CITY COUNCIL MEETING AGENDA

August 12, 2026 ~ 5:00 p.m. ~ Frazee Event Center

The City of Frazee utilizes TEAMS for meetings. If you would like to participate virtually, please contact City Hall prior to 12:00 pm on the date of the meeting to receive a meeting invitation.

1. Call the Meeting to Order

2. Roll Call

3. Pledge of Allegiance

4. Approve Agenda

5. Open Forum - The City of Frazee welcomes you to this meeting. We have the desire to provide an opportunity to hear from members of the public. This portion of the agenda will be limited to a total of not more than 30 minutes, unless otherwise determined by the council. Individual speakers are asked to limit their comments to not more than 10 minutes, unless otherwise determined by the council. The council requests that all comments be in keeping with, and contribute to, an atmosphere of civil, courteous, thoughtful, and respectful public discourse. The council will not respond to comments at the time of the guest's spot on the agenda; however, if the council feels there needs to be a discussion, comments, or a decision it will be taken up at the New Business part of the agenda with the possibility of future council agenda items. Thank you for attending.

6. Review of 2025 Audit
    a. Approval of 2025 Financial Audit

7. Consent Agenda
    a. Meeting Minutes – Special Meeting July 21, 2026; Regular Meeting July 22, 2026
    b. Income Statements – June 2026
    c. Approval of Claims
    d. Journal Entries – January, February, March, April, May, June
    e. Resolution 0812-2026A – Resolution Expressing Acceptance and Appreciation for Frazee Rescue Department Donations
    f. Resolution 0812-2026B – Resolution Expressing Acceptance and Appreciation for Frazee Fire Department Donations
    g. Approval of 3.2% Liquor License and Tobacco License

8. Committee & Liaison Reports
    a. Parks & Recreation Committee – July 22, 2026
    b. Wannigan Regional Park Committee – July 28, 2026
    c. Planning & Zoning – July 28, 2026

    d. Personnel Committee – July 14, 2026
    e. Finance Committee – July 21, 2026
    f. Economic Development Authority
    g. Frazee School District Liaison
    h. Frazee-Burlington-Silver Leaf Joint Powers Board Liaison
    i. Lake Agassiz Regional Library Liaison

9. Staff Reports
    a. Fire Department
    b. Rescue
    c. Event Center
    d. Liquor Store
    e. Police Department
    f. Public Works
    g. Administration

10. Old Business
    a. Meeting Dates: August 26, November 11

11. New Business
    a. 2026 Utility Infrastructure Project
        i. Bond 2026A
            1. Loan Agreement
            2. Resolution 0812-2026C – Resolution Authorizing Issuance, Sale and Delivery of a $697,000 General Obligation Improvement Note, Series 2026A
        ii. Bond 2026B
            1. Loan Agreement
            2. Resolution 0812-2026D – Resolution Authorizing Issuance, Sale and Delivery of a $2,116,000 Temporary General Obligation Utility Revenue Note, Series 2026B
    b. City of Frazee and Frazee Community Development Corporation Affirmation of Business Relationship
    c. Adopt-A-Park Program
    d. North River Drive
        i. Engineering Contract
    e. Turturici Property Matter

12. Council Member Comments

13. Addendum
    a. Approval of Additional Claims

14. Upcoming Events

15. Adjournment

CITY OF FRAZEE
FRAZEE, MINNESOTA

YEAR ENDED DECEMBER 31, 2025

Hoffman, Philipp, & Martell, PLLC

CITY OF FRAZEE
FRAZEE, MINNESOTA

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CITY OF FRAZEE
FRAZEE, MINNESOTA

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INTRODUCTORY SECTION

CITY OF FRAZEE
FRAZEE, MINNESOTA

ORGANIZATION SCHEDULE
DECEMBER 31, 2025

City Council	Position	Term Expires
Elected		
Mike Sharp	Mayor	December 31, 2026
Andrew Daggett	Councilmember	December 31, 2028
Mark Kemper	Councilmember	December 31, 2028
Andrea Froeber	Councilmember	December 31, 2026
James Rader	Councilmember	December 31, 2026
Appointed		
Stephanie Poegel	Administrator	Indefinite

FINANCIAL SECTION

Colleen Hoffman, Director
Crystelle Philipp, CPA
Marit Martell, CPA

Hoffman, Philipp, & Martell, PLLC

1541 Highway 59 South | Thief River Falls, MN 56701 | Phone: 218-681-4078 | choffman@hpmaudit.com

INDEPENDENT AUDITOR'S REPORT

City Council
City of Frazee

Report on the Audit of the Financial Statements

Opinions
We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Frazee, Minnesota, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Frazee, 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 and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Frazee and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control over financial reporting 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 that raise substantial doubt about the City of Frazee's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Frazee's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used in 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 that raise substantial doubt about the City of Frazee'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 in our audit.

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

Supplementary Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Frazee's basic financial statements. The accompanying combining nonmajor fund financial 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 auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements 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 and other schedules, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2026, on our consideration of the City of Frazee'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 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 Frazee'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 Frazee's internal control over financial reporting and compliance.

Hoffman, Philipp, & Martell

Hoffman, Philipp, & Martell, PLLC
July 28, 2026

P.O. Box 387, 222 Main Ave. W., Frazee, MN 56544
City Phone: 218-334-4991 | City Fax: 218-334-4992

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

The management of the City of Frazee offers readers of the City's Financial Statements this narrative overview and analysis of the financial activities of the City of Frazee for the fiscal year ended December 31, 2025. The Management's Discussion and Analysis provides comparisons with the previous year and is designed to focus on the current year's activities, resulting changes, and currently known facts, and should be read in conjunction with the City's basic financial statements that follow this section.

FINANCIAL HIGHLIGHTS

The total net position of governmental activities is $8,766,522 of which $6,899,702 is the net investment in capital assets, $1,340,916 is restricted for economic development and debt service, and $525,904 is unrestricted. The total net position of governmental activities increased by $1,251,276 for the year ended December 31, 2025, mainly as a result of grants and donations for the Wannigan Park Project and for Fire and Rescue Equipment.

The total net position of business-type activities is $6,374,220, of which $4,566,863 is the net investment in capital assets, $356,330 is restricted for infrastructure replacement, and $1,451,027 is unrestricted. The total net position of business-type activities increased by $293,903 in 2025, as a result of above average net income in most of the enterprise funds.

At the close of 2025, the City's governmental funds reported combined ending fund balances of $1,281,721, a decrease of $165,246 from the prior year. Of the total fund balance amount, $579,347 is legally or contractually restricted, $251,259 is formally committed for specific purposes, $48,759 is assigned for public safety, and $402,356 is noted as unassigned fund balance. Maintaining an adequate fund balance is necessary to provide City services throughout the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector businesses. All of the current year's revenues and expenses are considered regardless of when cash is received or paid.

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

The *Statement of Activities* presents information showing how the 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 only result in cash flows in future fiscal periods (e.g., uncollected taxes).

In the *Statement of Net Position* and the *Statement of Activities*, we divide the City into three kinds of activities:

- Governmental activities—Most of the City's basic services are reported here, including general government, public safety, highways and streets, sanitation, culture and recreation, and economic development. Property taxes and intergovernmental revenues finance most of these activities.

- Business-type activities—The City charges fees to cover the costs of certain services it provides. Included here are the operations of the Events Center, Liquor Store, and the utilities – sewer, water, and storm water.

- Component unit—The City includes a separate legal entity in its report. The Economic Development Authority is presented in a separate column. Although legally separate, this "component unit" is important because the City is financially accountable for it.

The government-wide financial statements can be found as Exhibits 1 and 2 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Frazee, 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 reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, fund-level 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 short-term financing decisions. Both the *Balance Sheet – Governmental Funds* and the *Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds* provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The City reports three governmental fund types: General, Special Revenue, and Debt Service. 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, the Fire Special Revenue Fund, the Rescue Special Revenue Fund, the Wannigan Park Special Revenue Fund, and the Lake Street

Debt Service Fund, all of which are considered to be major funds. Data from the nonmajor governmental funds including four Special Revenue Funds and six Debt Service Funds are combined in a single, aggregated presentation. Individual fund data for each of these nonmajor funds is provided in the combining statements after the notes to the financial statements.

The City of Frazee adopts annual budgets for its General Fund and major Special Revenue Funds. *Budgetary Comparison Schedules* have been provided for these fund to demonstrate compliance with budgets.

Proprietary Funds The City of Frazee maintains five proprietary funds. 1) The Events Center Enterprise Fund is used to account for the operations of the City's Events Center. Financing is provided by concession sales and space rental for events. 2) The Liquor Enterprise Fund is used to account for the operations of the City's liquor store. Financing is provided through the liquor store's sale of on and off-sale liquor. 3) The Sewer Enterprise Fund is used to account for the operations of the City's sewer system. Financing is provided by charges to residents for services. 4) The Water Enterprise Fund is used to account for the operations of the City's water system. Financing is provided by charges to residents for services. (5) The Storm Water Enterprise Fund is used to account for the operations of the City's storm water system. Financing is provided by charges to residents for services. Proprietary funds provide the same type of information as the government-wide financial statements, and are included in the *Statement of Net Position* and the *Statement of Activities* as business-type activities. The Events Center, Liquor, Sewer, and Water Enterprise Funds are considered to be major funds. Data from the non-major Storm Water Enterprise Fund has been presented with the major funds.

Notes to the Financial Statements

The Notes to the Financial Statements 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 beginning on page 24 of this report.

Other information—In addition to the basic financial statements and accompanying notes, this report also presents certain *Required Supplementary Information*, as listed in the table of contents. The City also provides Supplementary and Other Information including combining statements, and a *Schedule of Intergovernmental Revenue*.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Over time, net position serves as a useful indicator of the City's financial position. The City's assets exceeded liabilities by $15,140,742 at the close of 2025. The largest portion of the City's net position (approximately 76 percent) reflects its net investment in capital assets (i.e., land, construction in progress, infrastructure, buildings and improvements, and machinery and equipment). It should be noted that this amount is not available for future spending. Approximately 11 percent of the City's net position is restricted, and 13 percent of the City's net position is unrestricted. The unrestricted net position amount of $1,976,931 as of December 31, 2025, may be used to meet the City's ongoing obligations to citizens.

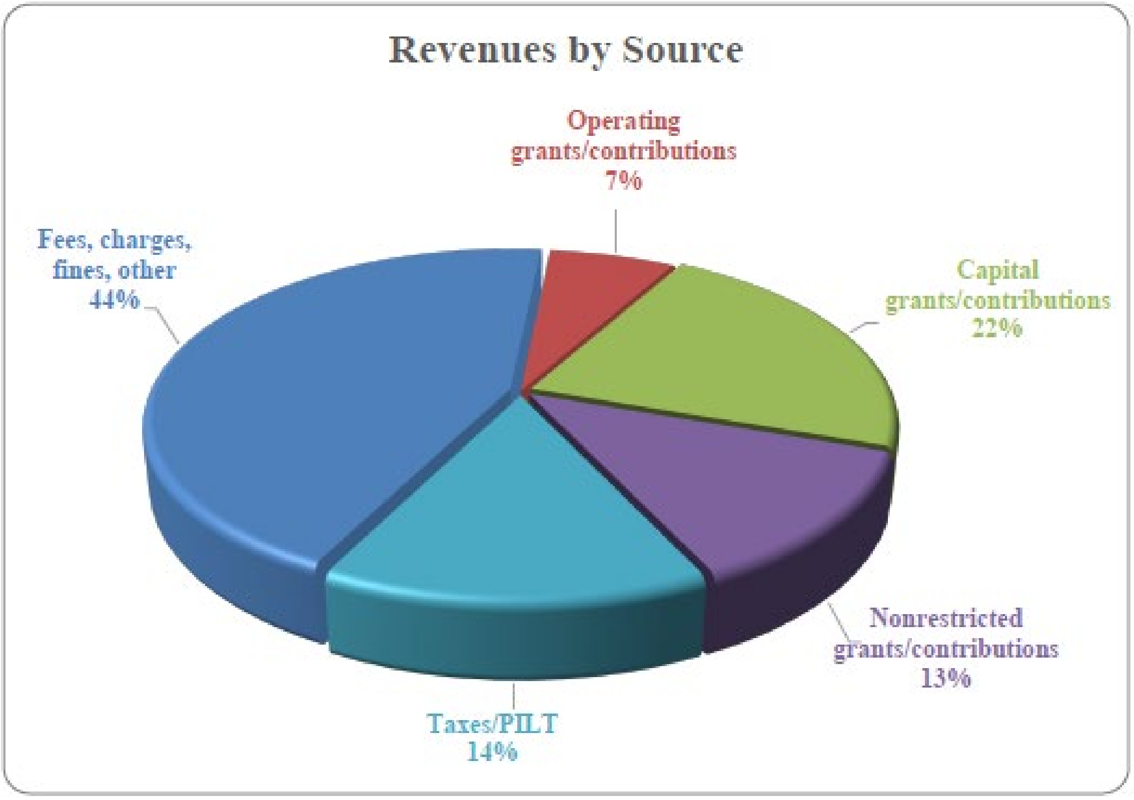
The City's overall financial position increased from last year. Total assets increased by $1,330,688 from the prior year due to construction projects in progress including Wannigan Park, Town Lake Beach, East Main Street, and the Solar Project, and the purchase of Fire and Rescue Equipment. Deferred outflows of resources related to pensions decreased by $46,775. Total liabilities decreased by $340,398 from the prior year due to repayment of debt and deferred inflows of resources related to pensions increased by $79,091. This resulted in an increased net position of $1,545,220 from the prior year.

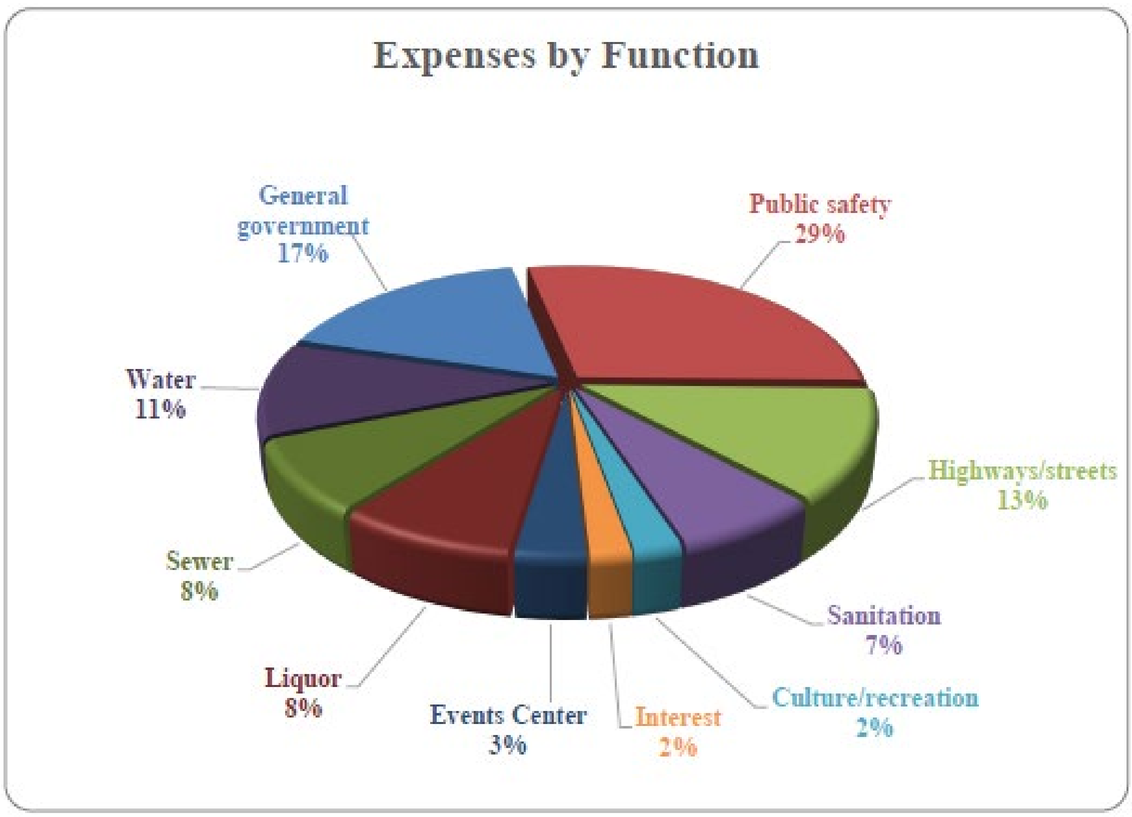
NET POSITION

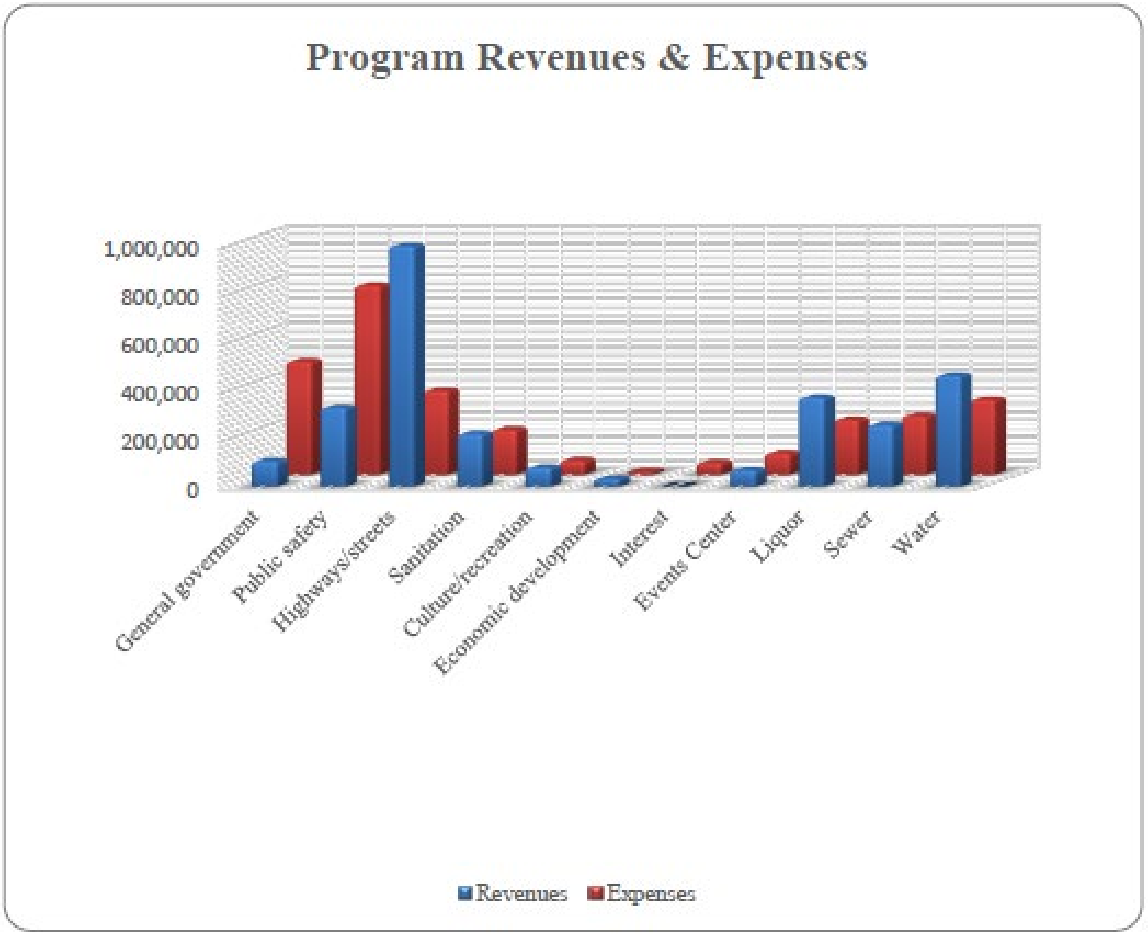
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 2,391,216	$ 2,439,688	$ 2,069,718	$ 1,896,061	$ 4,460,934	$ 4,335,749
Capital assets	8,473,398	7,239,433	7,133,763	7,162,225	15,607,161	14,401,658
Total assets	$ 10,864,614	$ 9,679,121	$ 9,203,481	$ 9,058,286	$ 20,068,095	$ 18,737,407
Deferred outflows - pension	$ 299,579	$ 361,864	$ 51,646	$ 36,136	$ 351,225	$ 398,000
Other liabilities	$ 65,727	$ 70,147	$ 36,280	$ 52,077	$ 102,007	$ 122,224
Long-term liabilities outstanding	1,766,780	1,940,317	2,729,027	2,875,671	4,495,807	4,815,988
Total liabilities	$ 1,832,507	$ 2,010,464	$ 2,765,307	$ 2,927,748	$ 4,597,814	$ 4,938,212
Deferred inflows - pension	$ 565,164	$ 515,275	$ 115,600	$ 86,398	$ 680,764	$ 601,673
Net position						
Net investment in capital assets	$ 6,899,702	$ 5,349,485	$ 4,566,863	$ 4,446,673	$ 11,466,565	$ 9,796,158
Restricted	1,340,916	1,194,362	356,330	300,047	1,697,246	1,494,409
Unrestricted	525,904	971,399	1,451,027	1,333,556	1,976,931	2,304,955
Total net position	$ 8,766,522	$ 7,515,246	$ 6,374,220	$ 6,080,276	$ 15,140,742	$ 13,595,522

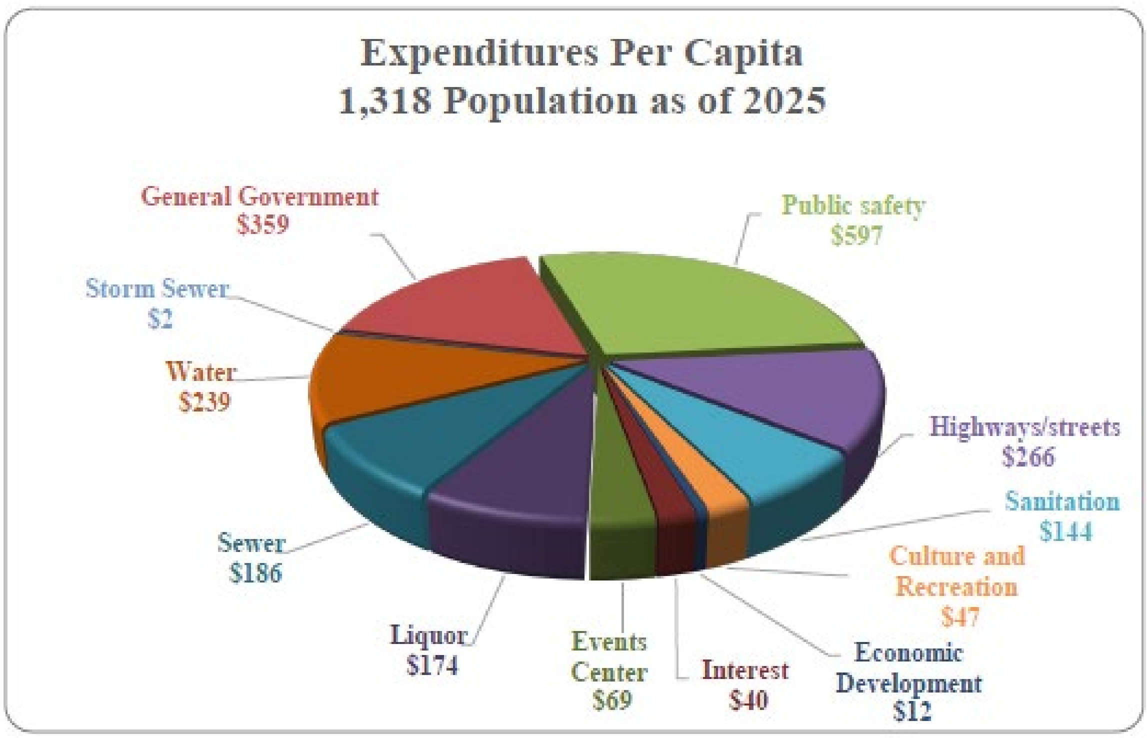
CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues and Transfers						
Fees, charges, fines and other	$ 539,284	$ 399,302	$ 1,527,740	$ 1,518,608	$ 2,067,024	$ 1,917,910
Operating grants and contributions	311,263	270,956	-	-	311,263	270,956
Capital grants and contributions	1,004,974	70,424	35,346	417,622	1,040,320	488,046
Property taxes	648,331	624,628	-	-	648,331	624,628
Franchise tax	4,322	1,301	-	-	4,322	1,301
Grants and contributions not restricted to specific programs	592,236	591,640	-	-	592,236	591,640
Payments in lieu of taxes	29,860	20,896	-	-	29,860	20,896
Investment earnings	50,641	31,856	16,767	15,693	67,408	47,549
Transfers	-	(236,603)	-	236,603	-	-
Total revenues and transfers	$ 3,180,911	$ 1,774,400	$ 1,579,853	$ 2,188,526	$ 4,760,764	$ 3,962,926
Expenses						
General government	$ 472,612	$ 348,923	$ -	$ -	$ 472,612	$ 348,923
Public safety	786,391	671,739	-	-	786,391	671,739
Highways and streets	350,508	334,438	-	-	350,508	334,438
Sanitation	189,261	191,761	-	-	189,261	191,761
Culture and recreation	61,794	59,179	-	-	61,794	59,179
Conservation of natural resources	-	68,433	-	-	-	68,433
Economic development	15,995	-	-	-	15,995	-
Interest	53,074	55,426	-	-	53,074	55,426
Events Center	-	-	90,405	90,046	90,405	90,046
Liquor	-	-	632,259	663,498	632,259	663,498
Sewer	-	-	245,419	196,676	245,419	196,676
Water	-	-	314,637	286,809	314,637	286,809
Storm Water	-	-	3,230	1,568	3,230	1,568
Total expenses	$ 1,929,635	$ 1,729,899	$ 1,285,950	$ 1,238,597	$ 3,215,585	$ 2,968,496
Increase (decrease) in net position	$ 1,251,276	$ 44,501	$ 293,903	$ 949,929	$ 1,545,179	$ 994,430
Net position - January 1, as previously reported	$ 7,515,246	$ 7,598,076	$ 6,080,317	$ 5,130,347	$ 13,595,563	$ 12,728,423
Prior period adjustment	-	(127,331)	-	-	-	(127,331)
Net position, January 1, as restated	$ 7,515,246	$ 7,470,745	$ 6,080,317	$ 5,130,347	$ 13,595,563	$ 12,601,092
Net position, December 31	$ 8,766,522	$ 7,515,246	$ 6,374,220	$ 6,080,276	$ 15,140,742	$ 13,595,522


Revenues by Source
Operating grants/contributions 7%
Capital grants/contributions 22%
Fees, charges, fines, other 44%
Nonrestricted grants/contributions 13%
Taxes/PILT 14%


Expenses by Function
General government 17%
Public safety 29%
Water 11%
Highways/streets 13%
Sewer 8%
Sanitation 7%
Liquor 8%
Culture/recreation 2%
Events Center 3%
Interest 2%


Program Revenues & Expenses
1,000,000
800,000
600,000
400,000
200,000
0
General government
Public safety
Highways/streets
Sanitation
Culture/recreation
Economic development
Interest
Events Center
Liquor
Sewer
Water
Revenues
Expenses


Expenditures Per Capita
1,318 Population as of 2025
General Government
$359
Public safety
$597
Storm Sewer
$2
Water
$239
Highways/streets
$266
Sanitation
$144
Culture and
Recreation
$47
Sewer
$186
Liquor
$174
Events
Center
$69
Interest
$40
Economic
Development
$12

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, with a focus on short-term inflows, outflows, and balances of spendable resources. In particular, unrestricted fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

Governmental Funds

At the end of 2025, the City's governmental funds reported combined ending fund balances of $1,281,721. Of this amount, approximately 45 percent constitutes legally or contractually restricted fund balance, approximately 20 percent constitutes formally committed fund balance, four percent constitutes specifically assigned fund balance, and 31 percent constitutes unassigned fund balance.

The General Fund is the operating fund of the City. At the end of the current fiscal year, the General Fund's total fund balance was $1,427,107. The General Fund's committed fund balance was $251,259, and the unassigned fund balance was $1,175,848. The General Fund has no restricted or assigned fund balance. As a measure of the General Fund's liquidity, it is useful to compare total fund balance to total fund expenditures for 2025. Total fund balance represents 84 percent of total General Fund expenditures. In 2025, the fund balance amount in the General Fund increased by $208,293, mainly due to grant funding for projects.

The fund balance of the Fire Special Revenue Fund was a deficit of $111,464, since this fund was separated from the General Fund, they are now able to see that revenues are not keeping up with expenditures.

The fund balance of the Rescue Special Revenue Fund decreased by $12,387 due to equipment purchases in excess of grant revenues.

The fund balance of the Wannigan Park Special Revenue fund decreased by $249,906 due to project expenditures in excess of grant funding.

The fund balance of the Lake Street Debt Service Fund decreased by $30,267 as a result of debt payments in excess of special assessments received.

Proprietary Funds

The Events Center Enterprise Fund reported an operating loss in 2025 of $19,700, indicating that sales are not sufficient to cover operating costs.

The Liquor Enterprise Fund reported an operating income in 2025 of $142,745, indicating that sales are sufficient to cover operating costs.

The Sewer Enterprise Fund reported an operating income in 2025 of $12,268, indicating that it is collecting fees for services at a rate higher than expenses.

The Water Enterprise Fund reported an operating income in 2025 of $131,180, indicating that it is collecting fees for services at a rate well above expenses.

The non-major Storm Water Enterprise Fund reported an operating income in 2025 of $13,637, indicating that fees for services are adequate to cover the cost of operations.

GENERAL FUND BUDGETARY HIGHLIGHTS

There were no amendments to the original budget as approved for 2025.

Actual revenues were more than overall final budgeted revenues by $344,627, with the largest positive variance in intergovernmental revenue and actual expenditures were more than overall final budgeted expenditures by $258,765 with the largest variance in underbudgeted capital outlay.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The City's net investment in capital assets for its governmental and business-type activities as of December 31, 2025, amounted to $15,607,161. The total increase in the City's investment in capital assets for the current fiscal year was approximately eight percent. This increase was primarily due to the addition of construction projects for Wannigan Park, Town Lake Beach, East Main Street, and the Solar Project.

	Governmental Activities		Business-Type Activities		**Total Primary Government**	
	2025	2024	2025	2024	**2025**	**2024**
Land	$ 674,881	$ 674,881	$ -	$ -	**$ 674,881**	**$ 674,881**
Construction in progress	1,778,539	430,981	846,897	675,191	**2,625,436**	**1,106,172**
Infrastructure	4,702,417	4,959,214	5,628,774	5,797,901	**10,331,191**	**10,757,115**
Buildings and improvements	158,069	172,096	589,325	618,285	**747,394**	**790,381**
Machinery and equipment	1,159,492	1,089,484	68,767	70,848	**1,228,259**	**1,160,332**
Total capital assets	$ 8,473,398	$ 7,326,656	$ 7,133,763	$ 7,162,225	**$ 15,607,161**	**$ 14,488,881**

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

Long-Term Debt

At the end of the current fiscal year, the City had a total debt outstanding of $6,131,340, net of bond discounts, which is backed by the full faith and credit of the government.

	Governmental Activities		Business-Type Activities		**Total**	
	2025	2024	2025	2024	**2025**	**2024**
G.O. Bonds	$ 3,563,840	$ 3,161,400	$ -	$ -	**$ 3,563,840**	**$ 3,161,400**
MN PFA	-	-	2,542,500	2,665,552	**2,542,500**	**2,665,552**
Revenue Bonds	-	-	25,000	50,000	**25,000**	**50,000**
Capital Notes	-	58,789	-	-	**-**	**58,789**
	$ 3,563,840	$ 3,220,189	$ 2,567,500	$ 2,715,552	**$ 6,131,340**	**$ 5,935,741**

Minnesota Statutes limit the amount of debt the City may have to three percent of its total market value, excluding revenue bonds. At the end of 2025, overall debt of the City is below the three percent debt limit.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- The City depends on financial resources flowing from, or associated with, both the Federal Government and the State of Minnesota. Because of this dependency, the City is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign governments and other holders of publicly held U.S. Treasury Securities.

- Specific unemployment statistics for the City of Frazee are not available. However, according to the Minnesota Department of Employment & Economic Development, the unemployment rate for Becker County was 6.0 percent as of December 31, 2025. This is higher than the statewide rate of 4.3 percent and the national average rate of 4.1 percent.

- Frazee's 2025 population according to the League of Minnesota Cities was 1,318, a decrease of 17 since the 2020 census of 1,335.

- On December 10, 2025, the City of Frazee set its 2026 revenue and expenditure budgets.

- The City continues to work towards future development to accommodate the needs of residents by consistently exploring and working towards more programming and grant opportunities as a best practice.

- To look towards future economic, business, tourism, beautification, arts, and culture opportunities, the City continues to levy for debt associated with reconstruction projects, including the East Main Street Project, the Wannigan Regional Park Project, and the Town Lake Beach Bathhouse Project.

REQUESTS FOR INFORMATION

This annual financial report is designed to provide a general overview of the City of Frazee for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Frazee Administrator, City Hall, P.O. Box 387, Frazee, Minnesota 56544.

BASIC FINANCIAL STATEMENTS

CITY OF FRAZEE
FRAZEE, MINNESOTA

EXHIBIT 1

STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and pooled investments	$ 1,199,023	$ 1,881,602	$ 3,080,625	$ 221,397
Investments	-	81,447	81,447	-
Taxes receivable				
Current	13,410	-	13,410	-
Prior	1,346	-	1,346	-
Special assessments receivable				
Current	4,420	-	4,420	-
Prior	64,281	-	64,281	-
Accounts receivable	61,079	80,676	141,755	1,112
Due from other governments	2,559	-	2,559	-
Inventory	-	73,063	73,063	-
Notes receivable	-	-	-	91,602
Internal balances	47,070	(47,070)	-	-
Special assessments receivable - noncurrent	755,619	-	755,619	-
Net pension asset	242,409	-	242,409	-
Capital assets				
Non-depreciable	2,453,420	846,897	3,300,317	1,002,117
Depreciable - net of accumulated depreciation	6,019,978	6,286,866	12,306,844	1,141,497
Total Assets	**$ 10,864,614**	**$ 9,203,481**	**$ 20,068,095**	**$ 2,457,725**
Deferred Outflows of Resources				
Related to pensions	**$ 299,579**	**$ 51,646**	**$ 351,225**	**$ -**
Liabilities				
Accounts payable	$ 35,910	$ 7,728	$ 43,638	$ 3,369
Salaries payable	8,513	4,451	12,964	-
Due to other governments	1,417	6,909	8,326	-
Accrued interest payable	19,887	17,192	37,079	107,211
Long-term liabilities				
Due within one year	251,897	192,840	444,737	-
Due in more than one year	1,309,142	2,412,268	3,721,410	2,065,000
Net pension liability	205,741	123,919	329,660	-
Total Liabilities	**$ 1,832,507**	**$ 2,765,307**	**$ 4,597,814**	**$ 2,175,580**
Deferred Inflows of Resources				
Related to pensions	**$ 565,164**	**$ 115,600**	**$ 680,764**	**$ -**
Net Position				
Net investment in capital assets	$ 6,899,702	$ 4,566,863	$ 11,466,565	$ 78,614
Amounts restricted for				
Economic development	183,068	-	183,068	-
Debt service	1,157,848	-	1,157,848	-
Infrastructure Replacement	-	356,330	356,330	-
Unrestricted amounts	525,904	1,451,027	1,976,931	203,531
Total Net Position	**$ 8,766,522**	**$ 6,374,220**	**$ 15,140,742**	**$ 282,145**

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

CITY OF FRAZEE
FRAZEE, MINNESOTA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

			Program Revenues
	Expenses	Fees, Charges, Fines and Other	Operating Grants and Contributions
Functions/Programs			
Primary Government			
Governmental activities			
General government	$ 472,612	$ 54,570	$ -
Public safety	786,391	206,677	123,160
Highways and streets	350,508	9,766	188,103
Sanitation	189,261	221,702	-
Culture and recreation	61,794	10,988	-
Economic development	15,995	35,581	-
Interest	53,074	-	-
Total governmental activities	**$ 1,929,635**	**$ 539,284**	**$ 311,263**
Business-type activities			
Events Center	$ 90,405	$ 70,705	$ -
Liquor	632,259	771,601	-
Sewer	245,419	257,600	-
Water	314,637	427,834	-
Storm water	3,230	-	-
Total business-type activities	**$ 1,285,950**	**$ 1,527,740**	**$ -**
Total Primary Government	**$ 3,215,585**	**$ 2,067,024**	**$ 311,263**
Component Unit			
Economic Development Authority	**$ 338,619**	**$ 80,941**	**$ 1,971**

General revenues
Property taxes
Franchise tax
Grants and contributions not restricted to specific programs
Payments in lieu of taxes
Investment earnings

Total general revenues

Change in net position

Net Position - January 1

Net Position - December 31

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

	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			
Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Discretely Presented Component Unit
$ 53,220	$ (364,822)	$ -	$ (364,822)	$ -
-	(456,554)	-	(456,554)	-
881,394	728,755	-	728,755	-
-	32,441	-	32,441	-
70,360	19,554	-	19,554	-
-	19,586	-	19,586	-
-	(53,074)	-	(53,074)	-
$ 1,004,974	**$ (74,114)**	**$ -**	**$ (74,114)**	**$ -**
$ -	$ -	$ (19,700)	$ (19,700)	$ -
-	-	139,342	139,342	-
-	-	12,181	12,181	-
35,346	-	148,543	148,543	-
-	-	(3,230)	(3,230)	-
$ 35,346	**$ -**	**$ 277,136**	**$ 277,136**	**$ -**
$ 1,040,320	**$ (74,114)**	**$ 277,136**	**$ 203,022**	**$ -**
$ -	**$ -**	**$ -**	**$ -**	**$ (255,707)**
	$ 648,331	$ -	$ 648,331	$ -
	4,322	-	4,322	-
	592,236	-	592,236	40,000
	29,860	-	29,860	-
	50,641	16,767	67,408	64
	$ 1,325,390	**$ 16,767**	**$ 1,342,157**	**$ 40,064**
	$ 1,251,276	**$ 293,903**	**$ 1,545,179**	**$ (215,643)**
	$ 7,515,246	**$ 6,080,317**	**$ 13,595,563**	**$ 497,788**
	$ 8,766,522	**$ 6,374,220**	**$ 15,140,742**	**$ 282,145**

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

CITY OF FRAZEE
FRAZEE, MINNESOTA

EXHIBIT 3

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General	Fire Special Revenue	Rescue Special Revenue	Wannigan Park Special Revenue	Lake Street Debt Service	Nonmajor Other Governmental Funds (Statement 1)	Total Governmental Funds
Assets							
Cash and pooled investments	$ 557,759	$ -	$ 48,759	$ -	$ -	$ 702,727	$ 1,309,245
Taxes receivable							
Current	12,433	-	-	-	-	977	13,410
Prior	1,346	-	-	-	-	-	1,346
Special assessments receivable							
Current	969	-	-	-	646	2,805	4,420
Prior	3,899	-	-	-	2,347	58,035	64,281
Accounts receivable	26,228	10,000	-	24,851	-	-	61,079
Due from other funds	854,835	-	-	-	-	157,292	1,012,127
Due from other governments	2,559	-	-	-	-	-	2,559
Special assessments receivable					-		
Noncurrent	-	-	-	-	290,363	465,256	755,619
Total Assets	$ 1,460,028	$ 10,000	$ 48,759	$ 24,851	$ 293,356	$ 1,387,092	$ 3,224,086
Liabilities, Deferred Inflows of Resources, and Fund Balance							
Liabilities							
Accounts payable	$ 17,950	$ 1,965	$ -	$ -	$ -	$ 15,995	$ 35,910
Salaries payable	8,309	204	-	-	-	-	8,513
Due to other funds	-	119,295	-	270,839	37,792	647,353	1,075,279
Due to other governments	1,417	-	-	-	-	-	1,417
Total Liabilities	$ 27,676	$ 121,464	$ -	$ 270,839	$ 37,792	$ 663,348	$ 1,121,119
Deferred Inflows of Resources							
Taxes	$ 1,346	$ -	$ -	$ -	$ -	$ -	$ 1,346
Special assessments	3,899	-	-	-	292,710	523,291	819,900
Total Deferred Inflows of Resources	$ 5,245	$ -	$ -	$ -	$ 292,710	$ 523,291	$ 821,246
Fund Balance							
Restricted for							
Debt service	$ -	$ -	$ -	$ -	$ -	$ 396,279	$ 396,279
Economic development	-	-	-	-	-	183,068	183,068
Committed to							
General government	150,124	-	-	-	-	-	150,124
Parks	32,167	-	-	-	-	-	32,167
Police equipment	8,608	-	-	-	-	-	8,608
Street equipment	60,360	-	-	-	-	-	60,360
Assigned to					-		
Public safety	-	-	48,759	-	-	-	48,759
Unassigned	1,175,848	(111,464)	-	(245,988)	(37,146)	(378,894)	402,356
Total Fund Balance	$ 1,427,107	$ (111,464)	$ 48,759	$ (245,988)	$ (37,146)	$ 200,453	$ 1,281,721
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 1,460,028	$ 10,000	$ 48,759	$ 24,851	$ 293,356	$ 1,387,092	$ 3,224,086

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

EXHIBIT 4

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION--GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2025

Fund balance - total governmental funds (Exhibit 3)			$	**1,281,721**
Amounts reported for governmental activities in the Statement of Net Position are different because:				
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.				8,473,398
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.				821,246
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.				
Compensated absences payable	$	(62,199)		
Accrued interest payable		(19,887)		
General obligation bonds payable		(1,498,840)		(1,580,926)
Net pension liability and related outflows/inflows of resources represent the allocation of the pension obligations of the statewide plans to the City. Such balances are not reported in the governmental funds:				
Deferred outflows of resources related to pensions	$	299,579		
Deferred inflows of resources related to pensions		(565,164)		
Net pension asset		242,409		
Net pension liability		(205,741)		(228,917)
Net position of governmental activities (Exhibit 1)			$	**8,766,522**

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

CITY OF FRAZEE
FRAZEE, MINNESOTA

EXHIBIT 5

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025**

	General	Fire Special Revenue	Rescue Special Revenue	Wannigan Park Special Revenue	Lake Street Debt Service	Nonmajor Other Governmental Funds (Statement 2)	Total Governmental Funds
Revenues							
Taxes	$ 534,703	$ -	$ -	$ -	$ -	$ 120,393	$ 655,096
Special assessments	3,691	-	-	-	33,233	79,302	116,226
Licenses and permits	35,185	-	-	-	-	-	35,185
Intergovernmental	860,589	53,626	-	583,777	-	-	1,497,992
Charges for services	243,081	138,889	300	-	-	-	382,270
Fines and forfeitures	3,536	-	-	-	-	-	3,536
Investment earnings	47,618	3,015	-	-	-	8	50,641
Gifts and contributions	54,570	6,527	33,352	61,799	-	-	156,248
Miscellaneous	22,482	995	56,971	-	-	36,481	116,929
Total Revenues	**$ 1,805,455**	**$ 203,052**	**$ 90,623**	**$ 645,576**	**$ 33,233**	**$ 236,184**	**$ 3,014,123**
Expenditures							
Current							
General government	$ 414,453	$ -	$ -	$ -	$ -	$ -	$ 414,453
Public safety	424,000	186,476	22,234	-	-	-	632,710
Highways and streets	161,884	-	-	-	-	-	161,884
Sanitation	189,261	-	-	-	-	-	189,261
Culture and recreation	47,042	-	-	4,326	-	-	51,368
Economic development	-	-	-	-	-	15,995	15,995
Debt service					-		
Principal retirement	-	58,789	-	-	45,000	158,000	261,789
Interest	-	1,933	-	-	18,500	30,771	51,204
Capital outlay					-		
General government	85,151	-	-	-	-	-	85,151
Public safety	11,580	67,231	80,776	-	-	-	159,587
Highways and streets	49,387	-	-	-	-	-	49,387
Culture and recreation	321,864	-	-	891,156	-	-	1,213,020
Total Expenditures	**$ 1,704,622**	**$ 314,429**	**$ 103,010**	**$ 895,482**	**$ 63,500**	**$ 204,766**	**$ 3,285,809**
Excess of Revenues Over (Under) Expenditures	**$ 100,833**	**$ (111,377)**	**$ (12,387)**	**$ (249,906)**	**$ (30,267)**	**$ 31,418**	**$ (271,686)**
Other Financing Sources (Uses)							
Transfers in	$ 1,020	$ -	$ -	$ -	$ -	$ 102,765	$ 103,785
Transfers out	-	-	-	-	-	(103,785)	(103,785)
Total Other Financing Sources (Uses)	**$ 107,460**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (1,020)**	**$ 106,440**
Net Change in Fund Balance	**$ 208,293**	**$ (111,377)**	**$ (12,387)**	**$ (249,906)**	**$ (30,267)**	**$ 30,398**	**$ (165,246)**
Fund Balance - January 1	**$ 1,218,814**	**$ (87)**	**$ 61,146**	**$ 3,918**	**$ (6,879)**	**$ 170,055**	**$ 1,446,967**
Fund Balance - December 31	**$ 1,427,107**	**$ (111,464)**	**$ 48,759**	**$ (245,988)**	**$ (37,146)**	**$ 200,453**	**$ 1,281,721**

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

CITY OF FRAZEE
FRAZEE, MINNESOTA

EXHIBIT 6

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

Net change in fund balance - total governmental funds (Exhibit 5)			**$**	**(165,246)**
Amounts reported for governmental activities in the Statement of Activities are different because:				
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.				
Expenditures for general capital assets and infrastructure	$	1,507,145		
Current year depreciation		(273,180)		1,233,965
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.				
Change in				
Taxes receivable	$	(2,443)		
Special assessments receivable		167,867		165,424
The issuance of long-term debt provides current financial resources to governmental funds, but increases long-term liabilities in the Statement of Net Position, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds, however, neither transaction has any effect on net position.				
Proceeds from issuance of debt	$	(106,440)		
Principal repayment on debt		261,789		155,349
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.				
Change in				
Accrued interest payable	$	(1,870)		
Compensated absences payable		(4,051)		(5,921)
Net pension asset and liability do not represent an impending source or use of current resources. Therefore, the change in the asset, liabilty, and related deferrals of resources are not reported in the governmental funds.				
Change in				
Net pension asset	$	(42,360)		
Net pension liability		22,239		
Deferred outflows of resources related to pensions		(62,285)		
Deferred inflows of resources related to pensions		(49,889)		(132,295)
Change in net position of governmental activities (Exhibit 2)			**$**	**1,251,276**

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

CITY OF FRAZEE
FRAZEE, MINNESOTA

EXHIBIT 6

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

Net change in fund balance - total governmental funds (Exhibit 5)		**$ (165,246)**
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for general capital assets and infrastructure	$ 1,507,145	
Current year depreciation	(273,180)	1,233,965
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Change in		
Taxes receivable	$ (2,443)	
Special assessments receivable	167,867	165,424
The issuance of long-term debt provides current financial resources to governmental funds, but increases long-term liabilities in the Statement of Net Position, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds, however, neither transaction has any effect on net position.		
Proceeds from issuance of debt	$ (106,440)	
Principal repayment on debt	261,789	155,349
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.		
Change in		
Accrued interest payable	$ (1,870)	
Compensated absences payable	(4,051)	(5,921)
Net pension asset and liability do not represent an impending source or use of current resources. Therefore, the change in the asset, liabilty, and related deferrals of resources are not reported in the governmental funds.		
Change in		
Net pension asset	$ (42,360)	
Net pension liability	22,239	
Deferred outflows of resources related to pensions	(62,285)	
Deferred inflows of resources related to pensions	(49,889)	(132,295)
Change in net position of governmental activities (Exhibit 2)		**$ 1,251,276**

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

CITY OF FRAZEE
FRAZEE, MINNESOTA

EXHIBIT 7

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2025

	Events Center Enterprise	Liquor Enterprise	Sewer Enterprise	Water Enterprise	Nonmajor Storm Water Enterprise	Total
Assets						
Current Assets						
Cash and pooled investments	$ -	$ 396,114	$ 424,136	$ 980,899	$ 80,453	$ 1,881,602
Investments	-	-	81,447	-	-	81,447
Accounts receivable	2,113	-	28,017	48,938	1,608	80,676
Due from other funds	-	51,591	-	-	-	51,591
Inventory	4,442	68,621	-	-	-	73,063
Total Current Assets	**$ 6,555**	**$ 516,326**	**$ 533,600**	**$ 1,029,837**	**$ 82,061**	**$ 2,168,379**
Noncurrent Assets						
Capital assets						
Non-depreciable	$ -	$ -	$ 335,069	$ 511,828	$ -	$ 846,897
Depreciable - net of accumulated depreciation	440,098	157,848	1,131,823	4,557,097	-	6,286,866
Total Noncurrent Assets	**$ 440,098**	**$ 157,848**	**$ 1,466,892**	**$ 5,068,925**	**$ -**	**$ 7,133,763**
Total Assets	**$ 446,653**	**$ 674,174**	**$ 2,000,492**	**$ 6,098,762**	**$ 82,061**	**$ 9,302,142**
Deferred Outflows of Resources						
Related to pensions	$ 3,332	$ 22,491	$ 12,495	$ 13,328	$ -	$ 51,646
Liabilities						
Current Liabilities						
Accounts payable	$ 363	$ 6,013	$ 675	$ 677	$ -	$ 7,728
Salaries payable	75	2,077	871	1,428	-	4,451
Compensated absences payable	1,035	7,712	1,129	11,964	-	21,840
Due to other funds	51,591	-	23,535	23,535	-	98,661
Due to other governments	150	6,542	-	217	-	6,909
Accrued interest payable	-	4,623	6,184	6,385	-	17,192
Bonds payable	-	-	59,500	111,500	-	171,000
Total Current Liabilities	**$ 53,214**	**$ 26,967**	**$ 91,894**	**$ 155,706**	**$ -**	**$ 327,781**
Noncurrent Liabilities						
Compensated absences payable	$ -	$ 6,229	$ 3,119	$ 6,420	$ -	$ 15,768
Net pension liability	7,995	53,965	29,980	31,979	-	123,919
Bonds payable	-	120,600	882,500	1,393,400	-	2,396,500
Total Noncurrent Liabilities	**$ 7,995**	**$ 180,794**	**$ 915,599**	**$ 1,431,799**	**$ -**	**$ 2,536,187**
Total Liabilities	**$ 61,209**	**$ 207,761**	**$ 1,007,493**	**$ 1,587,505**	**$ -**	**$ 2,863,968**
Deferred Inflows of Resources						
Related to pensions	$ 7,458	$ 50,342	$ 27,968	$ 29,832	$ -	$ 115,600
Net Position						
Net investment in capital assets	$ 440,098	$ 37,848	$ 524,892	$ 3,564,025	$ -	$ 4,566,863
Restricted for						
Infrastructure Replacement	-	-	139,982	216,348	-	356,330
Unrestricted amounts	(58,780)	400,714	312,652	714,380	82,061	1,451,027
Total Net Position	**$ 381,318**	**$ 438,562**	**$ 977,526**	**$ 4,494,753**	**$ 82,061**	**$ 6,374,220**

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

CITY OF FRAZEE
FRAZEE, MINNESOTA

EXHIBIT 8

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Events Center Enterprise	Liquor Enterprise	Sewer Enterprise	Water Enterprise	Nonmajor Storm Water Enterprise	Total
Sales and Cost of Goods Sold						
Sales	$ 33,263	$ 771,340	$ -	$ -	$ -	$ 804,603
Cost of goods sold	(12,507)	(399,701)	-	-	-	(412,208)
Gross Profit	**$ 20,756**	**$ 371,639**	**$ -**	**$ -**	**$ -**	**$ 392,395**
Operating Revenues						
Charges for services	-	-	240,588	427,680	16,867	685,135
Rental income	35,680	-	-	-	-	35,680
Miscellaneous	1,762	261	145	154	-	2,322
Total Gross Profit and Operating Revenues	**$ 58,198**	**$ 371,900**	**$ 240,733**	**$ 427,834**	**$ 16,867**	**$ 1,115,532**
Operating Expenses						
Personnel services	$ 14,716	$ 165,702	$ 134,614	$ 108,035	$ -	$ 423,067
Professional services	-	-	3,042	-	-	3,042
Advertising	614	1,266	-	-	-	1,880
Insurance	7,599	11,682	11,002	7,814	-	38,097
Repairs and maintenance	7,734	2,824	15,210	9,589	2,120	37,477
Supplies	8,724	14,180	6,076	14,258	928	44,166
Utilities	13,405	21,448	19,863	10,198	-	64,914
Miscellaneous	2,900	5,757	3,970	9,782	182	22,591
Depreciation	22,206	6,296	34,688	136,978	-	200,168
Total Operating Expenses	**$ 77,898**	**$ 229,155**	**$ 228,465**	**$ 296,654**	**$ 3,230**	**$ 835,402**
Operating Income (Loss)	**$ (19,700)**	**$ 142,745**	**$ 12,268**	**$ 131,180**	**$ 13,637**	**$ 280,130**
Nonoperating Revenues (Expenses)						
Intergovernmental	$ -	$ -	$ -	$ 35,346	$ -	$ 35,346
Investment earnings	549	1,098	1,128	13,992	-	16,767
Interest expense	-	(3,403)	(16,954)	(17,983)	-	(38,340)
Total Nonoperating Revenues (Expenses)	**$ 549**	**$ (2,305)**	**$ (15,826)**	**$ 31,355**	**$ -**	**$ 13,773**
Change in Net Position	**$ (19,151)**	**$ 140,440**	**$ (3,558)**	**$ 162,535**	**$ 13,637**	**$ 293,903**
Net Position - January 1	**400,469**	**298,122**	**981,084**	**4,332,218**	**68,424**	**6,080,317**
Net Position - December 31	**$ 381,318**	**$ 438,562**	**$ 977,526**	**$ 4,494,753**	**$ 82,061**	**$ 6,374,220**

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

CITY OF FRAZEE
FRAZEE, MINNESOTA

EXHIBIT 9

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025
Increase (Decrease) in Cash and Cash Equivalents

	Events Center Enterprise	Liquor Enterprise	Sewer Enterprise	Water Enterprise	Nonmajor Storm Water Enterprise	Total
Cash Flows from Operating Activities						
Receipts from customers	$ 68,662	$ 801,094	$ 240,748	$ 435,922	$ 16,563	$ 1,562,989
Payments to employees	(13,317)	(156,200)	(139,860)	(106,626)	-	(416,003)
Payments to suppliers	(55,782)	(510,093)	(58,488)	(52,942)	(3,230)	(680,535)
Net cash provided by (used in) operating activities	**$ (437)**	**$ 134,801**	**$ 42,400**	**$ 276,354**	**$ 13,333**	**$ 466,451**
Cash Flows from Noncapital and Related Financing Activities						
Transfers from other funds	$ 51,591	$ 162,744	$ 25,535	$ 25,535	$ -	$ 265,405
Transfers to other funds	(51,744)	(51,591)	(10,720)	(10,450)	-	(124,505)
Net cash provided by (used in) operating activities	**$ (153)**	**$ 111,153**	**$ 14,815**	**$ 15,085**	**$ -**	**$ 140,900**
Cash Flows from Capital and Related Financing Activities						
Capital grants received	$ -	$ -	$ -	$ 35,346	$ -	$ 35,346
Proceeds from issuance of debt	-	-	8,601	1,350	-	9,951
Purchase of capital assets		-	(71,262)	(100,444)	-	(171,706)
Revenue bond payments	-	-	(51,661)	(106,342)	-	(158,003)
Interest paid	-	-	(17,655)	(19,900)	-	(37,555)
Net cash provided by (used in) capital and related financing activities	**$ -**	**$ -**	**$ (131,977)**	**$ (189,990)**	**$ -**	**$ (321,967)**
Cash Flows from Investing Activities						
Investment earnings received	$ 549	$ 1,098	$ 1,128	$ 13,992	$ -	$ 16,767
Net Increase (Decrease) in Cash and Cash Equivalents	**$ (41)**	**$ 247,052**	**$ (73,634)**	**$ 115,441**	**$ 13,333**	**$ 302,151**
Cash and Cash Equivalents at January 1	**41**	**149,062**	**579,217**	**865,458**	**67,120**	**1,660,898**
Cash and Cash Equivalents at December 31	**$ -**	**$ 396,114**	**$ 505,583**	**$ 980,899**	**$ 80,453**	**$ 1,963,049**
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities						
Operating income (loss)	$ (19,700)	$ 142,745	$ 12,268	$ 131,180	$ 13,637	$ 280,130
Adjustments to reconcile net operating income (loss) to net cash provided by (used in) operating activities						
Depreciation expense	$ 22,206	$ 6,296	$ 34,688	$ 136,978	$ -	$ 200,168
Decrease (increase) in assets						
Accounts receivable	(2,113)	-	160	8,616	(304)	6,359
Inventory	(622)	(14,102)	-	-	-	(14,724)
Increase (decrease) in liabilities						
Accounts payable	(1,677)	(10,570)	(9,289)	(1,977)	-	(23,513)
Salaries payable	2	832	243	337	-	1,414
Due to other funds	-	-	-	-	-	-
Due to other governments	109	1,191	-	217	-	1,517
Compensated absences payable	1,035	6,229	3,119	(288)	-	10,095
Net pension liability	323	2,180	1,211	1,291	-	5,005
Total adjustments	**$ 19,263**	**$ (7,944)**	**$ 30,132**	**$ 145,174**	**$ (304)**	**$ 186,321**
Net cash provided by (used in) operating activities	**$ (437)**	**$ 134,801**	**$ 42,400**	**$ 276,354**	**$ 13,333**	**$ 466,451**

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

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025

I. Summary of Significant Accounting Policies

The City's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

A. Financial Reporting Entity

The City of Frazee was established on February 10, 1891, and has the powers, duties, and privileges granted by state law, codified in Minnesota Statutes, Chapter 412. As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Frazee (primary government) and its component unit for which the City is financially accountable.

