.

City of Albertville, Minnesota
 Statistical Section (Unaudited)
 Computation of Direct and Overlapping Debt
 December 31, 2025

Table 11

	Gross Bonded Debt Used For Net Debt Calculation	Percentage Applicable to District	Amount of Net Debt Applicable to District
Direct Debt			
City of Albertville	\$ 9,171,458	100.00 %	\$ 9,171,458
School District #885	101,070,000	22.84	23,084,388
School District #728	280,715,000	9.30	26,106,495
Wright County	111,845,000	4.82	5,390,929
Total Overlapping Debt	493,630,000	11.06	54,581,812
Total Direct and Overlapping Debt	<u>\$ 502,801,458</u>	<u>12.68 %</u>	<u>\$ 63,753,270</u>

Sources: Market value data used to estimate applicable percentages provided by the Wright County Auditor/Treasurer department. Debt outstanding data was provided from the same source.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognized that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

* The percentage of overlapping debt applicable is estimated using taxable market property values. Applicable percentages were estimated by determining the portion of the county's taxable market value that is within the City's boundaries and dividing it by the county's total taxable market value.

City of Albertville, Minnesota
 Statistical Section (Unaudited)
 Legal Debt Margin Information
 Last Ten Fiscal Years

	Fiscal Year			
	2016	2017	2018	2019
Debt Limit (1)	\$ 17,196,846	\$ 19,864,659	\$ 19,864,659	\$ 21,413,454
Total Net Debt Applicable to Limit	-	-	-	-
Total	<u>\$ 17,196,846</u>	<u>\$ 19,864,659</u>	<u>\$ 19,864,659</u>	<u>\$ 21,413,454</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) The debt limit is 3 percent.

(2) All of the City's general obligation debt are paid from special assessments and not subject to the limit.

Note: Under state law, the City's outstanding general obligation debt should not exceed 3 percent of the market value of taxable property. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for the extinguishment of those obligations.

Table 12

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 22,578,549	\$ 25,138,977	\$ 30,232,391	\$ 35,075,551	\$ 35,662,407	36,587,514
-	-	-	-	-	-
<u>\$ 22,578,549</u>	<u>\$ 25,138,977</u>	<u>\$ 30,232,391</u>	<u>\$ 35,075,551</u>	<u>\$ 35,662,407</u>	<u>\$ 36,587,514</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Legal Debt Margin Calculation for Fiscal Year 2020

Taxable Market Value	<u>\$ 1,219,583,805</u>
Debt Limit (3% of Market Value)	\$ 36,587,514
Debt Applicable to Limit	
General Obligation Bonds (2)	-
Less: Amount Available in	
Debt Service Funds	-
Total Net Debt Applicable to Limit	<u>-</u>
Legal Debt Margin	<u>\$ 36,587,514</u>

City of Albertville, Minnesota
Statistical Section (Unaudited)
Pledged-Revenue Coverage
Last Ten Fiscal Years

Table 13

Fiscal Year	General Obligation Revenue Bonds					
	(1)	(2)	Net	Debt Service		Coverage
	Gross Revenue			Expenses	Revenue Available	
2016	\$ 836,374	\$ 464,576	\$ 371,798	\$ 477,200	\$ 49,281	0.71
2017	904,445	425,770	478,675	262,200	43,730	1.56
2018	948,167	439,181	508,986	265,900	41,124	1.66
2019	1,109,813	565,587	544,226	270,900	37,421	1.77
2020	1,016,245	627,732	388,513	575,900	148,695	0.54
2021	1,373,515	937,245	436,270	510,000	159,795	0.65
2022	1,197,329	1,109,902	87,427	520,000	147,975	0.13
2023	2,362,880	1,166,640	1,196,240	540,000	132,344	1.78
2024	2,446,159	1,127,837	1,318,322	550,000	570,972	1.18
2025	2,660,320	1,396,288	1,264,032	770,000	522,477	0.98

