CITY OF MAPLE PLAIN

FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2025

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INTRODUCTORY SECTION

CITY OF MAPLE PLAIN
ELECTED AND APPOINTED OFFICIALS
AS OF DECEMBER 31, 2025

	Elected Officials	Year Term Expires
Julie Maas-Kusske	Mayor	12/31/28
Michael DeLuca	Council Member	12/31/28
Rochelle Arvizo	Council Member	12/31/28
Andrew Burak	Council Member	12/31/26
Connie Francis	Council Member	12/31/26
	Appointed	
Jacob Schillander	City Administrator	

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Mayor and City Council
City of Maple Plain
Maple Plain, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Maple Plain (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 accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standar*ds, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Maple Plain 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.

Emphasis of Matter – Correction of and Error and Changes to or within Financial Reporting Entity

As discussed in Note 9 to the financial statements, the City of Maple Plain restated its beginning net position within the Governmental Activities, Business-Type Activities, Water Fund, and Sewer fund. The City also restated fund balance for the Debt Service Fund. These restatements were the result of special assessment revenue being recorded within the incorrect fiscal year.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Maple Plain'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 of Maple Plain's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of City's and Nonemployer Proportionate Share of Net Pension Liability – GERF Retirement Fund, Schedule of City's and Nonemployer Contributions, Public Employees Retirement Fund, the Schedule of Changes in the Fire Relief Association's Net Pension Liability (Asset) and Related Ratios, Schedule of Employer's Fire Relief Association Contributions, the Notes to the Required Supplementary Information, and the respective budgetary comparison for the General Fund and Fire Partnership to be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 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 of Maple Plain'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 of Maple Plain's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

Minneapolis, Minnesota
June 15, 2026

As management of the City of Maple Plain (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.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $15,935,598 (net position). Of this amount, $4,962,894 (unrestricted net position) may be used to meet the government's ongoing costs to citizens and creditors.

- The City's total net position increased by $226,451. The increase is primarily due to an increase in business type activities of $298,314.

- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $4,262,125, a decrease of $114,880 in comparison with the prior year. Approximately 62.31% of this total amount, or $2,655,643 is available for use within the City's constraints and policies in committed, assigned, or unassigned fund balance.

- At the end of the current fiscal year, the unassigned fund balance for the General Fund was $744,521, or 35.64% of 2025 actual expenditures.

- The City's outstanding bonded debt decreased by $808,000 during the current fiscal year due to principal payments. No new debt was issued in the current fiscal year.

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 are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. In addition, this report also contains details on non-major funds and other supplementary information in addition to the basic financial statements themselves.

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

- The ***Statement of Net Position*** presents information on all the City's assets, deferred outflows of resources, 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 government'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 result in cash flows in future fiscal periods (e.g. uncollected taxes and accrued interest payable).

Both of the government-wide financial statements distinguish functions of the City as follows: ***governmental activities*** are principally supported by taxes and intergovernmental revenues, and ***business-type activities*** are functions that are intended to recover all or a significant portion of costs through user fees and charges. Although program revenues are aligned with program expenses in governmental activities, the revenue is not intended to cover costs without taxes. The governmental activities of the City include general government, public safety, public works, culture & recreation services, economic development and interest on long-term debt. The business-type activities of the City include water, sewer and storm water.

The government-wide financial statements can be found in the Financial Section of this report under the Basic Financial Statements.

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 two categories: governmental funds and proprietary funds.

- ***Governmental funds***. Governmental funds are used to account for essentially the same functions as 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 of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds 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 numerous individual governmental funds, eight of which are debt service funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Fire Partnership, Capital Project, 2024 Street Reconstruction and the Debt Service funds, all of which are considered to be major funds. Data from the other nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements as well as individual statements elsewhere in this report.

The City adopts an annual budget for its General Fund and Fire Partnership Funds. Budgetary schedules have been provided for these funds to demonstrate compliance with their budgets.

The basic governmental fund financial statements can be found in the Basic Financial Statements Section 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 water, sewer and storm water operations.

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

  The basic proprietary fund financial statements can be found in the Basic Financial Statements Section of this report.

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

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Maple Plain's share of net pension liabilities (assets) for defined benefits plans, schedules of contributions, and progress in funding its obligation to provide pension benefits to its employees, and budget to actual schedules for the General fund and Fire Partnership fund.

Supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents the combining statements referred to earlier in connection with the nonmajor governmental funds which can be found in the Combining and Individual Statements and Schedules portion of the Financial Section of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a City's financial position. In the case of the City, total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by $15,935,598 at the close of the most recent fiscal year compared to $15,709,147 at the end of 2024.

By far, the largest portion of the City's net position (51.68%) reflects its net investment in capital assets (e.g., land, buildings, machinery and equipment); less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Maple Plain's Summary of Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Assets						
Current and Other Assets	$ 6,304,108	$ 7,175,648	$ 4,039,607	$ 3,859,670	$ 10,343,715	$ 11,035,318
Capital Assets, Net of Depreciation	11,451,923	11,181,081	7,987,527	8,355,646	19,439,450	19,536,727
Total Assets	$ 17,756,031	$ 18,356,729	$ 12,027,134	$ 12,215,316	$ 29,783,165	$ 30,572,045
Deferred Outflows of Resources						
Pension Plan Deferments - PERA	276,375	276,942	1,839	-	278,214	276,942
Liabilities						
Noncurrent Liabilities	7,430,993	7,732,848	5,446,430	6,017,231	12,877,423	13,750,079
Other Liabilities	883,410	587,902	99,129	104,318	982,539	692,220
Total Liabilities	8,314,403	8,320,750	5,545,559	6,121,549	13,859,962	14,442,299
Deferred Inflows of Resources						
Pension Plan Deferments - PERA	226,580	210,532	3,010	-	229,590	210,532
Leases	36,229	688,360	-	-	36,229	688,360
Total Deferred Inflows of Resources	262,809	898,892	3,010	-	265,819	898,892
Net Position						
Net Investment in Capital Assets	4,399,753	3,550,823	3,835,817	2,627,572	8,235,570	6,178,395
Restricted	2,737,134	2,478,863	-	-	2,737,134	2,478,863
Unrestricted	2,318,307	3,384,343	2,644,587	3,466,195	4,962,894	6,850,538
Total Net Position	$ 9,455,194	$ 9,414,029	$ 6,480,404	$ 6,093,767	$ 15,935,598	$ 15,507,796

The City's restricted net position (17.18%) represents resources that are subject to external restrictions on how they may be used. The remaining balance represents unrestricted net position that may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The government’s total net position increased by $226,451. The increase is primarily due to an increase in governmental activities of $151,029 and business-type activities of $282,398 which resulted from budgetary increases in both governmental activities and business-type activities..
Condensed statements of revenues, expenses, and changes in net position are as follows for the year ended December 31, 2025.

City of Maple Plain’s Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues:						
Charges for Services	$ 524,798	$ 462,926	$ 1,372,458	$ 1,180,012	$ 1,897,256	$ 1,642,938
Operating Grants and Contributions	113,741	138,102	-	30,131	113,741	168,233
Capital Grants and Contributions	146,921	861,403	92,379	368,042	239,300	1,229,445
General Revenues:						
Taxes	1,848,736	1,743,316	-	-	1,848,736	1,743,316
Grants and Contributions Not Restricted to Specific Programs	314,328	512,458	-	-	314,328	512,458
Unrestricted Investment Earnings	189,460	308,229	77,485	86,490	266,945	394,719
Miscellaneous	35,580	34,601	8,260	72,006	43,840	106,607
Transfers	16,200	-	(16,200)	-	-	-
Total Revenues	3,189,764	4,061,035	1,534,382	1,736,681	4,724,146	5,797,716
Expenses						
General Government	101,625	666,672	-	-	101,625	666,672
Public Safety	1,296,412	1,257,728	-	-	1,296,412	1,257,728
Public Works	1,413,680	558,639	-	-	1,413,680	558,639
Culture and Recreation	166,467	119,285	-	-	166,467	119,285
Economic Development	13,337	2,500	-	-	13,337	2,500
Interest on Long-Term Debt	270,106	287,260	-	-	270,106	287,260
Water	-	-	550,306	668,265	550,306	668,265
Sewer	-	-	547,188	370,786	547,188	370,786
Storm Water Drainage	-	-	138,574	92,359	138,574	92,359
Total Expenses	3,261,627	2,892,084	1,236,068	1,131,410	4,497,695	4,023,494
Change in Net Position	(71,863)	1,168,951	298,314	605,271	226,451	1,774,222
Net Position - Beginning, As Originally Reported	9,414,029	8,245,078	6,093,767	5,488,496	15,507,796	13,733,574
Restatement (See Note 9)	113,028	-	88,323	-	201,351	-
Net Position - Beginning, As Restated	9,527,057	8,245,078	6,182,090	5,488,496	15,709,147	13,733,574
Net Position - End of Year	$ 9,455,194	$ 9,414,029	$ 6,480,404	$ 6,093,767	$ 15,935,598	$ 15,507,796

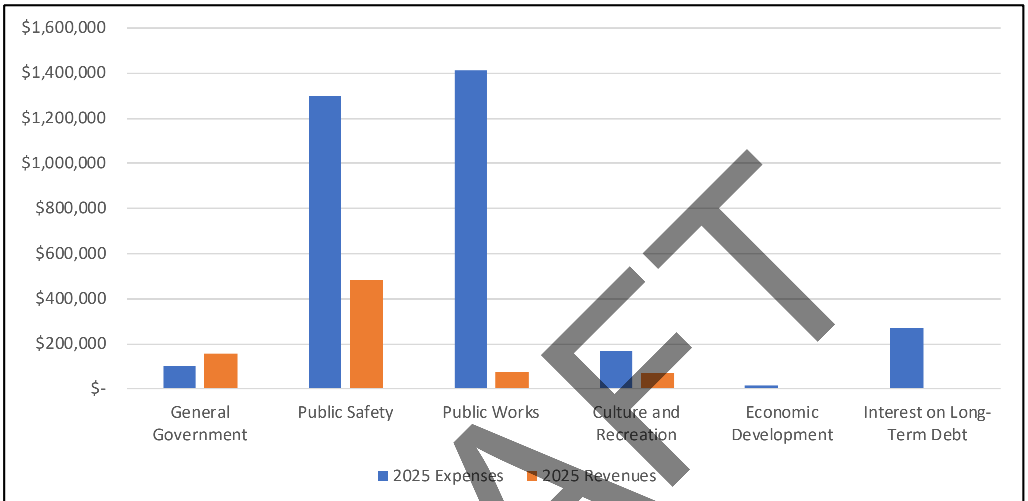
Governmental activities. Governmental activities decreased the City’s net position by $71,863. The main driver of this decrease was governmental activities revenues decreasing by $984,299 while expenditures increased by 369,543. This is mostly due to the fluctuations in long term liabilities and assets that are only recorded within governmental activities.

Business-type activities. Business-type activities increased the City’s net position by only $298,314. Key elements of this increase are as follows:

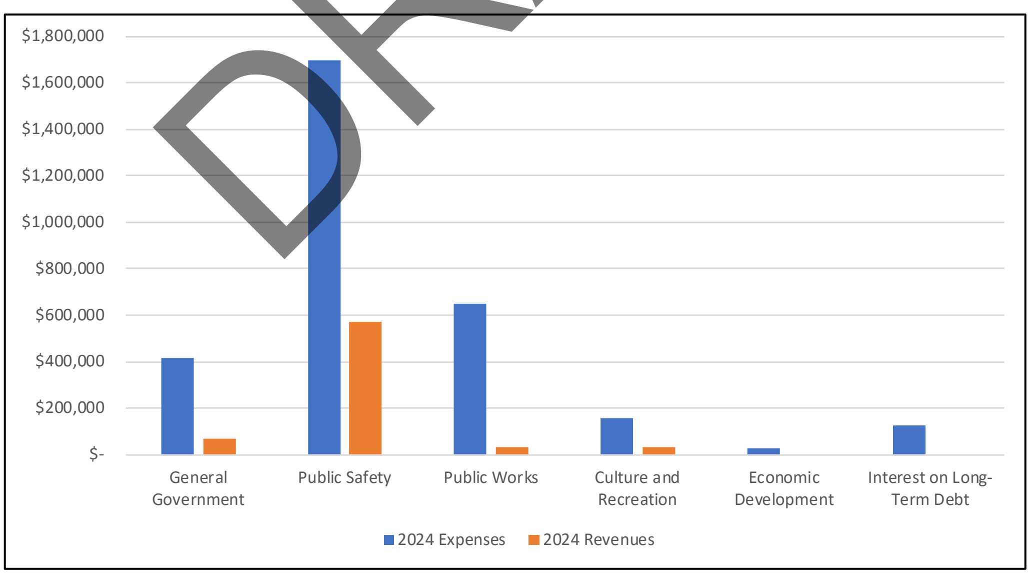
- The water fund operating revenues, nonoperating revenues, and capital contributions exceeded its operating and nonoperating expenses by $186,249 during 2025.
- The sewer fund operating revenues, nonoperating revenues, and capital contributions exceeded its operating and nonoperating expenses by $145,605 during 2025.