The City operates under a Mayor-Council form of government and provides services such as general government, public safety, highways and streets, sanitation, culture and recreation, economic development, Events Center, Liquor Store, and sewer, water, and storm water utilities, as authorized by its charter.

The Frazee Fire Relief Association is organized to provide pension and other benefits to its members in accordance with Minnesota statutes. The Fire Relief Association is a defined benefit plan type and as required by GASB Pronouncement No. 68 is included in the financial statements of the City.

The City participates in a joint venture as described in Note VI-C.

Discretely Presented Component Unit

While part of the City of Frazee, the discretely presented component unit is presented in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City. The Frazee Economic Development Authority (EDA) is a component unit of the City of Frazee and is discretely presented. The EDA was created to enhance economic development for the City. Board members are appointed by the City Council.

The component unit does not issue separately audited component unit financial statements. Additional financial information about the EDA can be obtained from the City of Frazee Administrator/Clerk/Treasurer, City Hall, P.O. Box 387, Frazee, Minnesota 56544.

B. Basic Financial Statements

1. Government-Wide Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) include the financial activities of the overall City government. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from

I. Summary of Significant Accounting Policies

B. Basic Financial Statements

1. Government-Wide Statements (Continued)

business-type activities, which rely to a significant extent on fees and charges to external parties for support.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns: (a) are presented on a consolidated basis by column; and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts: (1) net investment in capital assets; (2) restricted net position; and (3) unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

The Statement of Activities demonstrates the degree to which the direct expenses of each function of the City's governmental activities and different business-type activities are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include: (1) fees, charges, and fines paid by the recipients of goods, services, or privileges provided by a given function or activity; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues and transfers.

2. Fund Financial Statements

The fund financial statements provide information about the City's funds. Separate statements for each fund category–governmental, and proprietary–are presented. The emphasis of governmental and proprietary fund financial statements is on major individual governmental and enterprise funds, with each displayed as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as property taxes, grants, donations, subsidies and investment earnings, result from nonexchange transactions or incidental activities.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for and reports all financial resources of the general government not accounted for in another fund.

The Fire Special Revenue Fund is used to account for and report activities of the Frazee Fire Department. Financing is provided by charges for services, grants, and donations.

The Rescue Special Revenue Fund is used to account for and report activities of the Frazee Rescue Squad. Financing is provided by charges for services, grants, and donations.

I. Summary of Significant Accounting Policies

B. Basic Financial Statements

2. Fund Financial Statements (Continued)

The Wannigan Park Special Revenue Fund is used to account for and report the activities of the Wannigan Park Project. Financing is provided by grants and donations.

The Lake Street Debt Service Fund is used to account for and report debt associated with the General Obligation Improvement Notes, Series 2022B for public improvements associated with the Lake Street Project.

The City reports the following major enterprise funds:

The Events Center Enterprise Fund is used to account for the operations of the City's Events Center. Financing is provided by concession sales and space rental for events.

The Liquor Enterprise Fund is used to account for the operations of the City's liquor store. Financing is provided through the liquor store's sale of on and off-sale liquor.

The Sewer Enterprise Fund is used to account for the operations of the City's sewer system. Financing is provided by charges to residents for services.

The Water Enterprise Fund is used to account for the operations of the City's water system. Financing is provided by charges to residents for services.

Additionally, the City reports the following non-major fund types:

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The Storm Water Enterprise Fund is used to account for the operations of the City's storm water system. Financing is provided by charges to residents for services.

C. Measurement Focus and Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes and special assessments are recognized as revenues in the year for which they are levied.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both

I. Summary of Significant Accounting Policies

C. Measurement Focus and Basis of Accounting (Continued)

measurable and available. The City considers tax and special assessment revenues to be available if they are collected within 60 days after the end of the current period. Intergovernmental revenues, charges for services, and interest are all considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and claims and judgments, which are recognized as expenditures to the extent that they have matured. Proceeds of general long-term debt are reported as other financing sources.

As a general rule, the effect of internal activity has been eliminated from the government-wide financial statements.

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

1. Cash and Cash Equivalents

The City has defined cash and cash equivalents to include cash on hand and demand deposits. Additionally, each fund's equity in the City's deposits is treated as a cash equivalent because the funds can deposit or effectively withdraw cash at any time without prior notice or penalty. Cash and cash equivalents are valued at fair value.

2. Deposits and Investments

The cash balances of the funds are invested by the City Administrator/Clerk/Treasurer for the purpose of increasing earnings through investment activities. Pooled and fund investments are reported at their fair value at December 31, 2025, based on market prices. Investment earnings on cash and pooled investments are allocated to the funds with deposits. City funds also participate in a pooled checking account for operating purposes. Pooled investment earnings for 2025 were $45,450. Total investment earnings for 2025 were $67,408.

3. Receivables and Payables

Property taxes are levied as of January 1 on property values assessed as of the same date. The tax levy notice is mailed by Becker County in March with the first half payment due on May 15 and the second half due on October 15.

Taxes and special assessments receivable consist of uncollected taxes and special assessments payable in the years 2019 through 2025 and deferred special assessments collectible in 2026 and beyond. Taxes and special assessments receivable are offset by deferred inflows of resources for the amount not collected within 60 days of December 31 to indicate they are not available to finance current expenditures. No provision has been made for an estimated uncollectible amount.

Accounts receivable consist primarily of charges for services for sewer, water, and storm water utilities.

Notes receivable consist of housing rehabilitation and business development notes of the Economic Development Authority.

I. Summary of Significant Accounting Policies

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

3. Receivables and Payables (Continued)

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances from/to other funds" (i.e., the non-current portion of interfund loans).

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

All receivables are shown net of an allowance for uncollectible amounts, if applicable.

4. Inventory

All inventories are valued at cost using the First-In, First-Out (FIFO) method. Inventories in the proprietary funds are recorded as expenses when consumed.

5. Capital Assets

Capital assets, which include land, construction in progress, infrastructure (e.g., sewers and water mains), buildings and improvements, and machinery and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years, except land and construction in progress which are capitalized regardless of cost. Capital assets are recorded at historical cost or estimated historical cost when purchased or constructed. Donated capital assets are recorded at acquisition value at the date of acquisition.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extended the life of the asset are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Infrastructure, buildings and improvements, and machinery and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Infrastructure	30-40
Buildings and improvements	20-40
Machinery and equipment	5-30

I. Summary of Significant Accounting Policies

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

6. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This element represents a consumption of net position that applies to future periods, and therefore, will not be recognized as an outflow of resources (expense) until that time. The City reports deferred outflows of resources in the government-wide and the proprietary funds Statement of Net Position in relation to the activity of the pension funds in which City employees participate.

In addition to liabilities, the Statement of Net Position and Balance Sheet report a separate section for deferred inflows of resources. This element represents an acquisition of net position or fund balance that applies to future periods, and therefore, will not be recognized as an inflow of resources (revenue) until that time. The City reports delinquent property tax and special assessment receivables, and special assessments levied for subsequent years as deferred inflows of resources in the governmental funds, in accordance with the modified accrual basis of accounting. In addition, the City reports deferred inflows of resources in the government-wide and proprietary funds Statement of Net Position in relation to the activity of the pension funds in which City employees participate. Accordingly, such amounts are deferred and recognized as inflows of resources in the period that they become available.

7. Compensated Absences

The liability for compensated absences reported in financial statements consists of unpaid, accumulated annual vacation and sick and safe leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Compensated absences are generally liquidated by the General Fund and the Liquor, Sewer, and Water Enterprise Funds.

8. Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities and business-type activities. Bond 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 discount. Bond issuance costs are immediately expensed. In the fund financial statements, governmental fund types recognize the face amount of the debt as other financing sources when issued.

9. Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and

I. Summary of Significant Accounting Policies

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

9. Pensions (Continued)

benefit payments, and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For the governmental activities, the pension liability is liquidated by the General Fund, and for business-type activities, the pension liability is liquidated by the Events Center, Liquor, Sewer, and Water Enterprise Funds.

For purposes of measuring the net pension asset, deferred outflows/inflows of resources, and expense associated with the City's requirement to contribute to the Frazee Firefighters Relief Association Plan, information about the Plan's fiduciary net position and additions to/deductions from the Frazee Firefighters Relief Association Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension asset is recorded in the General Fund.

10. Net Position and Fund Balance

Net position in the government-wide statements is classified in the following categories:

Net investment in capital assets – represents capital assets, net of accumulated depreciation, and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.

Restricted net position – the amount of net position for which external restrictions have been imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – the amount of net position that does not meet the definition of restricted or net investment of capital assets.

In the fund financial statements, the City classifies governmental fund balances as follows:

Non-spendable – includes fund balance amounts that cannot be spent because it is either not in spendable form or legally or contractually required to be maintained intact. The City reports no non-spendable fund balance at December 31, 2025.

Restricted – includes fund balance amounts that are constrained for specific purposes which are either externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes imposed by resolution of the City Council and do not lapse at year-end. To remove the constraint on specified use of committed resources the City Council shall pass a resolution.

I. Summary of Significant Accounting Policies

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

10. Net Position and Fund Balance (Continued)

Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither restricted nor committed. The City Council has delegated the authority to assign and remove assignments of fund balance amounts for specified purposes to the City Administrator/Clerk/Treasurer.

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

The City will maintain an unrestricted fund balance in the General Fund of an amount not less than 35 to 50 percent of next year's budgeted expenditures of the General Fund. Unrestricted fund balance can be "spent down" if there is an anticipated budget. If spending unrestricted fund balance in designated circumstances has reduced unrestricted fund balance to a point below the minimum targeted level the replenishment will be funded by taxes.

Stabilization arrangements are defined as formally setting aside amounts for use in emergency situations or when revenue shortages or budgetary imbalances arise. The City Council will set aside amounts by resolution as deemed necessary that can only be expended when unforeseen emergencies exist as the need for stabilization arises. The need for stabilization will only be utilized for situations that are not expected to occur routinely. The City does not identify an amount for stabilization at December 31, 2025.

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. When committed, assigned or unassigned resources are available for use, it is the City's policy to use resources in the following order: 1) committed, 2) assigned, and 3) unassigned.

11. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and deferred outflows/inflows of resources, and disclosure of contingent amounts at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

II. Stewardship, Compliance, and Accountability

A. Deficit Net Position and Fund Balances

The following funds had deficit net position and fund balances as of December 31, 2025, which will be eliminated with future special assessments and revenues:

II. Stewardship, Compliance, and Accountability

A. Deficit Net Position and Fund Balances (Continued)

Fire Special Revenue Fund:	$ 111,464
Wannigan Park Special Revenue Fund:	$ 245,988
Lake Street Debt Service Fund:	$ 37,146
Cemetery Special Revenue Fund:	$ 17,129
East Main Liquor Town Lake Beach:	$ 1,968
2016 Improvements and Refunding Debt Service Fund:	$ 196,247
County Road 118 Debt Service Fund:	$ 11,772
Southeast Area Streets and Utilities Debt Service Fund:	$ 165,518
Events Center Enterprise Fund:	$ 58,780

III. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

Reconciliations of the City's total deposits and investments to the basic financial statements, as of December 31, 2025, are as follows:

Governmental Activities	
Cash and pooled investments	$ 1,199,023
Business-Type Activities	
Cash and pooled investments	$ 1,881,602
Investments	81,447
	$ 1,963,049
Component Unit	
Cash and pooled investments	$ 221,397
Total Cash and Investments	$ 3,383,469
Checking Accounts	$ 1,681,310
Savings Accounts	1,264,102
Certificates of Deposit	438,045
4M Fund	12
Total Deposits	$ 3,383,469

Deposits

Minnesota Statutes, §§ 118A.02 and 118A.04 authorize the City to deposit its cash and to invest in certificates of deposit in financial institutions designated by the Board. Minnesota Statute, § 118A.03 requires that all City deposits be covered by insurance, surety bond, or collateral. The market value of collateral pledged shall be at least ten percent more than the amount on deposit plus accrued interest at the close of the financial institution's banking day, not covered by insurance or bonds.

Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated "A" or better, revenue obligations rated "AA" or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit.

III. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

Deposits (Continued)

Minnesota statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution not owned or controlled by the financial institution furnishing the collateral.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to it. The City's policy is to comply with Minnesota statutes in establishing authorized collateral for deposits. As of December 31, 2025, the City's deposits were not exposed to custodial credit risk.

2. Receivables

Receivables as of December 31, 2025, for the City's governmental activities and business-type activities, including any applicable allowances for uncollectible accounts, are as follows:

	Total Receivables	Amounts Not Scheduled for Collection During the Subsequent Year
Governmental Activities		
Taxes receivable	$ 14,756	$ -
Special assessments receivable	824,320	755,619
Accounts receivable	61,079	-
Due from other governments	2,559	-
Total Governmental Activities	$ 902,714	$ 755,619
Business-Type Activities		
Accounts receivable	$ 80,676	$ -
Total Business-Type Activities	$ 80,676	$ -

3. Capital Assets

Capital asset activity for the governmental and business-type activities for the year ended December 31, 2025, was as follows:

III. Detailed Notes on All Funds

A. Assets

3. Capital Assets (Continued)

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	$ 674,881	$ -	$ -	$ 674,881
Construction in progress	430,981	1,347,558	-	1,778,539
Total capital assets not depreciated	$ 1,105,862	$ 1,347,558	$ -	$ 2,453,420
Capital assets being depreciated				
Infrastructure	$ 6,828,620	$ -	$ -	$ 6,828,620
Buildings and improvements	745,600	-	-	745,600
Machinery and equipment	1,823,461	159,587	89,919	1,893,129
Total capital assets being depreciated	$ 9,397,681	$ 159,587	$ 89,919	$ 9,467,349
Less: accumulated depreciation for				
Infrastructure	$ 1,956,629	$ 169,574	$ -	$ 2,126,203
Buildings and improvements	573,504	14,027	-	587,531
Machinery and equipment	733,977	89,579	89,919	733,637
Total accumulated depreciation	$ 3,264,110	$ 273,180	$ 89,919	$ 3,447,371
Total capital assets, depreciated, net	$ 6,133,571	$ (113,593)	$ -	$ 6,019,978
Governmental Activities Capital Assets, Net	$ 7,239,433	$ 1,233,965	$ -	$ 8,473,398

Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Construction in progress	$ 675,191	$ 171,706	$ -	$ 846,897
Capital assets being depreciated				
Infrastructure	$ 6,860,552	$ -	$ -	$ 6,860,552
Buildings and improvements	1,498,822	-	-	1,498,822
Machinery and equipment	456,055	-	-	456,055
Total capital assets being depreciated	$ 8,815,429	$ -	$ -	$ 8,815,429
Less: accumulated depreciation for				
Infrastructure	$ 1,062,651	$ 169,127	$ -	$ 1,231,778
Buildings and improvements	880,537	28,960	-	909,497
Machinery and equipment	385,207	2,081	-	387,288
Total accumulated depreciation	$ 2,328,395	$ 200,168	$ -	$ 2,528,563
Total capital assets, depreciated, net	$ 6,487,034	$ (200,168)	$ -	$ 6,286,866
Business-Type Activities Capital Assets, Net	$ 7,162,225	$ (28,462)	$ -	$ 7,133,763

III. Detailed Notes on All Funds

A. Assets

3. Capital Assets (Continued)

Depreciation Expense

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

Governmental Activites		
General government	$	6,638
Public safety		68,383
Highways and streets		187,733
Culture and recreation		10,426
Total Depreciation Expense - Governmental Activities	$	273,180
Business-Type Activities		
Events Center	$	22,206
Liquor		6,296
Sewer		34,688
Water		136,978
Total Depreciation Expense - Business-Type Activities	$	200,168

III. Detailed Notes on All Funds (Continued)

B. Interfund Receivables, Payables, and Transfers

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

Due To/From Other Funds

Receivable Fund	Payable Fund	Amount	
General Fund	Fire Special Revenue Fund	$ 119,295	To cover cash deficits
	Wannigan Park Special Revenue Fund	270,839	To cover cash deficits
	Lake Street Debt Service Fund	37,792	To cover cash deficits
	Cemetery Special Revenue	3,389	To cover cash deficits
	East Main Liquor Town Lake Beach Debt Service Fund	1,968	To cover cash deficits
	2016 Street Improvements Special Revenue Fund	243,317	To cover cash deficits
	County Road 118 Debt Service Fund	12,717	To cover cash deficits
	Southeast Area Streets and Utilities	165,518	To cover cash deficits
	Total Due To General Fund	$ 854,835	
Liquor Enterprise Fund	Event Center Enterprise Fund	$ 51,591	To cover cash deficit
2016 Street Improvements Special Revenue Fund	Water Enterprise Fund	$ 23,535	Debt paid wrong fund
	Sewer Enterprise Fund	23,535	Debt paid wrong fund
	Total Due To 2016 Street Improvements Special Revenue Fund	$ 47,070	
2006 Red Willow Heights II Debt Service Fund	TIF 1-3 Red Willow Heights Special Revenue Fund	$ 110,222	TIF assessments for debt services
	Total Due To/From Other Funds	$ 1,115,462	

Operating Transfers

Interfund transfers for the year ended December 31, 2025, consisted of the following operating transfers:

Transfer to General Fund from 2006 Red Willow Heights II Debt Service Fund	$ 1,020	Certificate of Deposit closed
Transfer to 2006 Red Willow Heights II Debt Service Fund from TIF 1-3 Red Willow Heights Special Revenue Fund	$ 102,765	TIF assessments for debt service
Total Interfund Transfers	$ 103,785	

III. Detailed Notes on All Funds (Continued)

C. Liabilities

Compensated Absences

Under the City's personnel policy, for full-time employees, vacation leave accrual varies from 40-120 hours (5 to 15 days) per year. After one year of service, vacation leave may be used as it is earned. Employees may accrue vacation leave up to a maximum of 280 hours. Vacation leave can only be converted to a cash payment at termination. All employees earn sick leave at the rate of 1.38 hours for every 30 hours worked. Sick leave may be accumulated to 800 hours. Sick days unused over 40 days may be sold back to the City in December of any given year or paid out at termination at ½ the compensation rate. Part-time employees may carry over earned sick leave up to 80 hours. Unvested sick leave, approximately $39,827 at December 31, 2025, is available to employees in the event of illness-related absences and is not paid to them at termination. Compensated absences are generally liquidated by the General Fund and the Sewer and Water Enterprise Funds.

Long-Term Debt

Governmental Activities

City of Frazee General Obligation Refunding Bonds, Series 2012A (Rural Water MIDI Loan) represent debt incurred to refund the General Obligation Street Improvement Bonds of 2006 and the General Obligation Red Willow Heights Improvement Bonds of 2006. These bonds have an original issue amount of $810,000. They carry a net interest rate of 3.0 percent and are due in annual installments from the Red Willow Heights II Debt Service Fund of $55,000 to $70,000 through February 1, 2026. As a result of the refunding, the City of Frazee realized an economic gain of $65,333 with a present value of $72,012. The balance outstanding at December 31, 2025, is $55,000.

City of Frazee General Obligation Improvement Bonds of 2014A represent debt incurred for street and utility improvements. These bonds have an original issue amount of $393,000. They carry a net interest rate of 3.10 percent and are due in annual installments from the County Road 118 Debt Service Fund of $33,000 to $39,000 through February 1, 2027. The balance outstanding at December 31, 2025, is $77,000.

City of Frazee General Obligation Improvement and Refunding Bonds of 2016A represent debt incurred to refund the General Obligation Street Improvement Bonds of 2008 and provide for 2017 street improvements. These bonds have an original issue amount of $288,000. They carry a net interest rate of 2.40 percent and are due in annual installments from the 2016 Improvements and Refunding Debt Service Fund of $19,000 to $39,000 through February 1, 2027. As a result of the refunding, the City of Frazee realized an economic gain of $22,834 with a present value of $13,641. The balance outstanding at December 31, 2025, is $39,000.

City of Frazee General Obligation Improvement Bonds of 2017A represent debt incurred for infrastructure improvements to the Southeast Area and Main Avenue West. These bonds have an original issue amount of $404,000. They carry a net interest rate of 3 percent and are due in annual installments from the Southeast Area and Main Avenue West Debt Service Fund of $39,000 to $47,000 through February 1, 2028. The balance outstanding at December 31, 2025, is $136,000.

III. Detailed Notes on All Funds

C. Liabilities

Long-Term Debt

Governmental Activities (Continued)

City of Frazee Capital Note Installment Purchase represent debt incurred for the purchase of a 2021 Freightliner M2 fire truck. This capital note installment purchase had an original issue amount of $199,777 and carries a net interest rate of 2.50 percent and was due in combined annual installments from the General Fund of $31,177 to $68,933 through 2025. This note was paid off in full by the end of 2025.

City of Frazee General Obligation Improvement Bonds of 2022B represent debt issued to provide for public improvements associated with the 2022 complete street project in collaboration with MNDOT. These bonds have an original issue amount of $792,000. They carry a net interest rate of 2.55 percent and are due in annual installments from the General Fund of $44,000 to $63,000 through February 1, 2038. The balance outstanding on December 31, 2025, is $703,000.

City of Frazee Town Lake Beach General Obligation Improvement Bonds of 2024D represent debt issued to provide for the construction of a beach house. These bonds have an original issue amount of $80,400. They carry a net interest rate of 4.60 percent and are due in annual installments from the General Fund of $9,000 to $18,000 through February 1, 2041. The balance outstanding on December 31, 2025, is $80,400.

City of Frazee East Main General Obligation Improvement Bonds of 2024D represent debt issued to provide financing for improvements to East Main Street. These bonds have an original issue amount of $302,000. They carry a net interest rate of 4.60 percent and are due in annual installments from the General Fund of $14,000 to $27,000 through February 1, 2041. The balance outstanding on December 31, 2025, is $302,000.

City of Frazee West Central Initiative Loan of 2025 represents debt issued to provide financing for the installation of a solar array for the City Public Works building, expected to cash flow within four years of installation with a potential savings of $167,318 over 30 years. This loan is interest-free and is due upon receipt of Ottertail Power energy rebates and State funding. The balance outstanding on December 31, 2025, is $106,440.

Business-Type Activities

City of Frazee General Obligation Improvement and Refunding Bonds of 2016A represent debt incurred to refund the General Obligation Utility Revenue Bonds of 2010. These bonds have an original issue amount of $215,000. They carry a net interest rate of 2.40 percent and are due in annual installments from the Water and Sewer Enterprise Funds of $20,000 to $25,000 through February 1, 2026. As a result of the refunding, the City of Frazee realized an economic gain of $12,455 with a present value of $11,178. The balance outstanding at December 31, 2025, is $25,000.

City of Frazee Minnesota PFA Clean Water and Drinking Water Revolving Loans of 2017 represent debt incurred for wastewater and drinking water improvements. These loans have an original issue amount of $393,040. They carry a net interest rate of 1 percent and are due in annual installments from

III. Detailed Notes on All Funds

C. Liabilities

Long-Term Debt

Business-Type Activities (Continued)

the Water and Sewer Enterprise Funds of $20,000 to $23,000 through August 20, 2036. The balance outstanding at December 31, 2025, is $244,500.

City of Frazee Minnesota PFA Drinking Water Revolving Loans of 2019 represent debt incurred for water infrastructure improvements. This loan has an original issue amount of $87,742, with an additional $1,117,589 added in 2020 and $220,780 in 2022, and carries a net interest rate of 1 percent and is due in annual installments from the Water Enterprise Fund of $69,000 to $81,000 through 2039. The balance outstanding at December 31, 2025, is $1,075,000.

City of Frazee Minnesota PFA Clean Water Revolving Loans of 2022 represent debt incurred for sewer infrastructure improvements. These loans have an original issue amount of $573,624 with $510,714 received in 2022. They carry a net interest rate of 2.117 percent and are due in annual installments from the Sewer Enterprise fund of $24,000 to $36,600 through August 20, 2042. The balance outstanding at December 31, 2025, is $513,000.

City of Frazee Minnesota PFA Drinking Water Revolving Loans of 2022 represent debt incurred for sewer infrastructure improvements. These loans have an original issue amount of $155,536 with $140,665 received in 2022. They carry a net interest rate of 2.117 percent and are due in annual installments from the Water Enterprise fund of $7,000 to $10,000 through August 20, 2042. The balance outstanding at December 31, 2025, is $138,000.

City of Frazee Minnesota PFA Clean Water Revolving Loans of 2024 represent debt incurred for sewer infrastructure improvements. These loans have an original issue amount of $348,161 with $339,560 received in 2024. They carry a net interest rate of 1.404 percent and are due in annual installments from the Sewer Enterprise fund of $16,000 to $20,000 through August 20, 2044. The balance outstanding at December 31, 2025, is $340,000.

City of Frazee Minnesota PFA Drinking Water Revolving Loans of 2024 represent debt incurred for drinking water infrastructure improvements. These loans have an original issue amount of $113,242 with $111,892 received in 2024. They carry a net interest rate of 1.428 percent and are due in annual installments from the Sewer Enterprise fund of $5,000 to $7,400 through August 20, 2044. The balance outstanding at December 31, 2025, is $111,400.

City of Frazee Minnesota Liquor Store Improvement Bonds of 2024D represent debt incurred for repairs to the liquor store roof and HVAC system. These loans have an original issue amount of $120,600. They carry a net interest rate of 4.600 percent and are due in annual installments from the Liquor Enterprise Fund of $9,000 to $18,000 through February 1, 2041. The balance outstanding at December 31, 2025, is $120,600.

III. Detailed Notes on All Funds

C. Liabilities

Debt Service Requirements

Debt service requirements for governmental activities and business-type activities at December 31, 2025, are as follows:

	Governmental Activities		Business-Type Activities	
Year End December 31	Principal	Interest	Principal	Interest
2026	$ 202,000	$ 39,664	$ 171,000	$ 39,189
2027	275,040	36,270	154,400	36,860
2028	115,000	31,979	155,000	34,654
2029	69,000	29,138	157,000	32,432
2030	71,400	26,944	160,600	30,168
2031-2035	396,200	98,675	840,800	115,372
2036-2040	336,000	33,032	722,500	53,302
2041	34,200	786	206,200	6,904
Total debt service requirements:	$ 1,498,840	$ 296,488	$ 2,567,500	$ 348,881

Governmental Activities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Refunding, Series 2012A	$ 115,000	$ -	$ 60,000	$ 55,000	$ 55,000
Improvement of 2014A	113,000	-	36,000	77,000	38,000
Improvement Refunding of 2016A	58,000	-	19,000	39,000	19,000
Improvement of 2017	179,000	-	43,000	136,000	44,000
Capital Notes - installment purchases	58,789	-	58,789	-	-
Improvement of 2022	748,000	-	45,000	703,000	46,000
Beach House Bond of 2024D	80,400	-	-	80,400	-
East Main Improvement Bond of 2024D	302,000	-	-	302,000	-
West Central Initiative Loan of 2025	-	106,440	-	106,440	-
Total	$ 1,654,189	$ 106,440	$ 261,789	$ 1,498,840	$ 202,000
Compensated Absences	58,148	4,052	-	62,200	49,897
Net Pension Liability	227,980	-	22,239	205,741	-
Governmental Activities Long-Term Liabilities	$ 1,940,317	$ 110,492	$ 284,028	$ 1,766,781	$ 251,897

Business-Type Activities

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

III. Detailed Notes on All Funds

C. Liabilities

Business-Type Activities (Continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-Type Activities					
General Obligation Bonds					
Improvement and Refunding Bonds	$ 50,000	$ -	$ 25,000	$ 25,000	$ 25,000
PFA Revolving Loans	2,544,952	9,951	133,003	2,421,900	146,000
Liquor Store Improvement of 2024D	120,600	-	-	120,600	-
Total	$ 2,715,552	$ 9,951	$ 158,003	$ 2,567,500	$ 171,000
Compensated Absences	27,513	10,094	-	37,607	21,839
Net Pension Liability	132,606	-	8,687	123,919	-
Business-Type Activities Long-Term Liabilities	$ 2,875,671	$ 20,045	$ 166,690	$ 2,729,026	$ 192,839

D. Deferred Inflows of Resources

Deferred inflows of resources consist of taxes and special assessments, not collected soon enough after year-end to pay liabilities of the current period. Deferred inflows of resources at December 31, 2025, are summarized below by fund:

	Taxes	Special Assessments	Total
Major governmental funds			
General	$ 1,346	$ 3,899	$ 5,245
Debt Service Funds			
Lake Street	-	292,710	292,710
Non-major governmental funds			
Debt Service Funds			
East Main Liquor Town Lake Beach	-	253,809	253,809
County Road 118	-	15,280	15,280
2006 Red Willow Heights II	-	127,427	127,427
Southeast Area and Main Avenue West	-	126,775	126,775
Total Deferred Inflows of Resources:	$ 1,346	$ 819,900	$ 821,246

IV. Defined Benefit Pension Plans

A. Plan Description

The City of Frazee participates in the following cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees Retirement Association of Minnesota (PERA). These pan 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) on the Internal Revenue Code.

IV. Defined Benefit Pension Plans

A. Plan Description (Continued)

General Employees Retirement Plan (General Plan)

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

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

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

B. Benefits Provided

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

1. General Employees Plan Benefits

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

IV. Defined Benefit Pension Plans

B. Benefits Provided

1. 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 increase will receive a prorated increase

2. Police and Fire Plan Benefits

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

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

C. Contributions

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

1. General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2025 and the City of Frazee was required to contribute 7.50 percent for General Plan members. The City of Frazee's contributions to the General Employees Fund for the year ended December 31, 2025, were $38,930. The City of Frazee's contributions were equal to the required contributions as set by state statute.

2. Police and Fire Fund Contributions

Police and Fire Plan member's members were required to contribute 11.80 percent of their annual covered salary in fiscal year 2025 and the City of Frazee was required to contribute 17.70 percent

IV. Defined Benefit Pension Plans

C. Contributions

2. Police and Fire Fund Contributions (Continued)

for Police and Fire Plan members. The City of Frazee's contributions to the Police and Fire Fund for the year ended December 31, 2025, were $28,928. The City of Frazee's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

1. General Employees Fund Pension Costs

At December 31, 2025, the City of Frazee reported a liability of $199,869 for its proportionate share of the General Employees Fund's net pension liability. The City of Frazee's net pension liability reflected a reduction due to the State of Minnesota's contribution of $16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City of Frazee totaled $4,821.

City of Frazee's proportionate share of the net pension liability	$ 199,869
State of Minnesota's proportionate share of the net pension liability associated with the City of Frazee	4,821
Total	$ 204,690

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 of Frazee's proportionate share of the net pension liability was based on the City of Frazee'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 of Frazee's proportionate share was .0060 percent at the end of the measurement period and .0058 percent for the beginning of the period.

There were no provision changes during the measurement period.

For the year ended December 31, 2025, the City of Frazee recognized a pension expense of (7,507) for its proportionate share of the General Employees Plan's pension expense. In addition, the City of Frazee recognized an additional $965 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 of Frazee reported deferred outflows of resources and deferred inflows of resources related to pensions from the following resources:

IV. Defined Benefit Pension Plans

D. Pension Costs

1. General Employees Fund Pension Costs (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	$ 30,523	$ -
Changes in actuarial assumption	-	83,319
Difference between projected and actual investment earnings	-	103,132
Changes in proportion	33,333	-
Contributions paid to PERA subsequent to the measurement date	19,445	-
Total	$ 83,301	$ 186,451

The $19,445 reported as deferred outflows of resources related to pensions resulting from the City of Frazee'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 ended December 31:	Pension Expense Amount
2026	$ (26,493)
2027	$ (40,087)
2028	$ (36,134)
2029	$ (19,881)

2. Police and Fire Fund Pension Costs

At December 31, 2025, the City of Frazee reported a liability of $129,791 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City of Frazee's proportionate share of the net pension liability was based on the City of Frazee'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 of Frazee's proportionate share was .0111 percent at the end of the measurement period and .0112 percent for the beginning of the period.

The State of Minnesota contributed $18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2025. The contribution consisted of $9 million in direct state aid that meets the definition of a special funding situation and $9 million in supplemental state aid that does not meet the definition of a special funding situation. The $9 million direct state aid was paid on October 1, 2024. The direct state aid payment will increase by $17.7 million which was paid on October 1, 2025. Thereafter, by October 1 of each year, the state will pay $26.7 million to the Police and Fire Fund until the fund is 110% funded for a minimum of three consecutive years (on an actuarial

IV. Defined Benefit Pension Plans

D. Pension Costs

2. Police and Fire Fund Pension Costs (Continued)

value of assets basis). The $9 million in supplemental state aid will continue until the fund and the State Patrol Plan (administered by the Minnesota State Retirement System) are 100% funded for three consecutive years (on an actuarial value of assets basis). The State of Minnesota's proportionate share of the net pension liability associated with the City of Frazee totaled $4,499.

City of Frazee's proportionate share of the net pension liability	$	129,791
State of Minnesota's proportionate share of the net pension liability associated with the City of Frazee		4,499
Total	$	134,290

For the year ended December 31, 2025, the City of Frazee recognized pension expense of $31,978 for its proportionate share of the Police and Fire Plan's pension expense. The City of Frazee recognized $997 as grant revenue and pension expense for its proportionate share of the State of Minnesota's pension expense for the contribution of $9 million to the Police and Fire Fund special funding situation.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the $28.4 million in supplemental state aid because this contribution was not considered to mee the definition of a special funding situation. The City of Frazee recognized $2,958 for the year ended December 31, 2025, as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

There were no provision changes during the measurement period.

At December 31, 2025, the City of Frazee reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 106,835	$ -
Changes in actuarial assumptions	142,162	239,632
Difference between projected and actual investment earnings	-	61,742
Changes in proportion	1,978	134,784
Contributions paid to PERA subsequent to the measurement date	14,788	-
Total	$ 265,763	$ 436,158

IV. Defined Benefit Pension Plans

D. Pension Costs

2. Police and Fire Fund Pension Costs (Continued)

The $14,788 reported as deferred outflows of resources related to pensions resulting from the City of Frazee'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 inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Pension Expense Amount:	
2026	$	24,357
2027	$	(63,205)
2028	$	(115,211)
2029	$	(22,480)
2030	$	(8,644)

Aggregate Pension Expense

The total pension expense for all plans recognized by the City of Frazee for the year ended December 31, 2025, was $4,002.

E. Long-Term Expected Return on Investment

General Employees Fund - Police and Fire Fund

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 weighing the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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

F. Actuarial Methods and Assumptions

General Employees Fund – Police and Fire Fund

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%

IV. Defined Benefit Pension Plans

F. Actuarial Methods and Assumptions

General Employees Fund – Police and Fire Fund (Continued)

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 percent for the General Employees Plan and Police & Fire Plan.

Benefit increases after retirement are assumed to be 1.50 percent for the General Employees Plan and 1 percent for the Police & Fire Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 11.5% after one year of service to 3% after 27 years of service. In the Police & Fire Plan, salary growth assumptions range in annual increments from 10.75% after one year of service to 3% after 23 years of service.

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

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

General Employees Fund

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

IV. Defined Benefit Pension Plans

F. Actuarial Methods and Assumptions

General Employees Fund – Police and Fire Fund (Continued)

Police and Fire Fund

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

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

G. Discount Rate

The discount rate used to measure the total pension liability in 2025 was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees and Police and Fire Plans were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

IV. Defined Benefit Pension Plans (Continued)

H. Pension Liability Sensitivity

The following presents the City of Frazee'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 of Frazee proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Sensitivity Analysis
Net Pension Liability (Asset) at Different Discount Rates

	General Employees Fund			Police and Fire Fund		
1% Lower	6.00%	$	485,451	6.00%	$	340,079
Current Discount Rat	7.00%	$	199,869	7.00%	$	129,791
1% Higher	8.00%	$	(31,802)	8.00%	$	(428,889)

I. Pension Plan Fiduciary Net Position

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

V. Defined Benefit Pension Plan – Firemen's Relief Association

A. Plan Description

The Frazee Firefighters Relief Association participates in the Statewide Volunteer Firefighter Retirement Plan (accounted for in the Volunteer Firefighter Fund), an agent multiple-employer lump-sum defined benefit pension plan administered by the Public Employees Retirement Association of Minnesota (PERA). The Volunteer Firefighter Plan covers volunteer firefighters of municipal fire departments or independent nonprofit firefighting corporations that have elected to join the plan. As of December 31, 2025, the plan covered 22 active firefighters and 8 vested terminated firefighters whose pension benefits are deferred. The plan is established and administered in accordance with Minnesota Statutes, Chapter 353 G.

B. Benefits Provided

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

C. Contributions

The Volunteer Firefighter Plan is funded by fire state aid, investment earnings and, if necessary, employer contributions as specified in Minnesota Statutes, and voluntary City of Frazee contributions. The State of Minnesota contributed $40,016 in fire state aid to the fund for the year ended December 31, 2025.

V. Defined Benefit Pension Plan – Firemen's Relief Association (Continued)

D. Pension Costs

At December 31, 2025, the City reported a net pension liability of $536,169 for the Volunteer Firefighter Fund. The net pension liability was measured as of December 31, 2025. The total pension liability used to calculate the net pension liability in accordance with GASB 68 was determined by PERA applying an actuarial formula to specific census data certified by the fire department. The following table presents the changes in net pension liability during the year.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a-)-(b)
Balances at January 1, 2025	**$ 423,411**	**$ 708,180**	**$ (284,769)**
Changes from the prior year:			
Service Cost	$ 20,777	$ -	$ 20,777
Interest Cost	27,817	-	27,817
Plan Changes	96,628	-	96,628
Nonemployer Contributions	-	60,016	(60,016)
Projected Investment Return	-	46,927	(46,927)
Gain or Loss	-	17,670	(17,670)
Benefit Payments	(32,464)	(32,464)	-
Total Net Changes	$ 112,758	$ 92,149	$ 20,609
Balances at December 31, 2025	**$ 536,169**	**$ 800,329**	**$ (264,160)**

There were no benefit provision changes during the measurement period.

For the year ended December 31, 2025, the City of Frazee recognized pension expense of $26,176.

At December 31, 2025, the City of Frazee reported deferred inflows of resources and deferred outflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual liability	$ -	$ 37,792
Change of assumptions	-	12,987
Net difference between projected and actual investment earnings	9,457	-
Total	$ 9,457	$ 50,779

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

V. Defined Benefit Pension Plan – Firefighters Relief Association

D. Pension Costs (Continued)

Year Ended December 31:	Pension Expense Amount:
2026	676
2027	8,002
2028	(18,524)
2029	(11,085)
2030	(7,546)
Thereafter	(12,845)

E. Actuarial Assumptions and Plan Provisions

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:

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.

F. Discount Rate

The discount rate used to measure the total pension liability was 6.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions to the Volunteer Firefighter Fund will be made at a rate equal to the actuarially determined contribution rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

H. Pension Liability Sensitivity

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

V. Defined Benefit Pension Plan – Firefighters Relief Association

H. Pension Liability Sensitivity (Continued)

	1% Decrease (5.5%)	Discount Rate (6.5%)	1% Increase (7.5%)
Proportionate share of Net Pension (Asset) Liability	$ (248,861)	$ (264,160)	$ (278,765)

I. Investment Policy

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

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

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

J. Asset Allocation

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Stocks	35%	5.10%
International Stocks	15%	5.30%
Bonds	45%	0.75%
Unallocated Cash	5%	0.00%

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

K. Significant investment policy changes during the year

The SBI made no significant changes to their investment policy during calendar year 2025 for the Volunteer Firefighter Fund.

V. Defined Benefit Pension Plan – Firefighters Relief Association (Continued)

L. Pension Plan Fiduciary Net Position

Detailed information about the Volunteer Firefighter Fund's fiduciary net position as of June 30, 2024, is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained at www.mnpera.org .

VI. Summary of Significant Contingencies and Other Items

A. Claims and Litigation

The City, in connection with the normal conduct of its affairs, may be involved in various claims, judgments, and litigation. The City Council estimates that the potential claims against the City not covered by insurance resulting from such litigation would not materially affect the financial statements of the City.

B. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage, or destruction of assets; errors or omissions; injuries to employees; employee health coverage; or natural disasters. The City has entered into a joint powers agreement with other Minnesota cities to form the League of Minnesota Cities Insurance Trust (LMCIT) to cover workers' compensation and property and casualty liabilities.

There were no significant reductions in insurance from the prior year. The amount of settlements did not exceed insurance coverage for each of the past three fiscal years.

The League of Minnesota Cities Insurance Trust is a public entity risk pool currently operated as a common risk management and insurance program for its members. The City pays an annual premium based on its annual payroll and an experience modification factor for workers' compensation coverage.

C. Joint Venture

Frazee Burlington Silverleaf Joint Powers Board

The Frazee Burlington Silverleaf Joint Powers Board was formed on November 18, 1991 under the authority of the Joint Powers Act, pursuant to Minnesota Statutes, § 471.59, and includes the City of Frazee and the Towns of Burlington and Silverleaf. The purpose of the Board is to create and operate a facility for solid waste composting and recycling.

Control of the Board is vested in the Frazee Burlington Silverleaf Joint Powers Board, which is composed of two governing members from each participating city and town. In the event of dissolution of the Frazee Burlington Silverleaf Joint Powers Board, the net assets at the time shall be distributed to the respective participants in proportion to the contributions made by each.

Funding is provided by participants in amounts determined by the Board on an annual basis. The City made no contributions in 2025. Complete financial information can be obtained from the City of Frazee Administrator/Clerk/Treasurer, City Hall, P.O. Box 387, Frazee, Minnesota 56544.

VII. Component Unit Disclosures

A. Summary of Significant Accounting Policies

The financial statements of the discretely presented component unit is prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the component unit are discussed below.

1. Financial Reporting Entity

The Economic Development Authority (EDA) was created pursuant to Minnesota Statutes § 469.090 through 469.108 to carry out economic and industrial development and redevelopment within the City in accordance with policies established by the Council. The five-member board consists of two Council members and three other Council-appointed members. The EDA may exercise any of the powers enumerated by the authorizing statute without prior approval of the Council (does not include power to issue bonds).

The Economic Development Authority is an enterprise fund. This entity is a component unit of the City of Frazee because the City is financially accountable for it and it is discretely presented in the City of Frazee's financial statements.

2. Basis of Presentation

The component unit does not issue separately audited component unit financial statements. Additional financial information can be obtained from the City of Frazee Administrator/ Clerk/Treasurer, City Hall, P.O. Box 387, Frazee, Minnesota 56544.

The discretely presented component unit is accounted for an enterprise fund, with a set of self-balancing accounts that comprise its assets, liabilities, revenues, and expenses (i.e., the combining statement of net position and the combining statement of revenues, expenses, and changes in net position). Enterprise funds are used to account for (1) operations that provide a service to citizens financed primarily by charging users for that service; and (2) activities where the periodic measurement of net income is considered appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

3. Measurement Focus and Basis of Accounting

The component unit is reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

When both restricted and unrestricted resources are available for use, it is the component unit policy to use restricted resources first, then unrestricted resources as they are needed.

VII. Component Unit Disclosures

A. Summary of Significant Accounting Policies (Continued)

4. Assets, Liabilities, and Net Position

a. Cash and Cash Equivalents

The component unit has defined cash and cash equivalents to include cash on hand and demand deposits.

b. Deposits and Investments

The cash balances of the funds are invested by the City Administrator/Clerk/Treasurer for the purpose of increasing earnings through investment activities. Pooled and fund investments and are reported at their fair value at December 31, 2025, based on market prices. Investment earnings on cash and pooled investments are allocated to the funds with deposits. Component Unit Investment earnings in 2025 were $64.

c. Capital Assets

Capital assets, which include land, buildings and improvements, improvements other than buildings, and machinery and equipment, are reported in the applicable component unit column in the financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years, except land and construction in progress which is capitalized regardless of cost. Capital assets are recorded at historical cost or estimated historical cost when purchased or constructed. Donated capital assets are recorded at acquisition value at the date of acquisition.

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

Buildings and improvements, improvements other than buildings, and machinery and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	30-39
Improvements other than buildings	39
Machinery and equipment	15

d. Long-Term Obligations

Long-term obligations are reported as liabilities in the component unit activities.

VII. Component Unit Disclosures

A. Summary of Significant Accounting Policies

4. Assets, Liabilities, and Net Position (Continued)

e. Use of Estimates

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

B. Detailed Notes

1. Assets

Deposits and Investments

All cash and investments of the component units are on deposit with the City of Frazee Administrator/Clerk/Treasurer and included within its cash and investments.

Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land - Economic Development Authority	$ 251,421	$ -	$ -	$ 251,421
Construction in progress	-	750,696	-	750,696
Total capital assets, not being depreciated	$ 251,421	$ 750,696	$ -	$ 1,002,117
Capital assets being depreciated				
Buildings and improvements				
Economic Development Authority	$ 1,273,694	$ -	$ -	$ 1,273,694
Less: accumulated depreciation for				
Buildings and improvements				
Economic Development Authority	$ 100,355	$ 31,842	$ -	$ 132,197
Total capital assets, depreciated, net	$ 1,173,339	$ (31,842)	$ -	$ 1,141,497
Total Capital Assets, Net	$ 1,424,760	$ 718,854	$ -	$ 2,143,614

Depreciation Expense

Depreciation expense of $31,842 was charged to the Economic Development Authority.

VII. Component Unit Disclosures

B. Detailed Notes (Continued)

2. Liabilities

Long-Term Debt

City of Frazee Economic Development Authority Temporary General Obligation Tax Increment Bonds, Series 2024A represent debt incurred for repayment of the Temporary General Obligation Tax Increment Bonds, Series 2021A, and for construction of the Downtown Infill Project. These bonds have an original issue amount of $1,566,000. They carry a net interest rate of 6.50 percent and are due in semi-annual interest-only payments of $50,895, with the full principal amount due on February 1, 2027, from the Economic Development Authority Fund. This note was paid off in full as of December 31, 2025.

City of Frazee Economic Development Authority Tax Abatement Bond of 2025A represents debt incurred to finance cost associated with the permanent financing of the Downtown Building now known as East Main Retail. These bonds have an original issue amount of $2,065,000. They carry a net interest rate of 6.176 percent and are due in semi-annual payments of $60,000 to $170,000 through February 1st, 2046, from the EDA Fund. The balance outstanding at December 31, 2025, is $2,065,000.

Debt Service Requirements

Debt service requirements the City of Frazee Economic Development Authority at December 31, 2025, are as follows:

	Tax Abatement Bond of 2025A	
Year End December 31	Principal	Interest
2026	$ -	$ 138,610
2027	60,000	120,200
2028	60,000	117,188
2029	65,000	114,051
2030	70,000	110,662
2031-2035	400,000	491,895
2036-2040	530,000	359,217
2041-2045	710,000	171,001
2046	170,000	5,364
Total:	$ 2,065,000	$ 1,628,188

Changes in Long-Term Liabilities

Long-term liability activity for the City of Frazee Economic Development Authority for the year ended December 31, 2025, was as follows:

VII. Component Unit Disclosures

B. Detailed Notes

2. Liabilities

Changes in Long-Term Liabilities (Continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General Obligation Bonds					
Tax Increment Bonds, Series 2024A	$ 1,566,000	$ -	$ 1,566,000	$ -	$ -
Tax Abatement Bond 2025A	-	2,065,000	-	2,065,000	-
Economic Development Authority Long-term Liabilities	$ 1,566,000	$ 2,065,000	$ 1,566,000	$ 2,065,000	$ -

C. Summary of Significant Contingencies and Other Items

Risk Management

The discretely presented component unit is exposed to various risks of loss related to torts; theft of, damage, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. The component unit is covered under the City of Frazee's membership in the League of Minnesota Cities Insurance Trust (LMCIT) to cover workers' compensation and property and casualty liabilities. There were no significant reductions in insurance from the prior year. The amount of settlements did not exceed insurance coverage for the past three fiscal years.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FRAZEE
FRAZEE, MINNESOTA

Schedule 1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	$ 522,690	$ 522,690	$ 534,703	$ 12,013
Special assessments	-	-	3,691	3,691
Licenses and permits	32,600	32,600	35,185	2,585
Intergovernmental	665,013	665,013	860,589	195,576
Charges for services	188,150	188,150	243,081	54,931
Fines and forfeitures	7,500	7,500	3,536	(3,964)
Investment earnings	4,000	4,000	47,618	43,618
Gifts and contributions	-	-	54,570	54,570
Miscellaneous	40,875	40,875	22,482	(18,393)
Total Revenues	**$ 1,460,828**	**$ 1,460,828**	**$ 1,805,455**	**$ 344,627**
Expenditures				
Current				
General government				
Mayor/council	$ 40,657	$ 40,657	$ 49,873	$ (9,216)
Financial administration	383,661	383,661	330,675	52,986
Cemetery	8,700	8,700	8,005	695
Elections	-	-	50	(50)
Building inspector	21,350	21,350	25,850	(4,500)
Total general government	**$ 454,368**	**$ 454,368**	**$ 414,453**	**$ 39,915**
Public safety				
Police	**$ 448,821**	**$ 448,821**	**$ 424,000**	**$ 24,821**
Highways and streets				
Street department	$ 178,978	$ 178,978	$ 121,882	$ 57,096
Snow removal	58,500	58,500	6,510	51,990
Street lighting	27,425	27,425	33,492	(6,067)
Total highways and streets	**$ 264,903**	**$ 264,903**	**$ 161,884**	**$ 103,019**
Sanitation				
Recycling	$ -	$ -	$ 179	$ (179)
Solid waste	182,100	182,100	189,082	(6,982)
Total sanitation	**$ 182,100**	**$ 182,100**	**$ 189,261**	**$ (7,161)**
Culture and recreation				
Parks	$ 52,265	$ 52,265	$ 24,317	$ 27,948
Library	3,300	3,300	2,475	825
Celebrations	5,100	5,100	5,250	(150)
Recreational programs	15,000	15,000	15,000	-
Total culture and recreation	**$ 75,665**	**$ 75,665**	**$ 47,042**	**$ 28,623**
Total current	**$ 1,425,857**	**$ 1,425,857**	**$ 1,236,640**	**$ 189,217**

The notes to the required supplementary information are an integral part of this statement.