City of Albertville, Minnesota
Demographic and Economic Statistics
Last Ten Fiscal Years

Table 14

Fiscal Year	Population (1)	Number of Households (2)	Persons per Household (2)	Total Personal Income (3)	Per Capita Personal Income (4)	Median Age (5)	School Enrollment (6)	Unemployment Rate (7)
2016	7,317	2,476	2.96	\$ 331,057,665	\$ 45,245	34.6	6,083	3.7 %
2017	7,370	2,480	2.97	335,335,000	45,500	34.6	6,300	3.5
2018	7,412	2,491	2.98	352,640,724	47,577	34.6	6,300	3.5
2019	7,485	2,516	2.97	348,748,605	46,593	34.6	6,300	3.2
2020	7,519	2,527	2.98	388,048,071	51,609	36.6	6,300	3.7
2021	7,519	2,527	2.98	415,184,142	55,218	36.6	6,300	3.8
2022	7,896	2,654	2.98	436,001,328	58,756	36.6	6,500	2.8
2023	8,220	2,740	3.00	544,081,800	66,190	36.9	6,470	2.7
2024	8,542	2,909	2.94	557,288,622	65,241	37.4	6,890	3.3
2025	8,569	2,912	2.94	580,009,903	67,687	37.4	6,676	4.1

Data Sources

- (1) Minnesota Office of the State Demographer
- (2) Minnesota Office of the State Demographer (2008-2016); Estimated (2017-2019)
- (3) Calculated by the City.
- (4) US Department of Commerce - Bureau of Economic Analysis (2008-2016); Estimated (2017)
- (5) US Census Bureau
- (6) Independent School District 885
- (7) United States Department of Labor - Bureau of Labor Statistics

Note: Persons per household information was not available for 2018. The City estimated this year based on averages from data compiled for years 2009 - 2017.

Note: The unemployment rate is for Wright County, the County of which the City is located. Unemployment data was not available for the City.

Note: The per capita personal income is for Wright County, the County of which the City is located. Per capita personal income was not available for the City.

Note: School enrollment is for Independent School District 885. The School District also includes students from the City of St. Michael.

THIS PAGE IS LEFT
BLANK INTENTIONALLY

City of Albertville, Minnesota
Principal Employers
Current Year and Ten Years Ago

Table 15

Employer	2025			2016		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
ISD No. 885, St. Michael-Albertville	949	1	18.98 %	680	2	13.60 %
Outlets at Albertville	500	2	10.00	800	1	16.00
Coborn's	198	3	3.96	130	3	2.60
Advanced Volumetric Alliance, LLC	156	4	3.00	-	-	-
Oldcastle Building Envelopes	150	5	3.00	113	4	2.26
Fehn Gravel and Excavating, Inc.	80	6	1.60	35	9	0.70
Guardian Angels - Engel Haus	65	7	1.30	59	6	1.18
Mold-Tech, Inc.	61	8	1.22	35	10	0.70
Don's Bus Service	50	9	1.00	-	-	-
Sherer Brothers Truss	48	10	0.96	55	7	1.10
Fraser Steel Co.	-	-	-	40	8	0.80
HGP Industries	-	-	-	75	5	1.50
Total	<u>5,000</u> *		<u>45.02</u> %	<u>5,000</u> *		<u>40.44</u> %

Source: Northland Securities

* This is an estimation provided by the City.

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

Function	2016	2017	2018	2019
General Government	6.3	6.3	6.7	6.7
Public Safety				
Fire				
Full Time Fire Chief	1	1	1	1.0
Civilians (1)	31.0	29.0	32.0	32.0
Public Works				
Engineering	0.3	0.3	0.3	0.3
Maintenance	2.0	2.0	2.0	2.0
Culture and Recreation				
Parks	2.0	2.0	2.0	2.0
Water	1.5	1.5	1.5	1.5
Sewer	1.5	1.5	1.5	1.5
 Total	 <u>45.6</u>	 <u>43.6</u>	 <u>47.0</u>	 <u>47.0</u>

Source: City of Albertville

(1) The fire department is made up entirely of volunteer civilians. They are used on an on-call basis only.