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

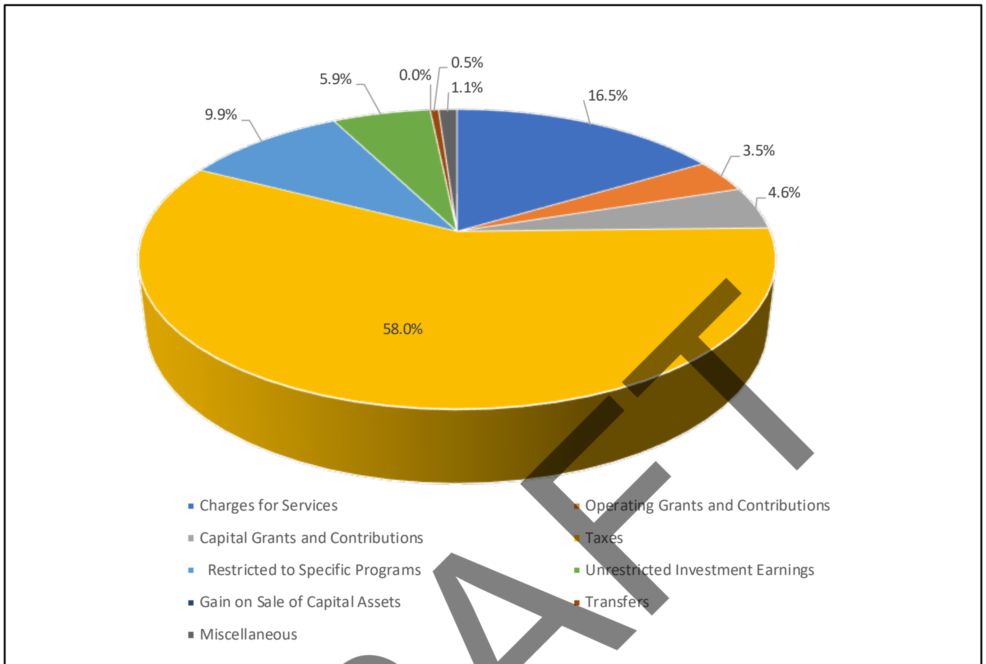
2025
Expenses and Program Revenues - Governmental Activities



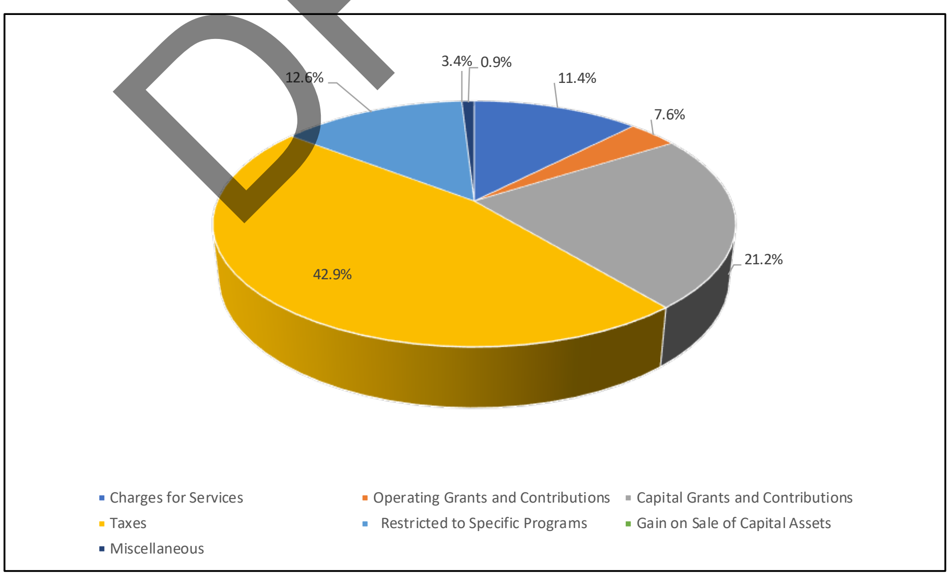
2024
Expenses and Program Revenues - Governmental Activities



2025
Revenues by Source - Governmental Activities

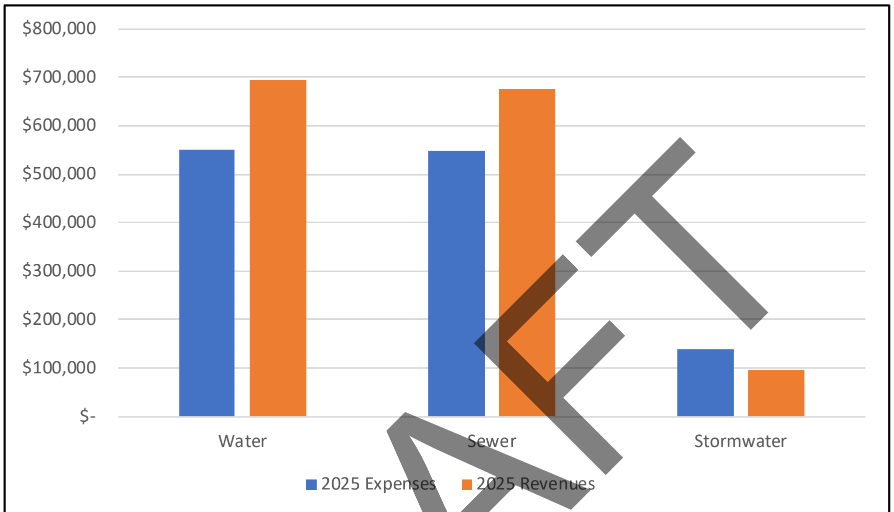


2024
Revenues by Source - Governmental Activities

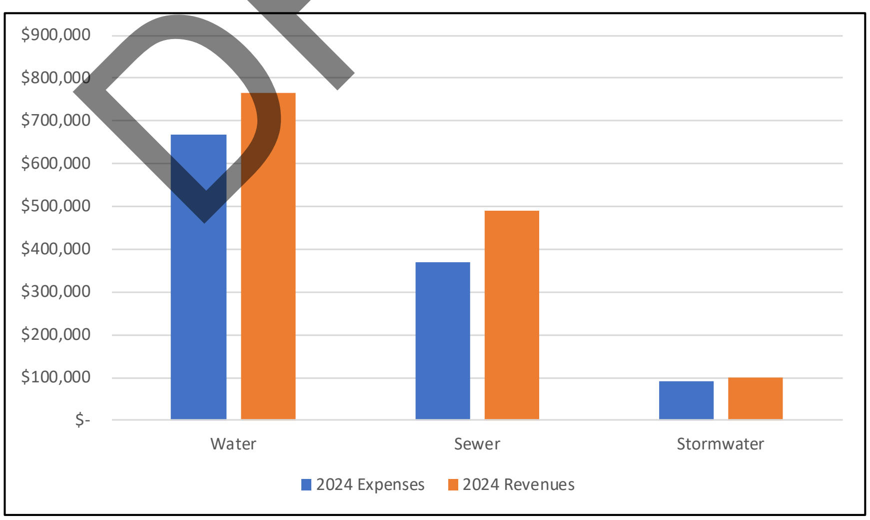


Below are specific graphs that provide comparisons of the business-type activities' direct program revenues with their expenses. Excess revenues are retained within each fund until such time that capital replacement is needed.

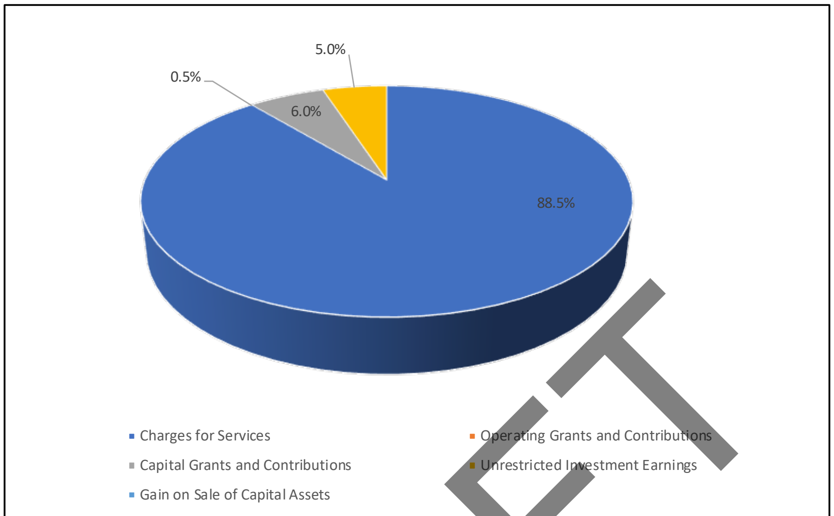
2025
Expenses and Program Revenues – Business-Type Activities



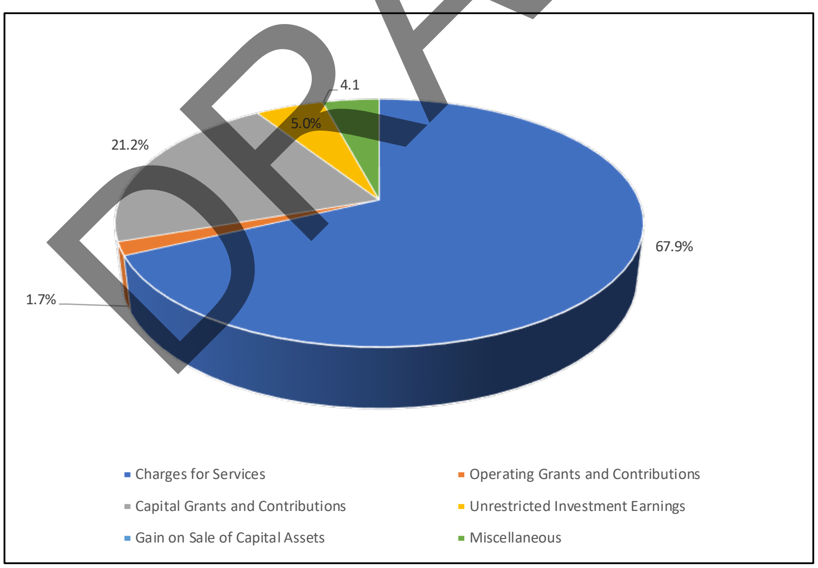
2024
Expenses and Program Revenues – Business-Type Activities



2025
Revenues by Source – Business-Type Activities



2024
Revenues by Source – Business-Type Activities



FINANCIAL ANALYSIS OF THE CITY'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.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $4,262,125, a decrease of $525,620 in comparison with 2024. The City reported unassigned fund balance in the amount of $5,879. The remainder of fund balance is nonspendable, restricted, committed, or assigned to indicate that it is not available for new spending. At December 31, 2025 fund balances were as follows:

	General Fund	Fire Partnership	Capital Project	2024 Street Reconstruction	Debt Service	Other Governmental Funds	Total	Prior Year Total	Increase/ (Decrease)
Fund Balances									
Nonspendable	$ 97,259	$ 1,686	$ -	$ -	$ 199	$ -	$ 99,144	$ 139,605	$ (40,461)
Restricted for	68,303	-	15,166	-	1,423,869	-	1,507,338	1,023,354	483,984
Committed for	-	204,717	-	-	-	73,300	278,017	490,039	(212,022)
Assigned for	-	-	2,133,988	-	-	237,759	2,371,747	2,143,186	228,561
Unassigned	744,521	-	-	(738,642)	-	-	5,879	580,821	(574,942)
Total	$ 910,083	$ 206,403	$ 2,149,154	$ (738,642)	$ 1,424,068	$ 311,059	$ 4,262,125	$ 4,377,005	$ (114,880)

The General Fund is the chief operating fund of the City. At the end of the current fiscal 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 percent of total fund expenditures is shown in the chart below along with total fund balance as a percent of total expenditures.

	Current Year Ending Balance	Prior Year Ending Balance	Increase/ (Decrease)
General Fund Fund Balances			
Nonspendable	$ 97,259	$ 13,890	$ 83,369
Restricted	68,303	68,303	-
Assigned	-	-	-
Unassigned	744,521	964,140	(219,619)
	$ 910,083	$ 1,046,333	$ (136,250)
General Fund Expenditures	2,089,121	2,135,966	
Unassigned as a percent of expenditures	35.6%	45.1%	
Total Fund Balance as a percent of expenditures	43.6%	49.0%	

The fund balance of the City's General Fund decreased during the current fiscal year as shown in the table above. The decrease can be attributed mostly due to transfers out made by the general fund during 2025. The General fund transferred $110,000 to the Capital Project Fund during the year and another $20,000 of park dedication fees to the Park Improvement Fund.

Other major governmental fund analysis is show below:

	December 31, 2025	December 31, 2024	Increase/ (Decrease)
Fire Partnership	$ 206,403	$ 308,570	$ (102,167)
Capital Project fund	$ 2,149,154	$ 2,047,013	$ 102,141
Debt Service fund	$ 1,424,068	$ 1,075,384	$ 348,684
2024 Street Reconstruction	$ (738,642)	$ 28,690	$ (767,332)

- The Fire Partnership decrease in fund balance can be mainly attributed to increased equipment purchases for 2025.
- The Capital Project fund increase in fund balance was due to lower project costs compared to revenues received in 2025.
- The Debt Service fund increase in fund balance was due to tax revenue exceeding debt service payment requirements for the year.
- The 2024 Street Reconstruction fund decrease in fund balance was due to an increase project costs compared to revenues received in 2025

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 20234	Increase/ (Decrease)
Water Utility	$ 3,852,899	$ 3,622,488	$ 230,411
Sewer Utility	$ 1,641,101	$ 1,461,526	$ 179,575
Storm Water Utility	$ 986,404	$ 1,009,753	$ (23,349)

- The increase in the Water Utility fund net position is primarily related to a smaller increase in expenses for 2025 when compared proportionally to the decrease in revenues.
- The increase in the Sewer Utility fund can be mainly attributed to an increase in utility rates for the year.
- The decrease in the Storm Water Utility fund can be mainly attributed to an increase in expenditures during the year that outpaced the increase in revenues.

General Fund Budgetary Highlights

	Original Budgeted Amounts	Budget Amendments	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	$ 1,930,508	$ -	$ 1,930,508	$ 2,073,181	$ 142,673
Expenditures	1,816,508	-	1,816,508	2,089,121	(272,613)
Excess of Revenues Over Expenditures	114,000	-	114,000	(15,940)	129,940
Other Financial Sources (Uses)					
Sale of Assets	-	-	-	690	(690)
Transfers in	9,000	-	9,000	9,000	-
Transfers Out	(122,000)	-	(122,000)	(130,000)	8,000
Total Other Financing Sources (Uses)	(113,000)	-	(113,000)	(120,310)	7,310
Net Change in Fund Balances	1,000	-	1,000	(136,250)	137,250
Fund Balances, January 1	1,046,333	-	1,046,333	1,046,333	-
Fund Balanes, December 31	$ 1,047,333	$ -	$ 1,047,333	$ 910,083	$ 137,250

General Fund revenues were over the final budget by $142,673 primarily due to amounts over budget for licenses and permits of $74,762, charges for services over budget by $68,884 and miscellaneous income over budget by $41,337 offset by taxes under budget by $51,698.

Expenditures were over the final budget by $272,613 primarily due to amounts over budget for public works capital outlay of $103,282 and public works expenditures of $66,605. In addition debt service expenditures for principal payments were over budget by $40,189.

Fire Partnership Budgetary Highlights

	Original Budgeted Amounts	Budget Amendments	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	$ 514,129	$ -	$ 514,129	$ 557,727	$ 43,598
Expenditures	514,129	-	514,129	659,894	(145,765)
Net Change in Fund Balances	-	-	-	102,167	(102,167)
Fund Balances, January 1	308,570	-	308,570	308,570	-
Fund Balanes, December 31	$ 308,570	$ -	$ 308,570	$ 206,403	$ (102,167)

Fire Partnership revenues were over the final budget by $43,598 primarily due to amounts over budget for intergovernmental revenue of $25,401 and miscellaneous income over budget by $15,487.