CITY OF FRAZEE
FRAZEE, MINNESOTA

Schedule 1
(Continued)

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Expenditures (Continued)				
Capital outlay				
General government	$ -	$ -	$ 85,151	$ (85,151)
Public safety	20,000	20,000	11,580	8,420
Highways and streets	-	-	49,387	(49,387)
Culture and recreation	-	-	321,864	(321,864)
Total capital outlay	**$ 20,000**	**$ 20,000**	**$ 467,982**	**$ (447,982)**
Total Expenditures	**$ 1,445,857**	**$ 1,445,857**	**$ 1,704,622**	**$ (258,765)**
Excess of Revenues Over (Under) Expenditures	**$ 14,971**	**$ 14,971**	**$ 100,833**	**$ 85,862**
Other Financing Sources (Uses)				
Proceeds from issuance of debt	$ -	$ -	$ 106,440	$ 106,440
Transfers in	-	-	1,020	1,020
Total other financing sources (uses)	**$ -**	**$ -**	**$ 107,460**	**$ 107,460**
Net Change in Fund Balance	**$ 14,971**	**$ 14,971**	**$ 208,293**	**$ 193,322**
Fund Balance - January 1	**1,218,814**	**1,218,814**	**1,218,814**	**-**
Fund Balance - December 31	**$ 1,233,785**	**$ 1,233,785**	**$ 1,427,107**	**$ 193,322**

The notes to the required supplementary information are an integral part of this statement.

CITY OF FRAZEE
FRAZEE, MINNESOTA

Schedule 2

BUDGETARY COMPARISON SCHEDULE
FIRE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Intergovernmental	$ 49,000	$ 49,000	$ 53,626	$ 4,626
Charges for services	141,929	141,929	138,889	(3,040)
Investment earnings	-	-	3,015	3,015
Gifts and contributions	6,500	6,500	6,527	27
Miscellaneous	1,500	1,500	995	(505)
Total Revenues	**$ 198,929**	**$ 198,929**	**$ 203,052**	**$ 4,123**
Expenditures				
Current				
Public safety				
Fire	$ 122,360	$ 122,360	$ 138,822	$ (16,462)
Fire relief association	30,000	30,000	47,654	(17,654)
Total public safety	**$ 152,360**	**$ 152,360**	**$ 186,476**	**$ (34,116)**
Debt service				
Principal retirement	$ -	$ -	$ 58,789	$ (58,789)
Interest	-	-	1,933	(1,933)
Total debt service	**$ -**	**$ -**	**$ 60,722**	**$ (60,722)**
Capital outlay				
Public safety	$ 65,000	$ 65,000	$ 67,231	$ (2,231)
Total Expenditures	**$ 217,360**	**$ 217,360**	**$ 314,429**	**$ (97,069)**
Excess of Revenues Over (Under) Expenditures	**$ (18,431)**	**$ (18,431)**	**$ (111,377)**	**$ (92,946)**
Fund Balance - January 1	**(87)**	**(87)**	**(87)**	**-**
Fund Balance - December 31	**$ (18,518)**	**$ (18,518)**	**$ (111,464)**	**$ (92,946)**

The notes to the required supplementary information are an integral part of this statement.

Schedule 3

BUDGETARY COMPARISON SCHEDULE
RESCUE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Revenues				
Charges for services	$ 100	$ 100	$ 300	$ 200
Gifts and contributions	8,400	8,400	33,352	24,952
Miscellaneous	-	-	56,971	56,971
Total Revenues	**$ 8,500**	**$ 8,500**	**$ 90,623**	**$ 82,123**
Expenditures				
Current				
Public safety				
Rescue squad	$ 10,910	$ 10,910	$ 22,234	$ (11,324)
Total public safety	**$ 10,910**	**$ 10,910**	**$ 22,234**	**$ (11,324)**
Capital outlay				
Public safety	1,000	1,000	80,776	(79,776)
Total Expenditures	**$ 11,910**	**$ 11,910**	**$ 103,010**	**$ (91,100)**
Excess of Revenues Over (Under) Expenditures	**$ (3,410)**	**$ (3,410)**	**$ (12,387)**	**$ (8,977)**
Fund Balance - January 1	**61,146**	**61,146**	**61,146**	**-**
Fund Balance - December 31	**$ 57,736**	**$ 57,736**	**$ 48,759**	**$ (8,977)**

The notes to the required supplementary information are an integral part of this statement.

CITY OF FRAZEE
FRAZEE, MINNESOTA

Schedule 4

BUDGETARY COMPARISON SCHEDULE
WANNIGAN PARK SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Intergovernmental	$ -	$ -	$ 583,777	$ 583,777
Gifts and contributions	-	-	61,799	61,799
Total Revenues	**$ -**	**$ -**	**$ 645,576**	**$ 645,576**
Expenditures				
Current				
Culture and recreation				
Parks	$ -	$ -	$ 4,326	$ (4,326)
Capital outlay				
Culture and recreation	-	-	891,156	(891,156)
Total Expenditures	**$ -**	**$ -**	**$ 895,482**	**$ (895,482)**
Excess of Revenues Over (Under) Expenditures	**$ -**	**$ -**	**$ (249,906)**	**$ (249,906)**
Fund Balance - January 1	**3,918**	**3,918**	**3,918**	**-**
Fund Balance - December 31	**$ 3,918**	**$ 3,918**	**$ (245,988)**	**$ (249,906)**

The notes to the required supplementary information are an integral part of this statement.

CITY OF FRAZEE
FRAZEE, MINNESOTA

Schedule 5

SCHEDULE OF CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF MINNESOTA
FOR THE YEAR ENDED DECEMBER 31, 2025

GENERAL EMPLOYEES RETIREMENT FUND PENSION PLAN

Fiscal Year Ending	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered-Payroll	Contributions as a Percentage of Covered Payroll
December 31, 2025	$ 38,930	$ 38,930	$ -	$ 520,454	7.5%
December 31, 2024	$ 40,481	$ 40,481	$ -	$ 539,747	7.5%
December 31, 2023	$ 34,554	$ 34,554	$ -	$ 460,716	7.5%
December 31, 2022	$ 30,693	$ 30,693	$ -	$ 409,247	7.5%
December 31, 2021	$ 30,032	$ 30,032	$ -	$ 400,420	7.5%
December 31, 2020	$ 27,247	$ 27,247	$ -	$ 363,293	7.5%
December 31, 2019	$ 29,798	$ 29,798	$ -	$ 397,306	7.5%
December 31, 2018	$ 28,121	$ 28,121	$ -	$ 374,947	7.5%
December 31, 2017	$ 26,293	$ 26,293	$ -	$ 352,901	7.5%
December 31, 2016	$ 25,675	$ 25,675	$ -	$ 342,333	7.5%

PUBLIC EMPLOYEES POLICE AND FIRE FUND PENSION PLAN

Fiscal Year Ending	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered-Payroll	Contributions as a Percentage of Covered Payroll
December 31, 2025	$ 28,928	$ 28,928	$ -	$ 163,435	17.70%
December 31, 2024	$ 29,805	$ 29,805	$ -	$ 168,390	17.70%
December 31, 2023	$ 26,187	$ 26,187	$ -	$ 147,950	17.70%
December 31, 2022	$ 33,007	$ 33,007	$ -	$ 186,482	17.70%
December 31, 2021	$ 32,620	$ 32,620	$ -	$ 184,294	17.70%
December 31, 2020	$ 32,390	$ 32,390	$ -	$ 182,994	17.70%
December 31, 2019	$ 29,262	$ 29,262	$ -	$ 172,637	16.95%
December 31, 2018	$ 27,330	$ 27,330	$ -	$ 168,704	16.20%
December 31, 2017	$ 25,156	$ 25,156	$ -	$ 155,284	16.20%
December 31, 2016	$ 24,940	$ 24,940	$ -	$ 153,951	16.20%

CITY OF FRAZEE
FRAZEE, MINNESOTA

Schedule 6

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION
FOR THE YEAR ENDED DECEMBER 31, 2025

GENERAL EMPLOYEES RETIREMENT FUND PENSION PLAN

Fiscal Year Ending	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability and the Employer's Proportionate Share of the State of Minnesota's Share of the Net Pension Liability	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
June 30, 2025	0.0060%	$ 199,869	$ 4,821	$ 204,690	$ 551,505	36.24%	90.78%
June 30, 2024	0.0058%	$ 213,880	$ 5,531	$ 219,411	$ 489,784	43.67%	89.08%
June 30, 2023	0.0054%	$ 301,962	$ 8,401	$ 310,363	$ 431,847	69.92%	83.10%
June 30, 2022	0.0054%	$ 427,682	$ 12,407	$ 440,089	$ 402,768	106.19%	76.67%
June 30, 2021	0.0054%	$ 230,604	$ 7,087	$ 237,691	$ 382,743	60.25%	87.00%
June 30, 2021	0.0054%	$ 230,604	$ 7,087	$ 237,691	$ 382,743	60.25%	87.00%
June 30, 2020	0.0053%	$ 317,759	$ 9,685	$ 327,444	$ 375,679	84.58%	79.06%
June 30, 2019	0.0054%	$ 298,554	$ 9,333	$ 307,887	$ 378,277	78.92%	80.23%
June 30, 2018	0.0056%	$ 310,665	$ 10,219	$ 320,884	$ 375,270	82.78%	75.93%
June 30, 2017	0.0053%	$ 338,349	$ 4,245	$ 342,594	$ 350,993	96.40%	75.90%
June 30, 2016	0.0055%	$ 446,573	$ 5,862	$ 452,435	$ 343,830	129.88%	68.90%

PUBLIC EMPLOYEES POLICE AND FIRE FUND PENSION PLAN

Fiscal Year Ending	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability and the Employer's Proportionate Share of the State of Minnesota's Share of the Net Pension Liability	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
June 30, 2025	0.0111%	$ 129,791	$ 5,592	$ 135,383	$ 150,736	86.10%	91.78%
June 30, 2024	0.0112%	$ 146,706	$ 5,592	$ 152,298	$ 150,736	97.33%	90.17%
June 30, 2023	0.0121%	$ 208,951	$ 8,425	$ 217,376	$ 159,267	131.20%	86.47%
June 30, 2022	0.0160%	$ 696,257	$ 30,418	$ 726,675	$ 203,094	342.82%	70.53%
June 30, 2021	0.0160%	$ 123,503	$ 5,579	$ 129,082	$ 198,006	62.37%	93.66%
June 30, 2020	0.0151%	$ 199,034	$ 4,672	$ 203,706	$ 170,658	116.63%	87.19%
June 30, 2019	0.0161%	$ 171,401	$ 2,173	$ 173,574	$ 169,241	101.28%	89.26%
June 30, 2018	0.0150%	$ 164,148	$ 1,386	$ 165,534	$ 160,606	102.21%	88.84%
June 30, 2017	0.0150%	$ 202,518	$ 1,350	$ 203,868	$ 159,077	127.31%	85.40%
June 30, 2016	0.0160%	$ 642,108	$ 1,440	$ 643,548	$ 159,181	403.38%	63.90%

The notes to the required supplementary information are an integral part of this statement.

Schedule 7

VOLUNTEER FIREFIGHTER RETIREMENT PLAN
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ending	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
December 31, 2025	$ -	$ -	$ -	N/A	N/A
December 31, 2024	$ -	$ -	$ -	N/A	N/A
December 31, 2023	$ -	$ -	$ -	N/A	N/A
December 31, 2022	$ -	$ -	$ -	N/A	N/A
December 31, 2021	$ -	$ -	$ -	N/A	N/A
December 31, 2020	$ -	$ -	$ -	N/A	N/A
December 31, 2019	$ -	$ -	$ -	N/A	N/A
December 31, 2018	$ -	$ -	$ -	N/A	N/A
December 31, 2017	$ -	$ -	$ -	N/A	N/A
December 31, 2016	$ -	$ -	$ -	N/A	N/A

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION ASSET

Fiscal Year Ending	Proportion of the Net Pension Asset	Proportionate Share of the Net Pension Asset	Covered-Employee Payroll	Proportionate Share of the Net Pension Asset as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Asset
January 1, 2025	100%	$ 242,409	N/A	N/A	165.00%
January 1, 2024	100%	$ 284,769	N/A	N/A	167.00%
January 1, 2023	100%	$ 176,884	N/A	N/A	139.00%
January 1, 2022	100%	$ 283,140	N/A	N/A	182.07%
January 1, 2021	100%	$ 218,394	N/A	N/A	154.00%
January 1, 2020	100%	$ 162,631	N/A	N/A	154.00%
January 1, 2019	100%	$ 106,377	N/A	N/A	139.00%
January 1, 2018	100%	$ 131,591	N/A	N/A	136.00%
January 1, 2017	100%	$ 114,654	N/A	N/A	136.00%
January 1, 2016	100%	$ 95,304	N/A	N/A	132.00%

The notes to the required supplementary information are an integral part of this statement.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025

II. Budgetary Information

Budget Policy

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year-end.

In September of each year, the City Council drafts a preliminary budget after giving interested citizens a reasonable opportunity to be heard. The final budget is approved in December and a certified levy is sent to Becker County. Truth in taxation requires that a final levy may not exceed a preliminary levy.

The appropriated budget is prepared by fund, function, and department. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the departmental level.

II. Excess of Expenditures Over Budget

The following departments had expenditures in excess of budget for the year ended December 31, 2025:

	Expenditures	Budget	Excess
General Fund			
General government			
Mayor/council	$ 49,873	$ 40,657	$ (9,216)
Elections	50	-	(50)
Building inspector	25,850	21,350	(4,500)
Highways and streets			
Street lighting	33,492	27,425	(6,067)
Sanitation			
Recycling	179	-	(179)
Solid waste	189,082	182,100	(6,982)
Culture and recreation			
Celebrations	5,250	5,100	(150)
Capital outlay			
General government	85,151	-	(85,151)
Highways and streets	49,387	-	(49,387)
Culture and recreation	321,864	-	(321,864)
Fire Special Revenue Fund			
Public safety			
Fire	138,822	122,360	(16,462)
Fire relief association	47,654	30,000	(17,654)

II. Excess of Expenditures Over Budget (Continued)

	Expenditures	Budget	Excess
Fire Special Revenue Fund			
Debt service			
Principal retirement	$ 58,789	$ -	$ (58,789)
Interest	1,933	-	(1,933)
Capital outlay			
Public safety	67,231	65,000	(2,231)
Rescue Special Revenue Fund			
Public safety			
Rescue squad	22,234	10,910	(11,324)
Capital outlay			
Public safety	80,776	1,000	(79,776)
Wannigan Park Special Revenue Fund			
Culture and recreation			
Parks	4,326	-	(4,326)
Capital outlay			
Culture and recreation	891,156	-	(891,156)

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

The information presented in the required supplementary schedules was used in the actuarial valuation for purposes of determining the actuarially determined contribution rates. Changes in actuarial assumptions are described in the Notes to the Financial Statements. The assumptions and methods used for this actuarial valuation were recommended by PERA and adopted by the City Council. The following changes were reflected in the valuation performed on behalf of PERA for the fiscal year June 30:

General Employees Fund

2025 Changes

Changes in Actuarial Assumptions

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

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

General Employees Fund (Continued)

2024 Changes

Changes in Actuarial Assumptions

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

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

Changes in Plan Provisions

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

2023 Changes

Changes in Actuarial Assumptions

- The investment return assumption and single discount rate were changed from 6.5 percent to 7.00 percent.

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.

Changes in Plan Provisions

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

2021 Changes

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.

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

General Employees Fund

2021 Changes
Changes in Actuarial Assumptions (Continued)

- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

Changes in Plan Provisions

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

2020 Changes
Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019, experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019, experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019, experience study. The new rates are based on service and are generally lower than the previous for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019, experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees were changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

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

2019 Changes
Changes in Actuarial Assumptions

- The 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.

III. <u>Notes to Schedule of Changes in Net Pension Liabilities and Related Ratios</u>

General Employees Fund (Continued)

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

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 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes
Changes in Actuarial Assumptions
- The combined service annuity (CSA) loads were changed from 0.80 percent for active members and 60.00 percent for vested and non-vested deferred members. The revised CSA load are now 0.00 percent for active member liability, 15.00 percent for vested deferred member liability, and 3.00 percent for non-vested deferred member liability.
- The assumed postretirement benefit increase rate was changed for 1.00 percent per year for all years to 1.00 percent per year through 2044 and 2.50 percent 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 1.00 percent per year through 2035 and 2.50 percent per year thereafter to 1.00 percent per year for all years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate changed from 7.90 percent to 7.50 percent.

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

General Employees Fund

2016 Changes
Changes in Actuarial Assumptions (Continued)

- Other assumptions were changed pursuant to the experience study June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

Police and Fire Fund

2025 Changes
Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- The period of time needed for benefit recipients to receive their first benefit increase was reduced by one year (from 36 months to 24 months for a full increase).
- The January 1, 2026, benefit increase changed from 1% to 3%; subsequent January 1 increases will be 1%.
- The threshold to end the $9 million annual state aid contribution changed from the earlier of July 1, 2048, or 90% funded for both PERA Police & Fire and MSRS State Patrol for three consecutive years (on an actuarial value of assets basis).
- The threshold to end the additional $9 millon annual state aid contribution changed from the earlier of July 1, 2048, or 100% funded for a minimum of three consecutive years to 11% funded for a minimum of three consecutive years (on an actuarial value of assets basis).
- An additional $17.7 million in direct state aid will be paid annually each October 1 beginning October 1, 2025, through June 30, 2048.
- Join and survivor actuarial equivalent factors were updated to reflect changes in assumptions.

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

Police and Fire Fund

2024 Changes
Changes in Plan Provisions
- The State contribution of $9.0 million per year will continue until the earlier of 1) both the Police & Fire Plan and the State Patrol Retirement Fund attain 90 percent funded statuses for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90 percent funded status for one year.
- The additional $9.0 million contribution will continue until the Police & Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048, if earlier).

2023 Changes
Changes in Actuarial Assumptions:
- The investment return assumption was changed from 6.5 percent to 7.00 percent.
- The single discount rate changed from 5.4 percent to 7.0 percent.

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

2022 Changes
Changes in Actuarial Assumptions
- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The Single discount rate changed from 6.50 percent to 5.40 percent.

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

2021 Changes
Changes in Actuarial Assumptions
- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.
- The inflation assumption was changed from 2.50 percent to 2.25 percent.
- The payroll growth assumption was changed from 3.25 percent to 3.0 percent.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.

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

Police and Fire Fund

2021 Changes
Changes in Actuarial Assumptions (Continued)
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disable annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020, experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 1, 2020, experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members changed from 60 percent to 70 percent. Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions
- There have been no changes since the prior valuation.

2020 Changes
Changes in Actuarial Assumptions
- The morality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions
- There have been no changes since the prior valuation.

2019 Changes
Changes in Actuarial Assumptions
- The morality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions
- There have been no changes since the prior valuation.

2018 Changes
Changes in Actuarial Assumptions
- The morality projection scale was changed from MP-2016 to MP-2017.

Changes in Plan Provisions
- Postretirement benefit increases were changed to 1.00 percent for all years, with no trigger.
- An end date of July 1, 2048, was added to the existing $9.0 million state contribution.
- New annual state aid will equal $4.5 million in fiscal years 2019 and 2020, and $9.0 million thereafter until the plan reaches 100 percent funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80 percent to 11.30 percent of pay, effective January 1, 2019, and 11.80 percent of pay, effective January 1, 2020.

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

Police and Fire Fund

2018 Changes
Changes in Plan Provisions (Continued)

- Employer contributions were changed from 16.20 percent to 16.95 percent of pay, effective January 1, 2019, and 17.70 percent of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes
Changes in Actuarial Assumptions

- Assumed salary increases were changed as recommended in the June 30, 2016, experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The combined service annuity (CSA) load was 30.00 percent for vested and non-vested, deferred members. The CSA has been changed to 33.00 percent for vested members and 2.00 percent for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65.00 percent to 60.00 percent.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing joint and survivor annuities was increased.
- The assumed postretirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter.
- The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2016 Changes
Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00 percent per year through 2037 and 2.50 percent per year thereafter to 1.00 percent per year for all future years.

III. <u>Notes to Schedule of Changes in Net Pension Liabilities and Related Ratios</u>

Police and Fire Fund

2016 Changes
Changes in Actuarial Assumptions (Continued)

- The assumed investment return was changed from 7.90 percent to 7.50 percent.
- The single discount rate changed from 7.90 percent to 5.60 percent.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

SUPPLEMENTARY INFORMATION

CITY OF FRAZEE
FRAZEE, MINNESOTA

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

The Cemetery Special Revenue Fund is used to account for and report activities of the cemetery. Financing is provided by the sale of cemetery plots and charges for services restricted for perpetual care.

The TIF 1-3 Red Willow Heights Special Revenue Fund is used to account for and report the activities of the Red Willow Heights project. Financing is provided by tax increment financing assigned to economic development.

The TIF 1-4 Swift Site Special Revenue Fund is used to account for and report the activities of the Swift Site project. Financing is provided by tax increment financing assigned to economic development.

The TIF 1-5 Downtown Renovations Special Revenue Fund is used to account for and report the activities of the Downtown Renovation project. Financing is provided by tax increment financing assigned to economic development.

Debt Service Funds

The East Main Liquor Town Lake Beach Debt Service Fund is used to account for and report the Improvement Bonds of 2024 for improvements to East Main Street, the Liquor Store, and Town Lake Beach. Financing is provided by special assessments restricted for debt service.

The 2016 Improvements and Refunding Debt Service Fund is used to account for and report debt associated with General Obligation Street Improvement and Refunding Bonds of 2016 for street improvements. Financing is provided by special assessments restricted for debt service.

The County Road 118 Debt Service Fund is used to account for and report debt associated with the General Obligation Improvement Bonds of 2014 for street improvements. Financing is provided by special assessments restricted for debt service.

The 2006 Red Willow Heights II Debt Service Fund is used to account for, and report debt associated with General Obligation Improvement Refunding Bonds of 2012 for the Red Willow Heights II project. Financing is provided by special assessments restricted for debt service.

The Southeast Area Streets and Main Avenue West Service Fund is used to account for and report debt associated with the General Obligation Improvement Bonds of 2013. Financing is provided by special assessments restricted for debt service.

The Southeast Area Streets and Utilities Debt Service Fund is used to account for and report debt associated with General Obligation Improvement Bonds of 2017 for street improvements. Financing is provided by special assessments restricted for debt service.

CITY OF FRAZEE
FRAZEE, MINNESOTA

Statement 1

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	Special Revenue Funds (Statement 3)	Debt Service Funds (Statement 5)	Total Nonmajor Governmental Funds (Exhibit 3)
Assets			
Assets			
Cash and pooled investments	$ 418,530	$ 284,197	$ 702,727
Taxes receivable			
Current	977	-	977
Special assessments receivable			
Current	-	2,805	2,805
Prior	-	58,035	58,035
Due from other funds	-	157,292	157,292
Special assessments receivable - noncurrent	-	465,256	465,256
Total Assets	**$ 419,507**	**$ 967,585**	**$ 1,387,092**
Liabilities, Deferred Inflows of Resources, and Fund Balance			
Liabilities			
Accounts payable	$ 15,995	$ -	$ 15,995
Due to other funds	223,833	423,520	647,353
Total Liabilities	**$ 239,828**	**$ 423,520**	**$ 663,348**
Deferred Inflows of Resources			
Special assessments	$ -	$ 523,291	$ 523,291
Fund Balance			
Restricted for			
Debt service	$ -	$ 396,279	$ 396,279
Economic development	183,068	-	183,068
Unassigned	(3,389)	(375,505)	(378,894)
Total Fund Balance	**$ 179,679**	**$ 20,774**	**$ 200,453**
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	**$ 419,507**	**$ 967,585**	**$ 1,387,092**

CITY OF FRAZEE
FRAZEE, MINNESOTA

Statement 2

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2025

	Special Revenue Funds (Statement 4)	Debt Service Funds (Statement 6)	Total NonMajor Governmental Funds (Exhibit 5)
Revenues			
Taxes	$ 120,393	$ -	$ 120,393
Special assessments	-	79,302	79,302
Investment earnings	-	8	8
Miscellaneous	900	35,581	36,481
Total Revenues	**$ 121,293**	**$ 114,891**	**$ 236,184**
Expenditures			
Current			
Economic Development	15,995	-	15,995
Debt service			
Principal retirement	$ -	$ 158,000	$ 158,000
Interest	-	30,771	30,771
Total debt service	**$ -**	**$ 188,771**	**$ 188,771**
Total Expenditures	**$ 15,995**	**$ 188,771**	**$ 204,766**
Excess of Revenues Over (Under) Expenditures	**$ 105,298**	**$ (73,880)**	**$ 31,418**
Other Financing Sources (Uses)			
Transfers in	$ -	$ 102,765	$ 102,765
Transfers out	(102,765)	(1,020)	(103,785)
Total Other Financing Sources (Uses)	**$ (102,765)**	**$ 101,745**	**$ (1,020)**
Net Change in Fund Balance	**$ 2,533**	**$ 27,865**	**$ 30,398**
Fund Balance - January 1	**$ 177,146**	**$ (7,091)**	**$ 170,055**
Fund Balance - December 31	**$ 179,679**	**$ 20,774**	**$ 200,453**

CITY OF FRAZEE
FRAZEE, MINNESOTA

Statement 3

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Cemetery	TIF 1-3 Red Willow Heights	TIF 1-4 Swift Site	TIF 1-5 Downtown Renovations	Total (Statement 1)
Assets					
Cash and pooled investments	$ -	$ 110,222	$ 137,356	$ 60,730	$ 418,530
Taxes receivable					
Current	-	-	-	977	977
Total Assets	$ -	$ 110,222	$ 137,356	$ 61,707	$ 419,507
Liabilities and Fund Balance					
Liabilities					
Accounts payable	$ -	$ -	$ -	$ 15,995	$ 15,995
Due to other funds	3,389	110,222	-	-	223,833
Total Liabilities	$ 3,389	$ 110,222	$ -	$ 15,995	$ 239,828
Fund Balance					
Restricted for					
Economic development	$ -	$ -	$ 137,356	$ 45,712	$ 183,068
Unassigned	(3,389)	-	-	-	(3,389)
Total Fund Balance	$ (3,389)	$ -	$ 137,356	$ 45,712	$ 179,679
Total Liabilities and Fund Balance	$ -	$ 110,222	$ 137,356	$ 61,707	$ 419,507

CITY OF FRAZEE
FRAZEE, MINNESOTA

Statement 4

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

	Cemetery	TIF 1-3 Red Willow Heights	TIF 1-4 Swift Site	TIF 1-5 Downtown Renovations	Total (Statement 2)
Revenues					
Taxes	$ -	$ 102,765	$ 8,593	$ 9,035	$ 120,393
Miscellaneous	900	-	-	-	900
Total Revenues	$ 900	$ 102,765	$ 8,593	$ 9,035	$ 121,293
Expenditures					
Current					
Economic development	$ -	-	-	15,995	15,995
Excess of Revenues Over (Under) Expenditures	$ 900	$ 102,765	$ 8,593	$ (6,960)	$ 105,298
Other Financing Sources (Uses)					
Transfers out	-	(102,765)	-	-	(102,765)
Net Change in Fund Balance	$ 900	$ -	$ 8,593	$ (6,960)	$ 2,533
Fund Balance - January 1	(4,289)	-	128,763	52,672	177,146
Fund Balance - December 31	$ (3,389)	$ -	$ 137,356	$ 45,712	$ 179,679

CITY OF FRAZEE
FRAZEE, MINNESOTA

Statement 5

COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	East Main Liquor Town Lake Beach	2016 Improvements and Refunding	County Road 118	2006 Red Willow Heights II	Southeast Area and Main Avenue West	Southeast Area Streets and Utilities	Total (Statement 1)
Assets							
Cash and pooled investments	$ -	$ -	$ -	$ 102,002	$ 182,195	$ -	$ 284,197
Special assessments receivable	-	-					
Current	-	-	945	-	1,860	-	2,805
Prior	-	-	-	44,586	13,449	-	58,035
Due from other funds	-	47,070	-	110,222	-	-	157,292
Special assessments receivable - noncurrent	253,809	-	15,280	82,841	113,326	-	465,256
Total Assets	**$ 253,809**	**$ 47,070**	**$ 16,225**	**$ 339,651**	**$ 310,830**	**$ -**	**$ 967,585**
Liabilities, Deferred Inflows of Resources, and Fund Balance							
Liabilities							
Due to other funds	$ 1,968	$ 243,317	$ 12,717	$ -	$ -	$ 165,518	$ 423,520
Total Liabilities	**$ 1,968**	**$ 243,317**	**$ 12,717**	**$ -**	**$ -**	**$ 165,518**	**$ 423,520**
Deferred Inflows of Resources							
Special assessments	$ 253,809	$ -	$ 15,280	$ 127,427	$ 126,775	$ -	$ 523,291
Fund Balance							
Restricted for debt service	$ -	$ -	$ -	$ 212,224	$ 184,055	$ -	$ 396,279
Unassigned	(1,968)	(196,247)	(11,772)	-	-	(165,518)	(375,505)
Total Fund Balance	**$ (1,968)**	**$ (196,247)**	**$ (11,772)**	**$ 212,224**	**$ 184,055**	**$ (165,518)**	**$ 20,774**
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	**$ 253,809**	**$ 47,070**	**$ 16,225**	**$ 339,651**	**$ 310,830**	**$ -**	**$ 967,585**

Statement 6

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	East Main Liquor Town Lake Bach	2016 Improvements and Refunding	County Road 118	2006 Red Willow Heights II	Southeast Area and Main Avenue West	Southeast Area Streets and Utilities	Total (Statement 2)
Revenues							
Special assessments	$ 15,000	$ -	$ 10,003	$ 4,535	$ 49,764	$ -	$ 79,302
Investment earnings	-	-	-	8	-	-	8
Miscellaneous	-	-	-	35,581	-	-	35,581
Total Revenues	**$ 15,000**	**$ -**	**$ 10,003**	**$ 40,124**	**$ 49,764**	**$ -**	**$ 114,891**
Expenditures							
Debt service							
Principal retirement	$ -	$ 19,000	$ 36,000	$ 60,000	$ 43,000	$ -	$ 158,000
Interest	16,968	1,164	4,139	3,775	4,725	-	30,771
Total Expenditures	**$ 16,968**	**$ 20,164**	**$ 40,139**	**$ 63,775**	**$ 47,725**	**$ -**	**$ 188,771**
Excess of Revenues Over (Under) Expenditures	**$ (1,968)**	**$ (20,164)**	**$ (30,136)**	**$ (23,651)**	**$ 2,039**	**$ -**	**$ (73,880)**
Other Financing Sources (Uses)							
Transfers in	$ -	$ -	$ -	$ 102,765	$ -	$ -	$ 102,765
Transfers out	-	-	-	(1,020)	-	-	(1,020)
Total Other Financing Sources (Uses)	**$ -**	**$ -**	**$ -**	**$ 101,745**	**$ -**	**$ -**	**$ 101,745**
Net Change in Fund Balance	**$ (1,968)**	**$ (20,164)**	**$ (30,136)**	**$ 78,094**	**$ 2,039**	**$ -**	**$ 27,865**
Fund Balance - January 1	**-**	**(176,083)**	**18,364**	**134,130**	**182,016**	**(165,518)**	**(7,091)**
Fund Balance - December 31	**$ (1,968)**	**$ (196,247)**	**$ (11,772)**	**$ 212,224**	**$ 184,055**	**$ (165,518)**	**$ 20,774**

OTHER SCHEDULES

CITY OF FRAZEE
FRAZEE, MINNESOTA

Schedule 8

SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2025

Shared Revenue		
State		
Fire Relief Association supplemental benefit	$	1,000
Fire state aid		46,654
Local government aid		592,236
Small cities highway assistance		14,624
Police state aid		29,805
Total Shared Revenue	**$**	**684,319**
Payments		
Payments in lieu of taxes	**$**	**29,860**
Grants		
Local		
Becker County	$	461
Clay County		7,000
Total Local	**$**	**7,461**
State		
Minnesota Department of		
Police Officer Safety Board	$	2,983
Natural Resources		186,220
Public Facilities Authority		35,346
Public Safety		4,472
Transportation		582,677
Total State	**$**	**811,698**
Total Grants	**$**	**819,159**
Total Intergovernmental Revenue	**$**	**1,533,338**

Not included as revenue are $9,951 in Minnesota Public Facilities Authority loans from the Environmental Protection Agency's Clean Water and Drinking Water State Revolving Fund which are recorded as liabilities in the Sewer and Water Enterprise Funds.

MANAGEMENT AND COMPLIANCE SECTION

Colleen Hoffman, Director
Crystelle Philipp, CPA
Marit Martell, CPA

Hoffman, Philipp, & Martell, PLLC

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

City Council
City of Frazee

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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Frazee as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 28, 2026.

Report on Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the City of Frazee's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Responses as items 2025-001, and 2025-002, that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Frazee's financial statements are free of 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 determination of financial statement amounts. 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*.

Minnesota Legal Compliance

The *Minnesota Legal Compliance Audit Guide for Cities,* promulgated by the State Auditor pursuant to Minnesota Statute, § 6.65, contains seven categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing. Our audit considered all of the listed categories.

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

City of Frazee's Response to Findings

The City's responses to the findings identified in our audit have been included in the accompanying Schedule of Findings and Responses. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting, compliance and the provisions of the *Minnesota Legal Compliance Audit Guide for Cities* and the result of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

Hoffman, Philipp, & Martell

Hoffman, Philipp, & Martell, PLLC
July 28, 2026

CITY OF FRAZEE
FRAZEE, MINNESOTA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2025

FINDINGS RELATED TO FINANCIAL STATEMENTS AUDITED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

<u>INTERNAL CONTROL</u>

<u>PREVIOUSLY REPORTED ITEMS NOT RESOLVED</u>

Finding Number: 2025-001
Prior Year Finding Number(s): 2024-001
Repeat Finding Since: 2006
Segregation of Duties and Internal Controls

Criteria: The financial statements are the responsibility of the City's management. Internal control over financial reporting is a process designed to provide reliable assurance about the achievement of the City's objectives with regard to reliability of financial reporting and compliance with applicable laws and regulations. These controls must include a process for monitoring controls to ensure effectiveness and efficiency of operations.

Condition: Internal controls over financial reporting and the safeguarding of assets against unauthorized acquisition, use, or disposition include controls related to financial reporting and operational objectives. The City does not have a process for monitoring to ensure the internal controls are effective. Due to the limited number of personnel within the City of Frazee, segregation of the accounting functions necessary to ensure adequate internal control and monitoring is not possible.

Context: The small size and staffing of the City of Frazee limits the segregation of duties and internal control that management can design and implement. Although the City of has some controls despite limited staff, they do not have a documented process for monitoring those controls.

Effect: Without documented internal controls and a process for monitoring internal controls, the City cannot provide assurance about the reliability of financial reporting or the effectiveness and efficiency of operations. Errors or irregularities may occur and not be detected in a timely manner.

Cause: The City has never formalized its policies and procedures for internal controls and monitoring of those controls into a written comprehensive document.

Recommendation: Management should continually be aware of the lack of reliability of internal controls due to limited segregation of duties. We recommend the City of Frazee formalize written documentation of their internal controls and the monitoring process to ensure the reliability of financial reporting and compliance with applicable laws and regulations, and the effectiveness and efficiency of operations.

City Administrator/Clerk/Treasurer Response: *The small size of the City limits the number of personnel available to perform separate duties, however, the City Council is aware of this situation and provides oversight and review. The City does have some written policies and continues to work on improving internal control over financial reporting and compliance, and the documentation of those controls.*

Finding Number: 2025-002
Prior Year Finding Number: 2024-002
Repeat Finding Since: 2008
Finding Title: Audit Adjustments

Criteria: A good system of internal accounting control includes an adequate system for classification and recording transactions material to financial reporting.

Condition: During our audit, we identified adjustments in several funds. These adjustments resulted in reclassification of amounts originally reported in the City's financial statements.

Context: City officials are aware that audit adjustments are made to revenues and expenditures, and they rely on the independent external auditors to assist in making the necessary adjustments to the financial statements.

Effect: Proposed audit adjustments are reviewed and approved by the appropriate staff and are reflected in the financial statements. Balances are correctly reported as of December 31 each year. However, independent external auditors cannot be considered part of the government's internal control.

Cause: The previous City Administrator/Clerk/Treasurer did not consistently post transactions into the correct funds, and the City does not have an internal control system designed to detect these errors.

Recommendation: We recommend the City establish internal control procedures for analysis and review of receipt and expenditure classifications to ensure these transactions are reported in accordance with GAAP in the City's annual financial statement

City Administrator/Clerk/Treasurer Response: *The City continues to make improvements to their financial reporting system.*

II. MINNESOTA LEGAL COMPLIANCE

PREVIOUSLY REPORTED ITEM NOT RESOLVED

Finding Number: 2025-003
Prior Finding Number: 2024-003
Repeat Finding Since: 2008
Finding Title: Deficit Cash Balances

Criteria: Each fund of the City should maintain a positive cash balance. Minnesota Statute, § 471.75 permits payment of expenditures provided there is money in the fund for that purpose.

Condition: At December 31, 2025, the following funds had deficit cash balances:

Fire Special Revenue Fund	$ 119,295
Wannigan Park Special Revenue Fund	$ 270,839
Lake Street Debt Service Fund	$ 37,792
Cemetery Special Revenue Fund	$ 3,389
East Main Liquor Town Lake Beach Debt Service Fund	$ 1,968
2016 Improvements and Refunding Debt Service Fund	$ 243,317
County Road 118 Debt Service Fund	$ 12,717
Southeast Area Streets and Utilities Debt Service Fund	$ 165,518
Event Center Enterprise Fund	$ 51,591

Context: City officials are confident that collection of deferred special assessments will be adequate to meet future debt service requirements, and in the event of a shortage they will transfer the cash from the General Fund.

Effect: Allowing a fund to maintain a deficit cash balance, in effect, constitutes an interest-free loan from other funds of the City and is in noncompliance with Minnesota law. These deficits are reported in the financial statements as amounts due to other funds.

Cause: Special assessments are levied over a period of time to provide for debt service payments, and when taxpayers are delinquent there is not enough cash flow to cover annual debt payments.

Recommendation: We recommend the City eliminate the cash balance deficits by transferring from another fund, or budgeting for the debt payments when determining the annual levy.

City Administrator/Clerk/Treasurer Response: *The City is aware of the deficit in certain accounts. The City feels they are doing the best they can.*

City Of Frazee MINNESOTA

P.O. Box 387, 222 Main Ave. W., Frazee, MN 56544

Waters Trails Shops Parks

City Phone: 218-334-4991 | City Fax: 218-334-4992

CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2025

Finding Number: 2025-001
Finding Title: Segregation of Duties and Internal Controls

Name of Contact Person Responsible for Corrective Action: City Council and management.

Corrective Action Planned: The City of Frazee is aware of the segregation of duties and internal control over financial reporting issue. Due to limited staffing, segregation of duties is not always possible. Management will implement oversight procedures where and whenever possible.

Anticipated Completion Date: December 31, 2026. *The City Council is aware of the inability to segregate duties due to the lack of resources and the need for internal control and they continue to be diligent in management oversight of financial information.*

Finding Number: 2025-002
Finding Title: Audit Adjustments

Name of Contact Person Responsible for Corrective Action: City Council and management.

Corrective Action Planned: The City will establish internal control procedures for analysis and review of receipt and expenditure classifications to ensure these transactions are reported in accordance with GAAP and GAAS in the City's annual financial statement.

Anticipated Completion Date: *December 31, 2026.*

Finding Number: 2025-003
Finding Title: Deficit Cash Balances

Name of Contact Person Responsible for Corrective Action: City Council and management.

Corrective Action Planned: The City will eliminate the temporary cash balance deficits by transferring from another fund to maintain a positive cash balance in compliance with Minnesota Statute § 471.75.

Anticipated Completion Date: *December 31, 2026.*

City Of Frazee MINNESOTA
P.O. Box 387, 222 Main Ave. W., Frazee, MN 56544
Waters Trails Shops Parks
City Phone: 218-334-4991 | City Fax: 218-334-4992

SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2025

Finding Number: 2024-001
Repeat Finding Since: 2006
Finding Title: Segregation of Duties and Internal Controls

Summary of Condition: Due to the limited number of personnel within the City, segregation of the accounting functions necessary to ensure adequate internal accounting control is not possible.

Summary of Corrective Action: Management is continually aware that segregation of duties is not adequate from an internal control point of view. The City Council continues to implement oversite procedures and monitor those procedures to determine if they are still effective.

Status: Not corrected.

Finding Number: 2024-002
Repeat Finding Since: 2008
Finding Title: Audit Adjustments

Summary of Condition: Each Fund of the City is required to have a self-balancing set of accounts to reflect activity of the fund throughout the year in accordance with GAAP in the City's annual financial statement. During 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, and 2024 audits and adjustments were identified, resulting in reclassification of amounts originally reported in the City's financial statements.

Summary of Corrective Action: Management is aware the City should establish internal control procedures for analysis and review of receipt and expenditure classifications and journal entries to ensure these transactions are reported in accordance with GAAP in the City's annual financial statement.

Status: Not corrected.

Finding Number: 2024-003
Repeat Finding Since: 2008
Finding Title: Deficit Cash Balances

Summary of Condition: Each fund of the City should maintain a positive cash balance. Minnesota Statute § 471.75 permits payment of expenditures provided there is money in the fund for that purpose. Allowing a fund to maintain a deficit cash balance, in effect, constitutes an interest-free loan from other funds of the City and is noncompliance with Minnesota law.

At December 31, 2024, the following funds had deficit cash balances:

Event Center Enterprise Fund	$ 51,744
Lake Street Debt Service Fund	$ 7,067
Cemetery Special Revenue Fund	$ 4,289
Wannagan Park Special Revenue Fund	$ 944
2016 Improvements and Refunding Debt Service Fund	$ 197,253
Southeast Area Streets and Utilities Debt Service Fund	$ 165,518

Summary of Corrective Action: The City eliminated the cash balance deficits by transferring from another fund for reporting purposes, however, six funds had cash balance deficits at December 31, 2024.

Status: Not corrected.

Consent Agenda

MINUTES – SPECIAL MEETING JULY 21, 2026

1. Call the Meeting to Order
    a. Mayor Mike Sharp called the July 21, 2026 Frazee City Council Special Meeting to order at 5:00 PM at the Frazee Fire Hall.

2. Roll Call
    a. Members Present: Andrew Daggett, Mike Sharp, Jim Rader, Andrea Froeber, Mark Kemper Members Absent: None
    b. Staff: Stephanie Poegel
    c. Contracted Services: None
    d. Guests: Jason Francis - TurnKey Construction

3. Pledge of Allegiance
    a. The Pledge of Allegiance was recited.

4. Discussion with TurnKey Construction
   Mayor Sharp invited Jason Francis of TurnKey Construction to provide an update on the proposed housing development on the previously identified site.
    a. Site Design and Unit Count
        i. Francis presented a conceptual site plan and elevation drawings for the proposed development. He reported that the design had been refined to approximately 34 units, which he described as the target number needed for a proforma to pencil out financially. The layout features a building with a mix of one-, two-, and three-bedroom units, designated as unit types "1a," "1b," "2a," "2b," and three-bedroom configurations. Francis noted that a partial third story is incorporated into the center of the building, similar to a project he completed in Barnesville, to maximize the unit count without requiring a full third floor. He confirmed that no elevator would be required, as ADA-compliant units would be located on the first floor and stairwells would be provided for each section to meet code.
        ii. Each unit was described as having either a balcony or a patio space (approximately 4 by 8 feet), and all interior doors would be 3'0" wide to meet accessibility standards, with at least two units formally designated as ADA units.
    b. Site Layout and Access
        i. Francis presented the site orientation, explaining that the primary access road would enter from the area adjacent to Dollar General along 4th Street, with a U-shaped drive allowing entry and exit without requiring access onto Maple Avenue. He noted this was consistent with how both Dollar General and the existing Becker County apartment complex are accessed. Froeber raised a concern that a previous conversation with another party had suggested fire departments require a separate in-and-out access. Francis indicated the proposed layout should satisfy that

requirement given the full loop of the drive, and noted the civil engineer would confirm compliance with fire marshal and code requirements.

   ii. Francis indicated that green space and landscaping were priorities in the design, and that rather than adding a few additional parking stalls at the expense of green space, he preferred to maintain natural buffers including trees and shrubs. Current parking includes one garage stall and one surface stall per unit, with approximately three to four additional guest spaces.

c. Cost Targets and Next Steps
   i. Francis stated the target construction cost is approximately $146,000 to $150,000 per unit (per key), putting the total estimated project cost at roughly $5 million. He noted his team is actively reviewing siding materials, interior finishes, and roof design elements to bring costs within that range. He indicated the next step is to engage his civil engineering firm to review the site plan, confirm utility connections, assess stormwater management needs, and identify any required site modifications.

d. Stormwater Management
   i. Sharp raised the question of stormwater management given the amount of impervious surface the development would add. Francis and City Council members discussed the presence of multiple stormwater retention ponds in the vicinity, including one associated with the Dollar General property. Rader confirmed that the existing pond to the southwest was originally intended to serve the broader area. Poegel indicated she would follow up with the City Engineer regarding the Dollar General stormwater retention requirements and whether that parcel's retention area could potentially be repurposed or consolidated. Francis agreed to have his engineer assess the overall stormwater picture for the area once that background information is provided.

e. Survey Issues — Shed and Fence
   i. Poegel raised two issues identified in the property survey. The first involved a small shed located on city-owned property, believed to belong to an adjacent neighbor. Council directed staff to contact the city attorney and ask the property owner to relocate the shed onto their own property. The second issue involved a fence that encroaches approximately three feet onto the subject parcel. Francis expressed a preference for removing the fence and replacing it with natural landscaping such as trees and shrubs, which he felt would provide a more attractive entrance to the development. Poegel noted that the neighboring property owner had previously indicated they would not plant anything if the fence were removed and would not be obligated to replace it unless they chose to add new fencing, which would then need to comply with city ordinance. The consensus was to request removal of the fence on both sides.

f. Development Agreement and Timeline

        i. Discussion turned to the timeline for a development agreement. Francis referenced the agreements used in Barnesville and Lake Park, noting that City Attorney Charlie Ramstad had worked on both and would be well-positioned to assist. He noted that the Barnesville agreement took approximately four months to finalize due to complexities around land acquisition, easements, and rezoning, but suggested this project could move more quickly since the city already owns the property. Francis expressed a goal of having the development agreement finalized by the end of 2026 to allow for a spring 2027 construction start. Sharp indicated that staff would reach out to schedule a follow-up meeting for October, at which point the civil engineering report, TIF/development agreement framework, and input from the city attorney would be discussed collectively.

    g. Barnesville Project — Tour Invitation

        i. Francis extended an invitation to council members to tour "The Landing," the completed Barnesville project, noting a target grand opening of September 1, 2026. He indicated council members could visit prior to that date and that he would personally provide a tour. He also offered to send a link to the project's website so council could review unit types and rental rates as a reference for what is being proposed in Frazee.

5. Adjournment

M/S/CU: Daggett/Froeber — Motion to adjourn at 5:34 PM

Respectfully Submitted,
Stephanie Poegel
Frazee City Administrator

Consent Agenda

MINUTES – REGULAR MEETING JULY 22, 2026

1. Call The Meeting To Order
    a. Mayor Mike Sharp called the July 22, 2026 Frazee City Council meeting to order at 5:00 PM at the Frazee Event Center.

2. Roll Call
    a. Members Present: Andrew Daggett, Mike Sharp, Jim Rader, Andrea Froeber, and Mark Kemper Members Absent: None
    b. Staff: Stephanie Poegel, Catreena Mahoney, Tina Hansmeier
    c. Contracted Services: Polly Andersen - Frazee Community Development Corporation; Chris Thorson - Ulteig Engineering
    d. Guests: Phil Hansen

3. Pledge Of Allegiance
    a. The Pledge of Allegiance was recited.

4. Approve Agenda

M/S/CU: Rader/Froeber — To approve the agenda as presented.

5. 5. Open Forum
    a. Polly Andersen of Frazee Community Development Corporation addressed the Council regarding two matters related to Wannigan Regional Park.
        i. Wannigan Park Water and Sewer Infrastructure Grant Application
            1. Andersen informed the Council that, included on the evening's consent agenda, was a resolution supporting a Greater Minnesota Legacy Grant application for water and sewer infrastructure at Wannigan Regional Park. She explained that the FCDC, after evaluating available options, determined that connecting the park to city water and sewer—at an estimated cost of approximately $800,000—was preferable to installing a dump station. The rationale centered on long-term cost savings, reduced maintenance, and durability over a multi-decade horizon.
            2. FCDC has committed to providing a 25% match of approximately $202,000 to strengthen the application's competitiveness. Andersen noted that the grant commission serves the entire Greater Minnesota region with a budget of between $10 million and $20 million, making the process competitive. She anticipated an initial response in November 2026 and a final decision in January 2027, with the intent to incorporate the project into a bid set releasing in early 2027.
            3. Rader affirmed support for tying the park into city utilities rather than relying on a standalone well and septic system, calling it a good long-term move.
        ii. Entrance Road Between the School and the Park
            1. Andersen also provided an update on the ongoing discussion regarding the road connecting the school and the park. She indicated that city engineers, city staff, and the school board continue to collaborate on a solution. There is potential to reduce costs by simplifying the road's design to a more park-like appearance while still achieving full functionality, and that exploration continues.

6. Consent Agenda

M/S/CU: Kemper/Daggett — To approve the consent agenda as presented.

7. Old Business
    a. There was no old business.

8. New Business
    a. Resignation – Fire Fighter Travis Gray

M/S/CU: Froeber/Rader — To accept the resignation of Firefighter Travis Gray and thank him for his service.

    b. August 26, 2026 Meeting Discussion

i. Poegel informed the Council that she would be on vacation during the week of August 26 and raised the question of whether to move the meeting up a week, delay it into September, or cancel it altogether.
ii. After brief discussion, Froeber expressed that given the Council's busy schedule, a brief respite would be welcome, and that an emergency session could be called if necessary. The consensus was to cancel the August 26 meeting. Additionally, at the request of Poegel—who noted concern raised by staff regarding timely payment of liquor store bills—the Council authorized the payment of liquor store bills during that week.

M/S/CU: Froeber/Daggett — To authorize payment of liquor store bills during the week of August 26, 2026.

M/S/CU: Froeber/Kemper — To cancel the August 26, 2026 regular Council meeting.

c. Hiring Approvals
    i. Deputy Clerk/Utility Billing Clerk
        1. Poegel presented Lauren McDonough as the selected candidate for the Deputy Clerk/Utility Billing Clerk position to start at Grade 3, Step 3, with a favorable six-month review potentially advancing her one step and a one-year probationary period. Her proposed start date was August 10, 2026.

M/S/CU: Froeber/Daggett — To approve the hiring of Lauren McDonough as Deputy Clerk/Utility Billing Clerk at Grade 3, Step 3, with a start date of August 10, 2026.

d. Liquor Store Bartender/Retail Clerk
    i. Poegel presented Eden Sivertson as the candidate for the Liquor Store Bartender/Retail Clerk position, recommended by Blanchard at Grade 1, Step 1.

M/S/CU: Kemper/Rader — To approve the hiring of Eden Sivertson as Liquor Store Bartender/Retail Clerk at Grade 1, Step 1.

9. Council Member Comments
    a. Froeber announced that she had filed to run for re-election earlier that day.

10. Addendum
    a. Additional Claims

M/S/CU: Rader/Kemper — To approve the additional claims as presented.

b. Journal Entries

M/S/CU: Daggett/Froeber — To approve the journal entries as presented.

c. Property Survey
    i. Poegel introduced the matter of a property survey related to city-owned land adjacent to Dollar General, known as the Mickelson piece. The survey revealed that a neighboring property owner has a structure and a fence encroaching onto city property. Poegel requested Council authorization to contact the affected property owners with an initial letter requesting removal of the encroachments, noting this would precede any legal action.

ii. Froeber noted that her prior research indicated one of the property owners would be willing to remove their fence without resistance, and recommended proceeding with a straightforward, friendly letter first—attaching a copy of the survey to illustrate the encroachment—rather than immediately involving legal counsel. Poegel concurred that this was the intended approach, with legal avenues reserved only if the initial outreach was unsuccessful.

M/S/CU: Rader/Daggett — To authorize City Administrator Poegel to send an initial letter to the encroaching property owners requesting removal of items from city property.

d. Fire Department Radio Quote

i. Poegel relayed communication from Fire Chief Walker indicating that the department is in need of five additional radios, as existing units are beginning to malfunction and pose safety concerns. The quote for the radios was included in the Council packet.

M/S/CU: Kemper/Rader — To approve the radio quote for the purchase of five radios for the Fire Department for $2,955.00

11. Adjournment

a. Froeber noted that the rededication of Hank Ludtke Riverside Park was scheduled for 7:00 PM that evening and invited all present to attend.