Table 16

2020	2021	2022	2023	2024	2025
6.7	6.7	6.7	7.7	7.7	7.7
1.0	1.0	1.0	1.0	1.0	1.0
30.0	30.0	28.0	28.0	27.0	27.0
0.3	0.3	0.3	0.3	0.3	0.3
2.5	2.5	2.5	2.5	2.5	2.5
2.5	2.5	2.5	2.5	2.5	2.5
1.5	1.5	1.5	1.5	1.5	2.0
1.5	1.5	1.5	1.5	1.5	2.0
<u>46.0</u>	<u>46.0</u>	<u>44.0</u>	<u>45.0</u>	<u>44.0</u>	<u>45.0</u>

City of Albertville, Minnesota
 Operating Indicators By Function
 Last Ten Fiscal Years

Function	2016	2017	2018	2019
Fire				
Fire Calls	256	276	366	418
Inspections	10	6	195	40
Building/Engineering				
Permits Issued	542	477	468	494
Public Works				
Street Sweeping (Hours)	123	115	67	98
Snowplowing (Hours)	387	210	364	610
Equipment Repair (Hours)	692	663	829	925
Water				
New Connections	24	20	24	25
Water Main Breaks	3	3	3	2
Sewer				
Average Daily Treatment Flow (Thousands of Gallons)	474,000	502,000	484,000	511,000

Sources: City of Albertville

Note: Indicators are not available for the general government function.

Table 17

2020	2021	2022	2023	2024	2025
414	569	549	555	600	674
20	20	80	60	9	15
696	837	863	642	652	754
100	100	125	128	76	100
412	260	608	678	212	320
900	803	1,100	634	757	757
35	65	54	77	10	9
2	2	3	3	5	7
521,000	521,000	517,000	520,000	553,000	557,000

City of Albertville, Minnesota
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2016	2017	2018	2019
Public Safety				
Fire stations				
Stations	1	1	1	1
Public Works				
Highways and streets				
Streets (miles)	38	38	38	39
Street lights	417	417	417	417
Traffic signals	7	7	7	7
Culture and Recreation				
Parks division				
Parks	11	11	11	11
Parks acreage	125	125	125	125
Arena/Civic Center	1	1	1	1
Baseball diamonds	4	4	4	4
Basketball courts	5	5	5	5
Bike trails (miles)	5	5	5	5
Hockey rinks/outdoor	2	2	2	2
Softball diamonds	2	2	2	2
Tennis courts	5	5	5	5
Skate Park				
Volleyball courts	1	1	1	1
Utilities				
Water				
Miles of water main	52	52	52	52
Consumers				
Maximum daily capacity (gallons)				
Sewer				
Miles of sanitary sewer	37	37	37	37
Lift stations	10	10	10	10
Maximum daily treatment capacity (gallons)	929,000	929,000	929,000	929,000
Storm sewer				
Miles of storm sewer	35	35	35	35

Source: City of Albertville

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

Table 18

2020	2021	2022	2023	2024	2025
1	1	1	1	1	1
39	39	39	39	39	39
430	430	432	432	432	432
7	7	7	8	8	8
12	12	12	12	12	12
131	131	131	131	131	131
1	1	1	1	1	1
4	4	4	4	4	4
5	5	5	5	55	55
5	5	5	5	5	5
2	2	2	2	2	2
2	2	2	2	2	2
5	5	5	5	5	5
		1	1	1	1
1	1	-	-	-	-
55	55	55	55	55	55
39	39	39	39	39	39
10	10	10	10	10	10
929,000	929,000	929,000	929,000	929,000	929,000
36	36	36	36	36	36