Expenditures were over the final budget by $145,765 primarily due to amounts over budget for public safety of $89,708 and culture and recreation equipment of $56,057.

Capital Asset and Debt Administration

Capital assets. The City's net investment in capital assets for its governmental and business type activities as of December 31, 2025 amounts to $19,439,450 (net of accumulated depreciation). This investment in capital assets includes land, buildings, other improvements, machinery and equipment, park facilities, and roads and other infrastructure.

Major capital asset events during 2025 include the following:

- Construction of street projects totaling $983,830, added to construction in progress.
- Capital equipment disposals of $425,885, net of accumulated depreciation occurred in 2025.

City of Maple Plain's Capital Assets
(net of accumulated depreciation)

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Land	$ 2,190,661	$ 2,190,661	$ -	$ -	$ 2,190,661	$ 2,190,661
Buildings and Structures	24,401	14,842	#REF!	#REF!	#REF!	#REF!
Improvements other than Buildings	724,350	779,152	129,744	135,510	854,094	914,662
Machinery and Equipment	230,986	653,227	109,375	102,579	340,361	755,806
Infrastructure	3,848,042	4,043,188	7,748,408	8,117,557	11,596,450	12,160,745
Construction in Progress	4,433,483	3,449,653	-	-	4,433,483	3,449,653
Leased Building (Intangible Right to Use Asset)	-	50,358	-	-	-	-
Total	$ 11,451,923	$ 11,181,081	#REF!	#REF!	#REF!	#REF!

Additional information on the City's capital assets can be found in Note 3 of the notes to the financial statements.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of $12,503,000. Of this amount, $7,175,396 comprises special assessment supported debt, $5,327,604 is revenue supported debt. All outstanding debt carries the general obligation backing for which the City is liable in the event of default by the property owners subject to the specific taxes, special assessments, or revenues pledged to the retirement of the debt.

City of Maple Plain's Outstanding Bonded Debt

The City's outstanding bonded debt decreased by $808,000 during the current fiscal year. This increase was the result of principal payments of $808,000.

	Governmental Activities		Business-Type Activities	
	2025	2024	2025	2024
G.O. Special Assessment Bonds	$ 7,175,396	$ 7,431,359	$ -	$ -
G.O. Revenue Bonds	-	-	5,327,604	5,879,641
Unamortized Premium	180,302	194,454	115,563	137,590
Total	$ 7,355,698	$ 7,625,813	$ 5,443,167	$ 6,017,231

Additional information on the City's long-term debt can be found in Note 3 of the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

- Local government aid will decrease by $11,986 for 2026 for a total of $254,411.
- The total 2026 tax levy is proposed to increase $110,786 or 5.87% from 2025.
  - The general levy increased $114,801 or 7.82%
    - Factors relating to this increase are explained in this memo under the General Fund Budget Summary section
  - The debt levy decreased by $4,015 or -.96%. This is due to the scheduled bond payments.
- All employees are projected to receive a COLA increase of 3%.
- MN Paid Leave is added in the appropriate funds.

All of these factors were considered in preparing the City's budget for 2026 and will be for the 2027 fiscal year as well.

Requests for Information

This financial report is designed to provide a general overview of the City of Maple Plain's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Administrator, City of Maple Plain, 5050 Independence Street, Maple Plain, Minnesota 55359.

BASIC FINANCIAL STATEMENTS

CITY OF MAPLE PLAIN
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 4,213,311	$ 3,514,423	$ 7,727,734
Accounts Receivable	52,619	314,480	367,099
Lease Receivable	27,514	-	27,514
Accrued Interest Receivable	19,889	-	19,889
Special Assessments Receivable	982,090	629,726	1,611,816
Due from Other Governments	16,896	2,982	19,878
Internal Balances	485,520	(485,520)	-
Inventories	344	36,517	36,861
Prepaid Items	98,800	26,999	125,799
Net Pension Asset	407,125	-	407,125
Capital Assets			
Depreciation:			
Capital Assets, Nondepreciable	6,624,144	-	6,624,144
Capital Assets (Net of Accumulated Depreciation)	4,827,779	7,987,527	12,815,306
Total Assets	17,756,031	12,027,134	29,783,165
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pensions Resources	276,375	1,839	278,214
Total Assets and Deferred Outflows of Resources	$ 18,032,406	$ 12,028,973	$ 30,061,379

See accompanying Notes to Basic Financial Statements.

CITY OF MAPLE PLAIN
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts Payable	$ 459,605	$ 25,795	$ 485,400
Salaries Payable	43,579	1,099	44,678
Contracts Payable	73,721	-	73,721
Accrued Interest Payable	108,227	71,505	179,732
Due to Other Governments	23,711	730	24,441
Investment in Joint Venture Deficit	156,817	-	156,817
Unearned Revenue	17,750	-	17,750
Noncurrent Liabilities:			
Due Within One Year			
Long-Term Liabilities	377,703	603,899	981,602
Due in More than One Year			
Long-Term Liabilities	6,981,597	4,839,268	11,820,865
Net Pension Liability	71,693	3,263	74,956
Total Liabilities	8,314,403	5,545,559	13,859,962
DEFERRED INFLOWS OF RESOURCES			
Deferred Lease Resources	36,229	-	36,229
Deferred Pensions Resources	226,580	3,010	229,590
Total Deferred Inflows of Resources	262,809	3,010	265,819
NET POSITION			
Net Investment in Capital Assets	4,399,753	3,835,817	8,235,570
Restricted for:			
Fire Relief Pension	407,125	-	407,125
Public Safety	68,303	-	68,303
Park Improvements	15,166	-	15,166
Debt Service	2,246,540	-	2,246,540
Unrestricted	2,318,307	2,644,587	4,962,894
Total Net Position	9,455,194	6,480,404	15,935,598
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 18,032,406	$ 12,028,973	$ 30,061,379

See accompanying Notes to Basic Financial Statements.

CITY OF MAPLE PLAIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

		Program Revenues			Net Revenue (Expense) and Changes in Net Position		
					Primary Government		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT							
Governmental Activities:							
General Government	$ 101,625	$ 139,337	$ 16,040	$ 59	$ 53,811	$ -	$ 53,811
Public Safety	1,296,412	385,461	97,701	-	(813,250)	-	(813,250)
Public Works	1,413,680	-	-	77,507	(1,336,173)	-	(1,336,173)
Culture and Recreation	166,467	-	-	69,355	(97,112)	-	(97,112)
Economic Development	13,337	-	-	-	(13,337)	-	(13,337)
Interest and Fiscal Charges on Long-Term Debt	270,106	-	-	-	(270,106)	-	(270,106)
Total Governmental Activities	3,261,627	524,798	113,741	146,921	(2,476,167)	-	(2,476,167)
Business-Type Activities:							
Water	550,306	601,777	-	91,379	-	142,850	142,850
Sewer	547,188	675,612	-	-	-	128,424	128,424
Storm Water Drainage	138,574	95,069	-	1,000	-	(42,505)	(42,505)
Total Business-Type Activities	1,236,068	1,372,458	-	92,379	-	228,769	228,769
Total Primary Government	$ 4,497,695	$ 1,897,256	$ 113,741	$ 239,300	(2,476,167)	228,769	(2,247,398)
GENERAL REVENUES							
Taxes:							
Property Taxes Collected for General Purposes					1,546,617	-	1,546,617
Property Taxes Collected for Debt Services					294,028	-	294,028
Franchise Taxes					8,091	-	8,091
Grants and Contributions Not Restricted to Specific Programs					314,328	-	314,328
Unrestricted Investment Earnings					189,460	77,485	266,945
Miscellaneous					35,580	8,260	43,840
Transfers					16,200	(16,200)	-
Total General Revenues					2,404,304	69,545	2,473,849
CHANGE IN NET POSITION					(71,863)	298,314	226,451
Net Position - Beginning, As Originally Reported					9,414,029	6,093,767	15,507,796
Restatement (See Note 9)					113,028	88,323	201,351
Net Position - Beginning, As Restated					9,527,057	6,182,090	15,709,147
NET POSITION - END OF YEAR					$ 9,455,194	$ 6,480,404	$ 15,935,598

See accompanying Notes to Basic Financial Statements.

CITY OF MAPLE PLAIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	Major Funds						
	General	Fire Partnership	Capital Project	2024 Street Reconstruction	Debt Service	Other Governmental Funds	Total
ASSETS							
Cash and Cash Equivalents	$ 981,736	$ 314,935	$ 621,290	$ 563,336	$ 1,422,275	$ 309,739	$ 4,213,311
Accounts Receivable	51,299	-	-	-	-	1,320	52,619
Accrued Interest Receivable	19,889	-	-	-	-	-	19,889
Special Assessments Receivable	49,424	-	-	-	932,666	-	982,090
Lease Receivable	27,514	-	-	-	-	-	27,514
Due from Other Governments	15,396	1,500	-	-	-	-	16,896
Due from Other Funds	-	-	1,527,864	-	-	-	1,527,864
Inventories	344	-	-	-	-	-	344
Prepaid Items	96,915	1,686	-	-	199	-	98,800
Total Assets	$ 1,242,517	$ 318,121	$ 2,149,154	$ 563,336	$ 2,355,140	$ 311,059	$ 6,939,327
LIABILITIES							
Accounts Payable	$ 206,428	$ 67,090	$ -	$ 259,808	$ -	$ -	$ 533,326
Salaries Payable	7,838	35,741	-	-	-	-	43,579
Due to Other Governments	14,824	8,887	-	-	-	-	23,711
Due to Other Funds	-	-	-	1,042,170	174	-	1,042,344
Unearned Revenue	17,750	-	-	-	-	-	17,750
Total Liabilities	246,840	111,718	-	1,301,978	174	-	1,660,710
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Special Assessments	49,365	-	-	-	930,898	-	980,263
Leases	36,229	-	-	-	-	-	36,229
Total Deferred Inflows of Resources	85,594	-	-	-	930,898	-	1,016,492
FUND BALANCES							
Nonspendable	97,259	1,686	-	-	199	-	99,144
Restricted	68,303	-	15,166	-	1,423,869	-	1,507,338
Committed	-	204,717	-	-	-	73,300	278,017
Assigned	-	-	2,133,988	-	-	237,759	2,371,747
Unassigned	744,521	-	-	(738,642)	-	-	5,879
Total Fund Balances	910,083	206,403	2,149,154	(738,642)	1,424,068	311,059	4,262,125
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 1,242,517	$ 318,121	$ 2,149,154	$ 563,336	$ 2,355,140	$ 311,059	$ 6,939,327

See accompanying Notes to Basic Financial Statements.

CITY OF MAPLE PLAIN
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

Total Governmental Fund Balances		$ 4,262,125
Amounts reported for governmental activities in the statement of net position are different because:		
Governmental funds do not report a liability for equity interest in the joint venture deficit		(156,817)
Long-term assets from pensions reported in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.		407,125
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental Capital Assets	$ 14,453,258	
Less: Accumulated Depreciation/Amortization	(3,001,335)	
Total		11,451,923
Some receivables are not available soon enough to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.		
Deferred Special Assessments		980,263
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and Certificate Payable (Net of Unamortized Discount/Premium)	(7,355,698)	
Net Pension Liability	(71,693)	
Accrued Interest Payable	(108,227)	
Compensated Absences	(3,602)	
Total		(7,539,220)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred Outflow of Resources - Pensions	276,375	
Deferred Inflow of Resources - Pensions	(226,580)	
Total		49,795
Net Position of Governmental Activities		$ 9,455,194

See accompanying Notes to Basic Financial Statements.

CITY OF MAPLE PLAIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	Major Funds						
	General	Fire Partnership	Capital Project	2024 Street Reconstruction	Debt Service	Nonmajor Governmental Funds	Total
REVENUES							
Taxes	$ 1,421,501	$ -	$ -	$ -	$ 419,144	$ -	$ 1,840,645
Franchise Taxes	8,091	-	-	-	-	-	8,091
Special Assessments	59	-	-	-	327,739	-	327,798
Licenses and Permits	126,142	-	-	-	-	-	126,142
Fines and Forfeitures	11,857	-	-	-	-	-	11,857
Investment Earnings	26,727	8,710	60,884	57,797	28,590	6,752	189,460
Intergovernmental	312,508	74,901	-	23,820	-	-	411,229
Charges for Services	121,659	458,629	-	-	-	63,080	643,368
Contributions and Donations	-	800	-	-	-	35,015	35,815
Miscellaneous	44,637	14,687	-	-	-	-	59,324
Total Revenues	2,073,181	557,727	60,884	81,617	775,473	104,847	3,653,729
EXPENDITURES							
Current:							
General Government	553,625	-	-	-	-	-	553,625
Public Safety	975,957	601,337	-	-	-	-	1,577,294
Public Works	228,343	-	-	3,276	-	-	231,619
Culture and Recreation	152,185	-	-	-	-	-	152,185
Economic Development	2,500	-	-	-	-	10,837	13,337
Capital Outlay							
General Government	1,197	-	5,455	-	-	-	6,652
Public Safety	10,980	58,557	18,000	-	-	-	87,537
Public Works	119,282	-	9,650	845,673	-	-	974,605
Culture and Recreation	4,665	-	14,516	-	-	-	19,181
Debt Service:							
Principal Retirement	40,189	-	-	-	255,963	-	296,152
Interest and Fiscal Charges	198	-	-	-	283,854	-	284,052
Total Expenditures	2,089,121	659,894	47,621	848,949	539,817	10,837	4,196,239
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(15,940)	(102,167)	13,263	(767,332)	235,656	94,010	(542,510)
OTHER FINANCING SOURCES (USES)							
Sale of Capital Assets	690	-	-	-	-	-	690
Transfers In	9,000	-	126,200	-	-	57,322	192,522
Transfers Out	(130,000)	-	(37,322)	-	-	(9,000)	(176,322)
Total Other Financing Sources (Uses)	(120,310)	-	88,878	-	-	48,322	16,890
NET CHANGE IN FUND BALANCE	(136,250)	(102,167)	102,141	(767,332)	235,656	142,332	(525,620)
Fund Balance - Beginning, As Originally Reported	1,046,333	308,570	2,047,013	28,690	1,075,384	168,727	4,674,717
Restatement (See Note 9)	-	-	-	-	113,028	-	113,028
Fund Balance - Beginning, as Restated	1,046,333	308,570	2,047,013	28,690	1,188,412	168,727	4,787,745
FUND BALANCE - END OF YEAR	$ 910,083	$ 206,403	$ 2,149,154	$ (738,642)	$ 1,424,068	$ 311,059	$ 4,262,125

See accompanying Notes to Basic Financial Statements.