M/S/CU: Froeber/Daggett — to adjourn at 5:17 PM

Respectfully Submitted,
Stephanie Poegel
Frazee City Administrator

CITY OF FRAZEE
*Budget YTD Rev-Exp©

08/06/26 4:32 PM
Page 1

Current Period: June 2026

			2026 YTD Budget	2026 YTD Amt	June MTD Amt	2026 YTD Balance	% of Budget
GENERAL FUND							
		Revenues	$1,496,162.00	$663,116.70	$305,521.26	$833,045.30	44.32%
		Expenditures	$1,363,268.00	$690,429.80	$163,935.11	$672,838.20	50.65%
		Gain/(Loss)	$132,894.00	($27,313.10)	$141,586.15	$160,207.10	-20.55%
Revenue							
Active	R 100-31000	General Property Taxe	$551,285.00	$283,910.29	$271,767.62	$267,374.71	51.50%
Active	R 100-31001	General Property Tax	$0.00	$290.74	$0.00	($290.74)	0.00%
Active	R 100-31060	Taxes - Payments In L	$22,000.00	$15,913.99	$0.00	$6,086.01	72.34%
Active	R 100-31600	Special Assessment P	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 100-31700	Special Assessment I	$0.00	$143.90	$143.90	($143.90)	0.00%
Active	R 100-31701	Special Assessment P	$0.00	$424.62	$424.62	($424.62)	0.00%
Active	R 100-31750	Grant Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 100-31810	Franchise Taxes	$2,500.00	$2,426.83	$31.21	$73.17	97.07%
Active	R 100-32110	Alchohol & Gaming Li	$700.00	$600.00	$600.00	$100.00	85.71%
Active	R 100-32180	Other Business Licens	$200.00	$1,480.00	$615.00	($1,280.00)	740.00%
Active	R 100-32210	Building Permits	$20,000.00	$22,507.44	$3,271.55	($2,507.44)	112.54%
Active	R 100-32220	Rental Registration Fe	$8,000.00	$3,400.00	$360.00	$4,600.00	42.50%
Active	R 100-32240	Animal Licenses	$500.00	$340.00	$10.00	$160.00	68.00%
Active	R 100-33100	Federal Grants and Ai	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 100-33400	State Grants and Aids	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 100-33401	Local Government Aid	$593,311.00	$0.00	$0.00	$593,311.00	0.00%
Active	R 100-33404	Small City Assistance	$24,291.00	$0.00	$0.00	$24,291.00	0.00%
Active	R 100-33416	Police Training Reimb	$3,000.00	$0.00	$0.00	$3,000.00	0.00%
Active	R 100-33421	Police State Aid	$33,000.00	$0.00	$0.00	$33,000.00	0.00%
Active	R 100-33422	Other State Aid Grant	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 100-33423	PERA Rate Increase	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 100-33600	County Grants	$100.00	$0.00	$0.00	$100.00	0.00%
Active	R 100-33700	Grants - Regional Org	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 100-34000	Charges for Services	$2,000.00	$757.50	$0.00	$1,242.50	37.88%
Active	R 100-34101	Rent Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 100-34102	Rentals - Town Lake	$3,000.00	$0.00	$0.00	$3,000.00	0.00%
Active	R 100-34104	Campsite Rental Reve	$7,000.00	$2,375.00	$740.00	$4,625.00	33.93%
Active	R 100-34105	Copies	$100.00	$93.00	$0.00	$7.00	93.00%
Active	R 100-34203	Police Accident Repor	$75.00	$10.00	$0.00	$65.00	13.33%
Active	R 100-34204	Forfeiture Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 100-34403	Refuse Fee	$150,000.00	$89,718.41	$18,908.51	$60,281.59	59.81%
Active	R 100-34405	Refuse Late Fees	$1,750.00	$910.55	$190.72	$839.45	52.03%
Active	R 100-34406	Recycling Fees	$40,000.00	$17,824.10	$3,806.77	$22,175.90	44.56%
Active	R 100-34740	Park & Rec Concessio	$3,000.00	$0.00	$0.00	$3,000.00	0.00%
Active	R 100-34940	Cemetery Revenues	$2,000.00	$475.00	$125.00	$1,525.00	23.75%
Active	R 100-35101	Court Fines	$1,000.00	$3,773.46	$199.98	($2,773.46)	377.35%
Active	R 100-35102	Administrative Fines	$500.00	$220.00	$0.00	$280.00	44.00%
Active	R 100-36200	Miscellaneous Revenu	$5,000.00	$188,424.39	$40.00	($183,424.39)	3768.49%
Active	R 100-36201	Fireworks Revenue	$5,500.00	$0.00	$0.00	$5,500.00	0.00%
Active	R 100-36202	Police Miscellaneous	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 100-36205	Reimbursements	$0.00	$7.99	$0.00	($7.99)	0.00%
Active	R 100-36210	Interest Earnings	$15,000.00	$24,589.49	$4,286.38	($9,589.49)	163.93%
Active	R 100-36230	Contributions and Don	$1,350.00	$2,500.00	$0.00	($1,150.00)	185.19%
Active	R 100-37981	Equipment Sales	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 100-39204	Restricted Savings Tr	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Revenue	$1,496,162.00	$663,116.70	$305,521.26	$833,045.30	44.32%
Expenditure							
Active	E 100-41110-100	Wages and Salari	$12,500.00	$5,549.98	$883.33	$6,950.02	44.40%
Active	E 100-41110-122	FICA	$957.00	$352.00	$56.12	$605.00	36.78%
Active	E 100-41110-127	MN Paid Leave In	$0.00	$24.44	$3.89	($24.44)	0.00%
Active	E 100-41110-151	Worker s Comp In	$200.00	$0.00	$0.00	$200.00	0.00%

CITY OF FRAZEE
*Budget YTD Rev-Exp©

Current Period: June 2026

			2026 YTD Budget	2026 YTD Amt	June MTD Amt	2026 YTD Balance	% of Budget
Active	E 100-41110-200	Office Supplies (G	$100.00	$595.80	$95.15	($495.80)	595.80%
Active	E 100-41110-210	Operating Supplie	$50.00	$10.95	$0.00	$39.05	21.90%
Active	E 100-41110-301	Auditing and Acct	$13,400.00	$2,500.00	$0.00	$10,900.00	18.66%
Active	E 100-41110-303	Engineering Fees	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-41110-304	Legal Fees	$10,000.00	$3,847.36	$1,037.60	$6,152.64	38.47%
Active	E 100-41110-311	Contracts/Profess	$11,000.00	$8,014.06	$5,200.00	$2,985.94	72.86%
Active	E 100-41110-324	Technology/Comp	$1,500.00	$710.31	$120.89	$789.69	47.35%
Active	E 100-41110-331	Travel/Training Ex	$750.00	$0.00	$0.00	$750.00	0.00%
Active	E 100-41110-351	Legal Notices Pub	$1,000.00	$264.88	$0.00	$735.12	26.49%
Active	E 100-41110-355	Printing & Publishi	$1,000.00	$0.00	$0.00	$1,000.00	0.00%
Active	E 100-41110-433	Dues and Subscri	$2,425.00	$3,155.90	$34.90	($730.90)	130.14%
Active	E 100-41110-490	Donations to Civic	$15,000.00	$50,018.00	$0.00	($35,018.00)	333.45%
Active	E 100-41110-492	Employee Rec. -	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-41110-493	Employee Recog	$0.00	$438.74	$48.00	($438.74)	0.00%
Active	E 100-41110-500	Capital Outlay (G	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-41110-501	Interfund Transfer	$40,000.00	$0.00	$0.00	$40,000.00	0.00%
Active	E 100-41400-101	Full-Time Employ	$138,050.00	$68,406.43	$16,904.09	$69,643.57	49.55%
Active	E 100-41400-102	Full-Time Employ	$1,950.00	$2,460.08	$849.35	($510.08)	126.16%
Active	E 100-41400-103	Part-Time Employ	$47,000.00	$17,995.22	$4,197.55	$29,004.78	38.29%
Active	E 100-41400-121	PERA	$14,025.00	$6,665.43	$1,523.49	$7,359.57	47.53%
Active	E 100-41400-122	FICA	$14,306.00	$6,486.63	$1,629.32	$7,819.37	45.34%
Active	E 100-41400-127	MN Paid Leave In	$0.00	$398.20	$96.57	($398.20)	0.00%
Active	E 100-41400-131	Employer Paid He	$25,938.00	$11,888.20	$1,080.74	$14,049.80	45.83%
Active	E 100-41400-132	Employer Health	$8,100.00	$3,749.98	$865.38	$4,350.02	46.30%
Active	E 100-41400-134	Employer Paid Lif	$100.00	$38.50	$3.50	$61.50	38.50%
Active	E 100-41400-135	Employer Paid Ac	$1,500.00	$668.00	$60.70	$832.00	44.53%
Active	E 100-41400-142	Unemployment B	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-41400-151	Worker s Comp In	$750.00	$611.00	$0.00	$139.00	81.47%
Active	E 100-41400-152	Worker s Comp B	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-41400-200	Office Supplies (G	$2,000.00	$1,167.81	$201.35	$832.19	58.39%
Active	E 100-41400-210	Operating Supplie	$1,000.00	$1,383.68	$181.18	($383.68)	138.37%
Active	E 100-41400-211	Cleaning Supplies	$200.00	$45.11	$0.00	$154.89	22.56%
Active	E 100-41400-303	Engineering Fees	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-41400-304	Legal Fees	$1,500.00	$0.00	$0.00	$1,500.00	0.00%
Active	E 100-41400-311	Contracts/Profess	$1,100.00	$737.00	$80.00	$363.00	67.00%
Active	E 100-41400-321	Telephone	$4,700.00	$1,981.89	$229.51	$2,718.11	42.17%
Active	E 100-41400-322	Postage	$1,000.00	$0.00	$0.00	$1,000.00	0.00%
Active	E 100-41400-324	Technology/Comp	$9,000.00	$2,456.00	$404.68	$6,544.00	27.29%
Active	E 100-41400-331	Travel/Training Ex	$3,000.00	$1,589.47	$30.00	$1,410.53	52.98%
Active	E 100-41400-340	Advertising	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-41400-355	Printing & Publishi	$50.00	$0.00	$0.00	$50.00	0.00%
Active	E 100-41400-361	General Liability I	$7,500.00	$6,738.38	$0.00	$761.62	89.85%
Active	E 100-41400-362	Property Ins	$5,500.00	$5,424.00	$0.00	$76.00	98.62%
Active	E 100-41400-381	Electric Utilities	$3,500.00	$2,126.74	$300.04	$1,373.26	60.76%
Active	E 100-41400-383	Gas Utilities	$3,750.00	$2,331.26	$58.93	$1,418.74	62.17%
Active	E 100-41400-384	Refuse/Garbage	$0.00	$193.86	$32.31	($193.86)	0.00%
Active	E 100-41400-401	Repairs/Maint Buil	$500.00	$515.61	$0.00	($15.61)	103.12%
Active	E 100-41400-415	Equipment Rental	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-41400-430	Miscellaneous (G	$0.00	$720.00	$727.99	($720.00)	0.00%
Active	E 100-41400-432	Uncollectable Che	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-41400-433	Dues and Subscri	$5,500.00	$4,169.20	$255.10	$1,330.80	75.80%
Active	E 100-41400-485	Restricted Saving	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-41400-491	Grant Expenditure	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-41400-500	Capital Outlay (G	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-41400-501	Interfund Transfer	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-41410-100	Wages and Salari	$3,645.00	$0.00	$0.00	$3,645.00	0.00%
Active	E 100-41410-122	FICA	$226.00	$0.00	$0.00	$226.00	0.00%

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			2026 YTD Budget	2026 YTD Amt	June MTD Amt	2026 YTD Balance	% of Budget
Active	E 100-41410-200	Office Supplies (G	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-41410-210	Operating Supplie	$1,000.00	$480.48	$480.48	$519.52	48.05%
Active	E 100-41410-331	Travel/Training Ex	$1,000.00	$0.00	$0.00	$1,000.00	0.00%
Active	E 100-41410-355	Printing & Publishi	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-41410-410	Rentals (GENER	$1,500.00	$0.00	$0.00	$1,500.00	0.00%
Active	E 100-42110-101	Full-Time Employ	$234,300.00	$120,289.83	$28,826.36	$114,010.17	51.34%
Active	E 100-42110-102	Full-Time Employ	$7,500.00	$828.96	$0.00	$6,671.04	11.05%
Active	E 100-42110-103	Part-Time Employ	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-42110-121	PERA	$42,799.00	$14,664.64	$3,463.84	$28,134.36	34.26%
Active	E 100-42110-122	FICA	$3,507.00	$1,621.91	$397.69	$1,885.09	46.25%
Active	E 100-42110-127	MN Paid Leave In	$0.00	$533.04	$126.85	($533.04)	0.00%
Active	E 100-42110-131	Employer Paid He	$34,882.00	$15,987.57	$1,453.41	$18,894.43	45.83%
Active	E 100-42110-132	Employer Health	$10,800.00	$5,000.19	$1,153.89	$5,799.81	46.30%
Active	E 100-42110-134	Employer Paid Lif	$150.00	$57.75	$5.25	$92.25	38.50%
Active	E 100-42110-135	Employer Paid Ac	$2,800.00	$1,133.69	$103.03	$1,666.31	40.49%
Active	E 100-42110-141	Unemploy Comp I	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-42110-151	Worker s Comp In	$22,500.00	$14,202.00	$0.00	$8,298.00	63.12%
Active	E 100-42110-200	Office Supplies (G	$1,000.00	$432.79	$63.44	$567.21	43.28%
Active	E 100-42110-210	Operating Supplie	$3,500.00	$365.10	$276.15	$3,134.90	10.43%
Active	E 100-42110-211	Cleaning Supplies	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-42110-212	Motor Fuels	$12,000.00	$4,909.36	$1,055.58	$7,090.64	40.91%
Active	E 100-42110-218	Uniforms	$3,000.00	$384.34	$150.00	$2,615.66	12.81%
Active	E 100-42110-304	Legal Fees	$7,200.00	$3,600.00	$1,200.00	$3,600.00	50.00%
Active	E 100-42110-311	Contracts/Profess	$13,000.00	$9,863.94	$0.00	$3,136.06	75.88%
Active	E 100-42110-321	Telephone	$5,000.00	$2,907.13	$333.76	$2,092.87	58.14%
Active	E 100-42110-322	Postage	$50.00	$0.00	$0.00	$50.00	0.00%
Active	E 100-42110-323	Radio Units	$1,000.00	$0.00	$0.00	$1,000.00	0.00%
Active	E 100-42110-324	Technology/Comp	$5,000.00	$710.30	$120.88	$4,289.70	14.21%
Active	E 100-42110-331	Travel/Training Ex	$3,000.00	$1,175.00	$0.00	$1,825.00	39.17%
Active	E 100-42110-355	Printing & Publishi	$500.00	$0.00	$0.00	$500.00	0.00%
Active	E 100-42110-361	General Liability I	$9,100.00	$6,790.48	$0.00	$2,309.52	74.62%
Active	E 100-42110-362	Property Ins	$2,000.00	$1,131.00	$0.00	$869.00	56.55%
Active	E 100-42110-363	Automotive Ins	$5,000.00	$3,332.33	$0.00	$1,667.67	66.65%
Active	E 100-42110-381	Electric Utilities	$2,500.00	$858.87	$154.43	$1,641.13	34.35%
Active	E 100-42110-401	Repairs/Maint Buil	$500.00	$0.00	$0.00	$500.00	0.00%
Active	E 100-42110-404	Repairs/Maint Ma	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-42110-406	Repairs/Maint Ve	$5,000.00	$5,782.95	$1,679.81	($782.95)	115.66%
Active	E 100-42110-407	Repairs/Maint Eq	$1,000.00	$170.00	$0.00	$830.00	17.00%
Active	E 100-42110-433	Dues and Subscri	$2,500.00	$354.90	$34.90	$2,145.10	14.20%
Active	E 100-42110-485	Restricted Saving	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-42110-491	Grant Expenditure	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-42110-500	Capital Outlay (G	$10,000.00	$0.00	$0.00	$10,000.00	0.00%
Active	E 100-42400-200	Office Supplies (G	$100.00	$0.00	$0.00	$100.00	0.00%
Active	E 100-42400-210	Operating Supplie	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-42400-300	Professional Srvs	$20,000.00	$0.00	$0.00	$20,000.00	0.00%
Active	E 100-42400-304	Legal Fees	$200.00	$404.50	$0.00	($204.50)	202.25%
Active	E 100-42400-322	Postage	$50.00	$6.08	$0.00	$43.92	12.16%
Active	E 100-42400-331	Travel/Training Ex	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-42400-355	Printing & Publishi	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-42400-433	Dues and Subscri	$1,000.00	$101.77	$0.00	$898.23	10.18%
Active	E 100-43100-101	Full-Time Employ	$58,500.00	$29,077.48	$6,722.59	$29,422.52	49.71%
Active	E 100-43100-102	Full-Time Employ	$1,000.00	$0.00	$0.00	$1,000.00	0.00%
Active	E 100-43100-103	Part-Time Employ	$10,000.00	$536.49	$378.76	$9,463.51	5.36%
Active	E 100-43100-121	PERA	$5,213.00	$2,206.02	$517.59	$3,006.98	42.32%
Active	E 100-43100-122	FICA	$5,317.00	$2,251.50	$541.98	$3,065.50	42.35%
Active	E 100-43100-127	MN Paid Leave In	$0.00	$130.31	$31.24	($130.31)	0.00%
Active	E 100-43100-131	Employer Paid He	$8,944.00	$4,099.37	$372.67	$4,844.63	45.83%

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Active	E 100-43100-132	Employer Health	$2,700.00	$1,249.95	$288.45	$1,450.05	46.29%
Active	E 100-43100-134	Employer Paid Lif	$50.00	$19.25	$1.75	$30.75	38.50%
Active	E 100-43100-135	Employer Paid Ac	$500.00	$285.57	$25.95	$214.43	57.11%
Active	E 100-43100-142	Unemployment B	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-43100-151	Worker s Comp In	$2,750.00	$1,969.00	$0.00	$781.00	71.60%
Active	E 100-43100-200	Office Supplies (G	$100.00	$1,649.00	$0.00	($1,549.00)	1649.00%
Active	E 100-43100-210	Operating Supplie	$1,000.00	$396.84	$131.94	$603.16	39.68%
Active	E 100-43100-211	Cleaning Supplies	$200.00	$0.00	$0.00	$200.00	0.00%
Active	E 100-43100-212	Motor Fuels	$8,500.00	$3,320.61	$993.32	$5,179.39	39.07%
Active	E 100-43100-218	Uniforms	$1,000.00	$0.00	$0.00	$1,000.00	0.00%
Active	E 100-43100-224	Repair/Maint - Str	$0.00	($640.02)	$0.00	$640.02	0.00%
Active	E 100-43100-226	Repair/Maint - Sig	$500.00	$0.00	$0.00	$500.00	0.00%
Active	E 100-43100-230	Salt/Sand Materia	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-43100-231	Repair/Maint - Sid	$500.00	$0.00	$0.00	$500.00	0.00%
Active	E 100-43100-240	Small Tools and	$500.00	$4,971.84	$0.00	($4,471.84)	994.37%
Active	E 100-43100-303	Engineering Fees	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-43100-304	Legal Fees	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-43100-321	Telephone	$2,000.00	$1,552.28	$190.67	$447.72	77.61%
Active	E 100-43100-322	Postage	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-43100-324	Technology/Comp	$1,500.00	$710.30	$120.88	$789.70	47.35%
Active	E 100-43100-331	Travel/Training Ex	$1,000.00	$0.00	$0.00	$1,000.00	0.00%
Active	E 100-43100-341	Advertising for E	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-43100-361	General Liability I	$750.00	$587.71	$0.00	$162.29	78.36%
Active	E 100-43100-362	Property Ins	$4,000.00	$3,020.00	$0.00	$980.00	75.50%
Active	E 100-43100-363	Automotive Ins	$2,500.00	$1,383.01	$0.00	$1,116.99	55.32%
Active	E 100-43100-381	Electric Utilities	$7,500.00	$3,937.46	$461.26	$3,562.54	52.50%
Active	E 100-43100-383	Gas Utilities	$2,500.00	$1,783.60	$63.44	$716.40	71.34%
Active	E 100-43100-384	Refuse/Garbage	$2,100.00	$807.73	$134.62	$1,292.27	38.46%
Active	E 100-43100-401	Repairs/Maint Buil	$1,500.00	$52,919.57	$53,219.57	($51,419.57)	3527.97%
Active	E 100-43100-403	Repair/Maint Light	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-43100-406	Repairs/Maint Ve	$2,500.00	$526.09	$80.98	$1,973.91	21.04%
Active	E 100-43100-407	Repairs/Maint Eq	$4,000.00	$1,382.32	$258.99	$2,617.68	34.56%
Active	E 100-43100-408	Repairs/Maint Ro	$3,500.00	$0.00	$0.00	$3,500.00	0.00%
Active	E 100-43100-409	Repair/Maintenan	$2,500.00	$697.17	$0.00	$1,802.83	27.89%
Active	E 100-43100-415	Equipment Rental	$250.00	$0.00	$0.00	$250.00	0.00%
Active	E 100-43100-420	Street Improveme	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-43100-433	Dues and Subscri	$1,500.00	$403.86	$54.00	$1,096.14	26.92%
Active	E 100-43100-485	Restricted Saving	$16,000.00	$0.00	$0.00	$16,000.00	0.00%
Active	E 100-43100-491	Grant Expenditure	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-43100-500	Capital Outlay (G	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-43100-530	Improvements Ot	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-43125-210	Operating Supplie	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-43125-212	Motor Fuels	$10,000.00	$5,719.90	$0.00	$4,280.10	57.20%
Active	E 100-43125-220	Repair/Maint Sup	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-43125-230	Salt/Sand Materia	$2,500.00	$0.00	$0.00	$2,500.00	0.00%
Active	E 100-43125-240	Small Tools and	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-43125-361	General Liability I	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-43125-363	Automotive Ins	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-43125-404	Repairs/Maint Ma	$2,500.00	$0.00	$0.00	$2,500.00	0.00%
Active	E 100-43125-406	Repairs/Maint Ve	$1,500.00	$42.50	$0.00	$1,457.50	2.83%
Active	E 100-43125-485	Restricted Saving	$21,000.00	$0.00	$0.00	$21,000.00	0.00%
Active	E 100-43160-210	Operating Supplie	$25.00	$0.00	$0.00	$25.00	0.00%
Active	E 100-43160-232	St Light Deco - X	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-43160-233	St Light Deco - Fl	$0.00	$19.99	$19.99	($19.99)	0.00%
Active	E 100-43160-362	Property Ins	$1,500.00	$1,275.00	$0.00	$225.00	85.00%
Active	E 100-43160-381	Electric Utilities	$20,000.00	$10,412.18	$1,732.03	$9,587.82	52.06%
Active	E 100-43160-401	Repairs/Maint Buil	$600.00	$1,008.70	$0.00	($408.70)	168.12%

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Active	E 100-43160-403	Repair/Maint Light	$2,500.00	$0.00	$0.00	$2,500.00	0.00%
Active	E 100-45183-126	Sales Tax Expens	$0.00	$120.00	$52.00	($120.00)	0.00%
Active	E 100-45183-200	Office Supplies (G	$50.00	$0.00	$0.00	$50.00	0.00%
Active	E 100-45183-300	Professional Srvs	$3,000.00	$198.83	$198.83	$2,801.17	6.63%
Active	E 100-45183-381	Electric Utilities	$1,400.00	$0.00	$0.00	$1,400.00	0.00%
Active	E 100-45183-382	Water/Sewer Utilit	$1,000.00	$288.57	$48.17	$711.43	28.86%
Active	E 100-45183-384	Refuse/Garbage	$1,000.00	$0.00	$0.00	$1,000.00	0.00%
Active	E 100-45183-401	Repairs/Maint Buil	$200.00	$0.00	$0.00	$200.00	0.00%
Active	E 100-45200-103	Part-Time Employ	$5,600.00	$0.00	$0.00	$5,600.00	0.00%
Active	E 100-45200-122	FICA	$429.00	$0.00	$0.00	$429.00	0.00%
Active	E 100-45200-151	Worker s Comp In	$500.00	$1,532.00	$0.00	($1,032.00)	306.40%
Active	E 100-45200-210	Operating Supplie	$500.00	$362.33	$362.33	$137.67	72.47%
Active	E 100-45200-212	Motor Fuels	$2,000.00	$558.03	$315.11	$1,441.97	27.90%
Active	E 100-45200-220	Repair/Maint Sup	$1,600.00	$205.94	$0.00	$1,394.06	12.87%
Active	E 100-45200-266	Misc for Resale	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-45200-300	Professional Srvs	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-45200-311	Contracts/Profess	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-45200-321	Telephone	$0.00	$935.70	$155.95	($935.70)	0.00%
Active	E 100-45200-361	General Liability I	$200.00	$186.83	$0.00	$13.17	93.42%
Active	E 100-45200-362	Property Ins	$7,500.00	$5,895.00	$0.00	$1,605.00	78.60%
Active	E 100-45200-381	Electric Utilities	$4,000.00	$1,118.75	$89.29	$2,881.25	27.97%
Active	E 100-45200-384	Refuse/Garbage	$0.00	$807.71	$134.62	($807.71)	0.00%
Active	E 100-45200-401	Repairs/Maint Buil	$5,000.00	$1,814.88	$1,814.88	$3,185.12	36.30%
Active	E 100-45200-404	Repairs/Maint Ma	$400.00	$817.74	$0.00	($417.74)	204.44%
Active	E 100-45200-433	Dues and Subscri	$800.00	($505.00)	$250.00	$1,305.00	-63.13%
Active	E 100-45200-485	Restricted Saving	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-45200-491	Grant Expenditure	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-45200-500	Capital Outlay (G	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-45201-103	Part-Time Employ	$5,100.00	$0.00	$0.00	$5,100.00	0.00%
Active	E 100-45201-122	FICA	$380.00	$0.00	$0.00	$380.00	0.00%
Active	E 100-45201-151	Worker s Comp In	$2,000.00	$0.00	$0.00	$2,000.00	0.00%
Active	E 100-45201-200	Office Supplies (G	$50.00	$0.00	$0.00	$50.00	0.00%
Active	E 100-45201-266	Misc for Resale	$1,000.00	$0.00	$0.00	$1,000.00	0.00%
Active	E 100-45201-324	Technology/Comp	$2,000.00	$0.00	$0.00	$2,000.00	0.00%
Active	E 100-45201-360	Insurance (GENE	$500.00	$0.00	$0.00	$500.00	0.00%
Active	E 100-45201-381	Electric Utilities	$500.00	$0.00	$0.00	$500.00	0.00%
Active	E 100-45201-383	Gas Utilities	$500.00	$0.00	$0.00	$500.00	0.00%
Active	E 100-45201-384	Refuse/Garbage	$500.00	$0.00	$0.00	$500.00	0.00%
Active	E 100-45201-401	Repairs/Maint Buil	$500.00	$0.00	$0.00	$500.00	0.00%
Active	E 100-45201-430	Miscellaneous (G	$0.00	$47.17	$0.00	($47.17)	0.00%
Active	E 100-45201-431	Cash Short	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-45201-433	Dues and Subscri	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-45201-491	Grant Expenditure	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-45400-210	Operating Supplie	$5,000.00	$0.00	$0.00	$5,000.00	0.00%
Active	E 100-45400-355	Printing & Publishi	$100.00	$69.60	$0.00	$30.40	69.60%
Active	E 100-45400-361	General Liability I	$400.00	$250.00	$0.00	$150.00	62.50%
Active	E 100-45500-410	Rentals (GENER	$3,300.00	$1,650.00	$0.00	$1,650.00	50.00%
Active	E 100-46200-103	Part-Time Employ	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-46200-122	FICA	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-46200-210	Operating Supplie	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-46200-361	General Liability I	$0.00	$2.01	$0.00	($2.01)	0.00%
Active	E 100-46200-362	Property Ins	$0.00	$18.00	$0.00	($18.00)	0.00%
Active	E 100-46200-381	Electric Utilities	$0.00	$153.18	$25.72	($153.18)	0.00%
Active	E 100-46200-401	Repairs/Maint Buil	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-49010-212	Motor Fuels	$200.00	$0.00	$0.00	$200.00	0.00%
Active	E 100-49010-311	Contracts/Profess	$7,000.00	$1,601.00	$1,101.00	$5,399.00	22.87%
Active	E 100-49010-361	General Liability I	$200.00	$122.01	$0.00	$77.99	61.01%

CITY OF FRAZEE
*Budget YTD Rev-Exp©

Current Period: June 2026

			2026 YTD Budget	2026 YTD Amt	June MTD Amt	2026 YTD Balance	% of Budget
Active	E 100-49010-362	Property Ins	$500.00	$375.00	$0.00	$125.00	75.00%
Active	E 100-49010-363	Automotive Ins	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-49010-381	Electric Utilities	$500.00	$24.31	$24.31	$475.69	4.86%
Active	E 100-49010-401	Repairs/Maint Buil	$500.00	$0.00	$0.00	$500.00	0.00%
Active	E 100-49010-485	Restricted Saving	$500.00	$0.00	$0.00	$500.00	0.00%
Active	E 100-49500-200	Office Supplies (G	$1,500.00	$535.02	$134.47	$964.98	35.67%
Active	E 100-49500-304	Legal Fees	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-49500-311	Contracts/Profess	$50.00	$0.00	$0.00	$50.00	0.00%
Active	E 100-49500-312	Cont/Pro Serv - R	$177,000.00	$87,021.61	$14,614.35	$89,978.39	49.16%
Active	E 100-49500-322	Postage	$2,000.00	$0.00	$0.00	$2,000.00	0.00%
Active	E 100-49500-324	Technology/Comp	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-49500-432	Uncollectable Che	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 100-49500-433	Dues and Subscri	$100.00	$0.00	$0.00	$100.00	0.00%
		Total Expenditure	($1,363,268.00)	($690,429.80)	($163,935.11)	($672,838.20)	50.65%
		Total GENERAL FUND	$132,894.00	($27,313.10)	$141,586.15	$160,207.10	-20.55%
CLEAN UP DAYS							
		Revenues	$0.00	$0.00	$0.00	$0.00	0.00%
		Expenditures	$0.00	$0.00	$0.00	$0.00	0.00%
		Gain/(Loss)	$0.00	$0.00	$0.00	$0.00	0.00%
Revenue							
Active	R 102-34000	Charges for Services	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 102-36200	Miscellaneous Revenu	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Expenditure							
Active	E 102-41000-312	Cont/Pro Serv - R	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Expenditure	$0.00	$0.00	$0.00	$0.00	0.00%
		Total CLEAN UP DAYS	$0.00	$0.00	$0.00	$0.00	0.00%
FIRE FUND							
		Revenues	$185,588.00	$133,276.30	$39,117.08	$52,311.70	71.81%
		Expenditures	$230,060.00	$144,326.65	$41,477.73	$85,733.35	62.73%
		Gain/(Loss)	($44,472.00)	($11,050.35)	($2,360.65)	($33,421.65)	24.85%
Revenue							
Active	R 200-31700	Special Assessment I	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 200-31750	Grant Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 200-33100	Federal Grants and Ai	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 200-33400	State Grants and Aids	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 200-33418	Fire Training Reimbur	$10,000.00	$0.00	$0.00	$10,000.00	0.00%
Active	R 200-33420	Fire State Aid	$32,000.00	$0.00	$0.00	$32,000.00	0.00%
Active	R 200-33600	County Grants	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 200-33620	Other County Grants/	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 200-34198	Fire Dept Misc Reven	$1,500.00	$1,044.60	$0.00	$455.40	69.64%
Active	R 200-34199	Fire Dept Grant Reven	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 200-34202	Fire Contract Revenue	$125,588.00	$125,588.00	$37,467.08	$0.00	100.00%
Active	R 200-34205	Fire Call Revenue	$10,000.00	$4,498.20	$1,650.00	$5,501.80	44.98%
Active	R 200-36111	Loan Repmnt - Princ/	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 200-36112	Loan Repmnt - Inter/R	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 200-36113	Loan Repmnt - Princ/	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 200-36114	Loan Repmnt - Inter/C	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 200-36210	Interest Earnings	$0.00	$20.50	$0.00	($20.50)	0.00%
Active	R 200-36230	Contributions and Don	$6,500.00	$1,525.00	$0.00	$4,975.00	23.46%
Active	R 200-37981	Equipment Sales	$0.00	$600.00	$0.00	($600.00)	0.00%
Active	R 200-39204	Restricted Savings Tr	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Revenue	$185,588.00	$133,276.30	$39,117.08	$52,311.70	71.81%

CITY OF FRAZEE
*Budget YTD Rev-Exp©

Current Period: June 2026

			2026 YTD Budget	2026 YTD Amt	June MTD Amt	2026 YTD Balance	% of Budget
Expenditure							
Active	E 200-42200-100	Wages and Salari	$7,920.00	$3,960.00	$660.00	$3,960.00	50.00%
Active	E 200-42200-103	Part-Time Employ	$20,240.00	$839.47	$217.75	$19,400.53	4.15%
Active	E 200-42200-121	PERA	$0.00	$62.96	$16.33	($62.96)	0.00%
Active	E 200-42200-122	FICA	$2,100.00	$367.17	$67.15	$1,732.83	17.48%
Active	E 200-42200-127	MN Paid Leave In	$0.00	$21.08	$3.85	($21.08)	0.00%
Active	E 200-42200-142	Unemployment B	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 200-42200-151	Worker s Comp In	$17,000.00	$5,847.00	$0.00	$11,153.00	34.39%
Active	E 200-42200-200	Office Supplies (G	$500.00	$112.24	$17.81	$387.76	22.45%
Active	E 200-42200-210	Operating Supplie	$2,500.00	$951.70	$0.00	$1,548.30	38.07%
Active	E 200-42200-211	Cleaning Supplies	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 200-42200-212	Motor Fuels	$6,000.00	$810.04	$115.64	$5,189.96	13.50%
Active	E 200-42200-218	Uniforms	$10,500.00	$30,256.98	$28,212.00	($19,756.98)	288.16%
Active	E 200-42200-240	Small Tools and	$1,500.00	$2,312.62	$0.00	($812.62)	154.17%
Active	E 200-42200-304	Legal Fees	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 200-42200-305	Fire State Aid Pm	$32,000.00	$0.00	$0.00	$32,000.00	0.00%
Active	E 200-42200-311	Contracts/Profess	$3,000.00	$4,662.95	$462.95	($1,662.95)	155.43%
Active	E 200-42200-321	Telephone	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 200-42200-322	Postage	$0.00	$12.90	$12.90	($12.90)	0.00%
Active	E 200-42200-323	Radio Units	$6,000.00	$2,286.28	$1,050.00	$3,713.72	38.10%
Active	E 200-42200-324	Technology/Comp	$2,000.00	$710.31	$120.89	$1,289.69	35.52%
Active	E 200-42200-331	Travel/Training Ex	$10,000.00	$3,433.78	$285.00	$6,566.22	34.34%
Active	E 200-42200-340	Advertising	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 200-42200-341	Advertising for E	$250.00	$0.00	$0.00	$250.00	0.00%
Active	E 200-42200-355	Printing & Publishi	$250.00	$0.00	$0.00	$250.00	0.00%
Active	E 200-42200-361	General Liability I	$1,700.00	$334.46	$0.00	$1,365.54	19.67%
Active	E 200-42200-362	Property Ins	$1,500.00	$1,131.00	$0.00	$369.00	75.40%
Active	E 200-42200-363	Automotive Ins	$2,100.00	$2,198.33	$0.00	($98.33)	104.68%
Active	E 200-42200-381	Electric Utilities	$3,700.00	$2,126.74	$300.04	$1,573.26	57.48%
Active	E 200-42200-383	Gas Utilities	$3,500.00	$2,331.28	$58.94	$1,168.72	66.61%
Active	E 200-42200-384	Refuse/Garbage	$0.00	$263.70	$43.95	($263.70)	0.00%
Active	E 200-42200-400	Repairs/Maint Co	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 200-42200-401	Repairs/Maint Buil	$2,000.00	$4,345.98	($425.20)	($2,345.98)	217.30%
Active	E 200-42200-404	Repairs/Maint Ma	$0.00	$2,740.66	$0.00	($2,740.66)	0.00%
Active	E 200-42200-406	Repairs/Maint Ve	$20,000.00	$13,570.75	$10,006.69	$6,429.25	67.85%
Active	E 200-42200-407	Repairs/Maint Eq	$2,000.00	$3,589.93	$216.14	($1,589.93)	179.50%
Active	E 200-42200-433	Dues and Subscri	$1,000.00	$34.90	$34.90	$965.10	3.49%
Active	E 200-42200-485	Restricted Saving	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 200-42200-491	Grant Expenditure	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 200-42200-500	Capital Outlay (G	$70,800.00	$55,011.44	$0.00	$15,788.56	77.70%
		Total Expenditure	($230,060.00)	($144,326.65)	($41,477.73)	($85,733.35)	62.73%
		Total FIRE FUND	($44,472.00)	($11,050.35)	($2,360.65)	($33,421.65)	24.85%
RESCUE FUND							
		Revenues	$36,000.00	$20,109.60	$4,135.00	$15,890.40	55.86%
		Expenditures	$46,000.00	$16,371.87	$3,057.14	$29,628.13	35.59%
		Gain/(Loss)	($10,000.00)	$3,737.73	$1,077.86	($13,737.73)	-37.38%
Revenue							
Active	R 201-31750	Grant Revenue	$3,000.00	$0.00	$0.00	$3,000.00	0.00%
Active	R 201-31760	Loan Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 201-33419	Rescue Training Reim	$2,000.00	$1,905.00	$0.00	$95.00	95.25%
Active	R 201-34304	Training Services	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 201-36200	Miscellaneous Revenu	$1,000.00	$994.60	$0.00	$5.40	99.46%
Active	R 201-36230	Contributions and Don	$12,000.00	$275.00	$200.00	$11,725.00	2.29%
Active	R 201-36231	Cont/Don - Events	$5,000.00	$3,935.00	$3,935.00	$1,065.00	78.70%
Active	R 201-36232	Cont/Don - Townships	$13,000.00	$13,000.00	$0.00	$0.00	100.00%
Active	R 201-37981	Equipment Sales	$0.00	$0.00	$0.00	$0.00	0.00%

Current Period: June 2026

			2026 YTD Budget	2026 YTD Amt	June MTD Amt	2026 YTD Balance	% of Budget
		Total Revenue	$36,000.00	$20,109.60	$4,135.00	$15,890.40	55.86%
Expenditure							
Active	E 201-42300-103	Part-Time Employ	$10,000.00	$0.00	$0.00	$10,000.00	0.00%
Active	E 201-42300-122	FICA	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 201-42300-127	MN Paid Leave In	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 201-42300-151	Worker s Comp In	$2,000.00	$889.00	$0.00	$1,111.00	44.45%
Active	E 201-42300-200	Office Supplies (G	$250.00	$140.72	$17.81	$109.28	56.29%
Active	E 201-42300-211	Cleaning Supplies	$100.00	$198.32	$17.09	($98.32)	198.32%
Active	E 201-42300-212	Motor Fuels	$1,500.00	$310.82	$112.82	$1,189.18	20.72%
Active	E 201-42300-218	Uniforms	$600.00	$2,328.50	$504.00	($1,728.50)	388.08%
Active	E 201-42300-219	Personal Protectiv	$600.00	$1,213.64	$0.00	($613.64)	202.27%
Active	E 201-42300-220	Repair/Maint Sup	$0.00	$22.53	$0.00	($22.53)	0.00%
Active	E 201-42300-234	Medical Supplies	$500.00	$3,732.00	$652.13	($3,232.00)	746.40%
Active	E 201-42300-235	Medical Equipme	$500.00	$511.34	$0.00	($11.34)	102.27%
Active	E 201-42300-304	Legal Fees	$0.00	$75.00	$0.00	($75.00)	0.00%
Active	E 201-42300-311	Contracts/Profess	$100.00	$0.00	$0.00	$100.00	0.00%
Active	E 201-42300-321	Telephone	$72.00	$29.82	$4.96	$42.18	41.42%
Active	E 201-42300-323	Radio Units	$1,600.00	$1,433.60	$0.00	$166.40	89.60%
Active	E 201-42300-331	Travel/Training Ex	$2,500.00	$2,262.13	$67.00	$237.87	90.49%
Active	E 201-42300-335	CPR Class Expen	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 201-42300-337	Training Supplies	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 201-42300-340	Advertising	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 201-42300-361	General Liability I	$10.00	$6.69	$0.00	$3.31	66.90%
Active	E 201-42300-362	Property Ins	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 201-42300-363	Automotive Ins	$2,000.00	$652.00	$0.00	$1,348.00	32.60%
Active	E 201-42300-401	Repairs/Maint Buil	$250.00	$0.00	$0.00	$250.00	0.00%
Active	E 201-42300-406	Repairs/Maint Ve	$1,500.00	$166.89	$8.00	$1,333.11	11.13%
Active	E 201-42300-407	Repairs/Maint Eq	$1,000.00	$162.73	$0.00	$837.27	16.27%
Active	E 201-42300-430	Miscellaneous (G	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 201-42300-433	Dues and Subscri	$0.00	$243.74	$34.90	($243.74)	0.00%
Active	E 201-42300-438	Open House Expe	$2,000.00	$1,638.43	$1,638.43	$361.57	81.92%
Active	E 201-42300-439	Promotion Expen	$250.00	$35.57	$0.00	$214.43	14.23%
Active	E 201-42300-500	Capital Outlay (G	$13,668.00	$0.00	$0.00	$13,668.00	0.00%
Active	E 201-42300-550	Motor Vehicles	$5,000.00	$318.40	$0.00	$4,681.60	6.37%
		Total Expenditure	($46,000.00)	($16,371.87)	($3,057.14)	($29,628.13)	35.59%
		Total RESCUE FUND	($10,000.00)	$3,737.73	$1,077.86	($13,737.73)	-37.38%
WANNIGAN REGIONAL PARK							
		Revenues	$0.00	$0.00	$0.00	$0.00	0.00%
		Expenditures	$0.00	-$22,989.94	$8,522.00	$22,989.94	0.00%
		Gain/(Loss)	$0.00	$22,989.94	($8,522.00)	($22,989.94)	0.00%
Revenue							
Active	R 202-31750	Grant Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 202-31760	Loan Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 202-33100	Federal Grants and Ai	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 202-33400	State Grants and Aids	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 202-33600	County Grants	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 202-34000	Charges for Services	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 202-34101	Rent Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 202-34104	Campsite Rental Reve	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 202-34108	Admin Charges to Oth	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 202-34780	Park Fees	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 202-36200	Miscellaneous Revenu	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 202-36230	Contributions and Don	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Revenue	$0.00	$0.00	$0.00	$0.00	0.00%

Expenditure

CITY OF FRAZEE
*Budget YTD Rev-Exp©

Current Period: June 2026

			2026 YTD Budget	2026 YTD Amt	June MTD Amt	2026 YTD Balance	% of Budget
Active	E 202-45000-100	Wages and Salari	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 202-45000-200	Office Supplies (G	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 202-45000-226	Repair/Maint - Sig	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 202-45000-300	Professional Srvs	$0.00	$5,386.08	$8,383.83	($5,386.08)	0.00%
Active	E 202-45000-303	Engineering Fees	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 202-45000-304	Legal Fees	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 202-45000-321	Telephone	$0.00	$172.90	$86.45	($172.90)	0.00%
Active	E 202-45000-331	Travel/Training Ex	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 202-45000-340	Advertising	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 202-45000-355	Printing & Publishi	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 202-45000-365	Other Insurance	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 202-45000-381	Electric Utilities	$0.00	$30.22	$51.72	($30.22)	0.00%
Active	E 202-45000-421	Signage (New)	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 202-45000-430	Miscellaneous (G	$0.00	($285.87)	$0.00	$285.87	0.00%
Active	E 202-45000-433	Dues and Subscri	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 202-45000-500	Capital Outlay (G	$0.00	($28,293.27)	$0.00	$28,293.27	0.00%
Active	E 202-45000-510	Land	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Expenditure	$0.00	$22,989.94	($8,522.00)	($22,989.94)	0.00%
		Total WANNIGAN REGIONAL PARK	$0.00	$22,989.94	($8,522.00)	($22,989.94)	0.00%
FRAZEE RESOURCE CENTER							
		Revenues	$0.00	$0.00	$0.00	$0.00	0.00%
		Expenditures	$0.00	$0.00	$0.00	$0.00	0.00%
		Gain/(Loss)	$0.00	$0.00	$0.00	$0.00	0.00%
Revenue							
Active	R 203-31750	Grant Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Expenditure							
Active	E 203-46630-311	Contracts/Profess	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Expenditure	$0.00	$0.00	$0.00	$0.00	0.00%
		Total FRAZEE RESOURCE CENTER	$0.00	$0.00	$0.00	$0.00	0.00%
CEMETERY							
		Revenues	$0.00	$0.00	$0.00	$0.00	0.00%
		Expenditures	$0.00	$0.00	$0.00	$0.00	0.00%
		Gain/(Loss)	$0.00	$0.00	$0.00	$0.00	0.00%
Revenue							
Active	R 230-34940	Cemetery Revenues	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 230-36200	Miscellaneous Revenu	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
		Total CEMETERY	$0.00	$0.00	$0.00	$0.00	0.00%
TIF 1-3 - RED WILLOW HEIGHTS							
		Revenues	$105,000.00	$66,435.50	$66,435.50	$38,564.50	63.27%
		Expenditures	$105,000.00	$110,221.56	$110,221.56	-$5,221.56	104.97%
		Gain/(Loss)	$0.00	($43,786.06)	($43,786.06)	$43,786.06	0.00%
Revenue							
Active	R 245-31600	Special Assessment P	$105,000.00	$66,435.50	$66,435.50	$38,564.50	63.27%
Active	R 245-31700	Special Assessment I	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Revenue	$105,000.00	$66,435.50	$66,435.50	$38,564.50	63.27%
Expenditure							
Active	E 245-49990-430	Miscellaneous (G	$105,000.00	$110,221.56	$110,221.56	($5,221.56)	104.97%
		Total Expenditure	($105,000.00)	($110,221.56)	($110,221.56)	$5,221.56	104.97%
		Total TIF 1-3 - RED WILLOW HEIGHTS	$0.00	($43,786.06)	($43,786.06)	$43,786.06	0.00%

CITY OF FRAZEE
*Budget YTD Rev-Exp©

Current Period: June 2026

			2026 YTD Budget	2026 YTD Amt	June MTD Amt	2026 YTD Balance	% of Budget
TIF 1-4-SWIFT SITE							
		Revenues	$6,800.00	$5,163.78	$5,163.78	$1,636.22	75.94%
		Expenditures	$6,800.00	$0.00	$0.00	$6,800.00	0.00%
		Gain/(Loss)	$0.00	$5,163.78	$5,163.78	($5,163.78)	0.00%
Revenue							
Active	R 250-31600	Special Assessment P	$6,800.00	$5,163.78	$5,163.78	$1,636.22	75.94%
Active	R 250-31700	Special Assessment I	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Revenue	$6,800.00	$5,163.78	$5,163.78	$1,636.22	75.94%
Expenditure							
Active	E 250-49990-430	Miscellaneous (G	$6,800.00	$0.00	$0.00	$6,800.00	0.00%
		Total Expenditure	($6,800.00)	$0.00	$0.00	($6,800.00)	0.00%
		Total TIF 1-4-SWIFT SITE	$0.00	$5,163.78	$5,163.78	($5,163.78)	0.00%
TIF 1-5 DOWNTOWN INFILL							
		Revenues	$0.00	$5,108.83	$4,132.20	-$5,108.83	0.00%
		Expenditures	$0.00	$23,953.61	$0.00	-$23,953.61	0.00%
		Gain/(Loss)	$0.00	($18,844.78)	$4,132.20	$18,844.78	0.00%
Revenue							
Active	R 255-31600	Special Assessment P	$0.00	$5,108.83	$4,132.20	($5,108.83)	0.00%
Active	R 255-31700	Special Assessment I	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Revenue	$0.00	$5,108.83	$4,132.20	($5,108.83)	0.00%
Expenditure							
Active	E 255-49990-430	Miscellaneous (G	$0.00	$23,953.61	$0.00	($23,953.61)	0.00%
		Total Expenditure	$0.00	($23,953.61)	$0.00	$23,953.61	0.00%
		Total TIF 1-5 DOWNTOWN INFILL	$0.00	($18,844.78)	$4,132.20	$18,844.78	0.00%
DS BOND #6 (5056, 5039, 5047)							
		Revenues	$0.00	$0.00	$0.00	$0.00	0.00%
		Expenditures	$0.00	$0.00	$0.00	$0.00	0.00%
		Gain/(Loss)	$0.00	$0.00	$0.00	$0.00	0.00%
Revenue							
Active	R 302-31600	Special Assessment P	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 302-31700	Special Assessment I	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Expenditure							
Active	E 302-47000-601	Debt Srv Bond Pri	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 302-47000-611	Bond Interest	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 302-47000-620	Fiscal Agent s Fe	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Expenditure	$0.00	$0.00	$0.00	$0.00	0.00%
		Total DS BOND #6 (5056, 5039, 5047)	$0.00	$0.00	$0.00	$0.00	0.00%
DS BOND #5 (5049, 5048)							
		Revenues	$2,945.00	$111,285.88	$111,285.88	-$108,340.88	3778.81%
		Expenditures	$62,550.00	$56,225.00	$0.00	$6,325.00	89.89%
		Gain/(Loss)	($59,605.00)	$55,060.88	$111,285.88	($114,665.88)	-92.38%
Revenue							
Active	R 305-31600	Special Assessment P	$2,859.00	$858.32	$858.32	$2,000.68	30.02%
Active	R 305-31700	Special Assessment I	$86.00	$206.00	$206.00	($120.00)	239.53%
Active	R 305-31701	Special Assessment P	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 305-36200	Miscellaneous Revenu	$0.00	$110,221.56	$110,221.56	($110,221.56)	0.00%
Active	R 305-36210	Interest Earnings	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Revenue	$2,945.00	$111,285.88	$111,285.88	($108,340.88)	3778.81%
Expenditure							

CITY OF FRAZEE
*Budget YTD Rev-Exp©

Current Period: June 2026

			2026 YTD Budget	2026 YTD Amt	June MTD Amt	2026 YTD Balance	% of Budget
Active	E 305-47000-601	Debt Srv Bond Pri	$60,000.00	$55,000.00	$0.00	$5,000.00	91.67%
Active	E 305-47000-611	Bond Interest	$2,550.00	$825.00	$0.00	$1,725.00	32.35%
Active	E 305-47000-620	Fiscal Agent s Fe	$0.00	$400.00	$0.00	($400.00)	0.00%
		Total Expenditure	($62,550.00)	($56,225.00)	$0.00	($6,325.00)	89.89%
		Total DS BOND #5 (5049, 5048)	($59,605.00)	$55,060.88	$111,285.88	($114,665.88)	-92.38%
DS BOND #2 (5055, 5041, 5087)							
		Revenues	$15,699.00	$0.00	$0.00	$15,699.00	0.00%
		Expenditures	$46,064.00	$44,768.00	$0.00	$1,296.00	97.19%
		Gain/(Loss)	($30,365.00)	($44,768.00)	$0.00	$14,403.00	147.43%
Revenue							
Active	R 306-31600	Special Assessment P	$15,331.00	$0.00	$0.00	$15,331.00	0.00%
Active	R 306-31700	Special Assessment I	$368.00	$0.00	$0.00	$368.00	0.00%
Active	R 306-31701	Special Assessment P	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Revenue	$15,699.00	$0.00	$0.00	$15,699.00	0.00%
Expenditure							
Active	E 306-47000-601	Debt Srv Bond Pri	$44,000.00	$44,000.00	$0.00	$0.00	100.00%
Active	E 306-47000-611	Bond Interest	$2,064.00	$768.00	$0.00	$1,296.00	37.21%
Active	E 306-47000-620	Fiscal Agent s Fe	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Expenditure	($46,064.00)	($44,768.00)	$0.00	($1,296.00)	97.19%
		Total DS BOND #2 (5055, 5041, 5087)	($30,365.00)	($44,768.00)	$0.00	$14,403.00	147.43%
DS BOND #4 (5058)							
		Revenues	$0.00	$0.00	$0.00	$0.00	0.00%
		Expenditures	$0.00	$0.00	$0.00	$0.00	0.00%
		Gain/(Loss)	$0.00	$0.00	$0.00	$0.00	0.00%
Revenue							
Active	R 307-31600	Special Assessment P	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 307-31700	Special Assessment I	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Expenditure							
Active	E 307-47000-601	Debt Srv Bond Pri	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 307-47000-611	Bond Interest	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 307-47000-620	Fiscal Agent s Fe	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Expenditure	$0.00	$0.00	$0.00	$0.00	0.00%
		Total DS BOND #4 (5058)	$0.00	$0.00	$0.00	$0.00	0.00%
DS BOND #3 (5057)							
		Revenues	$17,797.00	$5,535.91	$4,590.48	$12,261.09	31.11%
		Expenditures	$38,946.00	$39,193.50	$0.00	-$247.50	100.64%
		Gain/(Loss)	($21,149.00)	($33,657.59)	$4,590.48	$12,508.59	159.15%
Revenue							
Active	R 308-31600	Special Assessment P	$17,261.00	$5,274.68	$4,403.32	$11,986.32	30.56%
Active	R 308-31700	Special Assessment I	$536.00	$261.23	$187.16	$274.77	48.74%
Active	R 308-31701	Special Assessment P	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Revenue	$17,797.00	$5,535.91	$4,590.48	$12,261.09	31.11%
Expenditure							
Active	E 308-47000-601	Debt Srv Bond Pri	$36,000.00	$38,000.00	$0.00	($2,000.00)	105.56%
Active	E 308-47000-611	Bond Interest	$2,946.00	$1,193.50	$0.00	$1,752.50	40.51%
Active	E 308-47000-620	Fiscal Agent s Fe	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Expenditure	($38,946.00)	($39,193.50)	$0.00	$247.50	100.64%
		Total DS BOND #3 (5057)	($21,149.00)	($33,657.59)	$4,590.48	$12,508.59	159.15%