CITY OF MAPLE PLAIN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

Net Change In Fund Balances - Total Governmental Funds		$ (525,620)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds do not report income or loss in a joint venture		(16,218)
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation and amortization expense.		
Capital Outlay	$ 1,073,323	
Current Year Depreciation/Amortization	(376,596)	
Total		696,727
The effect of various miscellaneous transactions involving capital assets (e.g., sales, trade-ins, and retirements) is to decrease net position.		
Disposals of Capital Assets	(2,363,489)	
Accumulated Depreciation of Disposed of Capital Assets	1,937,604	
Total		(425,885)
The issuance of long-term debt (e.g., bonds, leases) 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 deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Principal Repayments	289,098	
Current Year Amortization of Discounts/Premiums and Refunding Losses	14,152	
Total		303,250
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the change in accrued interest payable.		6,848
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Compensated Absences		912
Pension Expense as it relates to PERA		162,905
Revenues and expenses in the statement of activities that do not provide current financial resources are not reported as revenues and expenditures in the governmental funds. The effect on the change in net position is the change in the year-end balances of deferred outflows and deferred inflows of resources.		
Deferred Outlfows of Resources, Property Taxes and special assessments		(274,782)
Changes In Net Position of Governmental Activities		$ (71,863)

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See accompanying Notes to Basic Financial Statements.

CITY OF MAPLE PLAIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2025

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Storm Water Drainage	Total
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 1,892,454	$ 942,608	$ 679,361	$ 3,514,423
Accounts Receivable	140,443	147,858	26,179	314,480
Special Assessments Receivable	17,543	12,525	7,571	37,639
Due from Other Governments	2,582	-	400	2,982
Inventories	36,517	-	-	36,517
Prepaid Items	1,816	24,713	470	26,999
Total Current Assets	2,091,355	1,127,704	713,981	3,933,040
Noncurrent Assets:				
Special Assessments Receivable	274,885	202,952	114,250	592,087
Capital Assets:				
Equipment and Machinery	34,179	158,612	-	192,791
Other Improvements	-	-	238,654	238,654
Infrastructure	8,358,879	3,114,883	1,260,540	12,734,302
Total Capital Assets	8,393,058	3,273,495	1,499,194	13,165,747
Less: Accumulated Depreciation	(3,525,384)	(1,210,415)	(442,421)	(5,178,220)
Total Capital Assets (Net of Accumulated Depreciation)	4,867,674	2,063,080	1,056,773	7,987,527
Total Noncurrent Assets	5,142,559	2,266,032	1,171,023	8,579,614
Total Assets	7,233,914	3,393,736	1,885,004	12,512,654
LIABILITIES				
Current Liabilities:				
Accounts Payable	$ 13,865	$ 6,644	$ 5,286	$ 25,795
Salaries Payable	440	440	219	1,099
Due to Other Governments	730	-	-	730
Due to Other Funds	365,726	119,794	-	485,520
Accrued Interest Payable	38,632	22,025	10,848	71,505
Current Maturities of Long-Term Debt	423,452	121,097	59,350	603,899
Total Current Liabilities	842,845	270,000	75,703	1,188,548
Noncurrent Liabilities:				
Net Pension Liability	1,305	1,305	653	3,263
Bonds Payable (Net of Current Maturities and Unamortized (Discount)/Premium)	2,536,397	1,480,861	822,010	4,839,268
Total Noncurrent Liabilities	2,537,702	1,482,166	822,663	4,842,531
Total Liabilities	3,380,547	1,752,166	898,366	6,031,079
DEFERRED INFLOWS OF RESOURCES				
Pension Plan Deferments - PERA	1,204	1,204	602	3,010
NET POSITION				
Net Investment in Capital Assets	2,550,541	966,558	318,718	3,835,817
Unrestricted	1,302,358	674,543	667,686	2,644,587
Total Net Position	3,852,899	1,641,101	986,404	6,480,404
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 7,234,650	$ 3,394,471	$ 1,885,372	$ 12,514,493

See accompanying Notes to Basic Financial Statements.

CITY OF MAPLE PLAIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2025

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Storm Water	Total
OPERATING REVENUES				
Charges for Services	$ 601,777	$ 675,612	$ 95,069	$ 1,372,458
OPERATING EXPENSES				
Personal Services	9,080	9,081	4,541	22,702
Supplies	2,438	3,115	68	5,621
Repairs and Maintenance	44,560	10,109	4,455	59,124
Depreciation	245,304	89,178	49,584	384,066
Professional Services	88,400	268,879	15,802	373,081
Contracted Services	-	47,284	5,326	52,610
Insurance	8,622	1,615	-	10,237
Utilities	48,630	3,571	-	52,201
Other	18,359	71,972	33,014	123,345
Total Operating Expenses	465,393	504,804	112,790	1,082,987
OPERATING INCOME (LOSS)	136,384	170,808	(17,721)	289,471
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings (Loss)	43,278	17,181	17,026	77,485
Interest and Fiscal Charges	(84,913)	(42,384)	(25,784)	(153,081)
Miscellaneous	121	-	8,139	8,260
Total Nonoperating Revenues (Expenses)	(41,514)	(25,203)	(619)	(67,336)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	94,870	145,605	(18,340)	222,135
Transfers Out	-	-	(16,200)	(16,200)
Capital Contributions				
Special Assessments	-	-	1,000	1,000
Connection Fees	91,379	-	-	91,379
Total Capital Contributions	91,379	-	(15,200)	76,179
CHANGE IN NET POSITION	186,249	145,605	(33,540)	298,314
Net Position - Beginning, As Originally Reported	3,622,488	1,461,526	1,009,753	6,093,767
Restatement (See Note 9)	44,162	33,970	10,191	88,323
Net Position - Beginning, As Restated	3,666,650	1,495,496	1,019,944	6,182,090
NET POSITION - END OF YEAR	$ 3,852,899	$ 1,641,101	$ 986,404	$ 6,480,404

See accompanying Notes to Basic Financial Statements.

CITY OF MAPLE PLAIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2025

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Storm Water Drainage	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	$ 608,969	$ 679,174	$ 100,966	$ 1,389,109
Cash Paid for Services	(221,071)	(401,463)	(53,908)	(676,442)
Payments to Employees	(6,867)	(6,867)	(3,435)	(17,169)
Net Cash Provided (Used) by Operating Activities	381,031	270,844	43,623	695,498
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advance to Other Funds	-	-	(16,200)	(16,200)
Cash Provided by Other Funds	365,726	119,794	-	485,520
Net Cash Provided (Used) by Noncapital Financing Activities	365,726	119,794	(16,200)	469,320
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Connection Fees Received	91,379	-	-	91,379
Acquisition and Construction of Capital Assets	(15,941)	-	-	(15,941)
Special Assessments	58,252	51,791	23,052	133,095
Bond Proceeds	-	-	140,100	140,100
Premium on Bond Proceeds	-	-	5,905	5,905
Principal Paid on Revenue Bonds	(397,233)	(104,804)	(50,000)	(552,037)
Interest Paid on Revenue Bonds	(101,001)	(55,212)	(172,805)	(329,018)
Net Cash Provided (Used) by Capital and Related Financing Activities	(364,544)	(108,225)	(53,748)	(526,517)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on Investments	43,278	17,181	17,026	77,485
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	425,491	299,594	(9,299)	715,786
Cash and Cash Equivalents - Beginning, As Originally Reported	1,411,510	606,346	676,541	2,694,397
Restatement (See Note 9)	55,453	36,668	12,119	104,240
Cash and Cash Equivalents - Beginning, As Restated	1,466,963	643,014	688,660	2,798,637
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,892,454	$ 942,608	$ 679,361	$ 3,514,423
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	$ 136,384	$ 170,808	$ (17,721)	$ 289,471
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	245,304	89,178	49,584	384,066
Other Income	121	-	8,139	8,260
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:				
(Increase) Decrease in Accounts Receivable	7,192	3,562	(2,242)	8,512
(Increase) Decrease in Due from Other Governments	(2,582)	-	(400)	(2,982)
(Increase) Decrease in Inventories	(2,209)	-	-	(2,209)
(Increase) Decrease in Prepaid Items	4,584	(1,366)	18	3,236
(Increase) Decrease in Deferred Outflows of Resources	(736)	(735)	(368)	(1,839)
Increase (Decrease) in Accounts Payable	(10,573)	6,448	5,139	1,014
Increase (Decrease) in Salaries Payable	440	440	219	1,099
Increase (Decrease) in Due to Other Governments	597	-	-	597
Increase (Decrease) in Net Pension Liability	1,305	1,305	653	3,263
Increase (Decrease) in Deferred Inflows of Resources	1,204	1,204	602	3,010
Total Adjustments	244,647	100,036	61,344	406,027
Net Cash Provided (Used) By Operating Activities	$ 381,031	$ 270,844	$ 43,623	$ 695,498
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Amortization of Bond Premium/Discount	$ 11,937	$ 9,753	$ 337	$ 22,027

See accompanying Notes to Basic Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Maple Plain operates under the "Optional Plan A" form of government according to applicable 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 accounting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The following is a summary of the City's more significant accounting policies.

A. The Financial Reporting Entity

The City's financial reporting entity consists of the City of Maple Plain (the primary government) and the Maple Plain Economic Development Authority (EDA) (a component unit).

<u>Blended Component Unit</u>
The EDA is included in the City's reporting entity because of the significance of its operational and financial relationship with the City. The EDA is presented as a "blended component unit" and, therefore, the individual fund balances and transactions of the EDA Fund are blended into the financial statements.

The EDA was created by the City in 2006 pursuant to Minnesota statutes 469.090 through 469.108 to carry out the economic and industrial development and redevelopment activities in the City of Maple Plain consistent with policies established by the City Council. It is comprised of the members of the City Council and two members at large with a December 31 year end. The EDA activities are blended and reported as a special revenue fund due to substantively the same governing board and the financial benefit/burden relationship. Separate financial statements for the EDA are not issued for this component unit.

B. Basis of Presentation - 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 primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation - Fund Financial Statements

The statement of activities demonstrates the degree to which the direct expenses of a given function or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. 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.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise funds and various other functions of the government. 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 operating revenues of the City of Maple Plain's enterprise funds are charges for services to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the 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.

The City reports the following major governmental funds:

General Fund

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

Fire Partnership Fund

The Fire Partnership Fund is a special revenue fund which accounts for charges for service that are committed for activities of the fire partnership agreement with the City of Independence.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Capital Project Fund

The Capital Project Fund accounts for the resources accumulated and payments made for purchases of capital projects

2024 Street Reconstruction Fund

The 2024 Street Reconstruction Fund accounts for the resources accumulated and payments made for the 2024 Street Reconstruction project

Debt Service Fund

The Debt Service Fund accounts for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the City is obligated in some manner for the payment.

The City reports the following major proprietary funds:

Water Fund

The Water Fund accounts for costs associated with the City's water system and ensure that user charges are sufficient to pay for those costs.

Sewer Fund

The Sewer Fund accounts for the costs associated with the City's sewer system and ensure that user charges are sufficient to pay for those costs.

Storm Water Drainage Fund

The Storm Water Drainage Fund accounts for the operation, maintenance, and capital improvements of the City's storm water system.

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

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources.* The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and 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 of Maple Plain 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 principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, and claims and judgments, postemployment benefits and asset retirement obligations are recognized based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the City of Maple Plain the right to use lease assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Property taxes, utilities taxes, licenses, interest, and charges for services 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.

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance

1. Cash and Investments

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

For purposes of the statement of cash flows, the City of Maple Plain's proprietary funds consider demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents

Cash balances from all funds are combined and invested to the extent available in investments authorized by state statutes and the City's investment policy. Earnings from such investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (Continued)

2. Property Taxes Receivable

The City Council annually adopts a tax levy and certifies it to the County in December 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 and tax settlements are made to the City during January, June and November each year. Revenues are accrued and recognized in the year collectible, net of delinquencies.

Taxes which remain unpaid at December 31 are classified as delinquent taxes receivable, and are fully offset by deferred inflows of resources for taxes not received within 60 days after year-end in the governmental fund financial statements.

3. Accounts Receivable

Accounts receivable include amounts billed for services provided before year-end. To the extent considered necessary, the City annually certifies delinquent water, sewer, and storm drainage accounts to the County for collection in the following year.

4. Special Assessments Receivable

Special assessments represent the financing for public improvements paid for by benefiting property owners. These assessments are recorded as receivable upon certification to the County. The City typically adopts the assessment rolls when the individual projects are complete or substantially complete. The assessments are collectible over a term of years generally consistent with the term of years of the related bond issue. Collection of annual installments (including interest) is handled by the County in the same manner as property taxes. Property owners are allowed to prepay total future installments without interest or prepayment penalties.

Special assessments which remain unpaid at December 31 are classified as current, delinquent, deferred, and other special assessments receivable and are fully offset by deferred inflows of resources, except for current, in the governmental fund financial statements because they are not known to be available to finance current expenditures.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (Continued)

5. Inventory, and Prepaid Items

All inventories are valued at lower of cost or market using the first-in/first-out (FIFO) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are recorded under the consumption method on the fund financial statements.

6. Lease Receivable

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

7. 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 initial, individual cost of $5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if the original cost is not available. Donated capital assets are recorded at estimated acquisition value at the date of donation. For financial statement purposes only, a capitalization threshold is established for each capital asset category as follows:

Assets	Amount
Land and Land Improvements	$ 10,000
Other Improvements	25,000
Buildings	25,000
Building Improvements	25,000
Machinery and Equipment	5,000
Vehicles	5,000
Infrastructure	100,000
Other Assets	5,000

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (Continued)

7. Capital Assets (Continued)

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include all such items regardless of their acquisition date or amount. 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). As the City constructs or acquires additional 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 amounts spent in relation to capital assets that do not increase the capacity of 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 estimated acquisition value of the item at the date of its donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Land and construction in progress are not depreciated. Property, plant, and equipment are depreciated using the straight-line method applied over the following estimated useful lives of the assets.

Land Improvements	15 to 30 Years
Other Improvements	10 to 20 Years
Buildings	20 to 40 Years
Machinery and Equipment	3 to 15 Years
Infrastructure	20 to 60 Years
Vehicles	25 to 75 Years

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. Deferred Outflows of Resources

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

9. Pension Plans

Public Employees Retirement Association

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

Fire Relief Association

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit plan administered by Maple Plain Fire Department 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 General fund is typically used to liquidate the government net pension liability.

The total pension expense for the General Employees Plan is $9,690 and Fire Relief Association is $153,215.