CITY OF FRAZEE
*Budget YTD Rev-Exp©

Current Period: June 2026

			2026 YTD Budget	2026 YTD Amt	June MTD Amt	2026 YTD Balance	% of Budget
DS BOND #1 (5088)							
		Revenues	$42,806.00	$25,174.07	$23,314.34	$17,631.93	58.81%
		Expenditures	$47,725.00	$46,040.00	$0.00	$1,685.00	96.47%
		Gain/(Loss)	($4,919.00)	($20,865.93)	$23,314.34	$15,946.93	424.19%
Revenue							
Active	R 313-31600	Special Assessment P	$41,159.00	$23,178.75	$21,518.29	$17,980.25	56.32%
Active	R 313-31700	Special Assessment I	$1,647.00	$1,995.32	$1,796.05	($348.32)	121.15%
Active	R 313-31701	Special Assessment P	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Revenue	$42,806.00	$25,174.07	$23,314.34	$17,631.93	58.81%
Expenditure							
Active	E 313-47000-601	Debt Srv Bond Pri	$43,000.00	$44,000.00	$0.00	($1,000.00)	102.33%
Active	E 313-47000-611	Bond Interest	$4,725.00	$2,040.00	$0.00	$2,685.00	43.17%
Active	E 313-47000-620	Fiscal Agent s Fe	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Expenditure	($47,725.00)	($46,040.00)	$0.00	($1,685.00)	96.47%
		Total DS BOND #1 (5088)	($4,919.00)	($20,865.93)	$23,314.34	$15,946.93	424.19%
DS BOND #8 (Downtown Infill)							
		Revenues	$32,009.00	$0.00	$0.00	$32,009.00	0.00%
		Expenditures	$94,725.00	$139,104.61	$61,348.00	-$44,379.61	146.85%
		Gain/(Loss)	($62,716.00)	($139,104.61)	($61,348.00)	$76,388.61	221.80%
Revenue							
Active	R 321-31600	Special Assessment P	$30,601.00	$0.00	$0.00	$30,601.00	0.00%
Active	R 321-31700	Special Assessment I	$1,408.00	$0.00	$0.00	$1,408.00	0.00%
		Total Revenue	$32,009.00	$0.00	$0.00	$32,009.00	0.00%
Expenditure							
Active	E 321-46500-601	Debt Srv Bond Pri	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 321-46500-611	Bond Interest	$16,968.00	$0.00	$0.00	$16,968.00	0.00%
Active	E 321-46500-620	Fiscal Agent s Fe	$0.00	$495.00	$495.00	($495.00)	0.00%
Active	E 321-47000-601	Debt Srv Bond Pri	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 321-47000-611	Bond Interest	$77,757.00	$138,609.61	$60,853.00	($60,852.61)	178.26%
		Total Expenditure	($94,725.00)	($139,104.61)	($61,348.00)	$44,379.61	146.85%
		Total DS BOND #8 (Downtown Infill)	($62,716.00)	($139,104.61)	($61,348.00)	$76,388.61	221.80%
DS BOND #7 (5092)							
		Revenues	$0.00	$18,078.51	$17,432.08	-$18,078.51	0.00%
		Expenditures	$63,501.00	$54,963.25	$0.00	$8,537.75	86.55%
		Gain/(Loss)	($63,501.00)	($36,884.74)	$17,432.08	($26,616.26)	58.09%
Revenue							
Active	R 322-31600	Special Assessment P	$0.00	$13,108.96	$12,648.94	($13,108.96)	0.00%
Active	R 322-31700	Special Assessment I	$0.00	$4,969.55	$4,783.14	($4,969.55)	0.00%
Active	R 322-31701	Special Assessment P	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 322-39203	Transfer from Other F	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Revenue	$0.00	$18,078.51	$17,432.08	($18,078.51)	0.00%
Expenditure							
Active	E 322-47000-601	Debt Srv Bond Pri	$45,000.00	$46,000.00	$0.00	($1,000.00)	102.22%
Active	E 322-47000-611	Bond Interest	$18,501.00	$8,963.25	$0.00	$9,537.75	48.45%
Active	E 322-47000-620	Fiscal Agent s Fe	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Expenditure	($63,501.00)	($54,963.25)	$0.00	($8,537.75)	86.55%
		Total DS BOND #7 (5092)	($63,501.00)	($36,884.74)	$17,432.08	($26,616.26)	58.09%

CITY OF FRAZEE
*Budget YTD Rev-Exp©

Current Period: June 2026

			2026 YTD Budget	2026 YTD Amt	June MTD Amt	2026 YTD Balance	% of Budget
DS BOND #9 (EM/LS/TLB)							
		Revenues	$0.00	$10,921.80	$10,921.80	-$10,921.80	0.00%
		Expenditures	$0.00	$11,569.00	$0.00	-$11,569.00	0.00%
		Gain/(Loss)	$0.00	($647.20)	$10,921.80	$647.20	0.00%
Revenue							
Active	R 323-31600	Special Assessment P	$0.00	$5,935.71	$5,935.71	($5,935.71)	0.00%
Active	R 323-31700	Special Assessment I	$0.00	$4,986.09	$4,986.09	($4,986.09)	0.00%
Active	R 323-31701	Special Assessment P	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 323-39201	Transfer from General	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 323-39203	Transfer from Other F	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Revenue	$0.00	$10,921.80	$10,921.80	($10,921.80)	0.00%
Expenditure							
Active	E 323-47000-601	Debt Srv Bond Pri	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 323-47000-611	Bond Interest	$0.00	$11,569.00	$0.00	($11,569.00)	0.00%
Active	E 323-47000-620	Fiscal Agent s Fe	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Expenditure	$0.00	($11,569.00)	$0.00	$11,569.00	0.00%
		Total DS BOND #9 (EM/LS/TLB)	$0.00	($647.20)	$10,921.80	$647.20	0.00%
CAP PROJ - EAST MAIN							
		Revenues	$0.00	$0.00	$0.00	$0.00	0.00%
		Expenditures	$0.00	$0.00	$0.00	$0.00	0.00%
		Gain/(Loss)	$0.00	$0.00	$0.00	$0.00	0.00%
Revenue							
Active	R 403-31750	Grant Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 403-31760	Loan Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 403-36200	Miscellaneous Revenu	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Expenditure							
Active	E 403-43100-303	Engineering Fees	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 403-43100-304	Legal Fees	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 403-43100-311	Contracts/Profess	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 403-43100-355	Printing & Publishi	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 403-43100-433	Dues and Subscri	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 403-43100-502	Construction - Ne	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Expenditure	$0.00	$0.00	$0.00	$0.00	0.00%
		Total CAP PROJ - EAST MAIN	$0.00	$0.00	$0.00	$0.00	0.00%
CAP PROJ - TOWN LAKE BEACH							
		Revenues	$0.00	$0.00	$0.00	$0.00	0.00%
		Expenditures	$0.00	$8,460.20	$0.00	-$8,460.20	0.00%
		Gain/(Loss)	$0.00	($8,460.20)	$0.00	$8,460.20	0.00%
Revenue							
Active	R 404-31750	Grant Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 404-31760	Loan Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 404-33400	State Grants and Aids	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 404-36200	Miscellaneous Revenu	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Expenditure							
Active	E 404-45200-212	Motor Fuels	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 404-45200-300	Professional Srvs	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 404-45200-303	Engineering Fees	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 404-45200-304	Legal Fees	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 404-45200-311	Contracts/Profess	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 404-45200-318	Demoltion	$0.00	$0.00	$0.00	$0.00	0.00%

Current Period: June 2026

			2026 YTD Budget	2026 YTD Amt	June MTD Amt	2026 YTD Balance	% of Budget
Active	E 404-45200-355	Printing & Publishi	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 404-45200-381	Electric Utilities	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 404-45200-430	Miscellaneous (G	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 404-45200-502	Construction - Ne	$0.00	$8,460.20	$0.00	($8,460.20)	0.00%
		Total Expenditure	$0.00	($8,460.20)	$0.00	$8,460.20	0.00%
		Total CAP PROJ - TOWN LAKE BEACH	$0.00	($8,460.20)	$0.00	$8,460.20	0.00%
CAP PROJ - LIFT STATIONS 2026							
		Revenues	$0.00	$0.00	$0.00	$0.00	0.00%
		Expenditures	$0.00	$45,384.78	$0.00	-$45,384.78	0.00%
		Gain/(Loss)	$0.00	($45,384.78)	$0.00	$45,384.78	0.00%
Revenue							
Active	R 405-31760	Loan Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 405-36200	Miscellaneous Revenu	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Expenditure							
Active	E 405-49450-303	Engineering Fees	$0.00	$45,384.78	$0.00	($45,384.78)	0.00%
Active	E 405-49450-304	Legal Fees	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 405-49450-311	Contracts/Profess	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 405-49450-355	Printing & Publishi	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 405-49450-430	Miscellaneous (G	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 405-49450-433	Dues and Subscri	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Expenditure	$0.00	($45,384.78)	$0.00	$45,384.78	0.00%
		Total CAP PROJ - LIFT STATIONS 2026	$0.00	($45,384.78)	$0.00	$45,384.78	0.00%
EDA - EMR 2024 Temp Bond Const							
		Revenues	$0.00	$0.00	$0.00	$0.00	0.00%
		Expenditures	$0.00	$0.00	$0.00	$0.00	0.00%
		Gain/(Loss)	$0.00	$0.00	$0.00	$0.00	0.00%
Revenue							
Active	R 406-31760	Loan Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 406-39310	Proceeds-Gen Obligat	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Expenditure							
Active	E 406-46500-304	Legal Fees	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 406-46500-620	Fiscal Agent s Fe	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Expenditure	$0.00	$0.00	$0.00	$0.00	0.00%
		Total EDA - EMR 2024 Temp Bond Const	$0.00	$0.00	$0.00	$0.00	0.00%
CAP PROJ - MAIN STREET 2027							
		Revenues	$0.00	$0.00	$0.00	$0.00	0.00%
		Expenditures	$0.00	$0.00	$0.00	$0.00	0.00%
		Gain/(Loss)	$0.00	$0.00	$0.00	$0.00	0.00%
Revenue							
Active	R 407-31750	Grant Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 407-33700	Grants - Regional Org	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 407-36200	Miscellaneous Revenu	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 407-39310	Proceeds-Gen Obligat	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Expenditure							
Active	E 407-43100-303	Engineering Fees	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 407-43100-304	Legal Fees	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 407-43100-311	Contracts/Profess	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 407-43100-355	Printing & Publishi	$0.00	$0.00	$0.00	$0.00	0.00%

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			2026 YTD Budget	2026 YTD Amt	June MTD Amt	2026 YTD Balance	% of Budget
Active	E 407-43100-433	Dues and Subscri	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 407-43100-502	Construction - Ne	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Expenditure	$0.00	$0.00	$0.00	$0.00	0.00%
		Total CAP PROJ - MAIN STREET 2027	$0.00	$0.00	$0.00	$0.00	0.00%
CAP PROJ - 2026 UTILITY RECONS							
		Revenues	$0.00	$0.00	$0.00	$0.00	0.00%
		Expenditures	$0.00	$206,622.63	$0.00	-$206,622.63	0.00%
		Gain/(Loss)	$0.00	($206,622.63)	$0.00	$206,622.63	0.00%
Revenue							
Active	R 408-39310	Proceeds-Gen Obligat	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Expenditure							
Active	E 408-43100-303	Engineering Fees	$0.00	$206,622.63	$0.00	($206,622.63)	0.00%
Active	E 408-43100-304	Legal Fees	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 408-43100-311	Contracts/Profess	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 408-43100-355	Printing & Publishi	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 408-43100-502	Construction - Ne	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Expenditure	$0.00	($206,622.63)	$0.00	$206,622.63	0.00%
		Total CAP PROJ - 2026 UTILITY RECONS	$0.00	($206,622.63)	$0.00	$206,622.63	0.00%
CAP PROJ - TAP 2024 Trail							
		Revenues	$0.00	$0.00	$0.00	$0.00	0.00%
		Expenditures	$0.00	$11,891.25	$5,343.75	-$11,891.25	0.00%
		Gain/(Loss)	$0.00	($11,891.25)	($5,343.75)	$11,891.25	0.00%
Revenue							
Active	R 409-31750	Grant Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 409-36233	Cont/Don/Reimb - FC	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Expenditure							
Active	E 409-45207-303	Engineering Fees	$0.00	$11,891.25	$5,343.75	($11,891.25)	0.00%
Active	E 409-45207-313	Samples/Testing	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 409-45207-502	Construction - Ne	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Expenditure	$0.00	($11,891.25)	($5,343.75)	$11,891.25	0.00%
		Total CAP PROJ - TAP 2024 Trail	$0.00	($11,891.25)	($5,343.75)	$11,891.25	0.00%
COVID Funding							
		Revenues	$0.00	$0.00	$0.00	$0.00	0.00%
		Expenditures	$0.00	$0.00	$0.00	$0.00	0.00%
		Gain/(Loss)	$0.00	$0.00	$0.00	$0.00	0.00%
Expenditure							
Active	E 420-41000-501	Interfund Transfer	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Expenditure	$0.00	$0.00	$0.00	$0.00	0.00%
		Total COVID Funding	$0.00	$0.00	$0.00	$0.00	0.00%
CAP PROJ - EMR							
		Revenues	$0.00	$0.00	$0.00	$0.00	0.00%
		Expenditures	$0.00	$192.63	$0.00	-$192.63	0.00%
		Gain/(Loss)	$0.00	($192.63)	$0.00	$192.63	0.00%
Revenue							
Active	R 421-39310	Proceeds-Gen Obligat	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Expenditure							
Active	E 421-46500-300	Professional Srvs	$0.00	$0.00	$0.00	$0.00	0.00%

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			2026 YTD Budget	2026 YTD Amt	June MTD Amt	2026 YTD Balance	% of Budget
Active	E 421-46500-302	Architects Fees	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 421-46500-303	Engineering Fees	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 421-46500-304	Legal Fees	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 421-46500-381	Electric Utilities	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 421-46500-383	Gas Utilities	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 421-46500-500	Capital Outlay (G	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 421-46500-502	Construction - Ne	$0.00	$192.63	$0.00	($192.63)	0.00%
		Total Expenditure	$0.00	($192.63)	$0.00	$192.63	0.00%
		Total CAP PROJ - EMR	$0.00	($192.63)	$0.00	$192.63	0.00%
WRP - ATI 2025 Trails							
		Revenues	$0.00	$0.00	$0.00	$0.00	0.00%
		Expenditures	$0.00	$0.00	$0.00	$0.00	0.00%
		Gain/(Loss)	$0.00	$0.00	$0.00	$0.00	0.00%
Revenue							
Active	R 423-31750	Grant Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 423-36233	Cont/Don/Reimb - FC	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Expenditure							
Active	E 423-45207-303	Engineering Fees	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 423-45207-313	Samples/Testing	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 423-45207-502	Construction - Ne	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 423-45207-520	Buildings and Stru	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Expenditure	$0.00	$0.00	$0.00	$0.00	0.00%
		Total WRP - ATI 2025 Trails	$0.00	$0.00	$0.00	$0.00	0.00%
WRP - GMRPTC 2026 Phase 1							
		Revenues	$0.00	$5,025.00	$0.00	-$5,025.00	0.00%
		Expenditures	$0.00	$82,408.33	$40,067.10	-$82,408.33	0.00%
		Gain/(Loss)	$0.00	($77,383.33)	($40,067.10)	$77,383.33	0.00%
Revenue							
Active	R 424-31750	Grant Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 424-33610	County Grants/Aid for	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 424-36233	Cont/Don/Reimb - FC	$0.00	$5,025.00	$0.00	($5,025.00)	0.00%
		Total Revenue	$0.00	$5,025.00	$0.00	($5,025.00)	0.00%
Expenditure							
Active	E 424-45200-303	Engineering Fees	$0.00	$52,408.33	$10,067.10	($52,408.33)	0.00%
Active	E 424-45200-313	Samples/Testing	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 424-45200-502	Construction - Ne	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 424-45200-520	Buildings and Stru	$0.00	$30,000.00	$30,000.00	($30,000.00)	0.00%
		Total Expenditure	$0.00	($82,408.33)	($40,067.10)	$82,408.33	0.00%
		Total WRP - GMRPTC 2026 Phase 1	$0.00	($77,383.33)	($40,067.10)	$77,383.33	0.00%
WATER FUND							
		Revenues	$432,200.00	$230,092.96	$53,197.50	$202,107.04	53.24%
		Expenditures	$432,200.00	$88,812.98	$14,610.81	$343,387.02	20.55%
		Gain/(Loss)	$0.00	$141,279.98	$38,586.69	($141,279.98)	0.00%
Revenue							
Active	R 601-31700	Special Assessment I	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 601-36200	Miscellaneous Revenu	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 601-36210	Interest Earnings	$0.00	$6,679.51	$6,676.70	($6,679.51)	0.00%
Active	R 601-37100	Water Sales	$278,000.00	$140,441.40	$29,915.65	$137,558.60	50.52%
Active	R 601-37150	Water Connect/Recon	$1,400.00	$704.94	$107.21	$695.06	50.35%
Active	R 601-37160	Water Penalty	$1,700.00	$1,424.52	$319.73	$275.48	83.80%
Active	R 601-37170	Water Access Fee	$0.00	$0.00	$0.00	$0.00	0.00%

Current Period: June 2026

			2026 YTD Budget	2026 YTD Amt	June MTD Amt	2026 YTD Balance	% of Budget
Active	R 601-37180	Water User Fee	$150,000.00	$80,191.37	$16,065.84	$69,808.63	53.46%
Active	R 601-37190	Water User Late Fee	$1,100.00	$651.22	$112.37	$448.78	59.20%
		Total Revenue	$432,200.00	$230,092.96	$53,197.50	$202,107.04	53.24%
Expenditure							
Active	E 601-49400-101	Full-Time Employ	$65,000.00	$33,145.89	$7,630.54	$31,854.11	50.99%
Active	E 601-49400-102	Full-Time Employ	$2,200.00	$954.79	$337.67	$1,245.21	43.40%
Active	E 601-49400-121	PERA	$5,010.00	$2,557.57	$597.62	$2,452.43	51.05%
Active	E 601-49400-122	FICA	$5,150.00	$2,483.82	$582.70	$2,666.18	48.23%
Active	E 601-49400-127	MN Paid Leave In	$0.00	$150.05	$35.06	($150.05)	0.00%
Active	E 601-49400-131	Employer Paid He	$9,000.00	$4,099.37	$372.67	$4,900.63	45.55%
Active	E 601-49400-132	Employer Health	$2,500.00	$1,250.08	$288.48	$1,249.92	50.00%
Active	E 601-49400-134	Employer Paid Lif	$50.00	$19.25	$1.75	$30.75	38.50%
Active	E 601-49400-135	Employer Paid Ac	$700.00	$315.98	$28.72	$384.02	45.14%
Active	E 601-49400-151	Worker s Comp In	$1,300.00	$1,209.00	$0.00	$91.00	93.00%
Active	E 601-49400-200	Office Supplies (G	$2,000.00	$2,117.89	$134.46	($117.89)	105.89%
Active	E 601-49400-210	Operating Supplie	$5,000.00	($395.15)	$0.00	$5,395.15	-7.90%
Active	E 601-49400-212	Motor Fuels	$600.00	$75.24	$0.00	$524.76	12.54%
Active	E 601-49400-216	Chemicals and C	$20,000.00	$4,277.90	$1,466.05	$15,722.10	21.39%
Active	E 601-49400-240	Small Tools and	$200.00	$82.15	$0.00	$117.85	41.08%
Active	E 601-49400-304	Legal Fees	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 601-49400-311	Contracts/Profess	$13,000.00	$7,262.00	$0.00	$5,738.00	55.86%
Active	E 601-49400-313	Samples/Testing	$3,000.00	$451.19	$76.27	$2,548.81	15.04%
Active	E 601-49400-317	Copper Sampling/	$100.00	$0.00	$0.00	$100.00	0.00%
Active	E 601-49400-321	Telephone	$2,000.00	$690.56	$90.95	$1,309.44	34.53%
Active	E 601-49400-322	Postage	$2,000.00	$0.00	$0.00	$2,000.00	0.00%
Active	E 601-49400-324	Technology/Comp	$1,000.00	$0.00	$0.00	$1,000.00	0.00%
Active	E 601-49400-331	Travel/Training Ex	$2,000.00	$1,480.57	$491.78	$519.43	74.03%
Active	E 601-49400-336	Public Education	$100.00	$100.00	$0.00	$0.00	100.00%
Active	E 601-49400-351	Legal Notices Pub	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 601-49400-355	Printing & Publishi	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 601-49400-361	General Liability I	$1,500.00	$1,044.59	$0.00	$455.41	69.64%
Active	E 601-49400-362	Property Ins	$8,000.00	$6,075.00	$0.00	$1,925.00	75.94%
Active	E 601-49400-363	Automotive Ins	$500.00	$158.16	$0.00	$341.84	31.63%
Active	E 601-49400-381	Electric Utilities	$15,000.00	$3,306.59	$544.71	$11,693.41	22.04%
Active	E 601-49400-383	Gas Utilities	$3,000.00	$1,107.88	$75.48	$1,892.12	36.93%
Active	E 601-49400-399	Repairs/Maint Met	$6,200.00	$399.09	$0.00	$5,800.91	6.44%
Active	E 601-49400-401	Repairs/Maint Buil	$100.00	$0.00	$0.00	$100.00	0.00%
Active	E 601-49400-404	Repairs/Maint Ma	$4,000.00	$813.85	$0.00	$3,186.15	20.35%
Active	E 601-49400-432	Uncollectable Che	$0.00	$40.00	$10.00	($40.00)	0.00%
Active	E 601-49400-433	Dues and Subscri	$9,000.00	$5,073.69	$1,845.90	$3,926.31	56.37%
Active	E 601-49400-485	Restricted Saving	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 601-49400-500	Capital Outlay (G	$64,040.00	$0.00	$0.00	$64,040.00	0.00%
Active	E 601-49400-600	Debt Srv Principal	$162,000.00	$0.00	$0.00	$162,000.00	0.00%
Active	E 601-49400-611	Bond Interest	$16,950.00	$8,465.98	$0.00	$8,484.02	49.95%
Active	E 601-49400-620	Fiscal Agent s Fe	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Expenditure	($432,200.00)	($88,812.98)	($14,610.81)	($343,387.02)	20.55%
		Total WATER FUND	$0.00	$141,279.98	$38,586.69	($141,279.98)	0.00%
SEWER FUND							
		Revenues	$242,260.00	$116,684.78	$21,885.33	$125,575.22	48.17%
		Expenditures	$242,260.00	$108,309.03	$16,742.69	$133,950.97	44.71%
		Gain/(Loss)	$0.00	$8,375.75	$5,142.64	($8,375.75)	0.00%
Revenue							
Active	R 602-31700	Special Assessment I	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 602-36200	Miscellaneous Revenu	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 602-36210	Interest Earnings	$0.00	$577.05	$0.00	($577.05)	0.00%

CITY OF FRAZEE
*Budget YTD Rev-Exp©

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			2026 YTD Budget	2026 YTD Amt	June MTD Amt	2026 YTD Balance	% of Budget
Active	R 602-37200	Sewer Sales	$241,000.00	$114,958.90	$21,648.00	$126,041.10	47.70%
Active	R 602-37250	Sewer Connect/Recon	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 602-37260	Swr Penalty	$1,260.00	$1,148.83	$237.33	$111.17	91.18%
Active	R 602-39203	Transfer from Other F	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 602-39204	Restricted Savings Tr	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 602-39300	Proceeds-Gen Long-t	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 602-39310	Proceeds-Gen Obligat	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Revenue	$242,260.00	$116,684.78	$21,885.33	$125,575.22	48.17%
Expenditure							
Active	E 602-49450-101	Full-Time Employ	$87,700.00	$44,752.71	$10,598.22	$42,947.29	51.03%
Active	E 602-49450-102	Full-Time Employ	$1,500.00	$1,311.62	$126.42	$188.38	87.44%
Active	E 602-49450-103	Part-Time Employ	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 602-49450-121	PERA	$6,700.00	$3,454.81	$804.34	$3,245.19	51.56%
Active	E 602-49450-122	FICA	$6,900.00	$3,113.61	$769.22	$3,786.39	45.12%
Active	E 602-49450-127	MN Paid Leave In	$0.00	$202.69	$47.19	($202.69)	0.00%
Active	E 602-49450-131	Employer Paid He	$17,000.00	$7,788.83	$708.07	$9,211.17	45.82%
Active	E 602-49450-132	Employer Health	$5,000.00	$2,500.03	$576.93	$2,499.97	50.00%
Active	E 602-49450-134	Employer Paid Lif	$42.00	$19.25	$1.75	$22.75	45.83%
Active	E 602-49450-135	Employer Paid Ac	$908.00	$428.24	$38.92	$479.76	47.16%
Active	E 602-49450-151	Worker s Comp In	$2,000.00	$1,428.00	$0.00	$572.00	71.40%
Active	E 602-49450-200	Office Supplies (G	$2,000.00	$2,117.89	$134.46	($117.89)	105.89%
Active	E 602-49450-210	Operating Supplie	$500.00	$0.00	$0.00	$500.00	0.00%
Active	E 602-49450-212	Motor Fuels	$1,500.00	$562.52	$486.03	$937.48	37.50%
Active	E 602-49450-216	Chemicals and C	$2,000.00	$0.00	$0.00	$2,000.00	0.00%
Active	E 602-49450-220	Repair/Maint Sup	$3,010.00	$939.60	$0.00	$2,070.40	31.22%
Active	E 602-49450-240	Small Tools and	$0.00	$398.16	$0.00	($398.16)	0.00%
Active	E 602-49450-303	Engineering Fees	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 602-49450-304	Legal Fees	$0.00	$800.00	$50.00	($800.00)	0.00%
Active	E 602-49450-311	Contracts/Profess	$0.00	$366.91	$0.00	($366.91)	0.00%
Active	E 602-49450-313	Samples/Testing	$2,500.00	$1,049.20	$125.41	$1,450.80	41.97%
Active	E 602-49450-321	Telephone	$600.00	$148.66	$24.77	$451.34	24.78%
Active	E 602-49450-322	Postage	$2,000.00	$0.00	$0.00	$2,000.00	0.00%
Active	E 602-49450-324	Technology/Comp	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 602-49450-331	Travel/Training Ex	$1,000.00	$660.00	$0.00	$340.00	66.00%
Active	E 602-49450-351	Legal Notices Pub	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 602-49450-355	Printing & Publishi	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 602-49450-361	General Liability I	$3,500.00	$3,366.02	$0.00	$133.98	96.17%
Active	E 602-49450-362	Property Ins	$8,000.00	$6,869.00	$0.00	$1,131.00	85.86%
Active	E 602-49450-363	Automotive Ins	$500.00	$158.17	$0.00	$341.83	31.63%
Active	E 602-49450-381	Electric Utilities	$20,000.00	$15,129.84	$1,600.40	$4,870.16	75.65%
Active	E 602-49450-383	Gas Utilities	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 602-49450-401	Repairs/Maint Buil	$500.00	$9.99	$0.00	$490.01	2.00%
Active	E 602-49450-404	Repairs/Maint Ma	$1,500.00	$615.66	$615.66	$884.34	41.04%
Active	E 602-49450-432	Uncollectable Che	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 602-49450-433	Dues and Subscri	$2,000.00	$1,950.41	$34.90	$49.59	97.52%
Active	E 602-49450-485	Restricted Saving	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 602-49450-491	Grant Expenditure	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 602-49450-500	Capital Outlay (G	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 602-49450-601	Debt Srv Bond Pri	$47,000.00	$0.00	$0.00	$47,000.00	0.00%
Active	E 602-49450-611	Bond Interest	$16,400.00	$8,167.21	$0.00	$8,232.79	49.80%
		Total Expenditure	($242,260.00)	($108,309.03)	($16,742.69)	($133,950.97)	44.71%
		Total SEWER FUND	$0.00	$8,375.75	$5,142.64	($8,375.75)	0.00%
STORM WATER FUND							
		Revenues	$14,500.00	$7,977.19	$1,519.86	$6,522.81	55.02%
		Expenditures	$14,500.00	$1,237.85	$0.00	$13,262.15	8.54%
		Gain/(Loss)	$0.00	$6,739.34	$1,519.86	($6,739.34)	0.00%

CITY OF FRAZEE
*Budget YTD Rev-Exp©

Current Period: June 2026

			2026 YTD Budget	2026 YTD Amt	June MTD Amt	2026 YTD Balance	% of Budget
Revenue							
Active	R 603-31700	Special Assessment I	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 603-34000	Charges for Services	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 603-34110	Storm Water Charges	$14,500.00	$7,976.93	$1,519.86	$6,523.07	55.01%
Active	R 603-36210	Interest Earnings	$0.00	$0.26	$0.00	($0.26)	0.00%
		Total Revenue	$14,500.00	$7,977.19	$1,519.86	$6,522.81	55.02%
Expenditure							
Active	E 603-43150-212	Motor Fuels	$1,000.00	$0.00	$0.00	$1,000.00	0.00%
Active	E 603-43150-220	Repair/Maint Sup	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 603-43150-316	Cont/Pro Serv - St	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 603-43150-404	Repairs/Maint Ma	$3,000.00	$1,237.85	$0.00	$1,762.15	41.26%
Active	E 603-43150-406	Repairs/Maint Ve	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 603-43150-433	Dues and Subscri	$200.00	$0.00	$0.00	$200.00	0.00%
Active	E 603-43150-500	Capital Outlay (G	$10,300.00	$0.00	$0.00	$10,300.00	0.00%
		Total Expenditure	($14,500.00)	($1,237.85)	$0.00	($13,262.15)	8.54%
		Total STORM WATER FUND	$0.00	$6,739.34	$1,519.86	($6,739.34)	0.00%
MUNICIPAL LIQUOR FUND							
		Revenues	$0.00	$386,157.99	$72,281.18	-$386,157.99	0.00%
		Expenditures	$0.00	$318,620.02	$59,049.10	-$318,620.02	0.00%
		Gain/(Loss)	$0.00	$67,537.97	$13,232.08	($67,537.97)	0.00%
Revenue							
Active	R 609-31750	Grant Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 609-31760	Loan Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 609-36210	Interest Earnings	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 609-36211	Interest Earnings - On	$0.00	$515.65	$96.74	($515.65)	0.00%
Active	R 609-36212	Interest Earnings - Off	$0.00	$515.66	$96.74	($515.66)	0.00%
Active	R 609-37811	Liquor Sales -Off Sale	$0.00	$63,240.70	$10,601.60	($63,240.70)	0.00%
Active	R 609-37812	Beer Sales -Off Sale	$0.00	$129,886.84	$25,891.09	($129,886.84)	0.00%
Active	R 609-37813	Wine Sales -Off Sale	$0.00	$8,917.92	$1,449.38	($8,917.92)	0.00%
Active	R 609-37815	Misc Sales -Off Sale	$0.00	$2,391.17	$472.61	($2,391.17)	0.00%
Active	R 609-37818	Cannabis/THC Sales -	$0.00	$4,318.64	$808.27	($4,318.64)	0.00%
Active	R 609-37840	Cash Over/Short -Off	$0.00	($61.45)	$3.76	$61.45	0.00%
Active	R 609-37850	Credit Cards - Off Sal	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 609-37860	Gift Card Sales - Off S	$0.00	$213.05	$128.04	($213.05)	0.00%
Active	R 609-37880	Misc Income - Off Sal	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 609-37911	Liquor Sales -On Sale	$0.00	$52,489.00	$7,274.50	($52,489.00)	0.00%
Active	R 609-37912	Beer Sales -On Sale	$0.00	$73,978.00	$12,204.25	($73,978.00)	0.00%
Active	R 609-37913	Wine Sales -On Sale	$0.00	$203.50	$19.50	($203.50)	0.00%
Active	R 609-37914	Soft Drinks -On Sale	$0.00	$74.85	$74.85	($74.85)	0.00%
Active	R 609-37915	Misc Sales - On Sale	$0.00	$2,504.58	$746.08	($2,504.58)	0.00%
Active	R 609-37916	Pizza Sales - On Sale	$0.00	$3,029.00	$660.50	($3,029.00)	0.00%
Active	R 609-37917	Food Sales - On Sale	$0.00	$26,076.25	$7,013.44	($26,076.25)	0.00%
Active	R 609-37918	Gaming Income	$0.00	$14,676.79	$3,931.56	($14,676.79)	0.00%
Active	R 609-37919	Clothing Income	$0.00	$46.00	$0.00	($46.00)	0.00%
Active	R 609-37920	Vending Machine Sale	$0.00	$1,008.50	$0.00	($1,008.50)	0.00%
Active	R 609-37921	Darts/Pool Table - On	$0.00	$331.00	$331.00	($331.00)	0.00%
Active	R 609-37922	Jukebox/Mega Touch	$0.00	$392.00	$392.00	($392.00)	0.00%
Active	R 609-37940	Cash Over/Short -On	$0.00	($87.24)	($76.23)	$87.24	0.00%
Active	R 609-37950	Credit Cards - On Sal	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 609-37951	ATM Machine - On Sa	$0.00	$1,426.30	$161.50	($1,426.30)	0.00%
Active	R 609-37980	Misc Income - On Sal	$0.00	$71.28	$0.00	($71.28)	0.00%
		Total Revenue	$0.00	$386,157.99	$72,281.18	($386,157.99)	0.00%
Expenditure							
Active	E 609-49750-101	Full-Time Employ	$0.00	$12,850.50	$3,464.96	($12,850.50)	0.00%
Active	E 609-49750-102	Full-Time Employ	$0.00	$0.00	$0.00	$0.00	0.00%

Current Period: June 2026

			2026 YTD Budget	2026 YTD Amt	June MTD Amt	2026 YTD Balance	% of Budget
Active	E 609-49750-103	Part-Time Employ	$0.00	$13,979.98	$3,133.93	($13,979.98)	0.00%
Active	E 609-49750-121	PERA	$0.00	$2,347.46	$569.65	($2,347.46)	0.00%
Active	E 609-49750-122	FICA	$0.00	$2,250.64	$561.85	($2,250.64)	0.00%
Active	E 609-49750-127	MN Paid Leave In	$0.00	$137.60	$33.41	($137.60)	0.00%
Active	E 609-49750-131	Employer Paid He	$0.00	$3,224.24	$354.03	($3,224.24)	0.00%
Active	E 609-49750-132	Employer Health	$0.00	$1,067.95	$288.44	($1,067.95)	0.00%
Active	E 609-49750-134	Employer Paid Lif	$0.00	$7.93	$0.87	($7.93)	0.00%
Active	E 609-49750-135	Employer Paid Ac	$0.00	$112.96	$12.40	($112.96)	0.00%
Active	E 609-49750-142	Unemployment B	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 609-49750-151	Worker s Comp In	$0.00	$827.00	$0.00	($827.00)	0.00%
Active	E 609-49750-200	Office Supplies (G	$0.00	$204.91	$88.13	($204.91)	0.00%
Active	E 609-49750-210	Operating Supplie	$0.00	$735.29	$166.88	($735.29)	0.00%
Active	E 609-49750-211	Cleaning Supplies	$0.00	$470.57	$34.79	($470.57)	0.00%
Active	E 609-49750-214	Liquor Store Glas	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 609-49750-218	Uniforms	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 609-49750-250	Merchandise Res	$0.00	$62.28	$62.28	($62.28)	0.00%
Active	E 609-49750-251	Liquor For Resale	$0.00	$48,434.23	$9,430.55	($48,434.23)	0.00%
Active	E 609-49750-252	Beer For Resale	$0.00	$101,889.26	$18,835.90	($101,889.26)	0.00%
Active	E 609-49750-253	Wine For Resale	$0.00	$5,211.62	$618.09	($5,211.62)	0.00%
Active	E 609-49750-254	Soft Drinks/Mix F	$0.00	$1,422.68	$301.50	($1,422.68)	0.00%
Active	E 609-49750-255	Drink Ingredients	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 609-49750-256	THC/CBD For Re	$0.00	$2,887.00	$73.45	($2,887.00)	0.00%
Active	E 609-49750-259	Food for Resale	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 609-49750-260	Pizza for Resale	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 609-49750-261	Clothing for Resal	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 609-49750-265	Gift Cards for Res	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 609-49750-304	Legal Fees	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 609-49750-321	Telephone	$0.00	$418.51	$71.35	($418.51)	0.00%
Active	E 609-49750-324	Technology/Comp	$0.00	$936.48	$60.44	($936.48)	0.00%
Active	E 609-49750-331	Travel/Training Ex	$0.00	$463.30	$0.00	($463.30)	0.00%
Active	E 609-49750-340	Advertising	$0.00	$133.00	$0.00	($133.00)	0.00%
Active	E 609-49750-341	Advertising for E	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 609-49750-355	Printing & Publishi	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 609-49750-361	General Liability I	$0.00	$788.86	$0.00	($788.86)	0.00%
Active	E 609-49750-362	Property Ins	$0.00	$1,813.50	$0.00	($1,813.50)	0.00%
Active	E 609-49750-364	Dram Shop	$0.00	($664.66)	$0.00	$664.66	0.00%
Active	E 609-49750-381	Electric Utilities	$0.00	$2,518.64	$454.78	($2,518.64)	0.00%
Active	E 609-49750-382	Water/Sewer Utilit	$0.00	$816.18	$136.73	($816.18)	0.00%
Active	E 609-49750-383	Gas Utilities	$0.00	$670.99	$53.81	($670.99)	0.00%
Active	E 609-49750-384	Refuse/Garbage	$0.00	$593.54	$113.98	($593.54)	0.00%
Active	E 609-49750-401	Repairs/Maint Buil	$0.00	$304.34	$80.02	($304.34)	0.00%
Active	E 609-49750-404	Repairs/Maint Ma	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 609-49750-432	Uncollectable Che	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 609-49750-433	Dues and Subscri	$0.00	$4,722.34	$1,131.89	($4,722.34)	0.00%
Active	E 609-49750-440	Fuel/Delivery Sur	$0.00	$647.83	$0.00	($647.83)	0.00%
Active	E 609-49750-500	Capital Outlay (G	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 609-49751-101	Full-Time Employ	$0.00	$17,228.17	$3,465.23	($17,228.17)	0.00%
Active	E 609-49751-102	Full-Time Employ	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 609-49751-103	Part-Time Employ	$0.00	$15,099.71	$3,148.57	($15,099.71)	0.00%
Active	E 609-49751-121	PERA	$0.00	$2,762.32	$569.87	($2,762.32)	0.00%
Active	E 609-49751-122	FICA	$0.00	$2,624.66	$563.10	($2,624.66)	0.00%
Active	E 609-49751-127	MN Paid Leave In	$0.00	$162.70	$33.52	($162.70)	0.00%
Active	E 609-49751-131	Employer Paid He	$0.00	$4,564.59	$354.04	($4,564.59)	0.00%
Active	E 609-49751-132	Employer Health	$0.00	$1,432.08	$288.49	($1,432.08)	0.00%
Active	E 609-49751-134	Employer Paid Lif	$0.00	$11.32	$0.88	($11.32)	0.00%
Active	E 609-49751-135	Employer Paid Ac	$0.00	$160.06	$12.42	($160.06)	0.00%
Active	E 609-49751-142	Unemployment B	$0.00	$0.00	$0.00	$0.00	0.00%

CITY OF FRAZEE
*Budget YTD Rev-Exp©

Current Period: June 2026

			2026 YTD Budget	2026 YTD Amt	June MTD Amt	2026 YTD Balance	% of Budget
Active	E 609-49751-151	Worker s Comp In	$0.00	$548.50	$0.00	($548.50)	0.00%
Active	E 609-49751-200	Office Supplies (G	$0.00	$197.60	$88.12	($197.60)	0.00%
Active	E 609-49751-210	Operating Supplie	$0.00	$3,392.23	$470.06	($3,392.23)	0.00%
Active	E 609-49751-211	Cleaning Supplies	$0.00	$837.01	$94.22	($837.01)	0.00%
Active	E 609-49751-213	Operating Supplie	$0.00	$731.45	$33.57	($731.45)	0.00%
Active	E 609-49751-218	Uniforms	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 609-49751-251	Liquor For Resale	$0.00	$6,741.55	$671.96	($6,741.55)	0.00%
Active	E 609-49751-252	Beer For Resale	$0.00	$14,728.31	$2,997.50	($14,728.31)	0.00%
Active	E 609-49751-253	Wine For Resale	$0.00	$55.00	$11.00	($55.00)	0.00%
Active	E 609-49751-254	Soft Drinks/Mix F	$0.00	$2,235.05	$256.40	($2,235.05)	0.00%
Active	E 609-49751-257	Ice For Resale	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 609-49751-259	Food for Resale	$0.00	$11,688.65	$3,214.79	($11,688.65)	0.00%
Active	E 609-49751-260	Pizza for Resale	$0.00	$2,147.35	$320.10	($2,147.35)	0.00%
Active	E 609-49751-261	Clothing for Resal	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 609-49751-265	Gift Cards for Res	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 609-49751-266	Misc for Resale	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 609-49751-304	Legal Fees	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 609-49751-314	Cont/Pro Serv - E	$0.00	$4,950.00	$700.00	($4,950.00)	0.00%
Active	E 609-49751-321	Telephone	$0.00	$1,002.30	$71.35	($1,002.30)	0.00%
Active	E 609-49751-322	Postage	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 609-49751-324	Technology/Comp	$0.00	$936.50	$60.44	($936.50)	0.00%
Active	E 609-49751-331	Travel/Training Ex	$0.00	$463.30	$0.00	($463.30)	0.00%
Active	E 609-49751-340	Advertising	$0.00	$134.46	$0.00	($134.46)	0.00%
Active	E 609-49751-341	Advertising for E	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 609-49751-361	General Liability I	$0.00	$387.51	$0.00	($387.51)	0.00%
Active	E 609-49751-362	Property Ins	$0.00	$1,813.50	$0.00	($1,813.50)	0.00%
Active	E 609-49751-364	Dram Shop	$0.00	($664.67)	$0.00	$664.67	0.00%
Active	E 609-49751-381	Electric Utilities	$0.00	$2,623.87	$454.78	($2,623.87)	0.00%
Active	E 609-49751-382	Water/Sewer Utilit	$0.00	$816.17	$136.73	($816.17)	0.00%
Active	E 609-49751-383	Gas Utilities	$0.00	$670.99	$53.81	($670.99)	0.00%
Active	E 609-49751-384	Refuse/Garbage	$0.00	$504.98	$113.98	($504.98)	0.00%
Active	E 609-49751-401	Repairs/Maint Buil	$0.00	$589.89	$80.01	($589.89)	0.00%
Active	E 609-49751-404	Repairs/Maint Ma	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 609-49751-432	Uncollectable Che	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 609-49751-433	Dues and Subscri	$0.00	$4,620.29	$650.05	($4,620.29)	0.00%
Active	E 609-49751-440	Fuel/Delivery Sur	$0.00	$135.67	$0.00	($135.67)	0.00%
Active	E 609-49751-481	Petty Cash	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 609-49751-500	Capital Outlay (G	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Expenditure	$0.00	($318,620.02)	($59,049.10)	$318,620.02	0.00%
	Total MUNICIPAL LIQUOR FUND		$0.00	$67,537.97	$13,232.08	($67,537.97)	0.00%
EVENT CENTER FUND							
		Revenues	$55,200.00	$29,971.65	$9,955.74	$25,228.35	54.30%
		Expenditures	$71,144.00	$41,832.22	$9,509.73	$29,311.78	58.80%
		Gain/(Loss)	($15,944.00)	($11,860.57)	$446.01	($4,083.43)	74.39%
Revenue							
Active	R 610-31750	Grant Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 610-31760	Loan Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 610-34101	Rent Revenue	$24,000.00	$9,830.00	$2,360.00	$14,170.00	40.96%
Active	R 610-36210	Interest Earnings	$300.00	$515.65	$96.74	($215.65)	171.88%
Active	R 610-37511	Liquor Sales - EC	$12,000.00	$6,366.00	$3,036.00	$5,634.00	53.05%
Active	R 610-37512	Beer Sales - EC	$14,000.00	$11,106.00	$3,882.00	$2,894.00	79.33%
Active	R 610-37513	Wine Sales - EC	$1,700.00	$538.00	$343.00	$1,162.00	31.65%
Active	R 610-37540	Cash Over/Short - EC	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 610-37550	Credit Cards - EC	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 610-37580	Misc Income - EC	$1,200.00	$1,341.00	$238.00	($141.00)	111.75%
Active	R 610-37581	Linens Rental Fees	$2,000.00	$275.00	$0.00	$1,725.00	13.75%

Current Period: June 2026

			2026 YTD Budget	2026 YTD Amt	June MTD Amt	2026 YTD Balance	% of Budget
Active	R 610-39201	Transfer from General	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 610-39204	Restricted Savings Tr	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Revenue	$55,200.00	$29,971.65	$9,955.74	$25,228.35	54.30%
Expenditure							
Active	E 610-49752-103	Part-Time Employ	$12,000.00	$7,088.00	$2,942.40	$4,912.00	59.07%
Active	E 610-49752-121	PERA	$900.00	$444.60	$184.68	$455.40	49.40%
Active	E 610-49752-122	FICA	$894.00	$542.24	$225.09	$351.76	60.65%
Active	E 610-49752-126	Sales Tax Expens	$0.00	$1,677.00	$440.00	($1,677.00)	0.00%
Active	E 610-49752-127	MN Paid Leave In	$0.00	$31.17	$12.94	($31.17)	0.00%
Active	E 610-49752-142	Unemployment B	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 610-49752-151	Worker s Comp In	$0.00	$548.50	$0.00	($548.50)	0.00%
Active	E 610-49752-200	Office Supplies (G	$100.00	$188.84	$95.06	($88.84)	188.84%
Active	E 610-49752-210	Operating Supplie	$2,000.00	$662.04	$252.65	$1,337.96	33.10%
Active	E 610-49752-211	Cleaning Supplies	$2,000.00	$1,670.84	$318.09	$329.16	83.54%
Active	E 610-49752-251	Liquor For Resale	$4,000.00	$1,875.11	$410.63	$2,124.89	46.88%
Active	E 610-49752-252	Beer For Resale	$7,500.00	$4,448.30	$2,322.75	$3,051.70	59.31%
Active	E 610-49752-253	Wine For Resale	$750.00	$198.06	$198.06	$551.94	26.41%
Active	E 610-49752-254	Soft Drinks/Mix F	$2,000.00	$1,039.43	$496.50	$960.57	51.97%
Active	E 610-49752-266	Misc for Resale	$0.00	$28.00	$0.00	($28.00)	0.00%
Active	E 610-49752-321	Telephone	$2,000.00	$654.40	$61.16	$1,345.60	32.72%
Active	E 610-49752-324	Technology/Comp	$1,000.00	$1,072.92	$120.88	($72.92)	107.29%
Active	E 610-49752-331	Travel/Training Ex	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 610-49752-340	Advertising	$800.00	$300.00	$100.00	$500.00	37.50%
Active	E 610-49752-361	General Liability I	$300.00	$320.61	$0.00	($20.61)	106.87%
Active	E 610-49752-362	Property Ins	$4,300.00	$3,662.00	$0.00	$638.00	85.16%
Active	E 610-49752-364	Dram Shop	$4,000.00	($664.67)	$0.00	$4,664.67	-16.62%
Active	E 610-49752-381	Electric Utilities	$6,800.00	$2,858.72	$543.47	$3,941.28	42.04%
Active	E 610-49752-382	Water/Sewer Utilit	$0.00	$680.44	$106.13	($680.44)	0.00%
Active	E 610-49752-383	Gas Utilities	$1,000.00	$4,063.63	$209.50	($3,063.63)	406.36%
Active	E 610-49752-384	Refuse/Garbage	$1,000.00	$601.88	$113.98	$398.12	60.19%
Active	E 610-49752-401	Repairs/Maint Buil	$5,000.00	$355.74	$0.00	$4,644.26	7.11%
Active	E 610-49752-404	Repairs/Maint Ma	$5,000.00	$6,938.31	$300.86	($1,938.31)	138.77%
Active	E 610-49752-410	Rentals (GENER	$1,500.00	$246.21	$0.00	$1,253.79	16.41%
Active	E 610-49752-433	Dues and Subscri	$1,300.00	$299.90	$54.90	$1,000.10	23.07%
Active	E 610-49752-481	Petty Cash	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 610-49752-500	Capital Outlay (G	$5,000.00	$0.00	$0.00	$5,000.00	0.00%
		Total Expenditure	($71,144.00)	($41,832.22)	($9,509.73)	($29,311.78)	58.80%
		Total EVENT CENTER FUND	($15,944.00)	($11,860.57)	$446.01	($4,083.43)	74.39%
ECONOMIC DEVELOPMENT AUTHORITY							
		Revenues	$40,000.00	$719.60	$0.00	$39,280.40	1.80%
		Expenditures	$44,400.00	$9,890.28	$127.35	$34,509.72	22.28%
		Gain/(Loss)	($4,400.00)	($9,170.68)	($127.35)	$4,770.68	208.42%
Revenue							
Active	R 651-31750	Grant Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 651-31760	Loan Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 651-33000	Intergovernmental Re	$40,000.00	$0.00	$0.00	$40,000.00	0.00%
Active	R 651-34101	Rent Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 651-36200	Miscellaneous Revenu	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 651-36203	Advertising Revenue	$0.00	$719.60	$0.00	($719.60)	0.00%
		Total Revenue	$40,000.00	$719.60	$0.00	$39,280.40	1.80%
Expenditure							
Active	E 651-46500-200	Office Supplies (G	$500.00	$112.76	$20.40	$387.24	22.55%
Active	E 651-46500-210	Operating Supplie	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 651-46500-300	Professional Srvs	$40,000.00	$6,770.00	$0.00	$33,230.00	16.93%
Active	E 651-46500-304	Legal Fees	$0.00	$1,049.82	$0.00	($1,049.82)	0.00%

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			2026 YTD Budget	2026 YTD Amt	June MTD Amt	2026 YTD Balance	% of Budget
Active	E 651-46500-311	Contracts/Profess	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 651-46500-314	Cont/Pro Serv - E	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 651-46500-340	Advertising	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 651-46500-351	Legal Notices Pub	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 651-46500-361	General Liability I	$300.00	$347.84	$0.00	($47.84)	115.95%
Active	E 651-46500-381	Electric Utilities	$600.00	$545.86	$106.95	$54.14	90.98%
Active	E 651-46500-433	Dues and Subscri	$3,000.00	$1,064.00	$0.00	$1,936.00	35.47%
Active	E 651-46500-500	Capital Outlay (G	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 651-46500-503	Special Assessm	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Expenditure	($44,400.00)	($9,890.28)	($127.35)	($34,509.72)	22.28%
Total ECONOMIC DEVELOPMENT AUTHORITY			($4,400.00)	($9,170.68)	($127.35)	$4,770.68	208.42%
EDA - RBEG							
		Revenues	$2,784.00	$1,168.95	$233.06	$1,615.05	41.99%
		Expenditures	$0.00	$0.00	$0.00	$0.00	0.00%
		Gain/(Loss)	$2,784.00	$1,168.95	$233.06	$1,615.05	41.99%
Revenue							
Active	R 652-36111	Loan Repmnt - Princ/	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 652-36112	Loan Repmnt - Inter/R	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 652-36113	Loan Repmnt - Princ/	$1,592.00	$691.55	$140.41	$900.45	43.44%
Active	R 652-36114	Loan Repmnt - Inter/C	$1,132.00	$443.95	$86.69	$688.05	39.22%
Active	R 652-36200	Miscellaneous Revenu	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 652-36210	Interest Earnings	$60.00	$33.45	$5.96	$26.55	55.75%
		Total Revenue	$2,784.00	$1,168.95	$233.06	$1,615.05	41.99%
Expenditure							
Active	E 652-46500-430	Miscellaneous (G	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 652-46500-650	Loan Disburseme	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 652-46500-651	Loan Disburseme	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Expenditure	$0.00	$0.00	$0.00	$0.00	0.00%
		Total EDA - RBEG	$2,784.00	$1,168.95	$233.06	$1,615.05	41.99%
EDA - Revolving Loan Pool							
		Revenues	$0.00	$0.00	$0.00	$0.00	0.00%
		Expenditures	$0.00	$0.00	$0.00	$0.00	0.00%
		Gain/(Loss)	$0.00	$0.00	$0.00	$0.00	0.00%
Revenue							
Active	R 653-36111	Loan Repmnt - Princ/	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 653-36112	Loan Repmnt - Inter/R	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 653-36113	Loan Repmnt - Princ/	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 653-36114	Loan Repmnt - Inter/C	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Expenditure							
Active	E 653-46500-650	Loan Disburseme	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 653-46500-651	Loan Disburseme	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Expenditure	$0.00	$0.00	$0.00	$0.00	0.00%
		Total EDA - Revolving Loan Pool	$0.00	$0.00	$0.00	$0.00	0.00%
EDA - BUSINESS CENTER							
		Revenues	$27,500.00	$13,693.17	$2,310.37	$13,806.83	49.79%
		Expenditures	$15,500.00	$6,245.65	$312.60	$9,254.35	40.29%
		Gain/(Loss)	$12,000.00	$7,447.52	$1,997.77	$4,552.48	62.06%
Revenue							
Active	R 654-31750	Grant Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 654-31760	Loan Revenue	$0.00	$0.00	$0.00	$0.00	0.00%
Active	R 654-34101	Rent Revenue	$27,500.00	$13,693.17	$2,310.37	$13,806.83	49.79%