10. Compensated Absences

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

11. Long-Term Obligations

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

12. 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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item, which arises only under a modified accrual basis of accounting that qualifies as needing to be reporting in this category. Accordingly, the item, unavailable revenues, is reported only in the governmental fund balance sheet, The governmental funds report unavailable revenue from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also recognizes a deferred lease receivable, which is reported under both the modified accrual and full accrual basis. Furthermore, the City has an additional item which qualifies for reporting in this category. The item, deferred pension resources, is reported only in the statement of net position and results from actuarial calculations.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

13. Net Position

In the government-wide and proprietary fund financial statements, 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:

Net Investment in Capital Assets – Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.

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.

Unrestricted Net Position – All other net position balances that do 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.

14. Fund Balance Classifications

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 prepaid items, inventory, due from other funds, and advances to other funds.

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

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

14. Fund Balance Classifications (Continued)

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.

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 is 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 60% of budgeted expenditures for cash-flow timing needs.

15. Use of Estimates

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

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General, Special Revenue, and Debt Service funds. The capital project funds adopt project length budgets. Annual unused appropriations lapse at year-end for all funds.

On or before July 1 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 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. There were no budget amendments made during 2024.

B. Deficit Fund Equity

At December 31, 2025, the 2024 Street Reconstruction fund reported a deficit fund balance of $738,642. This is primarily due to large amounts of capital outlay in 2025 for the street projects. The Water, Sewer and Stormwater funds will be reimbursing the 2024 Street Reconstruction fund for project costs in 2026 once the project is completed.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

B. Excess of Expenditures over Appropriations

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

	Adopted Budget Expenditures	Actual Expenditures	Expenditures Over (Under) Adopted Budget
General	$ 1,816,508	$ 2,089,121	$ 272,613
Fire Partnership	514,129	659,894	145,765

These expenditures were funded by excess fund balance and current year revenues and were deemed to be necessary expenditures to properly serve the needs of the City during 2025.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits

Custodial Credit Risk - 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 market value of collateral pledged must equal 110% of the deposits not covered by insurance, bonds, or irrevocable standby letters of credit from Federal Home Loan Banks.

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 City.

At year-end, $137,444 bank balance of the City's deposits was covered by federal depository insurance.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments

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 contracting RBC Global Management at 100 South Fifth Street, Suite 2300, Minneapolis, MN 55402-1240.

At year end, the City's investment balances were as follows:

Types of Investments	Credit Quality/Ratings	Segmented Time Distribution (1)	Amount
Investments at Amortized Costs			
Minnesota Municipal Money Market Fund	N/A	Less than 6 months	$ 7,685,286

The investments of the City are subject to the following risks:

<u>Interest Rate Risk</u>
Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

<u>Credit Risk</u>
Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk.

<u>Custodial Credit Risk</u>
Custodial credit risk for investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party.

<u>Concentration of Credit Risk</u>
The concentration of credit risk is the risk of loss that may be caused by the City of Maple Plain's investment in a single issuer.

The City does not currently have a formal investment policy that addresses the above mentioned risks.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Lease Receivable

As of December 31, 2025, the City had the following lease receivable:

Description	Original Asset Amount	Discount Rate	Ending Deferred Inflow of Resources	Balance at Year End
T-Mobile Antenna Lease Agreement	1/1/2017	1.3%	$ 36,229	$ 27,514

Under the T-Mobile Antenna Lease Agreement, T-Mobile pays the City monthly for 216 remaining months in exchange for a site upon which to operate communication facilities supporting telecommunications. The monthly receipt amount for 2025 was $2,956.

C. 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	$ 2,190,661	$ -	$ -	$ 2,190,661
Construction in Process	3,449,653	983,830	-	4,433,483
Total Capital Assets, Not Being Depreciated	5,640,314	983,830	-	6,624,144
Capital Assets, Being Depreciated:				
Buildings	545,200	10,981	-	556,181
Improvements other than Buildings	1,198,504	-	-	1,198,504
Machinery and Equipment	3,141,697	78,512	2,363,489	856,720
Infrastructure	5,217,709	-	-	5,217,709
Total Capital Assets, Being Depreciated	10,103,110	89,493	2,363,489	7,829,114
Accumulated Depreciation for:				
Buildings	530,358	1,422	-	531,780
Improvements other than Buildings	419,352	54,802	-	474,154
Machinery and Equipment	2,488,470	74,868	1,937,604	625,734
Infrastructure	1,174,521	195,146	-	1,369,667
Total Accumulated Depreciation	4,612,701	326,238	1,937,604	3,001,335
Total Capital Assets, Being Depreciated, Net	5,490,409	(236,745)	425,885	4,827,779
Right-to-Use Assets, Being Amortized:				
Leased Building	142,455	-	142,455	-
Accumulated Amortization for:				
Leased Building	92,097	50,358	142,455	-
Total Right-to-Use Assets, Being Amortized, Net	50,358	50,358	142,455	-
Governmental Activities Capital Assets, Net	$ 11,181,081	$ 797,443	$ 568,340	$ 11,451,923

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Improvements Other Than Buildings	$ 238,654	$ -	$ -	$ 238,654
Machinery and Equipment	176,851	15,940	-	192,791
Infrastructure	12,734,295	7	-	12,734,302
Total Capital Assets, Being Depreciated	13,149,800	15,947	-	13,165,747
Accumulated Depreciation for:				
Improvements Other Than Buildings	103,144	5,766	-	108,910
Machinery and Equipment	74,272	9,144	-	83,416
Infrastructure	4,616,738	369,156	-	4,985,894
Total Accumulated Depreciation	4,794,154	384,066	-	5,178,220
Total Capital Assets, Being Depreciated, Net	8,355,646	(368,119)	-	7,987,527
Business-Type Capital Assets, Net	$ 8,355,646	$ (368,119)	$ -	$ 7,987,527

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

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

General Government	$	106,673
Public Safety		45,818
Public Works		214,538
Culture and Recreation		9,567
Total Depreciation and Amortization Expense, Governmental Activities	$	376,596

Depreciation expense was charged to proprietary funds as follows:

Water	$	245,304
Sewer		89,178
Storm		49,584
Total Depreciation Expense, Business-Type Activities	$	384,066

D. Interfund Balances

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

Due to/From Other Funds

	Due to other Funds				
Fund	2024 Street Reconstruction Fund	Water Fund	Sewer Fund	Debt Service Fund	Total
Due From Other Funds					
Capital Projects Fund	$ 1,042,170	$ 365,726	$ 119,794	$ 174	$ 1,527,864

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services were provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All amounts are expected to be repaid within one year.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Balances (continued)

Interfund Transfers

The composition of interfund transfers for the year ended December 31, 2025, is as follows:

	Transfers In			
Fund	General Fund	Capital Project Fund	Other Governmental Funds	Total
Transfers Out				
General Fund	$ -	$ 110,000	$ 20,000	130,000
Capital Project Fund	-	-	37,322	37,322
Other Governmental Funds	9,000	-	-	9,000
Storm Water Fund	-	16,200	-	16,200
Total	$ 9,000	$ 126,200	$ 57,322	$ 192,522

The City annually budgets for transfers between funds. These annual budgeted transfers are made to cover administrative fees and to fund certain capital improvement projects. The $20,000 and $37,322 transferred into Other Governmental Funds during the year was to move park dedication fees from both the General Fund and Capital Project Fund into the City's Park Improvement Fund.

E. Long-term Debt

General Obligation Special Assessment Bonds

The following bonds were used to finance infrastructure improvements. They will be repaid with ad valorem taxes, special assessments levied against the properties. The bonds are backed by the full faith and credit of the City.

Description	Authorized and Issued	Interest Rate	Issue Rate	Maturity Rate	Balance at Year End
G.O. Improvement Bonds					
Bonds of 2014A	$ 1,710,000	2.00 - 3.375%	6/25/2014	2/1/2035	$ 850,000
Bonds of 2016	710,000	1.00 - 3.00	7/28/2016	2/1/2037	460,000
Bonds of 2018	1,015,000	3.00 - 3.375	5/15/2018	2/1/2039	770,000
Bonds of 2021A	970,000	1.00 - 2.00	6/10/2021	2/1/2042	835,000
Bonds of 2021B	240,350	5.00	6/10/2021	2/1/2028	69,596
Bonds of 2022	815,000	4.00	7/14/2022	2/1/2038	735,000
Bonds of 2024A	3,455,800	5.50	6/24/2024	2/1/2045	3,455,800
Total G.O. Special Assessment Bonds					$ 7,175,396

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-term Debt (continued)

General Obligation Special Assessment Bonds (continued)

Annual requirement to maturity for general obligation special assessment bonds are as follows:

Years Ending	Governmental Activities		
December 31,	Principal	Interest	Total
2026	$ 374,101	$ 253,243	$ 627,344
2027	382,340	240,031	622,371
2028	403,555	226,209	629,764
2029	385,800	212,425	598,225
2030	394,500	198,829	593,329
2031 - 2035	2,218,500	763,023	2,981,523
2036 - 2040	1,752,200	385,359	2,137,559
2041 - 2045	1,264,400	121,044	1,385,444
Total	$ 7,175,396	$ 2,400,163	$ 9,575,559

General Obligation Revenue Bonds

The City issued G.O. revenue bonds for business-type activities to provide funds for the acquisition and construction of major capital facilities. These bonds are reported in the proprietary funds since they are expected to be repaid from proprietary fund revenues. The following bonds were issued to finance capital improvements in the enterprise funds. They will be repaid from future revenues pledged from the Water and Sewer funds and are backed by the taxing power of the City.

Annual principal and interest payments on the bonds are expected to require over 83 and 30 percent of revenues from the Water and Sewer funds, respectively. For 2025, principal and interest paid and total customer revenues for the Water fund were $498,234 and $512,073, respectively. For 2025, principal and interest paid and total customer revenues for the Sewer fund were $160,014 and $606,557 respectively.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-term Debt (Continued)

Description	Authorized and Issued	Interest Rate	Issue Rate	Maturity Rate	Balance at Year End
G.O. Revenue Bonds					
G.O. Water Revenue Note of 2007	$ 3,468,767	2.15%	7/9/2007	8/20/2026	$ 223,000
G.O. Improvement Bonds of 2014	1,290,000	2.00 - 3.375	6/25/2014	2/1/2035	850,000
G.O. Improvement Bonds of 2016	975,000	1.00 - 3.00	7/28/2016	2/1/2037	645,000
G.O. Improvement Bonds of 2018	935,000	3.00 - 3.375	5/15/2018	2/1/2039	695,000
G.O. Improvement Bonds of 2021A	1,035,000	1.00 - 2.00	6/10/2021	2/1/2042	905,000
G.O. Improvement Bonds of 2021B	804,650	5.00	6/10/2021	2/1/2028	345,404
G.O. Improvement Bonds of 2022	500,000	4.00	7/14/2022	2/1/2038	450,000
G.O. Improvement Bonds of 2024A	1,214,200	5.50	6/24/2024	2/1/2045	1,214,200
Total G.O. Special Assessment Bonds					$ 5,327,604

Annual requirement to maturity for general obligation revenue bonds are as follows:

Years Ending December 31,	Business-type Activities Principal	Interest	Total
2026	$ 603,899	$ 164,962	$ 735,044
2027	387,661	146,704	768,862
2028	421,444	132,501	534,364
2029	299,200	120,785	553,945
2030	310,500	111,875	419,985
2031 - 2035	1,686,500	408,250	2,093,942
2036 - 2040	1,102,800	167,672	1,545,424
2041 - 2045	515,600	43,956	440,194
Total	$ 5,327,604	$ 1,296,703	$ 7,091,760

<u>Lease Payable</u>

Lease agreements are summarized as follows:

Description	Original Asset Amount	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Discovery Center - Office Space	$ 275,276	1.3%	10/31/2019	10/31/2025	$ -

On October 16, 2014, the City entered into a lease agreement with the Orono Independent School District No. 278 for the period of October 1, 2014 through October 31, 2019. On October 31, 2019, the City amended the lease and extended the term through October 31, 2021. On October 1, 2021, the lease was amended to extend the term through October 31, 2025 at a fixed interest rate of 1.30%. The lease can be renewed for one additional year beyond the end date. The leased premises consist of City Office Space and Council Chambers.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-term Debt (Continued)

Changes in Long-term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
G.O. Special Assessment Bonds	$ 7,431,359	$ -	$ 255,963	$ 7,175,396	$ 374,101
Unamortized Bond Premium	194,454	-	14,152	180,302	-
Total Bonds Payable	7,625,813	-	270,115	7,355,698	374,101
Lease Payable	33,135	-	33,135	-	-
Compensated Absences*	4,514	-	912	3,602	3,602
Governmental Activities Long-Term Liabilities	$ 7,663,462	$ -	$ 304,162	$ 7,359,300	$ 377,703
Business-Type Activities:					
Bonds Payable:					
G.O. Revenue Bonds	$ 5,879,641	$ -	$ 552,037	$ 5,327,604	$ 603,899
Unamortized Bond Premium	137,590	-	22,027	115,563	-
Business-Type Activities Long-term Liabilities	$ 6,017,231	$ -	$ 574,064	$ 5,443,167	$ 603,899

* Note that this change is shown as a net change versus as the actual addition or reduction during the year.

Conduit Debt Obligations

The City has issued Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from private-sector entity revenues. The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2025 there was one revenue bond outstanding with Haven Homes with a principal amount of $36,660,000.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Components of Fund Balance

At December 31, 2025, a summary of the governmental fund balance classifications are as follows:

Purpose	General	Fire Partnership	Capital Project Fund	2024 Street Reconstruction	Debt Service Fund	Other Governmental Funds	Total
Nonspendable:							
Inventories	$ 344	$ -	$ -	$ -	$ -	$ -	$ 344
Prepaid Items	96,915	1,686	-	-	199	-	98,800
Total Nonspendable	$ 97,259	$ 1,686	$ -	$ -	$ 199	$ -	$ 99,144
Restricted for:							
Debt Service	$ -	$ -	$ -	$ -	$ 1,423,869	$ -	$ 1,423,869
Park Improvements	-	-	15,166	-	-	-	15,166
Public Safety	68,303	-	-	-	-	-	68,303
Total Restricted	$ 68,303	$ -	$ 15,166	$ -	$ 1,423,869	$ -	$ 1,507,338
Committed for:							
Fire Protection Services	$ -	$ 204,717	$ -	$ -	$ -	$ -	$ 204,717
Economic Development	-	-	-	-	-	73,300	73,300
Total Committed	$ -	$ 204,717	$ -	$ -	$ -	$ 73,300	$ 278,017
Assigned for:							
Capital Projects	$ -	$ -	$ 2,133,988	$ -	$ -	$ 225,337	$ 2,359,325
Gambling Proceeds	-	-	-	-	-	12,422	12,422
Total Assigned	$ -	$ -	$ 2,133,988	$ -	$ -	$ 237,759	$ 2,371,747
Unassigned	744,521	-	-	(738,642)	-	-	5,879
Total	$ 910,083	$ 206,403	$ 2,149,154	$ (738,642)	$ 1,424,068	$ 311,059	$ 4,262,125

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.