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			2026 YTD Budget	2026 YTD Amt	June MTD Amt	2026 YTD Balance	% of Budget
Active	R 654-36200	Miscellaneous Revenu	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Revenue	$27,500.00	$13,693.17	$2,310.37	$13,806.83	49.79%
Expenditure							
Active	E 654-46500-315	Cont/Pro Serv - S	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 654-46500-321	Telephone	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 654-46500-322	Postage	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 654-46500-324	Technology/Comp	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 654-46500-362	Property Ins	$3,000.00	$1,659.00	$0.00	$1,341.00	55.30%
Active	E 654-46500-381	Electric Utilities	$2,500.00	$941.89	$151.68	$1,558.11	37.68%
Active	E 654-46500-382	Water/Sewer Utilit	$1,000.00	$386.43	$61.42	$613.57	38.64%
Active	E 654-46500-383	Gas Utilities	$2,000.00	$1,757.33	$92.50	$242.67	87.87%
Active	E 654-46500-384	Refuse/Garbage	$1,000.00	$42.00	$7.00	$958.00	4.20%
Active	E 654-46500-401	Repairs/Maint Buil	$3,000.00	$0.00	$0.00	$3,000.00	0.00%
Active	E 654-46500-433	Dues and Subscri	$3,000.00	$1,459.00	$0.00	$1,541.00	48.63%
		Total Expenditure	($15,500.00)	($6,245.65)	($312.60)	($9,254.35)	40.29%
		Total EDA - BUSINESS CENTER	$12,000.00	$7,447.52	$1,997.77	$4,552.48	62.06%
EDA - Small Cities Devel. Loan							
		Revenues	$5,329.00	$2,711.20	$443.82	$2,617.80	50.88%
		Expenditures	$0.00	$0.00	$0.00	$0.00	0.00%
		Gain/(Loss)	$5,329.00	$2,711.20	$443.82	$2,617.80	50.88%
Revenue							
Active	R 655-36111	Loan Repmnt - Princ/	$547.00	$317.52	$45.70	$229.48	58.05%
Active	R 655-36112	Loan Repmnt - Inter/R	$33.00	$20.44	$2.58	$12.56	61.94%
Active	R 655-36113	Loan Repmnt - Princ/	$3,969.00	$2,027.88	$337.95	$1,941.12	51.09%
Active	R 655-36114	Loan Repmnt - Inter/C	$780.00	$345.36	$57.59	$434.64	44.28%
		Total Revenue	$5,329.00	$2,711.20	$443.82	$2,617.80	50.88%
Expenditure							
Active	E 655-46500-650	Loan Disburseme	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 655-46500-651	Loan Disburseme	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Expenditure	$0.00	$0.00	$0.00	$0.00	0.00%
		Total EDA - Small Cities Devel. Loan	$5,329.00	$2,711.20	$443.82	$2,617.80	50.88%
EDA - East Main Retail							
		Revenues	$110,000.00	$38,443.85	$6,362.67	$71,556.15	34.95%
		Expenditures	$26,100.00	$11,048.88	$2,115.71	$15,051.12	42.33%
		Gain/(Loss)	$83,900.00	$27,394.97	$4,246.96	$56,505.03	32.65%
Revenue							
Active	R 656-34101	Rent Revenue	$110,000.00	$38,443.85	$6,362.67	$71,556.15	34.95%
Active	R 656-36200	Miscellaneous Revenu	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Revenue	$110,000.00	$38,443.85	$6,362.67	$71,556.15	34.95%
Expenditure							
Active	E 656-46500-103	Part-Time Employ	$0.00	$1,678.84	$435.46	($1,678.84)	0.00%
Active	E 656-46500-121	PERA	$0.00	$125.96	$32.67	($125.96)	0.00%
Active	E 656-46500-122	FICA	$0.00	$128.43	$33.31	($128.43)	0.00%
Active	E 656-46500-127	MN Paid Leave In	$0.00	$7.39	$1.92	($7.39)	0.00%
Active	E 656-46500-210	Operating Supplie	$1,000.00	$603.18	$218.09	$396.82	60.32%
Active	E 656-46500-211	Cleaning Supplies	$100.00	$43.42	$0.00	$56.58	43.42%
Active	E 656-46500-304	Legal Fees	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 656-46500-307	Management Fee	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 656-46500-311	Contracts/Profess	$5,000.00	$0.00	$0.00	$5,000.00	0.00%
Active	E 656-46500-315	Cont/Pro Serv - S	$5,000.00	$0.00	$0.00	$5,000.00	0.00%
Active	E 656-46500-322	Postage	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 656-46500-360	Insurance (GENE	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 656-46500-362	Property Ins	$6,000.00	$3,719.00	$0.00	$2,281.00	61.98%

CITY OF FRAZEE
*Budget YTD Rev-Exp©

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			2026 YTD Budget	2026 YTD Amt	June MTD Amt	2026 YTD Balance	% of Budget
Active	E 656-46500-381	Electric Utilities	$2,000.00	$631.96	$94.48	$1,368.04	31.60%
Active	E 656-46500-382	Water/Sewer Utilit	$2,000.00	$392.33	$66.02	$1,607.67	19.62%
Active	E 656-46500-383	Gas Utilities	$1,000.00	$556.58	$26.98	$443.42	55.66%
Active	E 656-46500-384	Refuse/Garbage	$3,000.00	$1,360.80	$226.80	$1,639.20	45.36%
Active	E 656-46500-401	Repairs/Maint Buil	$1,000.00	$1,800.99	$979.98	($800.99)	180.10%
Active	E 656-46500-430	Miscellaneous (G	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 656-46500-485	Restricted Saving	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 656-46500-500	Capital Outlay (G	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 656-47000-601	Debt Srv Bond Pri	$0.00	$0.00	$0.00	$0.00	0.00%
Active	E 656-47000-611	Bond Interest	$0.00	$0.00	$0.00	$0.00	0.00%
		Total Expenditure	($26,100.00)	($11,048.88)	($2,115.71)	($15,051.12)	42.33%
		Total EDA - East Main Retail	$83,900.00	$27,394.97	$4,246.96	$56,505.03	32.65%
Community Develoment							
		Revenues	$80,000.00	$1,097.66	$0.00	$78,902.34	1.37%
		Expenditures	$80,000.00	$33,608.70	$7,434.56	$46,391.30	42.01%
		Gain/(Loss)	$0.00	($32,511.04)	($7,434.56)	$32,511.04	0.00%
Revenue							
Active	R 700-33000	Intergovernmental Re	$40,000.00	$0.00	$0.00	$40,000.00	0.00%
Active	R 700-34950	Other Revenues	$40,000.00	$1,097.66	$0.00	$38,902.34	2.74%
		Total Revenue	$80,000.00	$1,097.66	$0.00	$78,902.34	1.37%
Expenditure							
Active	E 700-46700-103	Part-Time Employ	$51,900.00	$26,369.62	$5,919.33	$25,530.38	50.81%
Active	E 700-46700-121	PERA	$3,888.00	$1,977.74	$443.96	$1,910.26	50.87%
Active	E 700-46700-122	FICA	$3,966.00	$2,017.28	$452.84	$1,948.72	50.86%
Active	E 700-46700-127	MN Paid Leave In	$229.00	$116.02	$26.05	$112.98	50.66%
Active	E 700-46700-200	Office Supplies (G	$2,000.00	$380.36	$138.94	$1,619.64	19.02%
Active	E 700-46700-210	Operating Supplie	$1,000.00	$128.54	$0.00	$871.46	12.85%
Active	E 700-46700-300	Professional Srvs	$1,500.00	$542.03	$272.03	$957.97	36.14%
Active	E 700-46700-304	Legal Fees	$0.00	$125.00	$62.50	($125.00)	0.00%
Active	E 700-46700-321	Telephone	$2,000.00	$59.52	$9.91	$1,940.48	2.98%
Active	E 700-46700-322	Postage	$1,500.00	$4.14	$0.00	$1,495.86	0.28%
Active	E 700-46700-324	Technology/Comp	$1,300.00	$105.86	$0.00	$1,194.14	8.14%
Active	E 700-46700-331	Travel/Training Ex	$2,500.00	$1,268.74	$0.00	$1,231.26	50.75%
Active	E 700-46700-340	Advertising	$1,500.00	$0.00	$0.00	$1,500.00	0.00%
Active	E 700-46700-355	Printing & Publishi	$1,000.00	$0.00	$0.00	$1,000.00	0.00%
Active	E 700-46700-381	Electric Utilities	$1,600.00	$0.00	$0.00	$1,600.00	0.00%
Active	E 700-46700-383	Gas Utilities	$2,400.00	$0.00	$0.00	$2,400.00	0.00%
Active	E 700-46700-430	Miscellaneous (G	$517.00	$404.85	$0.00	$112.15	78.31%
Active	E 700-46700-433	Dues and Subscri	$1,200.00	$109.00	$109.00	$1,091.00	9.08%
		Total Expenditure	($80,000.00)	($33,608.70)	($7,434.56)	($46,391.30)	42.01%
		Total Community Develoment	$0.00	($32,511.04)	($7,434.56)	$32,511.04	0.00%
		Report Total	($80,164.00)	($430,791.46)	$216,363.99	$350,627.46	537.39%

CITY OF FRAZEE

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Payments

Current Period: June 2026

Payments Batch June 2026 Gen Extras $6,099.46

Refer 0 *HSABANK*		Ck# 000681E 6/18/2026	
Cash Payment	G 100-21707 Health Savings Payable	PP#12 Benefit	$769.20
Invoice			
Cash Payment	G 601-21707 Health Savings Payable	PP#12 Benefit	$96.15
Invoice			
Cash Payment	G 602-21707 Health Savings Payable	PP#12 Benefit	$192.30
Invoice			
Transaction Date 6/18/2026		Main Checking 10100	**Total** $1,057.65
Refer 0 *HSABANK*		Ck# 000682E 6/18/2026	
Cash Payment	G 100-21707 Health Savings Payable	PP#12 Withholding	$358.45
Invoice			
Cash Payment	G 601-21707 Health Savings Payable	PP#12 Withholding	$107.69
Invoice			
Cash Payment	G 602-21707 Health Savings Payable	PP#12 Withholding	$100.00
Invoice			
Transaction Date 6/18/2026		Main Checking 10100	**Total** $566.14
Refer 0 *MN PERA*		Ck# 000683E 6/2/2026	
Cash Payment	G 100-21704 PERA	PP#11 Retirement	$3,285.25
Invoice			
Cash Payment	G 200-21704 PERA	PP#11 Retirement	$8.42
Invoice			
Cash Payment	G 601-21704 PERA	PP#11 Retirement	$380.37
Invoice			
Cash Payment	G 602-21704 PERA	PP#11 Retirement	$504.41
Invoice			
Cash Payment	G 656-21704 PERA	PP#11 Retirement	$16.87
Invoice			
Cash Payment	G 700-21704 PERA	PP#11 Retirement	$280.35
Invoice			
Transaction Date 6/18/2026		Main Checking 10100	**Total** $4,475.67

Fund Summary

	10100 Main Checking
100 GENERAL FUND	$4,412.90
200 FIRE FUND	$8.42
601 WATER FUND	$584.21
602 SEWER FUND	$796.71
656 EDA - East Main Retail	$16.87
700 Community Develoment	$280.35
	$6,099.46

Pre-Written Checks	$6,099.46
Checks to be Generated by the Computer	$0.00
Total	$6,099.46

CITY OF FRAZEE

Payments

Current Period: June 2026

Payments Batch June 2026 Liq Extras $462.07

Refer	0 *MN DEPT OF REVENUE - WH*	Ck# 000467E 6/1/2026		
Cash Payment	G 609-21702 State Withholding	Liq PP# 11 - State Withholding		$153.12
Invoice				
Transaction Date	6/30/2026	Liquor Store	10101 Total	$153.12
Refer	0 *UNITED COMMUNITY BANK*	Ck# 000468E 6/1/2026		
Cash Payment	E 609-49750-200 Office Supplies (GENER	Deposit Slips		$22.22
Invoice				
Cash Payment	E 609-49751-200 Office Supplies (GENER	Deposit Slips		$22.22
Invoice				
Cash Payment	E 610-49752-200 Office Supplies (GENER	Deposit Slips		$22.21
Invoice				
Transaction Date	6/30/2026	Liquor Store	10101 Total	$66.65
Refer	0 *HSABANK*	Ck# 000469E 6/18/2026		
Cash Payment	G 609-21707 Health Savings Payable	PP#12 Benefit		$192.30
Invoice				
Transaction Date	6/30/2026	Liquor Store	10101 Total	$192.30
Refer	0 *HSABANK*	Ck# 000470E 6/18/2026		
Cash Payment	G 609-21707 Health Savings Payable	PP#12 Withholding		$50.00
Invoice				
Transaction Date	6/30/2026	Liquor Store	10101 Total	$50.00

Fund Summary

	10101 Liquor Store
609 MUNICIPAL LIQUOR FUND	$439.86
610 EVENT CENTER FUND	$22.21
	$462.07

Pre-Written Checks	$462.07
Checks to be Generated by the Computer	$0.00
Total	$462.07

CITY OF FRAZEE

Payments

Current Period: July 2026

Payments Batch 07012026LIQ1 $4,860.42

Refer	0 *MN PERA*	Ck# 000674E 7/27/2026	
Cash Payment	G 609-21704 PERA	LS - PERA	$866.39
Invoice			
Cash Payment	G 610-21704 PERA	EC - PERA	$70.22
Invoice			
Transaction Date	7/27/2026	Liquor Store 10101	Total $936.61
Refer	0 *HSABANK*	Ck# 000471E 7/30/2026	
Cash Payment	G 609-21707 Health Savings Payable	Health Savings Payable	$192.30
Invoice			
Transaction Date	7/30/2026	Liquor Store 10101	Total $192.30
Refer	0 *HSABANK*	Ck# 000472E 7/29/2026	
Cash Payment	G 609-21707 Health Savings Payable	Health Savings Payable	$50.00
Invoice			
Transaction Date	7/29/2026	Liquor Store 10101	Total $50.00
Refer	0 *MN DEPT OF REVENUE - WH*	Ck# 000474E 7/27/2026	
Cash Payment	G 609-21702 State Withholding	State Withholding	$202.33
Invoice			
Transaction Date	7/27/2026	Liquor Store 10101	Total $202.33
Refer	0 *IRS*	Ck# 000475E 7/27/2026	
Cash Payment	G 609-21701 Federal Withholding	IRS - Liq PP#15	$250.34
Invoice			
Cash Payment	G 609-21703 FICA Tax Withholding	IRS - Liq PP#15	$924.74
Invoice			
Cash Payment	G 610-21703 FICA Tax Withholding	IRS - Liq PP#15	$106.10
Invoice			
Transaction Date	7/27/2026	Liquor Store 10101	Total $1,281.18
Refer	0 *MN UI - PFML*	Ck# 000476E 7/30/2026	
Cash Payment	G 609-21713 MN Paid Leave	Paid Leave - Liq Pp #15	$56.72
Invoice			
Cash Payment	G 610-21713 MN Paid Leave	Paid Leave - Liq Pp #15	$6.10
Invoice			
Transaction Date	7/30/2026	Liquor Store 10101	Total $62.82
Refer	0 *MN UI - PFML*	Ck# 000477E 7/29/2026	
Cash Payment	G 609-21713 MN Paid Leave	Paid Leave - Liq PP #8	$45.38
Invoice			
Cash Payment	G 610-21713 MN Paid Leave	Paid Leave - Liq PP #8	$6.00
Invoice			
Transaction Date	7/29/2026	Liquor Store 10101	Total $51.38
Refer	0 *MN UI - PFML*	Ck# 000478E 7/29/2026	
Cash Payment	G 609-21713 MN Paid Leave	MN Paid Leave - Liw PP # 7	$48.56
Invoice			
Cash Payment	G 610-21713 MN Paid Leave	MN Paid Leave - Liw PP # 7	$4.02
Invoice			
Transaction Date	7/29/2026	Liquor Store 10101	Total $52.58
Refer	0 *MERCHANT BANK*	Ck# 000479E 7/31/2026	
Cash Payment	E 609-49750-433 Dues and Subscriptions	CC Fees July	$1,015.61
Invoice			
Cash Payment	E 609-49751-433 Dues and Subscriptions	CC Fees July	$1,015.61
Invoice			

CITY OF FRAZEE

Payments

Current Period: July 2026

Transaction Date	7/31/2026	Liquor Store	10101	Total	$2,031.22

Fund Summary

	10101 Liquor Store
609 MUNICIPAL LIQUOR FUND	$4,667.98
610 EVENT CENTER FUND	$192.44
	$4,860.42

Pre-Written Checks	$4,860.42
Checks to be Generated by the Computer	$0.00
Total	$4,860.42

CITY OF FRAZEE

Payments

Current Period: August 2026

Payments Batch 08122026LIQ1 $27,944.61

Refer	0 GIOVANNIS FROZEN PIZZA		_			
Cash Payment	E 609-49751-260 Pizza for Resale		Pizza For Resale			$405.60
Invoice 0307212621		7/21/2026				
Cash Payment	E 609-49751-260 Pizza for Resale		Pizza For Resale			$240.25
Invoice 0308042620		8/4/2026				
Transaction Date	8/12/2026		Liquor Store	10101	Total	$645.85
Refer	0 JOHNSON BROTHERS LIQUOR CO		_			
Cash Payment	E 609-49751-251 Liquor For Resale		Liquor For Resale			$94.12
Invoice 1101338		7/21/2026				
Cash Payment	E 609-49750-251 Liquor For Resale		Liquor For Resale			$1,063.52
Invoice 1101337		7/21/2026				
Cash Payment	E 609-49750-251 Liquor For Resale		Liquor For Resale			$220.15
Invoice						
Transaction Date	8/12/2026		Liquor Store	10101	Total	$1,377.79
Refer	0 PHILLIPS WINE & SPIRITS		_			
Cash Payment	E 609-49750-253 Wine For Resale		Wine For Resale			$35.08
Invoice 5208096		7/21/2026				
Cash Payment	E 609-49750-251 Liquor For Resale		Liquor For Resale			$638.16
Invoice 5208096		7/21/2026				
Cash Payment	E 609-49751-251 Liquor For Resale		Liquor For Resale			$92.36
Invoice 5215444		8/4/2026				
Cash Payment	E 609-49750-253 Wine For Resale		Wine For Resale			$125.04
Invoice 5215444		8/4/2026				
Cash Payment	E 609-49750-251 Liquor For Resale		Liquor For Resale			$342.11
Invoice 5215444		8/4/2026				
Cash Payment	E 609-49750-253 Wine For Resale		Wine For Resale			$97.08
Invoice 5211634		7/28/2026				
Cash Payment	E 609-49750-251 Liquor For Resale		Liquor For Resale			$492.30
Invoice 5211634		7/28/2026				
Transaction Date	8/12/2026		Liquor Store	10101	Total	$1,822.13
Refer	0 HARRYS PIZZA LLC		_			
Cash Payment	E 609-49751-260 Pizza for Resale		Pizza For Resale			$51.00
Invoice 87901		7/22/2026				
Transaction Date	8/12/2026		Liquor Store	10101	Total	$51.00
Refer	0 BUCKS MILL BREWING		_			
Cash Payment	E 609-49750-252 Beer For Resale		Beer For Resale			$81.60
Invoice 072226c		7/22/2026				
Transaction Date	8/12/2026		Liquor Store	10101	Total	$81.60
Refer	0 BREAKTHRU BEVERAGE		_			
Cash Payment	E 609-49750-253 Wine For Resale		Wine For Resale			$293.55
Invoice 128026647		7/22/2026				
Cash Payment	E 609-49750-251 Liquor For Resale		Liquor For Resale			$83.05
Invoice 128026647		7/22/2026				
Transaction Date	8/12/2026		Liquor Store	10101	Total	$376.60
Refer	0 BEVERAGE WHOLESALERS, INC		_			
Cash Payment	E 609-49751-252 Beer For Resale		Beer For Resale			$163.50
Invoice 972864		7/23/2026				
Cash Payment	E 609-49750-252 Beer For Resale		Beer For Resale			$1,014.40
Invoice 972864		7/23/2026				

CITY OF FRAZEE
Payments

Current Period: August 2026

Cash Payment	E 609-49751-252 Beer For Resale	Beer For Resale		$163.50
Invoice 972865	7/23/2026			
Cash Payment	E 609-49750-252 Beer For Resale	Beer For Resale		$968.00
Invoice 972865	7/23/2026			
Cash Payment	E 609-49751-252 Beer For Resale	Beer For Resale - CREDIT		-$65.40
Invoice 446793	7/23/2026			
Cash Payment	E 609-49750-252 Beer For Resale	Beer For Resale		$1,331.65
Invoice 446793	7/23/2026			
Transaction Date	8/12/2026	Liquor Store 10101	Total	$3,575.65
Refer	0 *CITY OF FRAZEE*	_		
Cash Payment	G 609-21706 Insurance Payable	Ins Reimb Gen Fund LS		$2,086.96
Invoice	8/1/2026			
Transaction Date	7/28/2026	Liquor Store 10101	Total	$2,086.96
Refer	0 *MN ENERGY RESOURCES*	Ck# 000473E 8/13/2026		
Cash Payment	E 610-49752-383 Gas Utilities	Gas Utilities		$117.19
Invoice				
Transaction Date	8/13/2026	Liquor Store 10101	Total	$117.19
Refer	0 *AMANDA BLANCHARD*	_		
Cash Payment	E 609-49751-321 Telephone	Cell Phone Stipend April - June 2026		$150.00
Invoice				
Transaction Date	7/30/2026	Liquor Store 10101	Total	$150.00
Refer	0 *JOLENE TAPPE*	_		
Cash Payment	E 610-49752-321 Telephone	Cell Phone Stipend April - June 2026		$150.00
Invoice				
Transaction Date	7/30/2026	Liquor Store 10101	Total	$150.00
Refer	0 *CINTAS CORP*	_		
Cash Payment	E 609-49751-210 Operating Supplies (GE	Operatng Supplies		$16.14
Invoice 4276965191	7/27/2026			
Cash Payment	E 609-49750-210 Operating Supplies (GE	Operating Supplies		$16.15
Invoice 4276965191	7/27/2026			
Cash Payment	E 609-49751-211 Cleaning Supplies	Cleaning Supplies		$69.49
Invoice 4276965191	7/27/2026			
Transaction Date	8/12/2026	Liquor Store 10101	Total	$101.78
Refer	0 *DACOTAH PAPER CO*	_		
Cash Payment	E 609-49751-210 Operating Supplies (GE	Operating Supplies '		$128.91
Invoice 16337	7/27/2026			
Transaction Date	8/12/2026	Liquor Store 10101	Total	$128.91
Refer	0 *D-S BEVERAGES, INC*	_		
Cash Payment	E 609-49750-252 Beer For Resale	Beer For Resale		$1,304.75
Invoice 988122	7/29/2026			
Cash Payment	E 609-49750-252 Beer For Resale	Beer For Resale		-$240.17
Invoice 1782-01205	7/29/2026			
Cash Payment	E 609-49751-252 Beer For Resale	Beer For Resale		$315.00
Invoice 986088	7/22/2026			
Cash Payment	E 609-49750-256 THC/CBD For Resale	THC/CBD For Resale		$281.80
Invoice 986088	7/22/2026			
Cash Payment	E 609-49751-252 Beer For Resale	Beer For Resale		$1,048.00
Invoice 986088	7/22/2026			
Cash Payment	E 609-49750-252 Beer For Resale	Beer For Resale		$3,785.05
Invoice 986088	7/22/2026			
Transaction Date	8/12/2026	Liquor Store 10101	Total	$6,494.43

Current Period: August 2026

Refer	0 *BERGSETH BROS*	_			
Cash Payment	E 609-49750-252 Beer For Resale	Beer For Resale			$2,484.55
Invoice 533652	7/23/2026				
Cash Payment	E 609-49750-252 Beer For Resale	Beer For Resale			$3,310.90
Invoice 535041	7/30/2026				
Cash Payment	E 609-49750-256 THC/CBD For Resale	THC/CBD For Resal			$211.90
Invoice 336-03951	8/4/2006				
Transaction Date	8/12/2026	Liquor Store	10101	Total	$6,007.35
Refer	0 *ANDERSON PUMPING AND PORTA*	_			
Cash Payment	E 609-49751-210 Operating Supplies (GE	Turkey Days Portable			$375.00
Invoice 47898	7/31/2026				
Transaction Date	8/12/2026	Liquor Store	10101	Total	$375.00
Refer	0 *BELLBOY CORPORATION*	_			
Cash Payment	E 609-49751-251 Liquor For Resale	Liquor For Resale			$538.80
Invoice 0212157400	7/30/2026				
Cash Payment	E 609-49750-251 Liquor For Resale	Liquor For Resale			$288.10
Invoice 0212157400	7/30/2026				
Transaction Date	8/12/2026	Liquor Store	10101	Total	$826.90
Refer	0 *BREAKTHRU BEVERAGE*	_			
Cash Payment	E 609-49750-251 Liquor For Resale	Liquor For Resale			$483.46
Invoice 128238330	8/5/2026				
Transaction Date	8/12/2026	Liquor Store	10101	Total	$483.46
Refer	0 *SOUTHERN GLAZERS OF MN*	Ck# 000480E 8/13/2026			
Cash Payment	E 609-49750-253 Wine For Resale	Wine For Resale			$393.84
Invoice 2787435	7/31/2026				
Cash Payment	E 609-49751-251 Liquor For Resale	Liquor For Resale			$100.85
Invoice 2787435	7/31/2026				
Transaction Date	8/13/2026	Liquor Store	10101	Total	$494.69
Refer	0 *MATT BACHMANN*	_			
Cash Payment	E 609-49751-314 Cont/Pro Serv - Entertai	Karaoke - 8/28/2026			$300.00
Invoice					
Transaction Date	8/13/2026	Liquor Store	10101	Total	$300.00
Refer	0 *OTTERTAIL POWER*	_			
Cash Payment	E 609-49750-381 Electric Utilities	Electric Utilites			$590.63
Invoice					
Cash Payment	E 609-49751-381 Electric Utilities	Electric Utilites			$590.62
Invoice					
Cash Payment	E 610-49752-381 Electric Utilities	Electric Utilites			$975.18
Invoice					
Transaction Date	8/5/2026	Liquor Store	10101	Total	$2,156.43
Refer	0 *MN ENERGY RESOURCES*	Ck# 000481E 8/13/2026			
Cash Payment	E 609-49750-383 Gas Utilities	Gas Utilities			$24.16
Invoice					
Cash Payment	E 609-49751-383 Gas Utilities	Gas Utilities			$24.16
Invoice					
Transaction Date	8/13/2026	Liquor Store	10101	Total	$48.32
Refer	0 *MN ENERGY RESOURCES*	Ck# 000482E 8/13/2026			
Cash Payment	E 610-49752-383 Gas Utilities	Gas Utilities			$46.82
Invoice					
Transaction Date	8/13/2026	Liquor Store	10101	Total	$46.82
Refer	0 *FRAZEE FAMILY FOODS*	_			

CITY OF FRAZEE

Payments

Current Period: August 2026

Cash Payment	E 610-49752-210	Operating Supplies (GE	Coke & Sprite	$18.45
Invoice				
Cash Payment	E 609-49751-259	Food for Resale	Lipt Onion Soup	$9.87
Invoice				
Cash Payment	E 609-49751-259	Food for Resale	Hvy Whip Cream	$9.45
Invoice				
Cash Payment	E 609-49751-259	Food for Resale	Cottage Cheese	$7.98
Invoice				
Transaction Date	8/6/2026	Liquor Store	10101 **Total**	$45.75

Fund Summary

	10101 Liquor Store
609 MUNICIPAL LIQUOR FUND	$26,636.97
610 EVENT CENTER FUND	$1,307.64
	$27,944.61

Pre-Written Checks	$707.02
Checks to be Generated by the Computer	$27,237.59
Total	$27,944.61

CITY OF FRAZEE

Payments

Current Period: August 2026

Payments Batch 08122026GEN1 $200,765.08

Refer	0 *POTTY SHACKS*	_			
Cash Payment	E 202-45000-300 Professional Srvs (GEN	Biff Rental/Srvc - 6/18, 23,30,7/7,14/26			$540.00
Invoice 07-21074	7/16/2026				
Transaction Date	7/28/2026	Main Checking	10100	Total	$540.00
Refer	0 *AUTO VALUE - DETROIT LAKES*	_			
Cash Payment	E 100-43100-210 Operating Supplies (GE	Operating Supplies - Oxygen 122cf			$37.43
Invoice 53663800	7/27/2026				
Transaction Date	7/28/2026	Main Checking	10100	Total	$37.43
Refer	0 *COLONIAL LIFE & ACCIDENT INS C*	_			
Cash Payment	G 601-21709 Aflac/Colonial Life	Colonial Life			$63.24
Invoice	7/14/2026				
Transaction Date	7/28/2026	Main Checking	10100	Total	$63.24
Refer	0 *BLACK DOG PROPERTY SERVICE*	_			
Cash Payment	E 100-49010-311 Contracts/Professional S	Lawn Service Lakeside Cem			$960.00
Invoice	7/28/2026				
Transaction Date	8/12/2026	Main Checking	10100	Total	$960.00
Refer	0 *ANDERSON BUS AND COACH INC*	_			
Cash Payment	E 200-42200-212 Motor Fuels	Motor Fuel - Fire			$5,654.84
Invoice 107	7/17/2026				
Transaction Date	8/12/2026	Main Checking	10100	Total	$5,654.84
Refer	0 *LAKES COUNTRY SERVICE COOP*	Ck# 000675E 8/3/2026			
Cash Payment	G 100-21706 Insurance Payable	Insurance Payable			$9,242.24
Invoice	8/3/2026				
Cash Payment	G 601-21706 Insurance Payable	Insurance Payable			$745.34
Invoice	8/3/2026				
Cash Payment	G 602-21706 Insurance Payable	Insurance Payable			$2,086.96
Invoice	8/3/2026				
Transaction Date	8/3/2026	Main Checking	10100	Total	$12,074.54
Refer	0 *BAUMGART AUTO REPAIR LLC*	_			
Cash Payment	E 100-42110-406 Repairs/Maint Vehicles	2014 Ford - PD Interceptor Utility Base			$37.50
Invoice					
Transaction Date	7/30/2026	Main Checking	10100	Total	$37.50
Refer	0 *TYLER TRIEGLAFF*	_			
Cash Payment	E 100-42110-321 Telephone	April - June 2026 Cell Phone Stipened			$150.00
Invoice					
Transaction Date	7/29/2026	Main Checking	10100	Total	$150.00
Refer	0 *KEVIN RENOLLET*	_			
Cash Payment	E 100-43100-321 Telephone	April - Julne 2026 Cell Phone Stipened			$150.00
Invoice					
Transaction Date	7/29/2026	Main Checking	10100	Total	$150.00
Refer	0 *STEPHANIE POEGEL*	_			
Cash Payment	E 100-41400-321 Telephone	April - June 2026 Cell Phone Stipened			$150.00
Invoice					
Transaction Date	7/29/2026	Main Checking	10100	Total	$150.00
Refer	0 *SCOTT LUHMAN*	_			
Cash Payment	E 100-42110-321 Telephone	April - June 2026 Cell Phone Stipened			$150.00
Invoice					
Transaction Date	7/29/2026	Main Checking	10100	Total	$150.00

CITY OF FRAZEE

Payments

Current Period: August 2026

Refer	0 *TINA HANSMEIER*	_		
Cash Payment	E 100-41400-321 Telephone	April - June 2026 Cell Phone Stipened		$150.00
Invoice				
Transaction Date	7/29/2026	Main Checking 10100	Total	$150.00
Refer	0 *JESSE GROSSMAN*	_		
Cash Payment	E 100-43100-321 Telephone	April - June 2026 Cell Phone Stipened		$150.00
Invoice				
Transaction Date	7/29/2026	Main Checking 10100	Total	$150.00
Refer	0 *BRET ANDERSON*	_		
Cash Payment	E 100-42110-321 Telephone			$150.00
Invoice				
Transaction Date	7/29/2026	Main Checking 10100	Total	$150.00
Refer	0 *MN ENERGY RESOURCES*	Ck# 000695E 8/13/2026		
Cash Payment	E 601-49400-383 Gas Utilities	Gas Utilities		$19.33
Invoice				
Transaction Date	8/13/2026	Main Checking 10100	Total	$19.33
Refer	0 *MN ENERGY RESOURCES*	Ck# 000696E 8/13/2026		
Cash Payment	E 654-46500-383 Gas Utilities	Gas Utilities		$48.32
Invoice				
Transaction Date	8/13/2026	Main Checking 10100	Total	$48.32
Refer	0 *MN ENERGY RESOURCES*	Ck# 000697E 7/30/2026		
Cash Payment	E 100-41400-383 Gas Utilities	Gas Utilities		$35.55
Invoice				
Cash Payment	E 200-42200-383 Gas Utilities	Gas Utilities		$35.55
Invoice				
Transaction Date	8/13/2026	Main Checking 10100	Total	$71.10
Refer	0 *SIMPLE WEBSITE CREATIONS, IN*	_		
Cash Payment	E 100-41400-324 Technology/Computer E	Alter Trky Dys Nav - Permit Appr		$24.50
Invoice 10388	8/5/2026			
Transaction Date	8/12/2006	Main Checking 10100	Total	$24.50
Refer	0 *SUNDHEIM WINDOW CLEANING LL*	_		
Cash Payment	E 100-41400-311 Contracts/Professional S	City Hall - Window Cleaning		$80.00
Invoice	8/3/2026			
Transaction Date	8/12/2026	Main Checking 10100	Total	$80.00
Refer	0 *DAVID DROWN AASSOCIATES, IN*	_		
Cash Payment	E 651-46500-300 Professional Srvs (GEN	ED Cons Srvc 2025 TIF Reports		$3,000.00
Invoice 6480	7/31/2026			
Transaction Date	8/12/2026	Main Checking 10100	Total	$3,000.00
Refer	0 *VADIM MUNICIPAL SOFTWARE IN*	_		
Cash Payment	E 100-41400-311 Contracts/Professional S	Bank Draft Maint		$538.42
Invoice 467948	7/15/2026			
Transaction Date	8/12/2026	Main Checking 10100	Total	$538.42
Refer	0 *ULTEIG OPERATIONS*	_		
Cash Payment	E 408-43100-303 Engineering Fees	Frazee - 2026 St/Utlty Improv - Proj Detail		$13,520.36
Invoice ARIV1096763	7/27/2026			
Cash Payment	E 408-43100-303 Engineering Fees	Frazee - 2026 St/Utlty Improv - Const Srvc		$77,150.20
Invoice ARIV1096763	7/27/2026			
Cash Payment	E 405-49450-303 Engineering Fees	Frazee - Swr/Main Lft Impr - Add Srvc		$8,825.00
Invoice ARIV1096763	7/27/2026			

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Cash Payment	E 405-49450-303	Engineering Fees	Frazee - Sntry Swr/Main Lft Stn Imrov		$50,070.00
Invoice ARIV1096763		7/27/2026			
Transaction Date	8/12/2026		Main Checking 10100	Total	$147,565.56
Refer	0 *MCFOA REGION 1*				
Cash Payment	E 100-41400-331	Travel/Training Expense	Reg 1 Mtg/Trning Aug 14, 2026		$25.00
Invoice					
Transaction Date	8/12/2026		Main Checking 10100	Total	$25.00
Refer	0 *MN DEPT OF NATURAL RESOURC*				
Cash Payment	E 405-49450-433	Dues and Subscriptions	Lics - #UWAT014627		$237.00
Invoice		7/20/2026			
Transaction Date	8/12/2026		Main Checking 10100	Total	$237.00
Refer	0 *STEVES SANITATION*				
Cash Payment	E 100-43100-384	Refuse/Garbage Dispos	Refuse/Garbage Disposal - PW		$134.62
Invoice					
Cash Payment	E 100-45200-384	Refuse/Garbage Dispos	Refuse/Garbage Disposal - Parks		$134.62
Invoice					
Cash Payment	E 100-49500-312	Cont/Pro Serv - Refuse/	Residential Garbage		$14,930.26
Invoice					
Cash Payment	E 654-46500-384	Refuse/Garbage Dispos	Refuse/Garbage Disposal - Mahube		$7.00
Invoice					
Cash Payment	E 656-46500-384	Refuse/Garbage Dispos	Refuse/Garbage Disposal - EMR		$226.80
Invoice					
Cash Payment	E 100-41400-384	Refuse/Garbage Dispos	Refuse/Garbage Disposal - City Admin		$32.31
Invoice					
Cash Payment	E 200-42200-384	Refuse/Garbage Dispos	Refuse/Garbage Disposal - Fire Hall		$43.95
Invoice					
Transaction Date	8/12/2026		Main Checking 10100	Total	$15,509.56
Refer	0 *OTTERTAIL POWER*				
Cash Payment	E 656-46500-381	Electric Utilities	Electric Utilites		$99.34
Invoice					
Cash Payment	E 654-46500-381	Electric Utilities	Electric Utilites		$277.06
Invoice					
Cash Payment	E 100-41400-381	Electric Utilities	Electric Utilites		$255.29
Invoice					
Cash Payment	E 200-42200-381	Electric Utilities	Electric Utilites		$255.28
Invoice					
Cash Payment	E 100-42110-381	Electric Utilities	Electric Utilites		$170.43
Invoice					
Cash Payment	E 100-45200-381	Electric Utilities	Electric Utilites		$510.94
Invoice					
Cash Payment	E 100-43160-381	Electric Utilities	Electric Utilites		$1,732.95
Invoice					
Cash Payment	E 601-49400-381	Electric Utilities	Electric Utilites		$787.08
Invoice					
Cash Payment	E 602-49450-381	Electric Utilities	Electric Utilites		$367.39
Invoice					
Cash Payment	E 100-43100-381	Electric Utilities	Electric Utilites		$338.08
Invoice					
Cash Payment	E 100-49010-381	Electric Utilities	Electric Utilites		$26.63
Invoice					
Transaction Date	8/12/2026		Main Checking 10100	Total	$4,820.47
Refer	0 *VERIZON*				

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Cash Payment	E 100-42110-321 Telephone	Telephone				$49.56
Invoice 6149394086	7/23/2026					
Cash Payment	E 100-42110-322 Postage	Telephone				$105.03
Invoice 6149339600	7/23/2026					
Cash Payment	E 100-43100-321 Telephone	Telephone				$24.78
Invoice 6149394086	7/23/2026					
Cash Payment	E 602-49450-321 Telephone	Telephone				$24.78
Invoice 6149394086	7/23/2026					
Transaction Date 8/12/2026		Main Checking	10100		Total	$204.15
Refer	0 *LEIGHTON BROADCASTING-DETR*					
Cash Payment	E 700-46700-300 Professional Srvs (GEN	Com Sponsor w/ profile - 7/23/26				$135.00
Invoice 262145-7	7/31/2026					
Transaction Date 8/12/2026		Main Checking	10100		Total	$135.00
Refer	0 *FRAZEE ELECTRIC, INC*					
Cash Payment	E 200-42200-401 Repairs/Maint Buildings	Replace Ceiling Fans - Fire				$807.91
Invoice 14504	7/23/2026					
Cash Payment	E 200-42200-401 Repairs/Maint Buildings	Add Pressure Washer Recept				$2,546.96
Invoice 14505	7/23/2026					
Transaction Date 8/12/2026		Main Checking	10100		Total	$3,354.87
Refer	0 *LAMB GARAGE DOOR SERVICE*					
Cash Payment	E 200-42200-401 Repairs/Maint Buildings	Adj Clutch, Lubed Door				$125.00
Invoice 2703	7/20/2026					
Transaction Date 8/12/2026		Main Checking	10100		Total	$125.00
Refer	0 *OK LUMBER & HARDWARE*					
Cash Payment	E 100-43100-240 Small Tools and Minor E	Small Tools				$6.49
Invoice 60319	6/1/2026					
Cash Payment	E 100-45200-401 Repairs/Maint Buildings	Repairs/Main				$8.00
Invoice 60319	6/1/2026					
Cash Payment	E 601-49400-210 Operating Supplies (GE	Operating Supplies				$7.00
Invoice 60319	6/1/2026					
Cash Payment	E 601-49400-404 Repairs/Maint Machinery	Repairs/ Main				$20.95
Invoice 60319	6/1/2026					
Cash Payment	E 100-43100-240 Small Tools and Minor E	Small Tools				$4.49
Invoice 60319	6/1/2026					
Cash Payment	E 100-45201-401 Repairs/Maint Buildings	Repairs/Main				$9.98
Invoice 60319	6/1/2026					
Cash Payment	E 100-45200-401 Repairs/Maint Buildings	Repairs/Main				$4.49
Invoice 60319	6/1/2026					
Cash Payment	E 100-43100-240 Small Tools and Minor E	Small Tools				$17.99
Invoice 60319	6/1/2026					
Cash Payment	E 100-43100-240 Small Tools and Minor E	Small Tools				$3.75
Invoice 60319	6/1/2026					
Cash Payment	E 100-43100-240 Small Tools and Minor E	Small Tools				$2.70
Invoice 60319	6/1/2026					
Cash Payment	E 100-43100-240 Small Tools and Minor E	Small Tools				$0.75
Invoice 60319	6/1/2026					
Cash Payment	E 100-43100-210 Operating Supplies (GE	Operating Supplies				$4.98
Invoice 60319	6/1/2026					
Cash Payment	E 100-43100-210 Operating Supplies (GE	Operating Supplies				$7.50
Invoice 60319	6/1/2026					
Cash Payment	E 100-43100-210 Operating Supplies (GE	Operating Supplies				$6.00
Invoice 60319	6/1/2026					
Transaction Date 8/12/2026		Main Checking	10100		Total	$105.07

CITY OF FRAZEE

Payments

Current Period: August 2026

Refer	0 *AUTO VALUE - DETROIT LAKES*			
Cash Payment	E 100-43100-407 Repairs/Maint Equipmen	Oil Filters		$38.32
Invoice 53663382	7/22/2026			
Cash Payment	E 100-43100-210 Operating Supplies (GE	Dbl Coated Acrylic		$20.99
Invoice 53663382	7/22/2026			
Transaction Date	8/12/2026	Main Checking 10100	Total	$59.31
Refer	0 *RMB ENVIRONMENTAL LABORATO*			
Cash Payment	E 602-49450-313 Samples/Testing			$589.38
Invoice D092381	7/21/2026			
Transaction Date	8/12/2026	Main Checking 10100	Total	$589.38
Refer	0 *ORTON OIL COMPANY*			
Cash Payment	E 100-42110-406 Repairs/Maint Vehicles	PD Car Wash		$85.58
Invoice				
Cash Payment	E 100-42110-212 Motor Fuels	PD Fuel		$1,338.00
Invoice				
Cash Payment	E 100-43100-212 Motor Fuels	Streets Fuel		$983.75
Invoice				
Cash Payment	E 100-45200-212 Motor Fuels	Parks Fuel		$589.75
Invoice				
Cash Payment	E 601-49400-212 Motor Fuels	Water Fuel		$293.04
Invoice				
Cash Payment	E 602-49450-212 Motor Fuels	Sewer Fuel		$203.52
Invoice				
Cash Payment	E 200-42200-212 Motor Fuels	Fire Fuel		$94.60
Invoice				
Cash Payment	E 201-42300-406 Repairs/Maint Vehicles	Rescue Fuel		$129.00
Invoice				
Cash Payment	E 201-42300-212 Motor Fuels	Rescue Car Wash		$17.00
Invoice				
Transaction Date	8/12/2026	Main Checking 10100	Total	$3,734.24
Refer	0 *GOPHER STATE ONE CALL*			
Cash Payment	E 100-43100-433 Dues and Subscriptions	78 Tickets		$101.25
Invoice 6070410	7/31/2026			
Transaction Date	8/12/2026	Main Checking 10100	Total	$101.25

CITY OF FRAZEE

Payments

Current Period: August 2026

Fund Summary

	10100 Main Checking
100 GENERAL FUND	$33,710.90
200 FIRE FUND	$9,564.09
201 RESCUE FUND	$146.00
202 WANNIGAN REGIONAL PARK	$540.00
405 CAP PROJ - LIFT STATIONS 2026	$57,132.00
408 CAP PROJ - 2026 UTILITY RECONS	$90,670.56
601 WATER FUND	$1,935.98
602 SEWER FUND	$3,272.03
651 ECONOMIC DEVELOPMENT AUTHORITY	$3,000.00
654 EDA - BUSINESS CENTER	$332.38
656 EDA - East Main Retail	$326.14
700 Community Develoment	$135.00
	$200,765.08

Pre-Written Checks	$12,213.29
Checks to be Generated by the Computer	$188,551.79
Total	$200,765.08

CITY OF FRAZEE

Payments

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Payments Batch 07012026GEN1 $12,664.79

Refer	0 *MN PERA*	Ck# 000684E 7/27/2026	
Cash Payment	G 100-21704 PERA	PERA - Gen Pp # 15	$3,233.42
Invoice			
Cash Payment	G 200-21704 PERA	PERA - Gen Pp # 15	$15.25
Invoice			
Cash Payment	G 601-21704 PERA	PERA - Gen Pp # 15	$377.10
Invoice			
Cash Payment	G 602-21704 PERA	PERA - Gen Pp # 15	$524.33
Invoice			
Cash Payment	G 656-21704 PERA	PERA - Gen Pp # 15	$30.48
Invoice			
Cash Payment	G 700-21704 PERA	PERA - Gen Pp # 15	$280.35
Invoice			
Transaction Date 7/27/2026		Main Checking 10100	**Total** $4,460.93
Refer	0 *MN DEPT OF REVENUE - WH*	Ck# 000685E 7/27/2026	
Cash Payment	G 100-21702 State Withholding	State WH - Gen PP#15	$777.24
Invoice			
Cash Payment	G 601-21702 State Withholding	State WH - Gen PP#15	$131.68
Invoice			
Cash Payment	G 602-21702 State Withholding	State WH - Gen PP#15	$141.73
Invoice			
Cash Payment	G 700-21702 State Withholding	State WH - Gen PP#15	$82.59
Invoice			
Transaction Date 7/27/2026		Main Checking 10100	**Total** $1,133.24
Refer	0 *IRS*	Ck# 000686E 7/27/2026	
Cash Payment	G 100-21701 Federal Withholding	IRS - Gen PP#15	$1,114.75
Invoice			
Cash Payment	G 100-21703 FICA Tax Withholding	IRS - Gen PP#15	$1,580.26
Invoice			
Cash Payment	G 200-21701 Federal Withholding	IRS - Gen PP#15	$8.72
Invoice			
Cash Payment	G 200-21703 FICA Tax Withholding	IRS - Gen PP#15	$16.66
Invoice			
Cash Payment	G 601-21701 Federal Withholding	IRS - Gen PP#15	$203.00
Invoice			
Cash Payment	G 601-21703 FICA Tax Withholding	IRS - Gen PP#15	$392.52
Invoice			
Cash Payment	G 602-21701 Federal Withholding	IRS - Gen PP#15	$296.19
Invoice			
Cash Payment	G 602-21703 FICA Tax Withholding	IRS - Gen PP#15	$501.20
Invoice			
Cash Payment	G 656-21701 Federal Withholding	IRS - Gen PP#15	$17.46
Invoice			
Cash Payment	G 656-21703 FICA Tax Withholding	IRS - Gen PP#15	$33.30
Invoice			
Cash Payment	G 700-21701 Federal Withholding	IRS - Gen PP#15	$140.84
Invoice			
Cash Payment	G 700-21703 FICA Tax Withholding	IRS - Gen PP#15	$306.40
Invoice			
Transaction Date 7/27/2026		Main Checking 10100	**Total** $4,611.30
Refer	0 *MN UI - PFML*	Ck# 000687E 7/29/2026	

Current Period: July 2026

Cash Payment	G 100-21713 MN Paid Leave	MN Paid Leave	$7.78
Invoice			
Cash Payment	G 200-21713 MN Paid Leave	MN Paid Leave	$5.80
Invoice			
Transaction Date 7/29/2026		Main Checking 10100 Total	$13.58
Refer 0 *MN UI - PFML*		Ck# 000688E 7/27/2026	
Cash Payment	G 100-21713 MN Paid Leave	Mn Paid Leave	$164.46
Invoice			
Cash Payment	G 200-21713 MN Paid Leave	Mn Paid Leave	$0.78
Invoice			
Cash Payment	G 601-21713 MN Paid Leave	Mn Paid Leave	$22.92
Invoice			
Cash Payment	G 602-21713 MN Paid Leave	Mn Paid Leave	$31.06
Invoice			
Cash Payment	G 656-21713 MN Paid Leave	Mn Paid Leave	$1.56
Invoice			
Cash Payment	G 700-21713 MN Paid Leave	Mn Paid Leave	$16.92
Invoice			
Transaction Date 7/27/2026		Main Checking 10100 Total	$237.70
Refer 0 *MN UI - PFML*		Ck# 000689E 7/30/2026	
Cash Payment	G 100-21713 MN Paid Leave	Mn Paid Leave - Gen PP #14	$163.28
Invoice			
Cash Payment	G 200-21713 MN Paid Leave	Mn Paid Leave - Gen PP #14	$0.84
Invoice			
Cash Payment	G 601-21713 MN Paid Leave	Mn Paid Leave - Gen PP #14	$24.94
Invoice			
Cash Payment	G 602-21713 MN Paid Leave	Mn Paid Leave - Gen PP #14	$33.38
Invoice			
Cash Payment	G 656-21713 MN Paid Leave	Mn Paid Leave - Gen PP #14	$1.66
Invoice			
Cash Payment	G 700-21713 MN Paid Leave	Mn Paid Leave - Gen PP #14	$19.18
Invoice			
Transaction Date 7/29/2026		Main Checking 10100 Total	$243.28
Refer 0 *MN UI - PFML*		Ck# 000690E 7/27/2026	
Cash Payment	G 100-21713 MN Paid Leave	MN Paid Leave - Gen PP #15	$164.72
Invoice			
Cash Payment	G 200-21713 MN Paid Leave	MN Paid Leave - Gen PP #15	$0.96
Invoice			
Cash Payment	G 601-21713 MN Paid Leave	MN Paid Leave - Gen PP #15	$23.70
Invoice			
Cash Payment	G 602-21713 MN Paid Leave	MN Paid Leave - Gen PP #15	$32.96
Invoice			
Cash Payment	G 656-21713 MN Paid Leave	MN Paid Leave - Gen PP #15	$1.92
Invoice			
Cash Payment	G 700-21713 MN Paid Leave	MN Paid Leave - Gen PP #15	$17.62
Invoice			
Transaction Date 7/27/2026		Main Checking 10100 Total	$241.88
Refer 0 *MN UI - PFML*		Ck# 000691E 7/30/2026	
Cash Payment	G 100-21713 MN Paid Leave	MN Paid Leave - Monthly PP # 7	$7.78
Invoice			
Cash Payment	G 200-21713 MN Paid Leave	MN Paid Leave - Monthly PP # 7	$5.80
Invoice			
Transaction Date 7/27/2026		Main Checking 10100 Total	$13.58

CITY OF FRAZEE

Payments

Current Period: July 2026

Refer	0 *MN UI - PFML*	Ck# 000692E 7/29/2026		
Cash Payment	G 100-21713 MN Paid Leave	MN Paid Leave - Gen PP #8		$136.02
Invoice				
Cash Payment	G 200-21713 MN Paid Leave	MN Paid Leave - Gen PP #8		$0.56
Invoice				
Cash Payment	G 601-21713 MN Paid Leave	MN Paid Leave - Gen PP #8		$22.26
Invoice				
Cash Payment	G 602-21713 MN Paid Leave	MN Paid Leave - Gen PP #8		$30.64
Invoice				
Cash Payment	G 656-21713 MN Paid Leave	MN Paid Leave - Gen PP #8		$1.10
Invoice				
Cash Payment	G 700-21713 MN Paid Leave	MN Paid Leave - Gen PP #8		$16.88
Invoice				
Transaction Date	7/29/2026	Main Checking 10100	Total	$207.46
Refer	0 *HSABANK*	Ck# 000693E 7/29/2026		
Cash Payment	G 100-21707 Health Savings Payable	Health Savings Payable		$576.90
Invoice	12/17/1960			
Cash Payment	G 601-21707 Health Savings Payable	Health Savings Payable		$96.15
Invoice	12/17/1960			
Cash Payment	G 602-21707 Health Savings Payable	Health Savings Payable		$192.30
Invoice	12/17/1960			
Transaction Date	7/29/2026	Main Checking 10100	Total	$865.35
Refer	0 *HSABANK*	Ck# 000694E 7/29/2029		
Cash Payment	G 100-21707 Health Savings Payable	Health Savings Payable		$358.45
Invoice				
Cash Payment	G 601-21707 Health Savings Payable	Health Savings Payable		$107.69
Invoice				
Cash Payment	G 602-21707 Health Savings Payable	Health Savings Payable		$100.00
Invoice				
Transaction Date	7/29/2026	Main Checking 10100	Total	$566.14
Refer	0 *TASC LLC*	Ck# 000678E 7/28/2026		
Cash Payment	E 100-41400-433 Dues and Subscriptions	Dues and Subscriptions		$41.19
Invoice IN3795378	7/27/2026			
Transaction Date	7/27/2026	Main Checking 10100	Total	$41.19
Refer	0 *TASC LLC*	Ck# 000679E 7/27/2026		
Cash Payment	E 100-41400-433 Dues and Subscriptions	Dues and Subscriptions		$29.16
Invoice IN3795038	7/27/2026			
Transaction Date	7/27/2026	Main Checking 10100	Total	$29.16

Fund Summary

	10100 Main Checking
100 GENERAL FUND	$8,355.41
200 FIRE FUND	$55.37
601 WATER FUND	$1,401.96
602 SEWER FUND	$1,883.79
656 EDA - East Main Retail	$87.48
700 Community Develoment	$880.78
	$12,664.79

Pre-Written Checks	$12,664.79
Checks to be Generated by the Computer	$0.00
Total	$12,664.79

Consent Agenda

Journal Entries – January 2026

CITY OF FRAZEE

Journal Entries

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Current Period: January 2026

Batch Name **01-2026 JE**

Refer 0			Debit	Credit
E 609-49750-251	Liquor For Resale	Liquor store Tranfers - Corrected	$0.00	$494.15
E 421-46500-383	Gas Utilities	Gas Utility Correction - Jan 2026	$0.00	$133.53
E 609-49751-251	Liquor For Resale	Liquor store Tranfers - Corrected	$494.15	$0.00
E 656-46500-383	Gas Utilities	Gas Utility Correction - Jan 2026	$133.53	$0.00
E 609-49750-252	Beer For Resale	Liquor store Tranfers - Corrected	$0.00	$2,719.75
G 421-10100	Cash - Main Checking	Gas Utility Correction - Jan 2026	$133.53	$0.00
E 609-49751-252	Beer For Resale	Liquor store Tranfers - Corrected	$2,719.75	$0.00
G 656-10100	Cash - Main Checking	Gas Utility Correction - Jan 2026	$0.00	$133.53
E 609-49750-253	Wine For Resale	Liquor store Tranfers - Corrected	$0.00	$11.00
E 609-49751-253	Wine For Resale	Liquor store Tranfers - Corrected	$11.00	$0.00
E 609-49750-254	Soft Drinks/Mix For Resale	Liquor store Tranfers - Corrected	$0.00	$81.25
E 609-49751-254	Soft Drinks/Mix For Resale	Liquor store Tranfers - Corrected	$81.25	$0.00
Transaction Date	1/31/2026	**Total**	$3,573.21	$3,573.21

Fund Summary

		Debit	Credit	Difference
Refer 0	421 CAP PROJ - EMR	$133.53	$133.53	In Balance
	609 MUNICIPAL LIQUOR FUND	$3,306.15	$3,306.15	In Balance
	656 EDA - East Main Retail	$133.53	$133.53	In Balance

For each fund the Debits MUST equal Credits to be In Balance.