B. Benefits Provided

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

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

NOTE 4 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)

B. Benefits Provided (Continued)

General Employees Plan Benefits (Continued)
Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. The 2025 annual increase was 1.25 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a prorated increase.

C. Contributions

Minnesota Statutes, Chapter 353 sets 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 $15,839. The City's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

General Employees Fund Pension Costs
At December 31, 2025, the City reported a liability of $74,955 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the state of Minnesota's contribution of $16 million. The state of Minnesota is considered a nonemployer contributing entity and the state's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the City totaled $1,808.

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 0.0023% at the end of the measurement period and 0.0019% for the beginning of the period.

NOTE 4 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)

D. Pension Costs (Continued)

General Employees Fund Pension Costs (Continued)

		City
Proportionate Share of the Net Pension Liability	$	74,955
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the Entity		1,808
Total	$	76,763

For the year ended December 31, 2025, the City recognized pension expense of $10,597 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional $362 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 its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description		Deferred Outflows of Resources		Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	$	7,142	$	-
Changes in Actuarial Assumptions		1,806		17,247
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		-		29,825
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions		24,779		22,078
City Contributions Subsequent to the Measurement Date		8,523		-
Total	$	42,250	$	69,150

The $8,523 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expense Amount
2026	(5,835)
2027	(19,568)
2028	(4,692)
2029	(5,328)
Thereafter	-

NOTE 4 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)

E. Long-Term Expected Return on Investment

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Stocks	33.5 %	5.10 %
International Stocks	16.5	5.30
Private Markets	25.0	5.90
Fixed Income	25.0	0.75
Unallocated Cash	-	-
Totals	100.0 %	

F. Actuarial Methods and Assumptions

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

- Inflation is assumed to be 2.25% for the General Employees Plan, Police & Fire Plan, and the Correctional Plan.
- Benefit increases after retirement are assumed to be 1.50% for the General Employees Plan, 1% for the Police & Fire Plan, and 2% for the Correctional 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. In the Correctional Plan, salary growth assumptions range in annual increment from 8% after one year of service to 3% after 19 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 and the Correctional Plan are based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

NOTE 4 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)

F. Actuarial Methods and Assumptions (Continued)

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

<u>General Employees Fund</u>

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.

G. Discount Rate

The discount rate used to measure the total pension liability in 2025 was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees, Police and Fire, and Correctional 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.

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 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Description	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
GERF Discount Rate	6.00%	7.00%	8.00%
City's Proportionate Share of the GERF Net Pension Liability	$ 151,550	$ 69,386	$ 1,798

I. Pension Plan Fiduciary Net

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.

NOTE 5 PUBLIC EMPLOYEES DEFINED CONTRIBUTION PENSION PLAN

Five Council members of the City 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 5% of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees' contributions must be a fixed percentage of salary. 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% of employer contributions and 25-hundredths of 1% (0.25%) of the assets in each member's account annually.

NOTE 5 PUBLIC EMPLOYEES DEFINED CONTRIBUTION PENSION PLAN (CONTINUED)

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

Contribution Amount		Percentage of Covered Payroll		Required
Employee	Employer	Employee	Employer	Rate
$ 1,366	$ 1,366	5.0%	5.0%	5.0%

The City's contributions to the DCP Plan for the years ended December 31, 2025, 2024 and 2023 were $1,366, $1,666, and $1,197 respectively. The City's contributions were equal to the contractually required contributions for each year as set by Minnesota statutes.

NOTE 6 DEFINED BENEFIT PENSION PLANS – FIRE RELIEF ASSOCIATION

A. Plan Description

All members of the Maple Plain Fire Department (the Department) are covered by a single employer defined benefit plan administered by Maple Plain Fire Department Relief Association (the Association). As of December 31, 2024, the plan covered 20 active firefighters and 4 vested terminated fire fighters whose pension benefits are deferred. The plan is a single employer retirement plan and is established and administered in accordance with Minnesota statute, chapter 69.

The Association maintains a separate Special fund to accumulate assets to fund the retirement benefits earned by the Department's membership. Funding for the Association is derived from an insurance premium tax in accordance with the Volunteer Firefighter's Relief Association Financing Guidelines Act of 1971 (chapter 261 as amended by chapter 509 of Minnesota statutes 1980). Funds are also derived from investment income.

B. Benefits Provided

A firefighter who completes at least 20 years as an active member of the Department is entitled, after age 50, to a full service pension upon retirement. The bylaws of the Association also provide for an early vested service pension for a retiring member who has completed fewer than 20 years of service. The reduced pension, available to members with 10 years of service, shall be equal to 60 percent of the pension as prescribed by the bylaws. This percentage increases 4 percent per year so that at 20 years of service, the full amount prescribed is paid. Members who retire with less than 20 years of service and have reached the age of 50 years and have completed at least 10 years of active membership are entitled to a reduced service pension not to exceed the amount calculated by multiplying the member's service pension for the completed years of service times the applicable non-forfeitable percentage of pension.

NOTE 6 DEFINED BENEFIT PENSION PLANS – FIRE RELIEF ASSOCIATION (CONTINUED)

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 $46,027, $38,576, and $35,089 and in 2025, 2024, and 2023, respectively, in fire state aid to the plan on behalf of the City Fire Department, which was recorded as a revenue within the City's financial statements. The City's statutorily required contributions to the plan for the years ended December 31, 2025, 2024, and 2023 were $177,454, $101,867, and $86,971 to the required contributions as set by Minnesota statute. The City made no voluntary contributions to the plan. The firefighter has no obligation to contribute to the plan.

D. Pension Costs

At December 31, 2025, the City reported a net pension liability (asset) of ($407,125) for the Volunteer Firefighter Fund. The net pension asset was measured as of December 31, 2025. The total pension liability used to calculate the net pension asset in accordance with GASB 68 was determined by PERA. applying an actuarial formula to specific census data certified by the 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)
Total Pension Asset			
Beginning Balance January 1, 2024	$ 1,186,687	$ 1,411,985	$ (225,298)
Changes for the Year			
Service Cost	37,544	-	37,544
Interest Cost	69,745	-	69,745
Assumption Changes	(6,596)	-	(6,596)
Municipal Contributions	-	52,840	(52,840)
Nonemployer Contributions	-	46,027	(46,027)
Projected Investment Return	-	83,372	(83,372)
Gain or Loss	(57,944)	42,703	(100,647)
Benefit Payments	(22,564)	(22,564)	-
Administrative Expenses		(366)	366
Total Net Changes	20,185	202,012	(181,827)
Ending Balance December 31, 2024	$ 1,206,872	$ 1,613,997	$ (407,125)

For the year ended December 31, 2025, the City recognized pension expense of ($24,786).

NOTE 6 DEFINED BENEFIT PENSION PLANS – FIRE RELIEF ASSOCIATION (CONTINUED)

D. Pension Costs (Continued)

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	$ -	$ 127,500
Changes in Actuarial Assumptions	9,750	32,940
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	48,760	-
City Contributions Subsequent to the Measurement Date	177,454	-
Total	$ 235,964	$ 160,440

Deferred outflows of resources totaling $177,454 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 liability 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:

Year Ended December 31,	Pension Expense Amount
2026	2,336
2027	11,106
2028	(38,265)
2029	(28,262)
Thereafter	(48,845)

E. Actuarial Assumptions

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

ASSUMPTIONS FROM ACTUARIAL REPORT

Valuation Date	1/1/2025
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Closed Basis
Actuarial Assumptions:	
Discount Rate	6.00%
Investment Rate of Return	6.00%
20-Year Municipal Bond Yield	N/A (No unfunded liabilities)
Salary Increases	2.50%
Age of Service Retirement	50% at age 50, 20% at ages 51-56, 100% thereafter

NOTE 6 DEFINED BENEFIT PENSION PLANS – FIRE RELIEF ASSOCIATION (CONTINUED)

E. Actuarial Assumptions (Continued)

The following changes in plan provisions occurred in 2025:

- The discount rate changed from 5.75% to 6.00%.

The City's contributions were equal to the required contributions as set by state statute. The City made no voluntary contributions to the plan. 6.00 percent long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates for expected future real rates of return (expected returns, net of inflation) were developed for each asset class using the plan's target investment allocation along with long-term return expectations by asset class. Inflation expectations were applied to derive the nominal rate of return for the portfolio.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return
Cash	9.00 %	3.25 %
Fixed Income	33.00	4.00
Equities	58.00	7.75
Total Portfolio	100.00 %	

F. Discount Rate

The discount rate used to measure the total pension liability was 6.00 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.

G. Pension Asset Sensitivity

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

	1% Decrease	Selected Discount Rate	1% Increase
Net Pension Liability (Asset)	$ (380,491)	$ (407,125)	$ (433,024)
Discount Rate	5.00 %	6.00 %	7.00 %

NOTE 6 DEFINED BENEFIT PENSION PLANS – FIRE RELIEF ASSOCIATION (CONTINUED)

H. Pension Plan Fiduciary Net Position

The Association issues a publicly available financial report. The report may be obtained by writing to the Maple Plain Fire Department Relief Association, 5050 Independence Street, Maple Plain, MN 55359.

NOTE 7 JOINT VENTURES

Joint Ventures

West Hennepin Public Safety Department

In 1995, the Cities of Maple Plain and Independence, Minnesota, formed the West Hennepin Public Safety Department (the Department). The City participates in a joint powers agreement, which establishes the Department for the purpose of providing police protection within the two communities. The agreement creates a Board of Commissioners (the Board), composed of representatives from each member city, consisting of four members. The Board exercises legislative authority and determines all matters of policy. The Board appoints personnel responsible for the proper administration of all affairs relating to the Department's activities. The Board must, on or before August 15th each year, prepare and submit a detailed budget of the Department's needs for the next calendar year to the governing body of each city in the Department with a statement of the proportion of the budget to be provided by each city. The governing body of each city in the Department shall review and approve the budget by November 1st.

The following financial information is taken from the Department's audited financial statements for the year ended December 31, 2025

Total Assets and Deferred Outflows of Resources	$ 2,592,996
Total Liabilities and Deferred Inflows of Resources	3,115,198
Total Net Position	(522,202)
Total Revenue	2,773,838
Total Expense	2,838,813

The City's equity interest and its share of the net income (loss) of the Department are added to the value of the "Investment in Joint Venture" deficit in the government-wide financial statement under governmental activities. As of December 31, 2025 the amount reported as investment in joint venture deficit was $156,817.

According to a formula in the agreement, the City's share of the Department's budget is approximately 30 percent. Payments to the Department in 2025 totaled $726,923. The Department's financial statements for the period ending December 31, 2025 are available at the City's Municipal Center.

NOTE 7 JOINT VENTURES (CONTINUED)

Joint Ventures (Continued)

Maple Plain – Independence Fire Services Partnership

On December 31, 2002 the Maple Plain-Independence Fire Services Partnership (the "Fire Partnership") was established under a joint powers agreement among the Cities of Maple Plain and Independence to provide fire protection in the fire service area of the two cities. Maple Plain is considered the managing partner.

The governing body consists of a 4 member 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 Fire Partnership does not have any component units.

As provided for in the joint powers agreement, in the event of termination, all real and personal property and cash held by the Fire Partnership would be divided among the members. The managing partner shall, at its sole discretion either sell interest or purchase the partnership interest Independence has in any capital assets of the partnership.

The governmental fund financial activity of the Fire Partnership are currently reported in a special revenue fund in the basic financial statements and the capital assets and related long-term liabilities are recorded within the governmental activities in the statement of net position. The City of Maple Plain contributed $206,080 to the Fire Partnership in 2025. The City of Independence holds a 55.07 percent equity interest in the Fire Partnership.

Jointly Governed Organizations

Pioneer - Sarah Creek Watershed Management Commission

The Pioneer-Sarah Creek Watershed Management Commission is a joint powers watershed management organization formed under Minnesota statutes 103B.201-103B.255 and Minnesota Rules Chapter 8410. The Pioneer-Sarah Creek watershed covers about 70.5 square miles in northwestern Hennepin County. The six cities in the watershed jointly manage the water resources in this area through the Commission. The member cities are Maple Plain, Loretto, Independence, Medina, Minnetrista and Greenfield. The goal of the Commission is to enhance the water quality of the water resources within the watershed. The Commission seeks to carry out this goal through public information and education, analysis of the causes of harmful impacts on the water resources, regulation of the use of water bodies and their beds, regulation of land use, and capital improvement projects.

The City remitted $23,251 to the Commission in 2025. The contribution was reported in the City's Storm Water fund.

Complete financial statements can be obtained at the Commission's web site: http://pioneersarahcreek.org.

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 of the past three fiscal years. Settled claims resulting from these risks have not exceeded commercial insurance 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. 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

The City's statutory debt limit is computed as 3 percent of the taxable market value of property within the City. Long-term debt issued and financed partially or entirely by special assessments or the net revenues of enterprise fund operations is excluded from the debt limit computation. The City's applicable debt does not exceed the limit.

C. Concentrations

The City receives a significant amount of its annual General fund revenue from the State of Minnesota from the Local Government Aid (LGA). The amount received in 2025 was $266,397. This accounted for 13 percent of General fund revenues.

NOTE 9 RESTATEMENT OF BEGINNING NET POSITION AND FUND BALANCE

A. Correction of an Error in Previously Issued Financial Statements

During fiscal year 2025, the City of Maple Plain determined that revenues related to prepaid special assessments that were received in the prior year were not reported. This occurred due to prepayments made near the end of 2024, after certification of the prepaid special assessments was made to the county. These receipts were not recorded as deposits in transit and related revenue, but instead were held until January, deposited and recorded into revenue at that time. In addition, there were some special assessment revenues for the debt service fund erroneously recorded as exchange revenue in the enterprise funds. Therefore, for fiscal year 2024, the debt service fund had cash that was overstated by $104,240, special assessment revenue was understated by $217,268 with an overall understatement of fund balance of $113,028. Governmental Activities as a result was misstated in the same fashion as the debt service fund. The water fund's cash was understated by $55,453; water sales were overstated by $29,266 with special assessment revenue understated by $17,975. This resulted in a net position that was understated by $44,162. The sewer fund's cash was understated by $36,668; sewer sales were overstated by $17,544 with special assessment revenue understated by $14,846. This resulted in a net position that was understated by $33,970. The stormwater fund's cash was understated by $12,119; refuse charges were overstated by $9,403 with special assessment revenue understated by $7,475. This resulted in a net position that was understated by $10,191. Business-Type Activities on the government-wide financial statements, as a result contained the accumulation of the errors noted above for the water, sewer, and stormwater funds.

Restatements of Beginning Balances

	Funds					Government-Wide	
	Debt Service Fund	Water Fund	Sewer Fund	Stormwater Fund	Total	Governmental Activities	Business-Type Activities
December 31, 2024, As Previously Reported	$ 1,075,384	$ 3,622,488	$ 1,461,526	$ 1,009,753	$ 4,697,872	$ 9,414,029	$ 6,093,767
Error Correction	113,028	44,162	33,970	10,191	201,351	113,028	88,323
December 31, 2024, As Restated	$ 1,188,412	$ 3,666,650	$ 1,495,496	$ 1,019,944	$ 4,899,223	$ 9,527,057	$ 6,182,090

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MAPLE PLAIN
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION
DEFINED BENEFIT PENSION PLANS
SCHEDULE OF CITY'S AND NONEMPLOYER PROPORTIONATE SHARE OF NET PENSION LIABILITY
PUBLIC EMPLOYEES GENERAL EMPLOYEES RETIREMENT FUND
YEAR ENDED DECEMBER 31, 2025

Plan Year Ending	City's Proportion of the Net Position Liability	City's Proportionate Share of the Net Pension Liability	City's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Proportionate Share of the Net Pension Liability and the City's Share of the State of Minnesota's Share of the Net Pension Liability	City's Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2025	0.0023 %	$ 74,955	$ 1,808	$ 76,763	$ 235,700	31.8 %	90.8 %
6/30/2024	0.0019	69,386	1,798	71,184	194,284	35.7	89.1
6/30/2023	0.0026	145,389	4,050	149,439	214,550	67.8	83.1
6/30/2022	0.0020	158,401	4,737	163,138	154,218	102.7	76.7
6/30/2021	0.0013	55,516	1,645	57,161	80,918	68.6	87.0
6/30/2020	0.0022	131,900	4,125	136,025	159,243	82.8	79.0
6/30/2019	0.0045	248,795	7,833	256,628	319,508	77.9	70.2
6/30/2018	0.0046	255,189	8,281	263,470	308,163	82.8	79.5
6/30/2017	0.0041	261,741	3,306	265,047	256,354	102.1	75.9
6/29/2016	0.0043	349,139	-	349,139	266,607	131.0	68.9

See accompanying Notes to Required Supplementary Information – General Employees Retirement Plan.

CITY OF MAPLE PLAIN
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION
DEFINED BENEFIT PENSION PLANS
SCHEDULE OF CITY'S AND NONEMPLOYER CONTRIBUTIONS
PUBLIC EMPLOYEES GENERAL EMPLOYEES RETIREMENT FUND
YEAR ENDED DECEMBER 31, 2025

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Related to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
12/31/2025	$ 17,889	$ 17,889	$ -	$ 238,522	7.50
12/31/2024	17,462	17,462	-	232,821	7.50
12/31/2023	12,967	12,967	-	172,894	7.50
12/31/2022	13,616	13,616	-	181,548	7.50
12/31/2021	10,350	10,350	-	138,005	7.50
12/31/2020	7,662	7,662	-	102,155	7.50
12/31/2019	18,801	18,801	-	250,686	7.50
12/31/2018	23,768	23,768	-	316,912	7.50
12/31/2017	20,913	20,913	-	278,837	7.50
12/30/2016	19,011	19,011	-	253,485	7.50

See accompanying Notes to Required Supplementary Information – General Employees Retirement Plan.

NOTE 1 PENSION INFORMATION

General Employees Retirement Fund

2025 Changes
Changes in Actuarial Assumptions:

- The combined service annuity loading factors increased from 15% to 19% for vested terminated members and from 3% to 44% for 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.

2024 Changes
Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

NOTE 1 PENSION INFORMATION (CONTINUED)

General Employees Retirement Fund (Continued)

2023 Changes

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 6.5% to 7.00%

Changes in Plan Provisions

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

2022 Changes

Changes in Actuarial Assumptions:

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

2021 Changes

Changes in Actuarial Assumptions:

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

NOTE 1 PENSION INFORMATION (CONTINUED)

General Employees Retirement Fund (Continued)

2020 Changes

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years two through five and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions:

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

NOTE 1 PENSION INFORMATION (CONTINUED)

General Employees Retirement Fund (Continued)

2019 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- 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 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% to 3.00% , beginning July 1, 2018.
- Deferred augmentation was changed to 0.00% , 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 1.00% per year with a provision to increase to 2.50% upon attainment of 90.00% funding ratio to 50.00% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 1.50%, 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.

NOTE 1 PENSION INFORMATION (CONTINUED)

General Employees Retirement Fund (Continued)

2017 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions

- The State's contribution for the Minneapolis Employees Retirement Fund equals $16,000,000 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 Changes

Changes in Actuarial Assumptions:

- The assumed postretirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- 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% to 3.25% for payroll growth and 2.5% for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

CITY OF MAPLE PLAIN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE FIRE RELIEF ASSOCIATION'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
YEAR ENDED DECEMBER 31, 2025

	2025	2024	2023	2022	2021
Total Pension Liability					
Service Cost	$ 37,544	$ 35,201	$ 33,644	$ 30,010	$ 30,874
Interest	69,745	68,782	69,655	63,362	57,732
Assumption Changes	(6,596)	-	-	-	(17,946)
Plan Changes		46,239	56,397	81,387	49,554
Changes of Assumptions		-	(6,444)	-	-
Gain or Loss	(57,944)	-	(62,026)	-	(31,488)
Benefit Payments, Including Refunds of Employee Contributions	(22,564)	(249,089)	(76,978)	(50,954)	(130,000)
Net Change in Total Pension Liability	20,185	(98,867)	14,248	123,805	(41,274)
Total Pension Liability - January 1	1,186,687	1,285,554	1,271,306	1,147,501	1,188,775
Total Pension Liability - December 31 (a)	$ 1,206,872	$ 1,186,687	$ 1,285,554	$ 1,271,306	$ 1,147,501
Plan Fiduciary Net Position					
Contributions - Employer	$ 52,840	$ 48,395	$ 45,875	$ 44,800	$ 44,800
Contributions - State	46,027	42,567	36,089	33,683	32,025
Net Investment Income	83,372	78,521	90,818	82,964	71,160
Gain or Loss	42,703	46,940	(299,642)	43,848	26,901
Benefit Payments, Including Refunds of Employee Contributions	(22,564)	(249,089)	(76,978)	(50,954)	(130,000)
Administrative Expense	(366)	-	(511)	(24)	-
Net Change in Plan Fiduciary Net Position	202,012	(32,666)	(204,349)	154,317	44,886
Total Pension Liability - January 1	1,411,985	1,444,651	1,649,000	1,494,683	1,449,797
Total Pension Liability - December 31 (b)	$ 1,613,997	$ 1,411,985	$ 1,444,651	$ 1,649,000	$ 1,494,683
Fire Relief's Net Pension Liability (Asset) - December 31 (a-b)	$ (407,125)	$ (225,298)	$ (159,097)	$ (377,694)	$ (347,182)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (b/a)	133.73%	118.99%	112.38%	129.71%	130.26%
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A
Fire Relief's Net Pension Liability (Asset) as a Percentage of Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A

	2020	2019	2018	2017	2016
Total Pension Liability					
Service Cost	$ 28,113	$ 31,245	$ 30,483	$ 39,565	$ 37,413
Interest	53,612	49,207	49,395	53,188	43,559
Assumption Changes	-	32,497	-	-	-
Plan Changes	62,919	57,915	-	-	72,040
Changes of Assumptions	-	-	-	(75,938)	-
Gain or Loss	-	(38,625)	-	(40,193)	-
Benefit Payments, Including Refunds of Employee Contributions	-	(82,000)	(86,800)	-	-
Net Change in Total Pension Liability	144,644	50,239	(6,922)	(23,378)	153,012
Total Pension Liability - January 1	1,044,131	993,892	1,000,814	1,024,192	871,180
Total Pension Liability - December 31 (a)	$ 1,188,775	$ 1,044,131	$ 993,892	$ 1,000,814	$ 1,024,192
Plan Fiduciary Net Position					
Contributions - Employer	$ 40,000	$ 38,000	$ 31,851	$ 27,026	$ 26,520
Contributions - State	26,488	26,857	36,043	34,714	24,408
Net Investment Income	61,093	64,308	58,002	52,901	52,385
Gain or Loss	133,593	(153,279)	86,154	27,703	(98,405)
Benefit Payments, Including Refunds of Employee Contributions	-	(82,000)	(86,800)	-	-
Administrative Expense	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	261,174	(106,114)	125,250	142,344	4,908
Total Pension Liability - January 1	1,188,623	1,294,737	1,169,487	1,027,143	1,022,235
Total Pension Liability - December 31 (b)	$ 1,449,797	$ 1,188,623	$ 1,294,737	$ 1,169,487	$ 1,027,143
Fire Relief's Net Pension Liability (Asset) - December 31 (a-b)	$ (261,022)	$ (144,492)	$ (300,845)	$ (168,673)	$ (2,951)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (b/a)	121.96%	113.84%	130.27%	116.85%	100.29%
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A
Fire Relief's Net Pension Liability (Asset) as a Percentage of Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A

See accompanying Notes to Required Supplementary Information – Fire Relief Association.

CITY OF MAPLE PLAIN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S FIRE RELIEF ASSOCIATION CONTRIBUTIONS
YEAR ENDED DECEMBER 31, 2025

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)
12/31/2025	$ 60,959	$ 177,454	$ (116,495)
12/31/2024	49,027	101,867	(52,840)
12/31/2023	38,576	86,971	(48,395)
12/31/2022	35,089	79,889	(44,800)
12/31/2021	32,683	76,825	(44,142)
12/31/2020	31,025	66,488	(35,463)
12/31/2019	26,488	67,488	(41,000)
12/31/2018	26,857	64,857	(38,000)
12/31/2017	26,043	57,894	(31,851)
12/31/2016	24,714	51,740	(27,026)

See accompanying Notes to Required Supplementary Information – Fire Relief Association.

CITY OF MAPLE PLAIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FIRE RELIEF ASSOCIATION
DECEMBER 31, 2025

NOTE 1 PENSION INFORMATION

Fire Relief Association

Changes in Actuarial Assumptions:

2015 - In 2015, amounts reported as changes of assumptions resulted primarily from adjustments to expected retirement ages of general employees. In 2015, amounts reported as changes of assumptions resulted primarily from adjustments to expected retirement ages of public safety employees. In 2015, amounts reported as changes of assumptions resulted primarily from adjustments to assumed life expectancies as a result of adopting the RP-2000 Healthy Annuitant Mortality Table for purposes of developing mortality rates.

2016 - The retirement age changed from Age 50 to a graded schedule based on age. The interest rate used for deferred benefit increases subject to the rate chosen by the relief association is assumed to be zero. Previously, it was assumed this rate would be equal to the 4.00% rate chosen for other deferred benefit increases.

2025 – The discount rate changed from 5.7% to 6.00%

Changes in Plan Provisions:

2022 - The benefit terms were modified to base public safety employee pensions on a final three-year average salary instead of a final five-year average salary. In 2022, the benefit fee increased from $3,200 to $3,500.

2024 – The Benefit Level changed from $3,700 to $3,850.

NOTE 2 BUDGETS

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General, Special Revenue, and Debt Service funds. The capital project funds adopt project length budgets. Annual unused appropriations lapse at year-end for all funds.

Budgetary control is maintained at the object of expenditure category level within each activity. Budgeted amounts are as originally adopted, or as amended by the City Council. The budget may be amended by a majority of the Council by resolution. Management may not amend the budget without Council approval. Budgeted appropriations lapse at year-end.

CITY OF MAPLE PLAIN
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive/ (Negative)
REVENUES				
Taxes	$ 1,481,290	$ 1,481,290	$ 1,429,592	$ (51,698)
Licenses and permits	51,380	51,380	126,142	74,762
Intergovernmental	311,263	311,263	312,508	1,245
Charges for Services	52,775	52,775	121,659	68,884
Fines and Forfeitures	10,500	10,500	11,857	1,357
Special Assessments	-	-	59	59
Investment Earnings	20,000	20,000	26,727	6,727
Miscellaneous	3,300	3,300	44,637	41,337
Total Revenues	1,930,508	1,930,508	2,073,181	142,673
EXPENDITURES				
Current				
General Government:	525,589	525,589	553,625	(28,036)
Public Safety:	971,003	971,003	975,957	(4,954)
Public Works:	161,738	161,738	228,343	(66,605)
Culture and Recreation:	141,378	141,378	152,185	(10,807)
Economic Development	-	-	2,500	(2,500)
Capital Outlay				-
General Government	300	300	1,197	(897)
Public Safety	500	500	10,980	(10,480)
Public Works:	16,000	16,000	119,282	(103,282)
Culture and Recreation	-	-	4,665	(4,665)
Debt Service				
Principal	-	-	40,189	(40,189)
Interest and Other	-	-	198	(198)
Total Expenditures	1,816,508	1,816,508	2,089,121	(272,613)
EXCESS OF REVENUES OVER EXPENDITURES	114,000	114,000	(15,940)	(129,940)
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	690	(690)
Transfers In	9,000	9,000	9,000	-
Transfers Out	(122,000)	(122,000)	(130,000)	(8,000)
Total Other Financing Sources (Uses)	(113,000)	(113,000)	(120,310)	(8,690)
NET CHANGE IN FUND BALANCE	$ 1,000	$ 1,000	(136,250)	$ (138,630)
Fund Balance - Beginning of Year			1,046,333	
FUND BALANCE - END OF YEAR			$ 910,083	

CITY OF MAPLE PLAIN
FIRE PARTNERSHIP
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive/ (Negative)
REVENUES				
Intergovernmental	$ 49,500	$ 49,500	$ 74,901	$ 25,401
Charges for Services	460,129	460,129	458,629	(1,500)
Interest on Investments	4,500	4,500	8,710	4,210
Miscellaneous	-	-	15,487	15,487
Total Revenues	514,129	514,129	557,727	43,598
EXPENDITURES				
Current				
Public Safety:	511,629	511,629	601,337	89,708
Capital Outlay				
Culture and Recreation	2,500	2,500	58,557	56,057
Total Expenditures	514,129	514,129	659,894	145,765
EXCESS OF REVENUES OVER EXPENDITURES	$ -	$ -	(102,167)	$ (102,167)
Fund Balance - Beginning of Year			308,570	
FUND BALANCE - END OF YEAR			$ 206,403	