Consent Agenda

Journal Entries – February 2026

CITY OF FRAZEE

Journal Entries

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Current Period: February 2026

Batch Name **02-2026 JE**

Refer 0			Debit	Credit
E 609-49750-251	Liquor For Resale	Liquor Store Transfers - Corrected	$0.00	$512.57
E 421-46500-383	Gas Utilities	Gas Utility Correction - Feb 2026	$0.00	$123.22
E 609-49751-251	Liquor For Resale	Liquor Store Transfers - Corrected	$512.57	$0.00
E 656-46500-383	Gas Utilities	Gas Utility Correction - Feb 2026	$123.22	$0.00
E 609-49750-252	Beer For Resale	Liquor Store Transfers - Corrected	$0.00	$2,664.43
G 421-10100	Cash - Main Checking	Gas Utility Correction - Feb 2026	$123.22	$0.00
E 609-49751-252	Beer For Resale	Liquor Store Transfers - Corrected	$2,664.43	$0.00
G 656-10100	Cash - Main Checking	Gas Utility Correction - Feb 2026	$0.00	$123.22
E 609-49750-253	Wine For Resale	Liquor Store Transfers - Corrected	$0.00	$5.50
E 609-49751-253	Wine For Resale	Liquor Store Transfers - Corrected	$5.50	$0.00
E 609-49750-254	Soft Drinks/Mix For Resale	Liquor Store Transfers - Corrected	$0.00	$104.74
E 609-49751-254	Soft Drinks/Mix For Resale	Liquor Store Transfers - Corrected	$104.74	$0.00
Transaction Date	2/28/2026	**Total**	$3,533.68	$3,533.68

Fund Summary

		Debit	Credit	Difference
Refer 0	421 CAP PROJ - EMR	$123.22	$123.22	In Balance
	609 MUNICIPAL LIQUOR FUND	$3,287.24	$3,287.24	In Balance
	656 EDA - East Main Retail	$123.22	$123.22	In Balance

For each fund the Debits MUST equal Credits to be In Balance.

CITY OF FRAZEE

Journal Entries

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Current Period: March 2026

Batch Name **03-2026 JE**

Refer 0			Debit	Credit
E 609-49750-251	Liquor For Resale	Liquor Store Transfers - Corrected	$0.00	$396.50
E 421-46500-383	Gas Utilities	Gas Utility Correction - Mar 2026	$0.00	$131.35
E 609-49751-251	Liquor For Resale	Liquor Store Transfers - Corrected	$396.50	$0.00
E 656-46500-383	Gas Utilities	Gas Utility Correction - Mar 2026	$131.35	$0.00
E 609-49750-252	Beer For Resale	Liquor Store Transfers - Corrected	$0.00	$2,875.16
G 421-10100	Cash - Main Checking	Gas Utility Correction - Mar 2026	$131.35	$0.00
E 609-49751-252	Beer For Resale	Liquor Store Transfers - Corrected	$2,875.16	$0.00
G 656-10100	Cash - Main Checking	Gas Utility Correction - Mar 2026	$0.00	$131.35
E 609-49750-253	Wine For Resale	Liquor Store Transfers - Corrected	$0.00	$16.50
E 609-49751-253	Wine For Resale	Liquor Store Transfers - Corrected	$16.50	$0.00
E 609-49750-254	Soft Drinks/Mix For Resale	Liquor Store Transfers - Corrected	$0.00	$126.56
E 609-49751-254	Soft Drinks/Mix For Resale	Liquor Store Transfers - Corrected	$126.56	$0.00
Transaction Date	3/31/2026	**Total**	$3,677.42	$3,677.42

Fund Summary

		Debit	Credit	Difference
Refer 0	421 CAP PROJ - EMR	$131.35	$131.35	In Balance
	609 MUNICIPAL LIQUOR FUND	$3,414.72	$3,414.72	In Balance
	656 EDA - East Main Retail	$131.35	$131.35	In Balance

For each fund the Debits MUST equal Credits to be In Balance.

Consent Agenda
JOURNAL ENTRIES – APRIL 2026

CITY OF FRAZEE

Journal Entries

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Page 1

Current Period: April 2026

Batch Name **04-2026 JE**

Refer 0			Debit	Credit
E 609-49750-251	Liquor For Resale	Liquor Store Transfers - Corrected	$0.00	$352.42
E 421-46500-383	Gas Utilities	Gas Utility Correction - April 2026	$0.00	$93.54
E 609-49751-251	Liquor For Resale	Liquor Store Transfers - Corrected	$352.42	$0.00
E 656-46500-383	Gas Utilities	Gas Utility Correction - April 2026	$93.54	$0.00
E 609-49750-252	Beer For Resale	Liquor Store Transfers - Corrected	$0.00	$2,976.76
G 421-10100	Cash - Main Checking	Gas Utility Correction - April 2026	$93.54	$0.00
E 609-49751-252	Beer For Resale	Liquor Store Transfers - Corrected	$2,976.76	$0.00
G 656-10100	Cash - Main Checking	Gas Utility Correction - April 2026	$0.00	$93.54
E 609-49750-253	Wine For Resale	Liquor Store Transfers - Corrected	$0.00	$5.50
E 609-49751-253	Wine For Resale	Liquor Store Transfers - Corrected	$5.50	$0.00
E 609-49750-254	Soft Drinks/Mix For Resale	Liquor Store Transfers - Corrected	$0.00	$169.45
E 609-49751-254	Soft Drinks/Mix For Resale	Liquor Store Transfers - Corrected	$169.45	$0.00
Transaction Date	4/30/2026	**Total**	$3,691.21	$3,691.21

Fund Summary

		Debit	Credit	Difference
Refer 0	421 CAP PROJ - EMR	$93.54	$93.54	In Balance
	609 MUNICIPAL LIQUOR FUND	$3,504.13	$3,504.13	In Balance
	656 EDA - East Main Retail	$93.54	$93.54	In Balance

For each fund the Debits MUST equal Credits to be In Balance.

CITY OF FRAZEE

Journal Entries

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Current Period: May 2026

Batch Name **05-2026 JE**

Refer 0			Debit	Credit
E 609-49750-251	Liquor For Resale	Liquor Store Transfers	$0.00	$341.42
E 421-46500-383	Gas Utilities	Gas Utility Correction - May 2026	$0.00	$47.96
E 609-49751-251	Liquor For Resale	Liquor Store Transfers	$341.42	$0.00
E 656-46500-383	Gas Utilities	Gas Utility Correction - May 2026	$47.96	$0.00
E 609-49750-252	Beer For Resale	Liquor Store Transfers	$0.00	$2,488.84
G 421-10100	Cash - Main Checking	Gas Utility Correction - May 2026	$47.96	$0.00
E 609-49751-252	Beer For Resale	Liquor Store Transfers	$2,488.84	$0.00
G 656-10100	Cash - Main Checking	Gas Utility Correction - May 2026	$0.00	$47.96
E 609-49750-253	Wine For Resale	Liquor Store Transfers	$0.00	$11.00
E 609-49751-253	Wine For Resale	Liquor Store Transfers	$11.00	$0.00
E 609-49750-254	Soft Drinks/Mix For Resale	Liquor Store Transfers	$0.00	$199.57
E 609-49751-254	Soft Drinks/Mix For Resale	Liquor Store Transfers	$199.57	$0.00
Transaction Date	5/31/2026	**Total**	$3,136.75	$3,136.75

Fund Summary

		Debit	Credit	Difference
Refer 0	421 CAP PROJ - EMR	$47.96	$47.96	In Balance
	609 MUNICIPAL LIQUOR FUND	$3,040.83	$3,040.83	In Balance
	656 EDA - East Main Retail	$47.96	$47.96	In Balance

For each fund the Debits MUST equal Credits to be In Balance.

CITY OF FRAZEE

Journal Entries

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Current Period: May 2026

Batch Name **05-2026 JEB**

Refer 0			Debit	Credit
E 100-49500-200	Office Supplies (GENERAL)	Miscodding Correction	$1,582.88	$0.00
E 100-43100-200	Office Supplies (GENERAL)	Miscodding Correction	$0.00	$1,582.88
Transaction Date	5/31/2026	**Total**	$1,582.88	$1,582.88

Fund Summary

		Debit	Credit	Difference
Refer 0	100 GENERAL FUND	$1,582.88	$1,582.88	In Balance

For each fund the Debits MUST equal Credits to be In Balance.

CITY OF FRAZEE

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Journal Entries

Current Period: June 2026

Batch Name **06-2026 JE**

Refer 0			Debit	Credit
E 609-49750-251	Liquor For Resale	Liquor Store Transfers	$0.00	$187.22
E 421-46500-383	Gas Utilities	Gas Utility Correction - June 2026	$0.00	$26.98
E 609-49751-251	Liquor For Resale	Liquor Store Transfers	$187.22	$0.00
E 656-46500-383	Gas Utilities	Gas Utility Correction - June 2026	$26.98	$0.00
E 609-49750-252	Beer For Resale	Liquor Store Transfers	$0.00	$2,920.10
G 421-10100	Cash - Main Checking	Gas Utility Correction - June 2026	$26.98	$0.00
E 609-49751-252	Beer For Resale	Liquor Store Transfers	$2,920.10	$0.00
G 656-10100	Cash - Main Checking	Gas Utility Correction - June 2026	$0.00	$26.98
E 609-49750-253	Wine For Resale	Liquor Store Transfers	$0.00	$11.00
E 609-49751-253	Wine For Resale	Liquor Store Transfers	$11.00	$0.00
E 609-49750-254	Soft Drinks/Mix For Resale	Liquor Store Transfers	$0.00	$138.70
E 609-49751-254	Soft Drinks/Mix For Resale	Liquor Store Transfers	$138.70	$0.00
Transaction Date	6/30/2026	**Total**	$3,310.98	$3,310.98

Fund Summary

		Debit	Credit	Difference
Refer 0	421 CAP PROJ - EMR	$26.98	$26.98	In Balance
	609 MUNICIPAL LIQUOR FUND	$3,257.02	$3,257.02	In Balance
	656 EDA - East Main Retail	$26.98	$26.98	In Balance

For each fund the Debits MUST equal Credits to be In Balance.

City Of Frazee MINNESOTA
P.O. Box 387, 222 Main Ave. W., Frazee, MN 56544
Waters Trails Shops Parks
City Phone: 218-334-4991 | City Fax: 218-334-4992

RESOLUTION No. 0812-2026A

A RESOLUTION EXPRESSING ACCEPTANCE OF AND APPRECIATION FOR FRAZEE RESCUE DEPARTMENT DONATIONS

WHEREAS; the City of Frazee is generally authorized to accept donations of real and personal property pursuant to Minnesota Statutes Section 465.03 for the benefit of its citizens, and is specifically authorized to accept gifts and bequests for the benefit of recreational services pursuant to Minnesota Statutes Section 471.17; and

WHEREAS; The Frazee Rescue Department is a vital necessity for the City of Frazee, surrounding Townships, and Counties; and

WHEREAS; the following persons have generously donated the amounts set forth below to the Frazee Rescue Department:

Name of Donor	Amount
Ameriprise – Willma Hanson	**$2,000.00**

WHEREAS: It is the desire of the donor to use this donation towards the needs of the Frazee Rescue Department; and

WHEREAS; the City Council is appreciative of these donations and commend the donors for their civic efforts and contributions.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Frazee, Minnesota:
1. that the donations are accepted and acknowledged with gratitude.
2. that the donations will be used towards the needs of the Frazee Rescue Department.

THEREFORE, BE IT KNOWN; Adoption of this resolution this 12th of August, 2026 by the City Council of Frazee. With the following voting:

	Daggett	Froeber	Kemper	Rader	Sharp
Aye					
Nay					
Abstain					
Absent					

Mike Sharp,
Mayor

Stephanie Poegel,
City Administrator

Resolution 0812-2026B – Resolution Expressing Acceptance and Appreciation for Frazee Fire Department Donations

City Of Frazee MINNESOTA

P.O. Box 387, 222 Main Ave. W., Frazee, MN 56544

Waters Trails Shops Parks

City Phone: 218-334-4991 | City Fax: 218-334-4992

RESOLUTION No. 0812-2026B

A RESOLUTION EXPRESSING ACCEPTANCE OF AND APPRECIATION FOR FRAZEE FIRE DEPARTMENT DONATIONS

WHEREAS; the City of Frazee is generally authorized to accept donations of real and personal property pursuant to Minnesota Statutes Section 465.03 for the benefit of its citizens, and is specifically authorized to accept gifts and bequests for the benefit of recreational services pursuant to Minnesota Statutes Section 471.17; and

WHEREAS; The Frazee Fire Department is a vital necessity for the City of Frazee, surrounding Townships, and Counties; and

WHEREAS; the following persons have generously donated the amounts set forth below to the Frazee Fire Department:

Name of Donor	Amount
Lake Seven (SCALP) Lake Association	**$200.00**
Willma Hanson	**$2,000.00**

WHEREAS: It is the desire of the donor to use this donation towards the needs of the Frazee Fire Department; and

WHEREAS; the City Council is appreciative of these donations and commend the donors for their civic efforts and contributions.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Frazee, Minnesota:
1. that the donations are accepted and acknowledged with gratitude.
2. that the donations will be used towards the needs of the Frazee Fire Department.

THEREFORE, BE IT KNOWN; Adoption of this resolution this 12th day of August, 2026 by the City Council of Frazee. With the following voting:

	Daggett	Froeber	Kemper	Rader	Sharp
Aye					
Nay					
Abstain					
Absent					

Mike Sharp,
Mayor

Stephanie Poegel,
City Administrator

Consent Agenda

Approval of 3.2% Alcohol License and Tobacco License

Orton's Frazee Cenex has submitted all the proper paperwork to be approved for a 3.2% Liquor License and a Tobacco License for the period of 07-01-2026 to 06-30-2027.

Committee Reports

Parks & Recreation Committee – July 22, 2026

1. Call the Meeting to Order - Roll Call
    a. The Park and Recreation Committee Meeting was called to order by Member Andrea Froeber at 3:30 PM on Wednesday, July 22, 2026, at Frazee, MN.
    b. Present: Erik Anderson, Jim Rader, Andrea Froeber, Tom Watson, Mackenzie Hamm, Stephanie Poegel, Lori Thorpe, Hank Ludtke

2. Review of Minutes – June 24, 2026

M/S/CU: Froeber/Hamm to approve minutes as presented.

3. Open Forum
    a. Hamm reported attending a West Central Initiative listening session focused on being a good neighbor and community connectedness. She announced a Beach Day event scheduled for August 18th from 5:00 to 8:00 PM at Town Lake Beach, where she plans to grill hot dogs and provide chips. She shared a broader vision for future neighborhood potlucks modeled on a "National Night Out" format, where community board members, police officers, and council members could rotate among neighborhood gatherings to foster community connection and reduce isolation. Froeber noted that National Night Out is a recognized initiative with an established structure that could be leveraged rather than creating something new. Ludtke recalled a similar neighborhood block party initiative from years past that was funded through a Northwest Foundation grant and remained active until COVID. Hamm also noted she had shared a "what does it mean to be a good neighbor" post through Cornerstone, including a link to the Family Resource Center. It was also briefly noted that Neighbor to Neighbor is looking for a new director following the departure of their previous director.

4. Parks
    a. Wannigan Regional Park
        i. GMRPTC Application - Phase 1a
            1. Anderson reported that FCDC approved a 25% match for the Phase 1a GMRPTC grant application. The total project cost is $810,000, with $600,000 being requested from GMRPTC and approximately $202,000 in local match required. The application deadline is July 31, and a grant writer has been hired to prepare the submission. Anderson noted that community letters of support from businesses and organizations—similar to those gathered for the first GMRPTC application—would strengthen the submission. Results are not expected until November.

2. Froeber asked whether construction could begin without full funding in place. Poegel clarified that a full funding plan must be demonstrated before a grant agreement can be executed. She and City Engineer Chris Thorson have been working to reduce the remaining funding gap by peeling out the trail component, removing contingencies, and accounting for inflationary adjustments, bringing the unfunded balance down significantly. The goal is to have design completed this fall, go out for bid in March, and begin construction in the spring.

ii. Anderson provided several updates on Wannigan Regional Park. The pedestrian counter at the park was reported as vandalized and stolen. Poegel indicated that an insurance claim would need to be filed and requested the invoice, photos of where the counter was located, and confirmation that a police report had been filed. Anderson confirmed he would submit those materials.

iii. Additionally, on the same night as the counter theft, a bench was thrown from the bridge into the river and the concession stand was broken into. Poegel noted that the police department has identified the individual responsible and that restitution would be pursued. Regarding park security cameras, Poegel confirmed the process is moving forward, and Arvig is contributing 50% of the monthly cost through an approved donation.

iv. A Progress Party celebrating park donors, in-kind contributors, and volunteers was announced for Tuesday, July 28 from 5:00 to 7:00 PM at Wannigan Regional Park, hosted by FCDC.

b. Hank Ludtke/Riverside Park

i. Rededication Discussion

1. Froeber announced that the rededication ceremony for Hank Ludtke Park would be held that evening at 7:00 PM. She noted that speakers had been arranged and invited attendees to share remarks about Ludtke.

c. Lions Park

i. Lori Thorpe

1. Thorpe appeared on behalf of the Frazee Lions Club to discuss replacing the deteriorating wooden entrance sign at Lions Park (also known as Lions Park by the Dam Site). The existing sign is bowed, aging, and poses a safety concern in relation to nearby Otter Tail Power lines. The Lions Club is prepared to fund a new sign and would make a donation to the city to cover hard costs including the sign, posts, and concrete, with Lions members providing transportation to pick up the sign.

2. Discussion centered on sign design, sizing, and placement. The committee expressed support for using the same style as the recently installed Hank Ludtke Park sign, with a potentially larger size to accommodate more text. Poegel suggested a long-term vision of updating all city park signs to a consistent design, taking

on one park per year. It was agreed the sign should be set back at least 75 feet from the road to avoid MnDOT right-of-way permitting requirements. Several placement options were discussed, including near the sidewalk leading to the park. The committee reached consensus that the old sign should be preserved and potentially repurposed, with suggestions including mounting it inside the pavilion for shade and protection.

3. A broader conversation touched on the Lions Park area more generally, including the potential for a kiosk near the big turkey sculpture to provide historical context, wayfinding to local businesses, and information about area attractions such as the troll. Watson indicated materials for such a kiosk had been gathered previously through the community club. Thorpe noted this was separate from the Lions' immediate sign request but acknowledged the value of coordinating efforts.
4. The next steps identified were for Thorpe to obtain cost estimates from the sign company, present the options to the Lions Club at their August meeting, and return to the Park and Rec Committee with a proposal including costs before proceeding to city council approval.

d. Corner Park
    i. Tree
        1. Poegel noted that Planning and Zoning had discussed the possibility of adding a tree to the Corner Park area. After brief discussion, the committee reached consensus that a tree would be too much for that space given the planned installation of a bike repair station and the desire to keep the area open and functional for events and music. The committee agreed to revisit the idea in future years as the space evolves.
        2. It was also noted that a protective coating recommended by the mural artist has been ordered and will be applied to the Corner Park mural and the mural completed by community members, to allow graffiti or unwanted paint to be removed without damaging the artwork.

e. JoAnn Niemann Memorial Park
    i. Lighting Update
        1. Poegel noted that the lighting update is currently in process with Stephenson working with Otter Tail Power on the matter.

f. Little Turkey Park
    i. No new updates were reported.

g. Adopt-A-Park
    i. Rader reported that in discussions about the RL Frazee Park location, the time capsule buried buried there would not disturbed by adopt-a-park activities. The committee agreed that any future adopting group should be instructed to leave that area undisturbed.

    ii. The committee reviewed the Adopt-A-Park brochure, noting that a fillable form is being made for the city website. Wannigan Regional Park was noted as excluded from the program as it operates as its own entity.

M/S/CU: Froeber/Rader to approve the Adopt-A-Park application and flyer for distribution.

5. Recreation
    a. Heartland Trail
        i. Watson presented Becker County park and trail maps that include QR codes linking to individual park and trail web pages. Stickers have been distributed to businesses on Main Street and placed at kiosks around town, including behind the turkey sculpture. It was noted that each park is responsible for maintaining its own linked webpage. Poegel noted the city is working on updating its content accordingly. The retirement of Kent Skarr from the DNR, who was connected to the Heartland Trail, was briefly noted.
    b. Town Lake Beach
        i. Poegel reported that after the Council approved hiring a head beach attendant hiring, attempts to reach her via calls and texts have largely gone unanswered. It was noted that an incident reportedly occurred at the beach house while she was on duty, prior to the Fourth of July, and the beach has not been staffed since. Hamm confirmed she was on a call with the staffer at the time of the meeting. The committee expressed concern for the employee's well-being, noting paperwork had not been completed. Poegel noted that the city is otherwise ready to open the beach and just needs staff in place.
        ii. Hamm noted separately that community members informed her the beach bathrooms were out of toilet paper and soap, which she asked to have addressed.
    c. Walking Path/Unidentified Parcel
        i. No new updates were reported.
    d. Bicycle Friendly Community
        i. Bike Rally – September 13, 2026
            1. The Bike Rally remains scheduled for Sunday, September 13, 2026, from 1:00 to 3:00 PM. Froeber recommended that for 2027, the event be moved to a Saturday and extended to a 9:00 AM to 3:00 PM window to improve participation and business involvement, as all businesses are open on Saturdays.
        ii. Frazee Bike Club
            1. Poegel reported that the bike club survey has received three responses. One respondent was not interested in participating. Two respondents expressed interest in a monthly bike event, with one indicating approximately 50% likelihood of helping and another approximately 60% likelihood of helping organize. Both interested respondents favored the idea of races. Poegel suggested the city may need to initiate a club and seek someone to take it on, possibly working on this over the winter months.

iii. Hamm reported she is participating in a 12-week Safe Routes to School program, meeting every Tuesday. She shared an interest in reaching out to the school to highlight the new Safe Routes to School mandate, free curriculum, and free resources available. She described a model used by Pelican Rapids, where a bike fleet was brought to a large parking lot and each classroom was bused out to participate in a bike rodeo as part of the school day curriculum. Hamm suggested exploring a similar approach at the parking lot in partnership with the school, which would meet curriculum requirements while broadening access to bike safety education beyond voluntary after-school events. Poegel noted that Chief Trieglaff has taken ownership of the existing bike rodeo and recommended Hamm connect with him. The committee agreed this approach aligns well with the city's broader bicycle-friendly community application.

e. National Trails Day Event – 1st Saturday in June
   i. No new updates were reported.

6. Tree Board
   a. Froeber introduced the Minnesota Green Step Cities Program as a potential framework to incorporate into the Tree Board's work. She described it as a voluntary initiative focused on sustainability and quality of life through best practices, and suggested it could provide structure and direction for the Tree Board going forward, including a possible application process. Full discussion of the Tree Board update was deferred to the next meeting.

7. Comp Plan Task Updates
   a. No discussion was recorded for this item.

8. Adjournment
   a. Poegel noted the committee discussed rescheduling the August meeting to Wednesday, August 19 due to her scheduled vacation during the final week of August. Members Froeber and Hamm confirmed availability.

M/S/CU: Watson/Froeber to adjourn the meeting at 4:37 pm.

Respectfully submitted,
Stephanie Poegel
Frazee City Administrator

Committee Reports

WANNIGAN REGIONAL PARK COMMITTEE – JULY 28, 2026

1. Grant Updates

- GMRPTC (Greater Minnesota Regional Parks and Trails Commission) Legacy Grant: An application was submitted this week for a grant to help cover the cost of connecting Wannigan to the city’s sewer and water that will be installed using state bonding funds. A suggested 25% match from Wannigan is included in the request. We’re planning on this construction and other Phase I features in 2027.

- CPL (Conservation Partners Legacy) grant: This grant, for prairie restoration application status for the north end of the park, is 80% complete. We still need letters of partnership and support before the request is presented to the City Council.
- Grant Closures: LCCMR (Legislative-Citizen Commission on Minnesota Resources) grant – a report was submitted to LCCMR for closure on a grant they provided for the paved shelter and other amenities. Also, we're almost ready to submit a request to close a Transportation Alternatives Grant that was used for the paved trail.

2. Pollinator Garden Update

- Two pollinator gardens have been planted at Wannigan Park. The first garden, near the covered bridge, was planted in May and led by Roxann Daggett and Brittany from Monarch Joint Ventures. Hardworking students and adult volunteers did the planting. The second garden was planted just beyond the troll. The June 20th community event had over 40 volunteers and was also hosted by Monarch Joint Ventures. A sign has been added to mark this garden.

3. Tree Planting Update

- 7200 seedlings were machine-planted around the park perimeter in late April.
- Frazee students planted 200 white pine trees on a cold May 6th. Senior high students assisted and each class (K-12) had their area and planted 15 trees.
- Twenty, 6-foot Red Splendor Crabapple trees were planted near the paved trail on May 15th. The Minnesota Deer Hunters Association donated the trees.
- Pray for rain.

4. Progress Celebrations and Fundraisers

- The Holler at the Haul: On July 6, a fundraiser was held at Daggett Haul. Tim Eggebratten provided the live music. The event was coordinated by Vernon Simons and Friends of Wannigan volunteers. $3,300 was raised to support the continued growth of Wannigan Park.
- A VIP party was held at the park on July 14th. A dinner was held on the covered bridge to thank our major partners for helping make our phase I plans a reality.
- On July 28th, a progress party was celebrated at the park. Wannigan donors were treated to live music, food and beverages and a chance to discuss our progress. Over 120 attended!

5. Miscellaneous

- A dock was installed by the DNR near the covered bridge to allow guests to get close to the river.
- A paved shelter was completed between the parking lot and the bridge.
- Trailhead archways for the North Country National Scenic trail will be added through an Eagle Scout service project for candidate Andrew Hetland.
- Jungle dome equipment has been approved for a playground. As with other Phase I plans, Installation of the equipment is delayed to 2027, as we wait for water and sewer plans to be coordinated.
- A "wall of donors" is in the planning stage.
- Imagination Stations are being planned at the park. Make-believe play areas will be planned, some in the vicinity of the troll. Kimberly Antonsen is helping and will get Project 412 approval. 24 months are needed to put together a plan and a budget. NDSU landscape architecture may help with some designs. Also, two outdoor classrooms are being planned (GMRPTC Phase I grant), so we need to coordinate locations with Widseth.

6. Next Meeting Date October 27, 2026

Committee Reports

PLANNING & ZONING – JULY 28, 2026

1. Call the Meeting to Order – Roll Call
    a. Mike Sharp called the July 28, 2026 Planning and Zoning meeting to order at 5:00 PM at the Frazee Fire Hall.

2. Present: Ken Miosek, Mike Sharp, Mark Kemper, Tyler Trieglaff, Stephanie Poegel
    a. Review Minutes – June 23, 2026

M/S/CU: Trieglaff / Miosek to approve the June 23, 2026 meeting minutes as presented.

3. Open Forum
    a. No members of the public were present for Open Forum.

4. Old Business
    a. Comprehensive Plan Task Updates
        i. Poegel indicated there were no updates to report for the month.

5. New Business
    a. Parks & Open Space District
        i. Poegel raised the question of whether the city should pursue the creation of a dedicated Parks and Open Space zoning district, particularly in anticipation of a potential annexation of Wannigan Park. She noted several questions driving the discussion: what guidelines exist for building in parks, whether a minimum amount of green space is required to qualify as a park, and what process would apply if a private citizen wanted to purchase property and donate it to the city as a park.
        ii. Sharp noted that parks are currently a permitted use in all zoning districts except general commercial and industrial, meaning that parks must still comply with impervious coverage limits and setbacks like any other use. He suggested that given the volume of other priorities currently facing the city, including staff transitions and ongoing projects, this topic could reasonably be deferred until after the Wannigan Park annexation is complete. He added that when the annexation proceeds, the area would likely be placed in the city's transition zone district in the interim, allowing time for a more deliberate decision.
        iii. The commission agreed this was not an urgent matter and that further exploration could continue at a later date.
    b. Sober Homes — Informational Discussion
        i. Poegel also brought to the commission's attention an emerging issue regarding sober homes, noting that neighboring communities mhave recently been approached by organizations seeking to establish them. The central regulatory challenge is that sober home operators are characterizing residents as a "family" rather than as a multi-family housing arrangement, which potentially exempts them from multifamily zoning regulations.

    ii. Commission members discussed the implications, including the nature of ownership (typically by a single organization rather than individual residents), the types of residents these facilities serve, and the broader community impact. Kemper noted that the characterization of unrelated individuals as a family unit simply by virtue of shared sobriety goals raised questions worth examining further.
    iii. Poegel noted she is gathering ordinances from other communities that have addressed this issue and will bring several examples back for a fuller discussion once she has compiled sufficient information. She also noted that a community in the immediate vicinity had recently had someone appear at their council meeting to inquire about sober homes, underscoring the timeliness of the topic.
    iv. The commission agreed to revisit the matter at a future meeting.

6. Adjournment

M/S/CU: Trieglaff/Miosek to adjourn at 5:06 PM.

Respectfully Submitted,
Stephanie Poegel
Frazee City Administrator

Committee Reports

Personnel Committee – July 14, 2026

1. Call The Meeting To Order - Roll Call
    a. The Personnel Committee Meeting was called to order on Tuesday, July 14, 2026 at 5:00 PM at Frazee City Hall.
    b. Present: Mike Sharp, Mark Kemper, Stephanie Poegel

2. Minutes – June 8, 2026
    a. The minutes from the June 8, 2026 meeting were reviewed with no changes noted.

3. Old Business
    a. Review FCDC MOU
        i. The committee conducted a detailed review of the draft Memorandum of Understanding (MOU) between the City and the Frazee Community Development Corporation (FCDC) for the cooperative development and management of Wannigan Regional Park. Sections identified for further discussion with FCDC include:
            1. Title and Whereas Clauses
            2. Volunteer Board Language
            3. Donated Funds and Property Concerns
            4. Municipal vs. Regional Designation
            5. Section 3 – Agreement Review Committee
            6. Section 4 – Development and Management Decisions
            7. Section 7 – Expenditure of Funds
            8. Section 10 – FCDC Authority on Donations and Grants

9. Section 29 – Ownership of Improvements and Equipment
10. Romtec Shelters
11. Section 17 – WRP Acronym
12. Section 26 – Board Appointment and Term Limits
13. Appendix – Phase 1 Responsibilities
    a. Park Name and Logo
    b. Strategic Plan
    c. Consultant Procurement
    d. Fundraising and Grant Applications
    e. Restricted Gifts with Conditions
    f. Naming Rights for Structures
    g. Fee Schedule
    h. Facility Renovations and New Amenities
14. Insurance

ii. The committee agreed that all flagged items would be compiled, forwarded to the City Attorney for review and then discussed with FCDC prior to the agreement being finalized.

b. Respectful Workplace Policy
   i. Poegel noted that the Respectful Workplace Policy changes had not been reviewed by committee members since the last meeting. Given that the meeting had already exceeded one hour, the committee agreed to defer review to the next scheduled meeting.

4. New Business
   a. Efficiencies
      i. Poegel provided a brief update on several administrative efficiency initiatives underway.
         1. Billing Invoice Module: The city will move forward with implementing a billing invoice module at a one-time cost of approximately $795 and an annual recurring cost of $295. It was estimated that this system would save approximately 10 hours of staff time per year, making it cost-effective.
         2. Permit and Licensing Module: A permit and licensing software module is also being pursued, at an additional cost of approximately $4,700 in the first year with an annual fee of approximately $800 thereafter. This system would allow staff to manage code violations, building permits, rental registrations, liquor licensing, and dog licensing on a single platform. It would also provide the Police Department access to dog licensing and code enforcement data across shifts, and would integrate directly with the city's fund accounting system to reduce manual data entry.
         3. Meter Reading Modernization: Poegel expressed a desire to modernize the city's water meter reading process, which currently involves staff manually reading meters and handwriting the results, followed by manual data entry that is time-consuming and

prone to error. The committee discussed the possibility of handheld devices to replace paper-based recording in the near term, and a longer-term transition to drive-by radio-read meters. The committee noted that the city should consider a phased approach to meter upgrades—replacing meters in one section of town at a time over several years—to avoid the situation seen in other communities where all meters reach end-of-battery-life simultaneously.

4. Wanigan Trail Grant Capacity: Poegel reported that she had received an email from Andersen indicating that FCDC wished to pursue a grant for a trail connecting Highway 87 to Wannigan Regional Park along the new North River Drive corridor—a trail that was not included in the bonding language for the road project. Poegel noted that this trail was discussed with city engineer Thorson and that both had agreed to wait until the road project was completed before initiating another grant application. She indicated she would respond to Andersen's email to communicate that the city is at capacity with grant administration at this time, and that the trail grant could be revisited in a future year. Sharp agreed, stating that overloading city staff with grant management obligations was unsustainable and could have longer-term consequences for staff retention. The committee noted that approximately ten grants are currently active, with two nearing closeout, and that the road project itself will require substantial management in the coming year.

5. Adjournment
    a. The meeting was adjourned at 6:33 PM.

Respectfully Submitted
Stephanie Poegel
City Administrator

Committee Reports

Finance Committee – July 21, 2026

1. Call The Meeting To Order – Roll Call
    a. The Finance Committee Meeting was called to order on Tuesday, July 21, 2026, at 3:30 PM at 222 Main Ave West, Frazee, MN 56544.
    b. Present: Andrew Daggett, James Rader, and Stephanie Poegel

2. Review Minutes – March 9, 2026
    a. The committee reviewed the minutes from the March 9, 2026 meeting with no changes.

3. Old Business
    a. No discussion was held under Old Business.

4. New Business
    a. RFP – Garbage Services
        i. The committee reviewed the draft Request for Proposals (RFP) for garbage services, which is based on the previously issued RFP with a few targeted revisions. The document had not yet been sent out and was undergoing a first review prior to council approval. Notable changes discussed included:
        ii. Updated container size allowance for the liquor store and East Main Retail building
        iii. Addition of hours of operation (6:00 AM to 6:00 PM). Rader raised the question of whether the 6:00 AM start time restriction could be problematic, noting that garbage trucks often begin routes earlier. Poegel acknowledged the issue, particularly during construction season when garbage cans may not be accessible until later in the morning, leading to missed pickups. Rader suggested that minor deviations from the start time would not be aggressively enforced, and the committee agreed the matter would ultimately be a council decision.
        iv. Contract term was clarified to run from January 1, 2027 through December 31, 2029.
        v. Annual escalator clause —potentially capped at 1–2%—tied to tipping fee increases, in order to avoid the large price jumps experienced at the start of the current contract. Rising county tipping fees were noted as a significant cost driver that Frazee residents had been insulated from under the existing fixed-rate contract.
        vi. Provision granting free garbage service to city hall, the fire hall, and the city shop that had been inadvertently omitted from the previous contract and would be explicitly included in the new contract language.
        vii. Poegel confirmed that the RFP would be both posted publicly and sent directly to known vendors, including Steve's Sanitation and DL Disposal, with other regional haulers considered as well.
        viii. A discussion followed regarding current resident garbage rates compared to private service rates. Poegel noted that residents are currently charged $44.39 per month for a 96-gallon container, which includes an administrative upcharge above the city's contracted rate with Steve's. Daggett had independently contacted Steve's and found that a comparable private residential rate was approximately $140 per quarter, or roughly $46.67 per month, confirming that the city's current rate remains competitive. The committee expressed a desire to maintain rates at or below what residents could obtain privately.
        ix. The committee discussed the following timeline for the RFP process: council approval of the RFP at the next council meeting, public posting by September 1, 2026, and contract approval targeted for November 2026.
    b. RFP – Assessor Services
        i. Poegel reported that a formal RFP template for assessor services had not been located. The committee agreed that a formal RFP was not necessary and that a solicitation letter requesting quotes—listing the number of city

properties—would be sufficient, consistent with how the city had approached the process previously. Poegel indicated the letter would be sent to all assessors listed on the county website, as well as to the county itself.

c. 2026 Fee Schedule Review

   i. The committee conducted a comprehensive review of the 2026 fee schedule approved in January, with the dual purpose of identifying additions and changes for the remainder of 2026 and beginning to develop recommendations for the 2027 fee schedule. Changes were identified to:

      1. Beach/Rental Items
      2. Parking Tickets
      3. Cemetery
      4. Fire Hall Rental
      5. Event Center
      6. Rescue Building Meeting Room
      7. Campground
      8. Snow Removal from Sidewalks
      9. Mowing
      10. Dog Licenses
      11. Transient Merchant Permits
      12. Rental Registration
      13. Seasonal Turn-On/Turn-Off Fees
      14. Right-of-Way Permits
      15. Tax Rate Comparison – General Discussion: Rader presented an informal analysis comparing property tax burdens across comparable communities using Dollar General store locations as a consistent benchmark. He found that the Dollar General in Frazee—valued at approximately $692,000—pays roughly $8,960 in total city taxes, while comparable stores in Holly and Lake Park, with higher estimated market values, pay $7,300 and approximately $5,960 in city taxes, respectively. Rader expressed concern that Frazee's tax rates appear higher than neighboring communities for properties of comparable or lesser value, and urged the committee to be mindful of this as budget discussions begin. Poegel noted that TIF districts, enterprise fund structures, and staffing cost allocations all vary by community and contribute to differences in effective tax rates. Poegel also noted that the Red Willow TIF district is nearing the end of its term, which will eventually return those tax dollars to the general levy and provide some relief to other taxpayers.

5. Adjournment

   a. The meeting was adjourned at 4:48 PM

Respectfully Submitted,

Stephanie Poegel
Frazee City Administrator

Committee Reports

Economic Development Authority

Committee Reports

Frazee-Burlington-Silver Leaf Joint Powers Board Liaison

Committee Reports

Lake Agassiz Regional Library Liaison

Staff Reports

Fire Department

No written report

Frazee Rescue

Frazee City Council - Monthly Report
Meeting Date: 8/5/26

July 2026 Calls

11 - Burlington
23 - City of Frazee
1 - Detroit
17 - Erie
4 - Height of Land
1 - Silver Leaf

Total Calls - 57
Responded - 55

- 17 days had multiple calls

Call Type

1 - Alert
2 - Assault
1 - Fire
1 - Lift Assist
37 - Medical
3 - Motor Vehicle Crash
1 - Natural Disaster
2 - Search and Rescue
3 - Standby
6 - Welfare Check

2026 Statistics

Responded/Total

January	24/24	100%
February	28/28	100%
March	34/34	100%
April	19/19	100%
May	30/30	100%
June	29/29	100%
July	55/57	96%
August	/	
September	/	
October	/	
November	/	
December	/	

Call Type

4 - Alert
3 - Assault
9 - Fire
1 - Hazmat
5 - Lift Assist
168 - Medical
13 - Motor Vehicle Crash
1 - Natural Disaster
2 - Search and Rescue
3 - Standby
12 - Welfare Check

2 - Flown From Scene

Total Calls - 221
Responded - 219 **Response Rate 99%**

Days with Multiple Calls - 58

Location

48 - Burlington
106 - City of Frazee
1 - Detroit (BC)
39 - Erie
1 - Evergreen
1 - Garman (OTC)
17 - Height of Land
1 - Hobart (OTC)
7 - Silver Leaf

How We Arrived on Scene

5 - Foot
143 - Personal Vehicle
130 - QRV
4 - RIG (Ambulance)

Multiple modes of transportation may be utilized per call.

Member - Total Volunteer Hours 2026 - 912.75

Noteworthy

- Our call numbers are continuing to rapidly increase. There has been no distinct reason.
    - **Comparing this year through the end of July to previous years:**
        - 2026 - 221 calls
        - 2025 - 175 calls (+ 46)
        - 2024 - 142 calls (+ 79)
- **Call times from our first dual page zone call in Tamarac Refuge.**
    - This call came out at the same time as another call in town.
- The call came out right after the 501 call was dispatched.
    - Amanda and Ryan took 501 and I went to Tamarac.
- This is our first time utilizing the dual page with Carsonville.
- Times:
    - 0807 - Dispatched
    - 0808 - Frazee Rescue enroute.
    - 0818 - Carsonville enroute.
    - 0824 - Frazee Rescue on scene.
    - 0830 - I cancelled Carsonville (patient was stable and mobile).
    - 0843 - Essentia on scene.
- 

Respectfully Submitted - 8/5/26

Matthew Johnson
Rescue Chief

Staff Reports

Event Center

Summer is coming to an end. The event center had a fun and busy July. Turkey days visitors always speak so highly of the event center.

I purchased a new (used) Coffee maker identical to the one that we have from Harvest Church for $100. It is not yet functional as I'm working on getting it hardwired and the water hooked up.

Staff Reports

Liquor Store

July Report

This year and last year were almost identical. I am pleased with these numbers because of all the construction. I am surprised they weren't less than last years sales. Turkey Days was successful with over 500 people at the dance. I don't expect to get as much traffic for We fest this year due to construction. I am pleased with the new hire, having her will allow me to hopefully not work any overtime and work on items I have not had time to do, starting with quotes for the bathroom.

(July sales don't include any gate money from dance or outdoor bar sales)

July 2025

1-Liquor (37911)	15.53%	$12,616.75	$12,418.25
2-Beer (37912)	19.46%	$15,808.00	$15,320.00
3-Wine (37913)	0.06%	$48.00	$46.50
4-Misc (37915)	0.04%	$34.58	$34.58
4-Pop (37915)	0.60%	$487.50	$487.50
4-Snacks (37915)	0.04%	$32.00	$31.50
6-Pizza (37917)	1.02%	$826.00	$819.50
7-Food (37918)	4.59%	$3,730.89	$3,516.71
1-Liquor Offsale (37811)	14.45%	$11,735.96	$11,735.96
2-Beer Offsale (37812)	39.90%	$32,409.34	$32,387.75
3-Wine Offsale (37813)	2.21%	$1,792.84	$1,792.84
4-Misc Offsale (37815)	0.81%	$661.16	$661.16
7-THC Seltzers (37816)	1.29%	$1,045.98	$1,045.98
Total	$81,229.00		$80,298.23

July 2026

1-Liquor (37911)	14.70%	$11,944.50	$11,766.50
2-Beer (37912)	20.25%	$16,456.50	$16,059.50
3-Wine (37913)	0.09%	$70.00	$68.00
4-Misc (37915)	0.07%	$57.28	$57.28
4-Pop (37915)	0.76%	$619.00	$619.00
4-Snacks (37915)	0.04%	$36.00	$36.00
6-Pizza (37917)	1.12%	$910.00	$906.50
7-Food (37918)	4.51%	$3,669.04	$3,550.92
1-Liquor Offsale (37811)	15.05%	$12,235.77	$12,235.77
2-Beer Offsale (37812)	39.32%	$31,961.32	$31,950.22
3-Wine Offsale (37813)	2.15%	$1,745.13	$1,745.13
4-Misc Offsale (37815)	1.12%	$913.73	$913.73
7-THC Seltzers (37816)	0.81%	$661.40	$661.40
Total	$81,279.67		$80,569.95

Staff Reports

Police Department

July 2026

154 Calls For Service (CFS) for the month of June in the City

134 Calls for Service by Frazee PD

13 city ordinance violations, 7 properties notified about needing to mow their yard.

0 vehicle violations, vehicles were moved from front yard

4 motor vehicle crashes in town
Zero landlord violations
Upcoming/other events… Ordinance enforcement will continue this month. Two properties received letters for several public nuisance violations. Given 30 days to be in compliance or abatement proceedings may begin. July 14-17 was SRO training in Mankato MN for Scott and Tyler and it went very well. I have met with school staff and plan to bring in resources for improving school safety.
Turkey Days ran very smoothly, a couple minor issues, aside from the heat, things went very well.
Chief Tyler

Staff Reports

Public Works

Good Day: The month of July has been very busy for the public works Dept, Keeping up with our daily operations and with various mishaps during the water improvement project, rerouting water supply to different areas before the temporary connections where made, luckily there has been a dry spell so mowing has slowed down that has help keep up with things needed at times for the construction project! Other than that, that's about all we have for the month, Thanks Larry Kevin and Jesse

Staff Reports

Administration

1. General Updates
    a. **Election 2026** – Primary election is August 11; I will be at the election all day. We may need additional judges for the November general election.
    b. **Year End & Annual Reporting** – All items due by the end of the first quarter were completed; these two items are due yet this summer
        i. TIF Reporting - COMPLETED
        ii. Audit – COMPLETED
        iii. PICORI
    c. **Just Cause Training** – The Just Cause items have been added to the Respectful Workplace section of the Personnel Policy. Personnel has been reviewing this policy and will have a complete revision ready soon.
    d. **Property Inquires –**
        i. There was 1 property inquiries this month
    e. **Safety/OSHA Work –**
        i. Mock OSHA inspections were completed in September – there are a number of items staff will be working to remedy
        ii. Need to send chemicals/products lists for public works and fire - we have not received lists from these departments as of yet
        iii. Staff are completing OSHA required trainings – Right to Know, Bloodborne Pathogens, etc.
    f. **Becker County Hazard Mitigation Plan** – The resolution has been sent to Becker County
    g. **Website Updates –** This has been moved to the back burner on the priority list; changes are being made as they come up, but there are no large-scale updates planned at this time
2. Financials/Audit
    a. Audit is complete in the agenda and will be reviewed at the meeting with our auditor Colleen Hoffman.
3. Projects
    a. **Main Street 2027 –** Waiting to hear if the County received their funding;
    b. **Town Lake Beach** – Submitting costs for picnic tables and kayak rental expenses for inclusion

c. **Heartland Trail** – The group will be meeting in August regarding the route from Detroit Lakes going west.

d. **2026 Utility Improvements** – Our project is on the PFA funded list, we do not know the difference between grant and loan yet but are closer to knowing; Construction is progressing very well; Weekly construction meetings are being held and weekly written updates are being posted around town, on the website and social media; Bond work is in the packet – we will need to obtain temporary funding for the portions that PFA is intended to cover until we hear from them about our funding portions

4. In addition to the regular monthly tasks, utility billing and payroll in June, we processed
    a. 37 campsite rentals
    b. Dog Licenses – July 2026 = 7; 2026 YTD = 43; 2025 – 63; 2024 – 57; 2023 - 76
    c. Building Permits – July 2026 = 3; 2026 YTD = 23
    d. Rental Registration
        i. 2025
            1. Inspection reports are being worked on
            2. 2025 inspections: 3 properties still need to be scheduled and inspected
        ii. 2026
            1. 24 out of 39 landlords have been mailed their renewal paperwork
            2. 21 out of the 24 have returned paperwork and paid invoice fees
            3. 1 of 38 units set for 2026 inspection have been completed
        iii. Staff is looking into options for landlords to submit their applications online and may be proposing ordinance changes to put the responsibility for registration on landlords
    e. Mailed 70 utility penalty letters; posted 19 red tag notices (utility shut off in 1 week); 0 properties shut-off
5. Grants
    a. Wannigan
        i. LCCMR Funding –
            1. Final reimbursement request has been submitted;
            2. Final report has been submitted
        ii. ReLEAF – Anderson continues to work to determine what aspects can be done with the remaining funds
        iii. ATI – Final reporting will be completed this fall
        iv. GMRPTC (Phase 1) – With the passage of the bonding bill design is on pause until we have more information on the RDN project
        v. GMRPTC Phase 1 Archeology – Park Phase II – Waiting for grant contract to post RFP
        vi. GMRPTC Phase 1A – Application for the water sewer additions has been made; a walk through with GMRPTC officials is scheduled at the end of August
    b. Ballfield SRTS Trail – TAP Grant – Design work is being completed for construction in 2027
    c. River Drive North
        i. The 2026 Minnesota Bonding Request was approved for $1,850,000
        ii. The kick-off meeting has been held
        iii. Work is being done to prepare documentation for the State to begin the grant agreement processing
    d. Sea Tow Foundation
        i. 29 Life jackets were awarded
        ii. Grant acceptance has been submitted
        iii. Life jackets have been shipped

    e. Polling Place
        i. Many items have been purchased and arrived
        ii. Stephenson is working on the electronic doors portion
    f. Town Lake Beach
        i. Submitting costs for picnic tables and kayak rental items for an amendment
6. Meetings Attended in July:
    a. Committee Meetings – Personnel, Park & Rec, Planning & Zoning, EDA; Finance
    b. Wannigan – Phase I Modifications; GMRPTC Grant; Executive Grant Committee; Quarterly Committee Meeting
    c. Webinars – Intro to TIF; TIF Administration; 2026 Elections Updates; PERA Updates
    d. 2026 Infrastructure Project – Weekly Construction Meetings
    e. DC/UBC Interviews
    f. Election Training for Nursing Homes
    g. EDA Property Closing
    h. North River Drive Project – Kick-off meeting; Earmark Discussion
    i. Hank Ludtke Riverside Park Rededication
7. Sick/Vacation Days
    a. August 12 AM
    b. August 18 – PM
    c. August 31 – September 4

Old Business

TOPIC

DDA
David Drown Associates, Inc.
Public Finance Advisors

Parkers Prairie Office:
13979 County Highway 42
Parkers Prairie, MN 56361
(612)920-3320 ext. 110 | fax (612) 605-2375
www.daviddrown.com

July 30, 2026

RECOMMENDATIONS

Mr. Mike Sharp, Mayor
Ms. Stephanie Poegel, City Administrator
City of Frazee
222 Main Street
P.O. Box 387
Frazee, MN 56544

RE: General Obligation Improvement Note, 2026A

Honorable Mayor Sharp, Members of the City Council, and Ms. Poegel:

The purpose of this letter is to provide our recommendations regarding the issuance of the General Obligation Improvement Note, Series 2026A, to finance the 2026 street and utility improvement projects. This portion of the debt is directly related to the ineligible Minnesota Public Facilities Authority portion of the project.

Overview of Project and Component Costs
The major component costs and sources of funds are detailed below:

Ineligible PFA Construction Costs	532,585.70
Engineering/Construction Services	121,163.24
Contingency	26,629.29
Total Project Costs	680,378.23
Plus Issuance Costs (MRWA Application Fees)	16,250.00
Surplus (Rounding)	371.77
RECOMMENDED SIZE OF BOND ISSUE	**697,000.00**

Statutory Authority
Cities must cite the specific statutory authority they intend to use before issuing general obligation bonds. In this instance, we recommend that these bonds be issued as General Obligation Improvement Bonds, pursuant to the authority provided by Minnesota Statutes, Chapters 429 and 475. These statutes require that at least 20% of city project costs be assessed to benefitted properties. Based on the preliminary special assessment amount of $460,224, the assessments constitute approximately 66% of the borrowing, which is well above the statutory requirement. This debt does not count against any statutory net debt limits.

Payment and Revenue Requirements
The proposed issue will have annual debt service payments of approximately $71,125 per year for a 15-year term, funded through a combination of tax levy revenues and special assessments.

Please refer to the attached exhibit for bond details.

$697,000 General Obligation Bonds, 2026A
If the Council chooses to finance this project, David Drown Associates, Inc. recommends financing the project costs through a direct bank placement utilizing the Minnesota Rural Water Association Midi Loan Program in the amount of $697,000 for the General Obligation Improvement Bonds, Series 2026A.

Attached is a locked-in proposal with an interest rate of 4.85%. Key elements of the proposed issue include the following:

- An approximate 15-year term, consistent with the special assessment term and related collections.
- Callable at any time after February 1, 2033, at par plus accrued interest.
- Audits, upon request, are to be shared with the lender.

Schedule and Issuance
The proposed schedule for putting the project financing in place is as follows:

August 12, 2026,	Award borrowing
September 1, 2026,	Closing

If the Council determines that it wishes to proceed with the formal borrowing, it would be appropriate to act upon the enclosed resolution authorizing the sale process.

Thank you for your time and consideration of this matter. Please feel free to contact me with any questions.

Respectfully,

Jason Murray
Senior Associate

Enclosures

7/27/2026

FINAL

City of Frazee, Minnesota

$697,000
General Obligation Improvement Note, Series 2026A

Minnesota Rural Water Association "MIDI-Loan"

Uses of Funds

PFA Ineligible Construction Costs	532,585.70
Engineering	121,163.24
Contingency	26,629.29
Total Project Costs	**680,378.23**
Capitalized Interest	-
MN Rural Water Loan Fees	16,250.00
Other Costs	-
Surplus	371.77
	697,000.00

Sources of Funds

Bond Issue	**697,000.00**
Cash	-
Construction Fund Earnings	-
	697,000.00

Closing Allocations

Purchaser: Security Bank & Trust Co., Winsted, MN

Proceeds wired to		
Construction Fund	680,378.23	
Debt Service Fund	371.77	
Total to Issuer >>		**680,750.00**
Proceeds wired to Pay Agent for Costs		
David Drown Associates, Inc. (FA)	10,900.00	
Fryberger & Buchanan (Bond Atty)	4,000.00	
Pay Agent -- City Clerk	-	
MN Rural Water Ass'n (Sponsor)	1,350.00	
Total for Expenses >>		**16,250.00**

Calendar

Application Received	7/21/2026
City Council approves Sales Resolution	8/12/2026
Dated Date / Closing Date	9/1/2026
1st Interest Payment	8/1/2027
Proceeds spent by...	12/31/2027

Statistics

Purchase Price (Issue Price)	697,000.00
Net Interest Cost	318,956.21
Net Effective Rate	4.85000%
Average Coupon	4.85000%
IRS Yield	4.84407%
WAM	9.4353
Call Option	2/1/2033
Tax Status	Tax Exempt, Bank Qualified
Rebate	$5 million small issuer exemption
Continuing Disclosure	none -- audits upon request
Statutory Authority	M.S. 429 and 475

How to make payments

Payments are made directly to Security Bank & Trust, Winsted, Minnesota.
The lender will provide you with notice of pending payments due prior to each scheduled payment. Generally, you should mail payments at least 3 days early - wired funds can be transferred on the date payment is due. Questions? Contact 320-485-3831.