CITY OF MAPLE PLAIN
COMBINING BALANCE SHEET
GOVERNMENTAL FUND TYPES (NONMAJOR FUNDS)
DECEMBER 31, 2025

	Special Revenue	Capital Projects	Total
ASSETS			
Cash and Cash Equivalents	$ 84,402	$ 225,337	$ 309,739
Accounts Receivable	1,320	-	1,320
Total Assets	$ 85,722	$ 225,337	$ 311,059
FUND BALANCES			
Committed	73,300	-	73,300
Assigned	12,422	225,337	237,759
Total Fund Balances	85,722	225,337	311,059
Total Liabilities and Fund Balances	$ 85,722	$ 225,337	$ 311,059

CITY OF MAPLE PLAIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND TYPES (NONMAJOR FUNDS)
YEAR ENDED DECEMBER 31, 2025

	Special Revenue	Capital Projects	Total
REVENUES			
Interest on Investments	$ 2,515	$ 4,237	$ 6,752
Charges for Services	-	63,080	63,080
Contributions and Donations	10,515	24,500	35,015
Total Revenues	13,030	91,817	104,847
EXPENDITURES			
Current:			
Public Works	10,837	-	10,837
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,193	91,817	94,010
OTHER FINANCING SOURCES			
Transfers In	-	57,322	57,322
Transfers Out	(9,000)	-	(9,000)
Total Other Financing Sources/(Uses)	(9,000)	57,322	48,322
NET CHANGE IN FUND BALANCE	(6,807)	149,139	142,332
Fund Balance - Beginning of Year	92,529	76,198	168,727
FUND BALANCE - END OF YEAR	$ 85,722	$ 225,337	$ 311,059

CITY OF MAPLE PLAIN
SPECIAL REVENUE NONMAJOR FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2025

	Economic Development Fund	Gambling Proceeds Fund	Total
ASSETS			
Cash and Investments	$ 73,300	$ 11,102	$ 84,402
Accounts Receivable	-	1,320	1,320
Total Assets	$ 73,300	$ 12,422	$ 85,722
FUND BALANCES			
Assigned	-	12,422	12,422
Committed	73,300	-	73,300
Total Fund Balances	73,300	12,422	85,722
Total Liabilities and Fund Balances	$ 73,300	$ 12,422	$ 85,722

CITY OF MAPLE PLAIN
SPECIAL REVENUE NONMAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2025

	Economic Development Fund	Gambling Proceeds Fund	Total
REVENUES			
Investment Earnings	$ 2,272	$ 243	$ 2,515
Contributions and Donations	-	10,515	10,515
Total Revenues	2,272	10,758	13,030
EXPENDITURES			
Current:			
Economic Development	10,837	-	10,837
Total Expenditures	10,837	-	10,837
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(8,565)	10,758	2,193
OTHER FINANCING SOURCES			
Transfers Out	-	(9,000)	(9,000)
NET CHANGE IN FUND BALANCE	(8,565)	1,758	(6,807)
Fund Balance - Beginning of Year	81,865	10,664	92,529
FUND BALANCE - END OF YEAR	$ 73,300	$ 12,422	$ 85,722

CITY OF MAPLE PLAIN
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2025

	Park Improvement Fund	2021 Street Reconstruction Fund	2022 Street Project Fund	City Hall Development Fund	Equipment Repair Fund	Total
ASSETS						
Cash and Temporary Investments	$ 202,667	$ 51	$ 99	$ 22,520	$ -	$ 225,337
FUND BALANCES						
Assigned	$ 202,667	$ 51	$ 99	$ 22,520	$ -	$ 225,337

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CITY OF MAPLE PLAIN
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2025

	Park Improvement Fund	2021 Street Reconstruction Fund	2022 Street Project Fund	City Hall Development Fund	Equipment Repair Fund	Total
REVENUES						
Interest on Investments	$ 3,769	$ 2	$ 2	$ 464	$ -	$ 4,237
Charges for Services	63,080					$ 63,080
Contributions and Donations	24,500	-	-	-	-	24,500
Total Revenues	91,349	2	2	464	-	91,817
OTHER FINANCING SOURCES						
Transfers In	57,322	-	-	12,000	-	69,322
Transfers Out	-	-	-	-	(12,000)	(12,000)
Total Other Financing Sources	57,322	-	-	12,000	(12,000)	57,322
NET CHANGE IN FUND BALANCE	148,671	2	2	12,464	(12,000)	149,139
Fund Balance - Beginning of Year	53,996	49	97	10,056	12,000	76,198
FUND BALANCE - END OF YEAR	$ 202,667	$ 51	$ 99	$ 22,520	$ -	$ 225,337

CITY OF MAPLE PLAIN
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET – BY DEBT ISSUANCE
DECEMBER 31, 2025

	2012A G.O. Bonds	2013A G.O. Bonds	2014A G.O. Bonds	2016A G.O. Bonds	2018A G.O. Bonds	2021A G.O. Bonds	2022A G.O. Bonds	2024A G.O. Bonds	Total
ASSETS									
Cash and Investments	$ 90,968	$ -	$ 195,546	$ 78,792	$ 147,065	$ 301,489	$ 105,110	$ 503,305	$ 1,422,275
Special Assessments Receivable	9,097	-	67,459	68,143	109,240	137,721	-	541,006	932,666
Prepaid Expenses	-	-	-	-	-	-	-	199	199
Total Assets	$ 100,065	$ -	$ 263,005	$ 146,935	$ 256,305	$ 439,210	$ 105,110	$ 1,044,510	$ 2,355,140
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
LIABILITIES									
Due to Other Funds	$ -	$ 174	$ -	$ -	$ -	$ -	$ -	$ -	$ 174
DEFERRED INFLOWS OF RESOURCES									
Unavailable Revenue - Special Assessments	8,197	-	66,905	68,143	109,240	137,407	-	541,006	930,898
FUND BALANCES									
Nonspendable	-	-	-	-	-	-	-	199	199
Restricted	91,868	(174)	196,100	78,792	147,065	301,803	105,110	503,305	1,423,869
Total Fund Balances	91,868	(174)	196,100	78,792	147,065	301,803	105,110	503,504	1,424,068
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 100,065	$ -	$ 263,005	$ 146,935	$ 256,305	$ 439,210	$ 105,110	$ 1,044,510	$ 2,355,140

CITY OF MAPLE PLAIN
DEBT SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BY DEBT ISSUANCE
YEAR ENDED DECEMBER 31, 2025

	2012A G.O. Bonds	2013A G.O. Bonds	2014A G.O. Bonds	2016A G.O. Bonds	2018A G.O. Bonds	2021A G.O. Bonds	2022A G.O. Bonds	2024A G.O. Bonds	Total
REVENUES									
Taxes	$ 27,053	$ -	$ 72,608	$ 30,191	$ 47,520	$ 38,536	$ 78,120	$ 125,116	$ 419,144
Special Assessments	5,098	-	17,612	8,079	13,718	26,434	-	256,798	327,739
Investment Earnings	2,002	-	4,036	1,606	3,218	7,347	1,779	8,602	28,590
Total Revenues	34,153	-	94,256	39,876	64,456	72,317	79,899	390,516	775,473
EXPENDITURES									
Debt Service:									
Principal Retirement	20,963	-	70,000	35,000	45,000	45,000	40,000	-	255,963
Interest and Fiscal Charges	4,004	-	28,614	11,863	25,557	13,936	30,675	169,205	283,854
Total Expenditures	24,967	-	98,614	46,863	70,557	58,936	70,675	169,205	539,817
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	9,186	-	(4,358)	(6,987)	(6,101)	13,381	9,224	221,311	235,656
NET CHANGE IN FUND BALANCE	9,186	-	(4,358)	(6,987)	(6,101)	13,381	9,224	221,311	235,656
Fund Balance - Beginning, As Originally Reported	82,682	(174)	200,458	85,779	153,166	288,422	95,886	169,165	1,075,384
Restatement (See Note 9)	-	-	-	-	-	-	-	113,028	113,028
Fund Balance - Beginning, As Restated	82,682	(174)	200,458	85,779	153,166	288,422	95,886	282,193	1,188,412
FUND BALANCE - END OF YEAR	$ 91,868	$ (174)	$ 196,100	$ 78,792	$ 147,065	$ 301,803	$ 105,110	$ 503,504	$ 1,424,068

CITY OF MAPLE PLAIN, MINNESOTA
SUPPLEMENTARY INFORMATION
SUMMARY FIANCIAL REPORT
REVENUES AND EXPENDITURES FOR GENERAL OPERATIONS- GOVERNMENTAL FUNDS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

	Totals		Percent Increase
	2025	2024	(Decrease)
Revenues			
Taxes	$ 1,848,736	$ 1,769,211	4.5 %
Special Assessments	327,798	227,959	43.8
Licenses and Permits	126,142	81,689	54.4
Intergovernmental	411,229	574,911	(28.5)
Charges for Services	643,368	585,859	9.8
Fines and Forfeits	11,857	11,831	0.2
Interest on Investments	189,460	308,229	(38.5)
Miscellaneous	95,139	140,848	(32.5)
Total Revenues	$ 3,653,729	$ 3,700,537	(0.0)%
Per Capita	$ 2,096	$ 1,959	0.1 %
Expenditures			
Current			
General Government	$ 553,625	$ 658,850	(16.0)%
Public Safety	1,577,294	1,591,125	(0.9)
Public Works	231,619	192,007	20.6
Culture and Recreation	152,185	215,126	(29.3)
Economic Development	13,337	2,500	433.5
Capital Outlay			
General Government	6,652	75,636	(91.2)
Public Safety	87,537	127,201	(31.2)
Public Works	974,605	3,606,256	(73.0)
Culture and Recreation	19,181	9,141	109.8
Debt Service			
Principal	296,152	288,886	2.5
Interest and Other Charges	284,052	237,562	19.6
Total Expenditures	$ 4,196,239	$ 7,004,290	(40.1)%
Per Capita	$ 2,407	$ 3,708	(35.1)%
Total Long-Term Indebtedness	$ 7,175,396	$ 7,464,494	(3.9)%
Per Capita	4,117	3,952	4.2 %
General Fund Balance - December 31	$ 910,083	$ 1,046,333	(13.0)%
Per Capita	522	554	(5.8)%

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

City Council
City of Maple Plain
Maple Plain, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Maple Plain, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City of Maple Plain's basic financial statements, and have issued our report thereon dated June 15, 2026.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2025-001 and 2025-002 that we consider to be material weaknesses.

City Council
City of Maple Plain

Report on Compliance and Other Matters

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

City of Maple Plain's Response to Findings

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

Minneapolis, Minnesota
June 15, 2026

MINNESOTA LEGAL COMPLIANCE

Independent Auditor's Report

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Maple Plain, Minnesota (the City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 15, 2026.

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

This report is intended solely for the information and use of those charged with governance and management of City of Maple Plain and the State Auditor and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

Minneapolis, Minnesota
June 15, 2026

Financial Statement Findings

Material Weakness

2025-001: Prior Period Restatement – Special Assessments

Condition: During our testing of special assessment revenue, it was determined that revenues related to prepaid special assessments that were received in the prior year were not reported. This occurred due to prepayments made near the end of 2024, after certification of the prepaid special assessments was made to the county. These receipts were not recorded as deposits in transit and related revenue, but instead were held until January, deposited and recorded into revenue at that time. In addition, there were some special assessment revenues for the debt service fund erroneously recorded as exchange revenue in the enterprise funds.

Criteria or Specific Requirement: Special assessment revenue should be properly reconciled annually. All receipts for special assessment payments should be recorded in the proper fiscal year.

Effect: In fiscal year 2024, the debt service fund had cash that was overstated by $104,240, special assessment revenue was understated by $217,268 with an overall understatement of fund balance of $113,028. Governmental Activities as a result was misstated in the same fashion as the debt service fund. The water fund's cash was understated by $55,453; water sales were overstated by $29,266 with special assessment revenue understated by $17,975. This resulted in a net position that was understated by $44,162. The sewer fund's cash was understated by $36,668; sewer sales were overstated by $17,544 with special assessment revenue understated by $14,846. This resulted in a net position that was understated by $33,970. The stormwater fund's cash was understated by $12,119; refuse charges were overstated by $9,403 with special assessment revenue understated by $7,475. This resulted in a net position that was understated by $10,191. Business-Type Activities on the government-wide financial statements, as a result contained the accumulation of the errors noted above for the water, sewer, and stormwater funds.

Cause: The city had special assessment receipts received during November and December of 2024 which were not deposited until January of 2025. When deposited, instead of recording the revenues properly in 2024 and including as a deposit in transit on the bank reconciliation they were instead recorded as revenue in January of 2025.

Recommendation: We recommend that the City of Maple Plain ensure that all revenues received are deposited in a timely manner, and when deposited recorded in the proper fiscal year. If deposits are held for any period of time, its important to capture them at month end as deposits in transit within the bank reconciliation. In addition, the City should implement internal controls sufficient to ensure special assessments are properly reconciled each year, and errors like this are identified by the internal control process.

Views of Responsible Officials: There is no disagreement with the audit finding, the City will implement a more robust internal control process.

CITY OF MAPLE PLAIN
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2025

Financial Statement Findings

Material Weakness

2025-002: Census Data

Condition: During our testing of the net pension asset related to the fire relief association, it came to our attention that proper support for key information that could affect the actuarial calculation was not retained by the city or relief association.

Criteria or Specific Requirement: It is important that any material asset or liability of the City be properly supported and verifiable by the City.

Effect: It is possible that one of the fire fighters' birthdates, retirement dates, or documented years of service could be incorrectly being reported to the actuary that is utilized to calculate the net pension asset. If that occurs, the asset and related deferred inflows and outflows of resources could be materially misstated.

Cause: Between the City and fire relief association, there was not documentation available to be reviewed to verify the birth dates, dates of hire, or verified separation date for 2 of the 5 firefighters sampled for testing. These files have not been retained for these individuals.

Recommendation: Since there is a material asset being recorded within the financial statements that relies on an actuarial calculation, it is important that management of the City review and ensure that the data being provided to the actuary is reasonably accurate. In case something is incorrect, its important that records of the key information provided to the actuary, such as birth dates, hire dates, and separation dates, are documented and retained so there is something on file to compare the date being sent to the actuaries should the City want to verify it. We recommend that the City implement internal controls sufficient to ensure that type of information is collected and retained for all current and future firefighters that are a part of the relief association.

Views of Responsible Officials: There is no disagreement with the audit finding, the City will implement a more robust internal control process. The City, during the audit process, began collecting such data for their files.