Prepared by: David Drown Associates, Inc.
612-920-3320

Detail Sheet

City of Frazee, Minnesota

7/27/2026

FINAL

$697,000

General Obligation Improvement Note, Series 2026A

PAYMENT SCHEDULE AND CASHFLOW

Assessment >> 460,224
Term >> 15
Rate >> 5.85%

Payment Date		Note Payments Principal	Rate	Interest	Payment Total	Annual plus 5%	Pay Agent	Budget Year	Assessment Revenues*	Tax Levies	D/S Fund Balance Surplus (deficit)	Account Balance
									Deposit to Debt Service Account >			372
9/1/2026	*Dated Date*											
8/1/2027				30,987	**30,987.46**							
2/1/2028		20,000	4.850%	16,902	**36,902.25**	71,284	-	2027	46,923	23,990	(372)	-
8/1/2028				16,417	**16,417.25**							
2/1/2029		35,000	4.850%	16,417	**51,417.25**	71,226	-	2028	46,923	24,304	-	-
8/1/2029				15,569	**15,568.50**							
2/1/2030		37,000	4.850%	15,569	**52,568.50**	71,544	-	2029	46,923	24,621	-	-
8/1/2030				14,671	**14,671.25**							
2/1/2031		39,000	4.850%	14,671	**53,671.25**	71,760	-	2030	46,923	24,837	-	-
8/1/2031				13,726	**13,725.50**							
2/1/2032		40,000	4.850%	13,726	**53,725.50**	70,824	-	2031	46,923	23,901	-	-
8/1/2032				12,756	**12,755.50**							
2/1/2033		42,000	4.850%	12,756	**54,755.50**	70,887	-	2032	46,923	23,964	-	-
8/1/2033				11,737	**11,737.00**							
2/1/2034		44,000	4.850%	11,737	**55,737.00**	70,848	-	2033	46,923	23,925	-	-
8/1/2034				10,670	**10,670.00**							
2/1/2035		46,000	4.850%	10,670	**56,670.00**	70,707	-	2034	46,923	23,784	-	-
8/1/2035				9,555	**9,554.50**							
2/1/2036		49,000	4.850%	9,555	**58,554.50**	71,514	-	2035	46,923	24,592	-	-
8/1/2036				8,366	**8,366.25**							
2/1/2037		51,000	4.850%	8,366	**59,366.25**	71,119	-	2036	46,923	24,197	-	-
8/1/2037				7,130	**7,129.50**							
2/1/2038		53,000	4.850%	7,130	**60,129.50**	70,622	-	2037	46,923	23,699	-	-
8/1/2038				5,844	**5,844.25**							
2/1/2039		56,000	4.850%	5,844	**61,844.25**	71,073	-	2038	46,923	24,150	-	-
8/1/2039				4,486	**4,486.25**							
2/1/2040		59,000	4.850%	4,486	**63,486.25**	71,371	-	2039	46,923	24,449	-	-
8/1/2040				3,056	**3,055.50**							
2/1/2041		62,000	4.850%	3,056	**65,055.50**	71,517	-	2040	46,923	24,594	-	-
8/1/2041				1,552	**1,552.00**							
2/1/2042		64,000	4.850%	1,552	**65,552.00**	70,459	-	2041	46,923	23,537	-	-
		697,000		318,956	**1,015,956.21**	1,066,754	-		703,839	362,543	(372)	

* Assmts certified Fall 2026 for collection 2027, 15 years 1% over borrowing rate

Prepared by: David Drown Associates, Inc.
612-920-3320

Exhibit A

LOAN AGREEMENT

This Loan Agreement is made as of this 1st day of September, 2026, by and between the City of Frazee, Becker County, Minnesota (the "City"), and Security Bank & Trust Co., located in Winsted, Minnesota (the "Lender").

RECITALS

WHEREAS, the City desires to obtain a loan from the Lender to be evidenced by the City's $697,000 General Obligation Improvement Note, Series 2026A, dated the date hereof (the "Note") with a maturity date of February 1, 2042. The proceeds of such loan shall be used for public purposes, including:

A. to finance a street and public trail improvement project (the "Project"), as more fully described in the City's Resolution adopted on August 12, 2026 (the "Resolution"); and

B. to provide for the costs of issuance of the Note.

WHEREAS, the parties hereto desire to set out the terms and conditions of such loan and the Note and the terms and conditions of advancing funds pursuant to the Note.

NOW, THEREFORE, it is hereby agreed as follows:

1. The City agrees to issue the Note to the Lender and the Lender agrees that such loan will be repaid with interest at the rate of 4.85% per annum in accordance with the terms and conditions of the Note set forth in the Resolution.

2. The Lender shall agree to accept the debt instrument for investment and not with a present view to the distribution, transfer or resale thereof. The Lender intends to hold and book the Note as a loan in its loan portfolio; the Lender acknowledges that the use of the word "Note" in the name of the debt instrument is for convenience only and is not intended to indicate that the instrument is a security within the meaning of the Securities Act of 1933.

3. The Lender agrees to hold the Note for its own account until its maturity or early redemption and does not intend to dispose of all or any portion of such Note and understands that transfer of such Note is restricted pursuant to the terms of the Resolution, the Note and this Loan Agreement.

4. On the date of issuance of the Note, the Lender shall advance to the City the entire loan amount of $697,000 upon delivery of the Note.

5. All capitalized terms not defined herein shall have the meaning, as defined, in the Resolution.

RESOLUTION NO. 0812-2026C

RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF A $697,000 GENERAL OBLIGATION IMPROVEMENT NOTE, SERIES 2026A

BE IT RESOLVED, by the City Council (the "City Council") of the City of Frazee, Becker County, Minnesota (the "Issuer"), as follows:

Section 1. Note Purpose, Authorization, and Award.

1.01 Authority; Purpose. A. Pursuant to authority contained in Minnesota Statutes, Chapters 429 and 475, the Issuer does hereby direct the issuance and sale of a General Obligation Improvement Note, Series 2026A in the aggregate principal amount of $697,000 (the "Note"), for the purpose of financing ineligible PFA project costs associated with the 2026 street and utility project (the "Project"), for payment of part of the interest costs of the Note and for payment of part of the issuance costs of the Note.

B. The principal of and interest on the Note shall be paid primarily from special assessments levied or to be levied upon benefited property (the "Special Assessments") and ad valorem taxes levied in this resolution (the "Taxes"). The Project is hereby ordered as required by Minnesota Statutes, Section 429.091, Subdivision 1.

1.02 Municipal Advisor. The Issuer has retained the services of David Drown Associates, Inc. as its municipal advisor.

1.03 Award of Sale. The Issuer has received a proposal for a loan to be evidenced by the Note from Security Bank & Trust Co., located in Winsted, Minnesota (the "Lender"), in the amount of $697,000 to pay costs of the Project, upon condition that the Note matures and bears interest at the times and annual rates set forth in Section 2. The Issuer, after due consideration, finds such offer reasonable and proper and the offer of the Lender is accepted. All actions of the Mayor and the City Administrator taken with regard to the sale of the Note are ratified and approved.

Section 2. Terms of the Note.

2.01. Interest Rate and Principal Maturities. The Note shall be dated the date of its closing and delivery as the date of original issue, shall be issued in the denomination equal to the principal amount thereof, shall be issued in fully registered form and lettered and numbered R-1. The Note shall bear interest at the annual rate of 4.85 percent and shall mature on the dates and in the installment amounts shown below:

Date	Principal Amount
2/1/2028	$20,000
2/1/2029	$35,000
2/1/2030	$37,000

Date	Principal Amount
2/1/2031	$39,000
2/1/2032	$40,000
2/1/2033	$42,000
2/1/2034	$44,000
2/1/2035	$46,000
2/1/2036	$49,000
2/1/2037	$51,000
2/1/2038	$53,000
2/1/2039	$56,000
2/1/2040	$59,000
2/1/2041	$62,000
2/1/2042	$64,000

2.02 Prepayment. The Note is prepayable, in whole or in part, beginning on February 1, 2033, at a price of par plus accrued interest to the prepayment date.

2.03 Interest Payment Dates. A. The interest on the Note shall be payable semiannually on February 1 and August 1 of each year (each referred to herein as an "Interest Payment Date"), commencing on August 1, 2027. Interest will be computed upon the basis of a 360-day year of twelve 30-day months.

B. The Registrar designated below shall make all interest payments with respect to the Note by check or draft mailed to the registered owner of the Note shown on the bond registration records maintained by the Registrar at the close of business on the 15th day (whether or not on a business day) of the month next preceding the Interest Payment Date at such owners' addresses shown on such bond registration records.

2.04 Preparation and Execution. A. The Note shall be prepared for execution in accordance with the approved form and shall be signed by the manual signature of the Mayor and attested by the manual signature of the City Administrator. The corporate seal of the Issuer may be omitted from the Note as permitted by law. In case any officer whose signature shall appear on the Note shall cease to be an officer before delivery of the Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery.

B. The City Administrator is authorized and directed to obtain a copy of the proposed approving legal opinion of Fryberger, Buchanan, Smith & Frederick, P.A., Duluth, Minnesota, which is to be complete and cause the opinion to be attached to the Note.

2.05 Registrar. The Issuer hereby appoints the City Administrator, as registrar, authenticating agent, paying agent and transfer agent for the Note (the "Registrar"). The Issuer reserves the right to name a substitute, successor Registrar upon giving prompt written notice to each registered Note holder.

2.06 Registered Owner. The Note shall be registered in the name of the Lender.

2.07 Note Register. The Issuer shall cause to be kept by the Registrar a bond register in which, subject to such reasonable regulations as the Registrar may prescribe, the Issuer shall provide for the registration of the Note and the registration of transfers of the Note entitled to be registered or transferred as herein provided. In the event of the resignation or removal of the Registrar or its incapability of acting as such, the bond registration records shall be maintained at the office of the successor Registrar as may be appointed by the Issuer.

2.08 Payment. A. The Issuer and the Registrar may treat the person in whose name any Note is registered as the owner of such Note for the purpose of receiving payment of principal of and interest on such Note and for all other purposes whatsoever, whether or not such Note be overdue, and neither the Issuer nor the Registrar shall be affected by notice to the contrary. If a payment is 11 days or more late, Issuer will be charged 5% of the unpaid portion of the regular scheduled payment.

B. The principal of and interest on the Note shall be payable by the Registrar in such funds as are legal tender for the payment of debts due the United States of America. The Issuer shall pay the reasonable and customary charges of the Registrar for the disbursement of principal and interest.

2.09 Delivery. Delivery of the Note and payment of the purchase price shall be made at a place mutually satisfactory to the Issuer and the Lender. A typewritten and executed Note shall be furnished by the Issuer without cost to the Lender. The Note, when prepared in accordance with this resolution and executed, shall be delivered by or under the direction of the City Administrator to the Lender upon receipt of the purchase price plus accrued interest.

Section 3. Form of the Note.

3.01 The Note shall be typewritten in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF BECKER

R-1 $697,000

CITY OF FRAZEE
GENERAL OBLIGATION IMPROVEMENT NOTE,
SERIES 2026A

Rate	Maturity Date	Date of Original Issue
4.85%	February 1, 2042	September 1, 2026

REGISTERED OWNER: SECURITY BANK & TRUST CO.

PRINCIPAL AMOUNT: SIX HUNDRED NINETY-SEVEN THOUSAND DOLLARS

The City of Frazee, Becker County, Minnesota (the "Issuer"), for value received, promises to pay to the registered owner specified above, or registered assigns, the principal amount specified above, and to pay interest on said principal amount to the registered owner hereof from the date of original issue set forth above, or from the most recent Interest Payment Date (defined below) to which interest has been paid or duly provided for, until the principal amount is paid, said interest being at the rate per annum specified above.

Interest is payable semi-annually on February 1 and August 1 of each year (each referred to herein as an "Interest Payment Date") commencing on August 1, 2027. Interest will be computed upon the basis of a 360-day year of twelve 30-day months. The Note is payable in the principal installment amounts and at the times described below. Payments shall be applied first to interest due on the outstanding principal balance and thereafter to reduction of the principal balance. If a payment is 11 days or more late, Issuer will be charged 5% of the unpaid portion of the regular scheduled payment.

Date	Principal Amount
2/1/2028	$20,000
2/1/2029	$35,000
2/1/2030	$37,000
2/1/2031	$39,000
2/1/2032	$40,000
2/1/2033	$42,000
2/1/2034	$44,000
2/1/2035	$46,000
2/1/2036	$49,000
2/1/2037	$51,000
2/1/2038	$53,000
2/1/2039	$56,000
2/1/2040	$59,000
2/1/2041	$62,000
2/1/2042	$64,000

Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the main office of the City Administrator, as Registrar, authenticating agent, paying agent and transfer agent (the "Registrar"), or at the office of such successor Registrar as may be designated by the governing body of the Issuer. The Registrar shall make all payments with respect to this bond directly to the registered owner hereof shown on the bond registration records maintained on behalf of the Issuer by the Registrar at the close of business on the 15th day of the month next preceding the Interest Payment Date (whether or not a business day) at such owner's address shown on said bond registration records, without, except for final payment of principal of the Note, the presentation or surrender of the Note, and all such payments shall discharge the obligation of the Issuer to the extent of the payments so made. The final payment of principal of the Note shall be made upon presentation and surrender of the Note to the Registrar when due.

For the prompt and full payment of such principal and interest as they become due, the full faith and credit and taxing power of the Issuer are irrevocably pledged. The Issuer has designated the Note as a "qualified tax-exempt obligation" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The Note comprises the entire amount of this series issued by the Issuer as one fully registered Note without coupons, in the aggregate amount of $697,000, pursuant to the authority contained in Minnesota Statutes, Chapters 429 and 475 and all other laws thereunto enabling, and pursuant to an authorizing resolution adopted by the governing body of the Issuer on August 12, 2026 (the "Resolution"), for the purpose of financing ineligible PFA project costs associated with the 2026 street and utility project. Principal of and interest on the Note is payable primarily from special assessments levied upon benefited property and ad valorem taxes as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred.

The Note is prepayable, in whole or in part, beginning on February 1, 2033, at a price of par plus accrued interest to the prepayment date.

The principal amount evidenced by this Note was drawn upon by Issuer in accordance with the Loan Agreement between Issuer and Lender dated as of the date of the date hereof.

The Issuer will, at the request of the registered owner, issue one new fully registered note in the name of the registered owner in the aggregate principal amount equal to the unpaid principal balance of this Note, of like tenor except as to number and principal amount. This Note is transferable by the registered owner hereof upon surrender of this Note for transfer at the principal corporate office of the Registrar, duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Registrar and executed by the registered owner hereof or the owner's attorney duly authorized in writing. Thereupon the Issuer shall execute and the Registrar shall authenticate, if required by law or the Resolution, and deliver, in exchange for this Note, one new fully registered note in the name of the transferee, in an aggregate principal amount equal to the unpaid principal amount of this Note, of the same maturity, and bearing interest at the same rate. No service charge shall be made for any transfer or exchange hereinbefore referred to, but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

IT IS CERTIFIED AND RECITED that all acts and conditions required by the laws and the Constitution of the State of Minnesota to be done and to exist precedent to and in the issuance of this Note, in order to make it a valid and binding general obligation of the Issuer in accordance with its terms, have been done and do exist in form, time and manner as so required; that all taxable property within the limits of the Issuer is subject to the levy of ad valorem taxes to the extent needed to pay the principal hereof and the interest hereon when due, without limitation as to rate or amount and that the issuance of this Note does not cause the indebtedness of the Issuer to exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City of Frazee, Becker County, Minnesota, by its governing body, has caused this Note to be executed in its name by the manual signature of the Mayor and attested by the manual signature of the City Administrator as of the date of original issue set forth above.

ATTEST:

(form – no signature required)
City Administrator

(form – no signature required)
Mayor

REGISTRATION CERTIFICATE

This Note must be registered as to both principal and interest in the name of the owner on the books to be kept by City Administrator of the Issuer, as Registrar. No transfer of this Note shall be valid unless made on said books by the registered owner or the owner's attorney thereunto duly authorized and similarly noted on the registration books. The ownership of the unpaid principal balance of this Note and the interest accruing thereon is registered on the books of the Issuer in the name of the registered owner last noted below.

Date	Registered Owner	Signature of City Administrator
9/1/2026	Security Bank & Trust Co. 110 First Street N. Winsted, MN 56169 Federal Tax I.D. No.: 41-0531690	*(form no signature required)*

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Assignee)

___________________________ Social Security or Other Identifying Number of Assignee

the within Note and all rights thereunder and does hereby irrevocably constitute and appoint attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated: _________________________

____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

(Bank, Trust Company, member of National Securities Exchange)

THIS INSTRUMENT HAS NOT BEEN REGISTERED UNDER THE FEDERAL SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD OR OTHERWISE DISPOSED OF FOR VALUE, OR TRANSFERRED, WITHOUT (i) AN OPINION OF COUNSEL THAT SUCH SALE, DISPOSITION OR TRANSFER MAY LAWFULLY BE MADE WITHOUT REGISTRATION UNDER THE FEDERAL SECURITIES ACT OF 1933, AS AMENDED AND UNDER APPLICABLE STATE SECURITIES LAWS, OR (ii) SUCH REGISTRATION. THE TRANSFERABILITY OF THIS INSTRUMENT IS SUBJECT TO RESTRICTIONS REQUIRED BY (1) FEDERAL AND STATE SECURITIES LAWS GOVERNING UNREGISTERED SECURITIES; AND (2) THE RULES, REGULATIONS, AND INTERPRETATIONS OF THE GOVERNMENTAL AGENCIES ADMINISTERING SUCH LAWS. THIS INSTRUMENT HAS NOT BEEN REGISTERED UNDER CHAPTER 80A OF MINNESOTA STATUTES OR OTHER APPLICABLE STATE BLUE SKY LAWS AND MAY NOT BE SOLD, TRANSFERRED, OR OTHERWISE

DISPOSED OF FOR VALUE EXCEPT PURSUANT TO REGISTRATION OR OPERATION OF LAW.

Section 4. Covenants, Accounts and Tax Levies.

4.01 Covenants. It is hereby determined that the Project will directly and indirectly benefit abutting property, and the Issuer hereby covenants with the holders from time to time of the Note as follows:

A. The Issuer has caused or will cause the Special Assessments to be promptly levied so that the first installment will be collectible no later than 2027 and will take all steps necessary to assure prompt collection, and the levy of the Special Assessments is hereby authorized. The Issuer will cause all further actions and proceedings to be taken with due diligence that are required for the construction of the Project financed wholly or partly from the proceeds of the Note, and for the final and valid levy of the Special Assessments and the appropriation of any other funds needed to pay the Note and interest thereon when due.

B. It is recognized that the Issuer's liability on the Note is not limited to the Special Assessments and ad valorem taxes pledged herein (the "Pledged Revenues"), and the Issuer covenants and agrees that in the event of any current or anticipated deficiency in Pledged Revenues, it will levy upon all taxable property within the Issuer and cause to be extended, assessed, and collected, any additional taxes found necessary for full payment of the principal of and interest on the Note, without limitation as to rate or amount.

C. The Issuer will keep complete and accurate books and records showing receipts and disbursements in connection with the improvements and Special Assessments levied therefor and other funds appropriated for their payment, collections and disbursements thereof, monies on hand and the balance of unpaid Special Assessments.

D. The Issuer will cause its books and records to be audited and will furnish copies of such audit reports to any interested person upon request.

E. The Issuer covenants and agrees with the holders of the Note and with its taxpayers that it will assess against benefited property not less than 20% of the cost of the Project financed wholly or partly from the proceeds of the Note.

4.02 The Fund. There is created a special fund to be designated the "2026A Improvement Program Fund" (the "Fund") to be administered and maintained by the City Administrator as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the Issuer. The Fund shall be maintained in the manner herein specified until the Note and interest thereon have been fully paid. There shall be maintained in the Fund two (2) separate accounts, to be designated the "Construction Account" and "Debt Service Account," respectively:

A. *Construction Account*. On receipt of the purchase price of the Note, the Issuer shall credit proceeds from the sale of the Note less the amount used to pay part of the interest cost of the issue as allowed by Minnesota Statutes, Section 475.56 (the "Additional Interest"), less amounts allocated to accrued interest paid by the Lender upon closing and delivery of the Note (the "Accrued Interest") and less amounts allocated to capitalized interest ("Capitalized Interest") if any, to the Construction Account. The monies in such account, along with other monies of the Issuer available therefor, shall be used to pay construction costs of the Project. Other costs for which payment from such fund is authorized shall include costs of legal, financial advisory, and other professional services, printing and publication costs, interest coming due on the Note during construction of the Project and costs of issuance of the Note. Any funds remaining in the Construction Account after completion of the Project and payment in full of costs thereof shall be transferred to the Debt Service Account.

B. *Debt Service Account*. There are pledged and appropriated to the Debt Service Account: (a) Accrued Interest, (b) Capitalized Interest, if any, (c) Additional Interest; (d) the Special Assessments (e) the Taxes, (f) any funds remaining in the Construction Account after completion of the Project, and (g) any and all other monies which are properly available and are appropriated by the governing body of the Issuer, and interest earnings on the foregoing. The money in such fund shall be used for no purpose other than the payment of principal and interest on the Note; provided, however, that if any payment of principal or interest shall become due when there is not sufficient money in the Debt Service Account, the City Administrator shall pay the same from any other fund of the Issuer, which fund shall be reimbursed from the Debt Service Account when the balance therein is sufficient.

4.03 Tax Levy. A. For the prompt and full payment of the principal and interest on the Note when due, the full faith and credit and taxing power of the Issuer are irrevocably pledged. There is levied a direct annual ad valorem tax upon all taxable property in the Issuer which shall be spread upon the tax rolls and collected with and as part of other general property taxes in the Issuer. Said levies are for the years and in the amounts set forth below:

Levy Year	Collection Year	Amount
2026	2027	$23,990
2027	2028	$24,304
2028	2029	$24,621
2029	2030	$24,837
2030	2031	$23,901
2031	2032	$23,964
2032	2033	$23,925
2033	2034	$23,784
2034	2035	$24,592
2035	2036	$24,197
2036	2037	$23,699
2037	2038	$24,150
2038	2039	$24,449
2039	2040	$24,594
2040	2041	$23,537

B. The tax levies are such that if collected in full they, together with the Special Assessments, estimated collections of investment earnings and other funds herein pledged and appropriated for payment of the Note, will produce at least 5% in excess of the amount needed to meet when due the principal and interest payments on the Note.

C. The tax levies shall be irrepealable so long as the Note is outstanding and unpaid; provided, however, that on November 30 of each year, while any Note issued hereunder remains outstanding, the Issuer shall reduce or cancel the above levies to the extent of funds available in the Debt Service Account to pay principal and interest due during the ensuing year, and shall direct the County Auditor to reduce the levy for such calendar year by that amount.

4.04 Investments. Monies on deposit in the Construction Account and in the Debt Service Account may, at the discretion of the City Administrator, be invested in securities permitted by Minnesota Statutes, Chapter 118A, provided that any such investments shall mature at such times and in such amounts as will permit for payment of Project costs and/or payment of the principal and interest on the Note when due.

Section 5. Tax Covenants.

5.01 General. The Issuer covenants and agrees with the holders of the Note that the Issuer will (i) take all action on its part necessary to cause the interest on the Note to be exempt from federal income taxes including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Note and investment earnings thereon, making required payments to the federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Note to be subject to federal income taxes, including, without limitation, refraining from spending the proceeds of the Note and investment earnings thereon on certain specified purposes.

5.02 Small-Issuer Rebate Exception. For purposes of qualifying for the small issuer exception to the federal arbitrage rebate requirements, the Issuer finds, determines and declares:

(a) the Issuer is a governmental unit with general taxing powers;

(b) the Note is not a "private activity bond" as defined in Section 141 of the Internal Revenue Code of 1986, as amended (the "Code");

(c) 95% or more of the net proceeds of the Note is to be used for local governmental activities of the Issuer; and

(d) the aggregate face amount of the tax exempt obligations (other than private activity bonds) issued by the Issuer during the calendar year in which the Note is issued is not reasonably expected to exceed $5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code.

5.03 Bank Qualification. In order to qualify the Note as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code, the Issuer hereby makes the following factual statements and representations:

A. the Note is not a "private activity bond" as defined in Section 141 of the Code;

B. the Issuer hereby designates the Note as a "qualified tax exempt obligation" for purposes of Section 265(b)(3) of the Code;

C. the reasonably anticipated amount of tax exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will by issued by the Issuer (and all entities whose obligations will be aggregated with those of the Issuer) during the calendar year in which the Note is being issued will not exceed $10,000,000; and

D. not more than $10,000,000 of obligations issued by the Issuer during the calendar year in which the Note is being issued have been designated for purposes of Section 265(b)(3) of the Code.

The Issuer shall use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designation made by this Section.

Section 6. Certificate of Proceedings; Miscellaneous.

6.01 The City Administrator is directed to file with the County Auditor an original or certified copy of this resolution and such other information as the County Auditor may require, and to obtain from the County Auditor a certificate stating that the Note herein authorized has been duly entered on the County Auditor's register.

6.02 The officers of the Issuer are authorized and directed to prepare and furnish to the Lender of the Note and to bond counsel certified copies of all proceedings and records of the Issuer relating to the authorization and issuance of the Note and other affidavits and certificates as may reasonably be requested to show the facts relating to the legality and marketability of the Note as such facts appear from the official books and records of the officers' custody or otherwise known to them. All of such certified copies, certificates and affidavits, including any heretofore furnished, constitute representations of the Issuer as to the correctness of facts recited therein and the actions stated therein to have been taken.

6.03 The Mayor and City Administrator are hereby authorized and directed to certify that they have examined the Offering Circular prepared and circulated in connection with the issuance and sale of the Note and that to the best of their knowledge and belief the Offering Circular is a complete and accurate representation of the facts and representations made therein as of the date of the Offering Circular.

6.04 In the event of the absence or disability of the Mayor or City Administrator, such officers or members of the Issuer as in the opinion of the Issuer's attorney may act in their behalf shall, without further act or authorization, execute and deliver the Note, and do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers.

Section 7. <u>Loan Agreement</u>. The proceeds of the Note will be advanced to the Issuer in accordance with the terms of this Resolution and with a Loan Agreement between the Issuer and the Lender (the "Loan Agreement"). The Mayor and City Administrator of the Issuer are hereby authorized and directed to execute the Loan Agreement substantially in the form currently on file in the office of the Issuer.

Section 8. <u>Pre- and Post-Issuance Compliance Policy and Procedures</u>. The City has previously approved a Pre- and Post-Issuance Compliance Policy and Procedures which applies to qualifying obligations to provide for compliance with all applicable federal regulations for tax-exempt obligations or tax-advantaged obligations (collectively, the "Policy and Procedures"). The City hereby ratifies the Policy and Procedures for the Bond. The City Administrator continues to be designated to be responsible for post-issuance compliance in accordance with the Policy and Procedures.

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DDA
David Drown Associates, Inc.
Public Finance Advisors

Parkers Prairie Office:
13979 County Highway 42
Parkers Prairie, MN 56361
(612)920-3320 ext. 110 | fax (612) 605-2375
www.daviddrown.com

July 30, 2026

RECOMMENDATIONS

Mr. Mike Sharp, Mayor
Ms. Stephanie Poegel, City Administrator
City of Frazee
222 Main Street
P.O. Box 387
Frazee, MN 56544

RE: General Obligation Temporary Utility Revenue Note, 2026B

Honorable Mayor Sharp, Members of the City Council, and Ms. Poegel:

The City of Frazee has applied to the Minnesota Rural Water Mega-Loan Program to finance construction costs related to Minnesota Public Facilities Authority funding. The application has been processed, and the program lender has conditionally approved a temporary issue in the amount of $2,116,000 at an interest rate of 4.40%.

We understand that permanent financing has been secured through the Minnesota Public Facilities Authority; however, due to challenges within the PFA, access to funds has been delayed. Based on the pending construction schedule and the anticipated availability of PFA funds in late September or early October, the note was sized to cover construction activities through this period, with estimated funding needs of $2 million.

This bond should be structured as a "temporary note." This structure allows the City to defer principal repayment, for up to three years as permitted by applicable rules, until the final maturity of the bond, while making interest payments in the interim. As noted above, the City intends to use funding through the Minnesota Public Facilities Authority to retire this note. Please note that capitalized interest has been included for payments due in 2027. If the note remains outstanding beyond 2027, the City will pledge water and sewer revenues to make interest payments.

Payment and Revenue Requirements:
As noted above, interim interest payments have been capitalized through September 1, 2027. Following the first payment, the City will pledge utility revenues through the maturity of the note. It is anticipated that, prior to that time, the City will have access to its permanent project financing through the Public Facilities Authority, which will be used to retire this temporary note.

Suitability of Proposed Financing:
We consider the Minnesota Rural Water Mega-Loan Program to be a suitable source of project financing based on the following factors:

1) Based on the size and terms of the proposed financing, the borrowing is sensitive to issuance costs. The Mega-Loan Program has issuance costs that are pre-negotiated by the program and offers efficiencies that reduce the overall cost of borrowing.

2) Due to the challenges associated with PFA funding, the City needs to access capital quickly. The program can provide funds within a short time frame.

3) Given the City's elevated debt levels, obtaining a rating may not be beneficial for this borrowing.

$2,116,000 Temporary General Obligation Utility Revenue Note:
If the Council elects to finance the project costs as proposed, David Drown Associates, Inc., recommends the following:

- A three-year financing term, which is the maximum term permitted under statute for a temporary note.
- The note may be prepaid in whole only on any date without penalty.
- A fixed interest rate of 4.40% for the duration of the note.

Schedule:
If the Council determines that it is appropriate to proceed, the proposed schedule for putting this temporary project financing in place is as follows:

August 12, 2026,	Award Sale of Temporary GO Utility Revenue Note
August 21, 2026,	Closing & Transfer of Funds

A resolution awarding the sale to Frandsen Bank, which serves as a program lender for Minnesota Rural Water, will be sent to you directly by the Fryberger Law Firm.

Thank you for your time and consideration of this material. Please feel free to contact me with any questions.

Respectfully,

Jason Murray
Senior Associate

Enclosures

City of Frazee, Minnesota 7/27/2026

$2,116,000 **FINAL**

Temporary General Obligation Utility Revenue Note, Series 2026B

Minnesota Rural Water Association "Mega-Loan"

STATE OF MINNESOTA CREDIT ENHANCED

Uses of Funds

Project Costs	2,000,000.00
Contingency	-
Other	-
Total Project Costs	**2,000,000.00**
Capitalized Interest	87,931.56
MN Rural Water Loan Fees	27,350.00
Surplus	718.44
	2,116,000.00

Sources of Funds

Bond Issue	**2,116,000.00**
Cash Contributions	-
	2,116,000.00

Closing Allocations

Purchaser: Security Bank & Trust Co., Winsted, MN

Proceeds to:		
Construction Fund (new money portion)	2,000,000.00	
Debt Service Fund	88,650.00	
Total to Issuer >>		**2,088,650.00**
Proceeds for Costs		
David Drown Associates, Inc. (FA)*	18,850.00	
Fryberger (Bond Counsel)	6,400.00	
Pay Agent (Northland Bond Services)	750.00	
MN Rural Water Ass'n (Sponsor)	1,350.00	
Total for Expenses >>		**27,350.00**

* includes State fee

Calendar

Application Received	7/23/2026
Sales Resolution Approved	8/12/2026
Dated Date / Closing Date	9/21/2026
1st Interest Payment	3/1/2027
Proceeds spent by...	12/31/2027

Statistics

Purchase Price (Issue Price)	2,116,000.00
Net Interest Cost	274,139.56
Net Effective Rate	4.40000%
Average Coupon	4.40000%
IRS Yield	4.40085%
WAM (years)	2.9444
Call Option	3/1/2027
Tax Status	Tax Exempt, Bank Qualified
Rebate	$5 million small issuer exemption
Continuing Disclosure	none -- audits upon request
Statutory Authority	M.S. Chapter 444, 475

How to make payments

Payments are made using the paying agent, Northland Bond Services. All payments must be received 3 days prior to the payment date.
Payment questions? Call (612) 851-5961.

Prepared by: David Drown Associates, Inc.
612-920-3320

Cashflow

City of Frazee, Minnesota

$2,116,000

Temporary General Obligation Utility Revenue Note, Series 2026B

7/27/2026

FINAL

PAYMENT SCHEDULE AND CASHFLOW

STATE OF MINNESOTA CREDIT ENHANCED

	Note Payments							Budget Revenues			D/S Fund Balance	
Payment Date	Principal	Rate	Interest	Payment Total	Annual plus 5%	Pay Agent	Collect Year	Long Term Funding	Local Revenues	Revs for Coverage	Surplus (deficit)	Account Balance
										Deposit to Debt Service Account >		88,650
9/21/2026	dated date											
3/1/2027			41,380	**41,379.56**								
9/1/2027	-	4.400%	46,552	**46,552.00**	87,932	395	2027	-	-	-	(88,327)	323
3/1/2028			46,552	**46,552.00**								
9/1/2028	-	4.400%	46,552	**46,552.00**	97,759	395	2028	-	93,176	4,655	(323)	-
3/1/2029			46,552	**46,552.00**								
9/1/2029	2,116,000	4.400%	46,552	**2,162,552.00**	2,319,559	-	2029	2,162,552	47,270	109,737	-	-
	2,116,000		274,140	**2,390,139.56**	2,505,250	790		2,162,552	140,446	114,392	(88,650)	

Prepared by: David Drown Associates, Inc.
612-920-3320

Cashflow

LOAN AGREEMENT

This Loan Agreement is made as of this 21st day of September, 2026, by and between the City of Frazee, Becker County, Minnesota (the "City") and Security Bank & Trust Co., located in Winsted, Minnesota (the "Lender").

RECITALS

WHEREAS, the City desires to obtain a loan from the Lender to be evidenced by the City's $2,116,000 Temporary General Obligation Utility Revenue Note, Series 2026B, dated September 21, 2026 (the "Note"). The proceeds of such loan shall be used for public purposes, including:

A. improvements to the municipal sewer utility (the "Sewer Utility") and municipal water utility (the "Water Utility", and together with the Sewer Utility, the "Utilities") including, temporary financing of engineering costs (the "Project"), as more fully described in the City's resolution adopted on August 12, 2026 (the "Resolution");

B. to provide for the costs of issuance of the Note.

WHEREAS, the parties hereto desire to set out the terms and conditions of such loan and the Note and the terms and conditions of advancing funds pursuant to the Note.

NOW, THEREFORE, it is hereby agreed as follows:

1. The City agrees to issue the Note to the Lender and the Lender agrees that such loan will be repaid with interest at the rate of 4.40% per annum in accordance with the terms and conditions of the Note set forth in the Resolution.

2. The Lender shall agree to accept the debt instrument for investment and not with a present view to the distribution, transfer or resale thereof. The Lender intends to hold and book the Note as a loan in its loan portfolio; the Lender acknowledges that the use of the word "Note" in the name of the debt instrument is for convenience only and is not intended to indicate that the instrument is a security within the meaning of the Securities Act of 1933.

3. The Lender agrees to hold the Note for its own account until its maturity or early redemption and does not intend to dispose of all or any portion of such Note and understands that transfer of such Note is restricted pursuant to the terms of the Resolution, the Note and this Loan Agreement.

4. On the date of issuance of the Note, the Lender shall advance the entire loan amount of $2,116,000 in exchange for delivery of the Note by the City.

5. All capitalized terms not defined herein shall have the meaning, as defined, in the Resolution.

RESOLUTION NO. 0812-2026D

RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF A $2,116,000 TEMPORARY GENERAL OBLIGATION UTILITY REVENUE NOTE, SERIES 2026B

BE IT RESOLVED, by the City Council of the City of Frazee, Becker County, Minnesota (the "Issuer"), as follows:

Section 1. Note Purpose, Authorization, and Award.

1.01 Statutory Authority. Pursuant to authority contained in Minnesota Statutes, Section 444.075, 475.61, Subdivisions 5 and 6, Chapter 475 (collectively, the "Act"), the Issuer is authorized to issue its temporary general obligation for the purpose of providing funds for improvements to the municipal sewer utility (the "Sewer Utility") and municipal water utility (the "Water Utility", and together with the Sewer Utility, the "Utilities") including, temporary financing of engineering costs (the "Project") which is necessary for timely payment of anticipated expenditures from the Project Account established herein.

1.02 Authorization. A. The City Council directs the issuance and sale of a $2,116,000 Temporary General Obligation Utility Revenue Note, Series 2026B of the Issuer dated as of the date and closing and delivery thereof (the "Note").

B. The principal of and interest on the Note shall be paid primarily from Net Revenues (defined herein) derived from the operation of the Utilities, and long-term definitive bond or additional temporary obligations which the Issuer shall offer for sale in advance of the maturity of the Note (the "Permanent Obligations").

1.03 Municipal Advisor. The Issuer has retained the services of David Drown Associates, Inc., as its municipal advisor.

1.04 Award. The Issuer has received a proposal for a loan to be evidenced by the Note from Security Bank & Trust Co., located in Winsted, Minnesota (the "Lender"), in the amount of $2,116,000 to pay costs of the Project, upon condition that the Note mature and bear interest at the times and annual rate set forth in Section 2. The Issuer, after due consideration, finds such offer reasonable and proper and the offer of the Lender is accepted. All actions of the Mayor and the City Administrator, taken with regard to the sale of the Note are ratified and approved.

Section 2. Terms of the Note.

2.01 Interest Rate and Principal Maturities. The Note shall be dated the date of its closing and delivery as the date of original issue, shall be issued in the denomination equal to the principal amount thereof, shall be issued in fully registered form and lettered and numbered R-1. The Note shall bear interest at the annual rate of 4.40 percent and shall mature on September 1, 2029 (the "Maturity Date"). The Note shall be payable as to principal on the Maturity Date.

2.02 Prepayment. The Note is prepayable in whole or in part on any date at a price of par plus accrued interest to the prepayment date.

2.03 Interest Payment Dates. The interest on the Note shall be payable semi-annually on March 1 and September 1 of each year (each referred to herein as an "Interest Payment Date"), commencing March 1, 2027. Interest will be computed upon the basis of a 360-day year of twelve 30-day months.

2.04 Preparation and Execution. A. The Note shall be prepared for execution in accordance with the approved form and shall be signed by the manual signature of the Mayor and attested by the manual signature of the City Administrator. The corporate seal of the Issuer may be omitted from the Note as permitted by law. In case any officer whose signature shall appear on the Note shall cease to be an officer before delivery of the Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery.

B. The City Administrator is authorized and directed to obtain a copy of the proposed approving legal opinion of Fryberger, Buchanan, Smith & Frederick, P.A., Duluth, Minnesota, which is to be complete thereof and cause the opinion to be attached to the Note.

2.05 Appointment of Registrar. The City Council hereby appoints Northland Trust Services, Inc. of Minneapolis, Minnesota, as registrar, authenticating agent, paying agent and transfer agent for the Note (the "Registrar"). No Note shall be valid or obligatory for any purpose unless or until the Note has been executed by the manual signature of at least one officer of the Issuer or the Registrar's Authentication Certificate on such Note, substantially set forth in this resolution, shall have been duly executed by an authorized representative of the Registrar. Authentication certificates on different bonds need not be signed by the same representative. The executed Authentication Certificate or manual signature of an officer of the Issuer on the Note shall be conclusive evidence that it has been authenticated and delivered under this Resolution.

2.06 Registered Owner. The Note shall be registered in the name of the Lender.

2.07 Registration Provisions. The Issuer shall cause to be kept by the Registrar a bond register in which, subject to such reasonable regulations as the Registrar may prescribe, the Issuer shall provide for the registration of the Note and the registration of transfers of the Note entitled to be registered or transferred as herein provided. In the event of the resignation or removal of the Registrar or its incapability of acting as such, the Note registration records shall be maintained at the office of the successor Registrar as may be appointed by the City Council.

2.08 Payment. A. The Issuer and the Registrar may treat the person in whose name the Note is registered as the owner of such Note for the purpose of receiving payment of principal of and interest on such Note and for all other purposes whatsoever, whether or not such Note be overdue, and neither the Issuer nor the Registrar shall be affected by notice to the contrary. If a payment is 11 days or more late, Issuer will be charged 5% of the unpaid portion of the regular scheduled payment.

B. The principal of and interest on the Note shall be payable by the Registrar in such funds as are legal tender for the payment of debts due the United States of America. The Issuer shall pay the reasonable and customary charges of the Registrar for the disbursement of principal and interest.

2.09 Delivery. Delivery of the Note and payment of the purchase price shall be made at a place mutually satisfactory to the Issuer and the Lender. A typewritten and executed Note shall be furnished by the Issuer without cost to the Lender. The Note, when prepared in accordance with this Resolution and executed, shall be delivered by or under the direction of the City Administrator to the Lender upon receipt of the purchase price plus accrued interest.

Section 3. Form of the Note.

3.01 The Note shall be printed or typewritten in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF BECKER

R-1 $2,116,000

CITY OF FRAZEE
TEMPORARY GENERAL OBLIGATION UTILITY REVENUE NOTE,
SERIES 2026B

Rate	Maturity Date	Date of Original Issue
4.40%	September 1, 2029	September 21, 2026

REGISTERED OWNER: SECURITY BANK & TRUST CO.

PRINCIPAL AMOUNT: TWO MILLION ONE HUNDRED SIXTEEN THOUSAND DOLLARS

The City Council (the "City Council") of the City of Frazee, Becker County, Minnesota (the "Issuer"), for value received, promises to pay to the registered owner specified above, or registered assigns, the principal amount specified above, and to pay interest on said principal amount to the registered owner hereof from date of original issue set forth above, or from the most recent Interest Payment Date (defined below) to which interest has been paid or duly provided for, until the principal amount is paid, said interest being at the rate per annum specified above.

Interest is payable semi-annually on March 1 and September 1 each year (each referred to herein as an "Interest Payment Date") commencing on March 1, 2027. This Note is payable as to principal on the maturity date set forth above. Payments shall be applied first to interest due on the outstanding principal balance and thereafter to reduction of the principal balance. If a payment is 11 days or more late, Issuer will be charged 5% of the unpaid portion of the regular scheduled payment.

Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the main office of Northland Trust Services, Inc., of Minneapolis, Minnesota, as Registrar, authenticating agent, paying agent and transfer agent (the "Registrar"), or at the office of such successor Registrar as may be designated by the governing body of the Issuer. The Registrar shall make all payments with respect to this Note directly to the registered owner hereof shown on the Note registration records maintained on behalf of the Issuer by the Registrar at the close of business on the 15th day of the month next preceding the payment date (whether or not a business day) at such owner's address shown on said Note registration records, without, except for payment of principal of this Note, the presentation or surrender of this Note, and all such payments shall discharge the obligation of the Issuer to the extent of the payments so made. The final payment of principal on this Note shall be made upon presentation and surrender of this Note to the Registrar when due.

This Note comprises the entire series issued by the Issuer in the aggregate amount of $2,116,000 pursuant to the authority contained in Minnesota Statutes, Sections 444.075 and 475.61, Subdivisions 5 and 6, Chapter 475 and all other laws thereunto enabling, and pursuant to an authorizing resolution adopted by the governing body of the Issuer on August 12, 2026 (the "Resolution"), for the purpose of providing funds for (i) the temporary financing of a portion of the costs of improvements to the municipal sewer utility (the "Sewer Utility") and water utility (the "Water Utility" and collectively with the Sewer Utility, the "Utilities"); and (ii) to pay certain expenses incurred in the issuance of the Note. The principal of and interest on this Note shall be paid primarily from net revenues (the "Net Revenues") derived from the operation of the Utilities in excess of normal, reasonable and current costs of the operation and maintenance of the Utility and from the proceeds of permanent bonds or additional temporary bonds which the Issuer shall offer for sale in advance of the maturity of this Note (the "Permanent Obligations"). (The Permanent Obligations and Net Revenues are collectively referred to herein as the "Pledged Revenues.") The Pledged Revenues are sufficient to pay the interest on and principal of this Note.

The principal amount evidenced by this Note was drawn upon by Issuer in accordance with the Loan Agreement between Issuer and Lender dated as of the date of the date hereof.

In the Resolution the Issuer has covenanted and agreed that if this Note cannot be paid at maturity from the Pledged Revenues or from other funds appropriated by the governing body of the Issuer, this Note will be paid from the proceeds of additional definitive obligations which will be issued and sold prior to the maturity date of this Note. The holder of this Note shall have and may enforce, by mandamus or other appropriate proceedings, all rights respecting the levy and collection of taxes that are granted by law to holders of permanent bonds, except the right to require the levies to be collected prior to the maturity of this Note. If this Note is not paid in full at maturity, the holder hereof may require the issuance in exchange for it, at par, of a new temporary bond maturing within one year from its date of issue but not subject to any other maturity limitation, and bearing interest at the maximum rate permitted by law. Reference is made to the Resolution to which reference is made for a full statement of rights and powers thereby conferred.

The Issuer has further covenanted and agreed that it will impose and collect just and equitable charges for all use and for the availability of all facilities of the Utilities at the times and in the amounts required to pay the normal, reasonable and current expenses of operating and maintaining the system, and also to produce Net Revenues, which along with the Permanent Obligations will be at least adequate at all times to pay the principal and interest due on this Note.

For the prompt and full payment of such principal and interest as they become due, the full faith and credit and taxing power of the Issuer are irrevocably pledged. The Issuer has designated this Note as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The Note is prepayable on any date in whole or in part at a price of par plus accrued interest to the prepayment date.

The Issuer has qualified this Note for participation in the State of Minnesota Public Facilities Credit Enhancement Program under which the State of Minnesota guaranties payment of city debt obligations pursuant to Minnesota Statutes, Section 446A.086. If the Issuer is unable to make any portion of the principal or interest payments on the Note as they become due, the State of Minnesota has agreed to make such payment in the Issuer's place.

IT IS CERTIFIED AND RECITED that all acts and conditions required by the laws and the Constitution of the State of Minnesota to be done and to exist precedent to and in the issuance of this Note, in order to make it a valid and binding general obligation of the Issuer in accordance with its terms, have been done and do exist in form, time and manner as so required; that all taxable property within the limits of the Issuer is subject to the levy of ad valorem taxes to the extent needed to pay the principal hereof and the interest hereon when due, without limitation as to rate or amount and that the issuance of this Note does not cause the indebtedness of the Issuer to exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City Council of the City of Frazee, Becker, Minnesota, by its governing body, has caused this Note to be executed in its name by the signature of the Mayor and attested by the signature of the City Administrator.

ATTEST:

(form – no signature required)	*(form – no signature required)*
City Administrator	Mayor

Date of Authentication: ______________________

REGISTRAR'S AUTHENTICATION CERTIFICATE

The Registrar confirms that the books reflect the ownership of the Note registered in the name of the owner named above in the principal amount and maturity date stated above and this Note comprises the entire amount of the series issued pursuant to the Resolution hereinabove described.

NORTHLAND TRUST SERVICES, INC.
Registrar

By_____________________________
Authorized Representative

REGISTRATION CERTIFICATE

This Note must be registered as to both principal and interest in the name of the owner on the books to be kept by Northland Trust Services, Inc., Minneapolis, Minnesota, as Registrar. No transfer of this Note shall be valid unless made on said books by the registered owner or the owner's attorney thereunto duly authorized and similarly noted on the registration books.

Date	Registered Owner	Signature of Registrar
9/21/2026	Security Bank & Trust Co. 110 First Street North Winsted, MN 55395 Federal Tax I.D. No.: 41-0531690	*(form – no signature required)*

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers into

____

____

____

(Name and Address of Assignee)

Social Security or Other
Identifying Number of Assignee

____

the within Note and all rights thereunder and irrevocably constitutes and appoints attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated: __________________

____

____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

(Bank, Trust Company, member of
National Securities Exchange)

THIS INSTRUMENT HAS NOT BEEN REGISTERED UNDER THE FEDERAL SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD OR OTHERWISE DISPOSED OF FOR VALUE, OR TRANSFERRED, WITHOUT (i) AN OPINION OF COUNSEL THAT SUCH SALE, DISPOSITION OR TRANSFER MAY LAWFULLY BE MADE WITHOUT REGISTRATION UNDER THE FEDERAL SECURITIES ACT OF 1933, AS AMENDED AND UNDER APPLICABLE STATE SECURITIES LAWS, OR (ii) SUCH REGISTRATION. THE TRANSFERABILITY OF THIS INSTRUMENT IS SUBJECT TO RESTRICTIONS REQUIRED BY (1) FEDERAL AND STATE SECURITIES LAWS GOVERNING UNREGISTERED SECURITIES; AND (2) THE RULES, REGULATIONS, AND INTERPRETATIONS OF THE GOVERNMENTAL AGENCIES ADMINISTERING SUCH LAWS. THIS INSTRUMENT HAS NOT BEEN REGISTERED UNDER CHAPTER 80A OF MINNESOTA STATUTES OR OTHER APPLICABLE STATE BLUE SKY LAWS AND MAY NOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF FOR VALUE EXCEPT PURSUANT TO REGISTRATION OR OPERATION OF LAW.

Section 4. Funds, Accounts and Covenants.

4.01 Rate Covenant. The Issuer covenants and agrees with the holder of the Note and with its taxpayers that it will impose and collect just and equitable charges for all use and for the availability of all facilities of the Utilities at the times and in the amounts required to pay the normal, reasonable, and current expenses of operating and maintaining such Utilities, and also to produce Net Revenues (defined below) which will be at least adequate at all times to pay the principal and interest due on the Note and on all other notes and bonds heretofore or hereafter issued and made payable from said Net Revenues, and will operate the Utilities and segregate and account for the revenues thereof as provided in this Section.

4.02 Funds, Accounts, Appropriations and Revenues.

A. *Sewer Fund.* The Issuer covenants and agrees with the holder of the Note and with its taxpayers as follows:

(i) It will impose and collect just and equitable charges for all use and for the availability of all facilities of the Sewer Utility at the times and in the amounts required to pay the normal, reasonable, and current expenses of operating and maintaining such Sewer Utility, and also to produce Net Revenues (defined below), which together with other funds of the Issuer pledged herein, will be at least adequate at all times to pay the principal and interest due on the Note and on all other notes and bonds heretofore or hereafter issued and made payable from said Net Revenues, and will operate the Sewer Utility and segregate and account for the revenues thereof as provided in this Section.

(ii) It will place all such charges for the use and availability of the Sewer Utility, when collected, and all money received from the sale of any facilities or equipment of the Sewer Utility in the Sewer Fund (the "Sewer Fund"). Except as provided in this Section, this fund shall be used only to pay claims duly approved and allowed for payment of expenses which, under generally accepted accounting principles, constitute normal, reasonable, and current expenses of operating and maintaining the Sewer Utility, and to maintain such reasonable reserves for such expenses as the City Council shall determine to be necessary from time to time. Sums in excess of those required to make such payments and maintain such revenues constitute the net revenues ("Sewer Utility Net Revenues"), a portion of which are herein pledged and appropriated first to pay the principal of and interest when due on the Note.

(iii) Surplus Sewer Utility revenues from time to time received in the Sewer Account, in excess of payments due from and reserves required to be maintained in the Sewer Fund and in the Debt Service Account, may be used for necessary capital expenditures for the improvement of the Sewer Utility, for the prepayment and redemption of notes and bonds constituting a lien on the Sewer Utility, and for any other proper municipal purpose consistent with policies established by resolution of the City Council.

B. *Water Fund.* The Issuer covenants and agrees with the holder of the Note and with its taxpayers as follows:

(i) It will impose and collect just and equitable charges for all use and for the availability of all facilities of the Water Utility at the times and in the amounts required to pay the normal, reasonable, and current expenses of operating and maintaining such Water Utility, and also to produce Net Revenues (defined below), which together with other funds of the Issuer pledged herein, will be at least adequate at all times to pay the principal and interest due on the Note and on all other notes and bonds heretofore or hereafter issued and made payable from said Net Revenues, and will operate the Water Utility and segregate and account for the revenues thereof as provided in this Section.

(ii) It will place all such charges for the use and availability of the Water Utility, when collected, and all money received from the sale of any facilities or equipment of the Water Utility in the Water Fund (the "Water Fund"). Except as provided in this Section, this fund shall be used only to pay claims duly approved and allowed for payment of expenses which, under generally accepted accounting principles, constitute normal, reasonable, and current expenses of operating and maintaining the Water Utility, and to maintain such reasonable reserves for such expenses as the City Council shall determine to be necessary from time to time. Sums in excess of those required to make such payments and maintain such revenues constitute the net revenues ("Water Utility Net Revenues" and together with the Sewer Utility Net Revenues, the "Net Revenues"), a portion of which are herein pledged and appropriated first to pay the principal of and interest when due on the Note.

(iii) Surplus Water Utility revenues from time to time received in the Water Fund, in excess of payments due from and reserves required to be maintained in the Water Fund and in the Debt Service Account, may be used for necessary capital expenditures for the improvement of the Water Utility, for the prepayment and redemption of notes and bonds constituting a lien on the Water Utility, and for any other proper municipal purpose consistent with policies established by resolution of the City Council.

4.03 2026B Temporary General Obligation Utility Revenue Note Fund. There is created a special fund to be designated the "2026B Temporary General Obligation Utility Revenue Note Fund" (the "Fund") to be administered and maintained by the City Administrator as a bookkeeping account separate and apart from all other funds and accounts maintained in the official financial records of the Issuer. The Fund shall be maintained in the manner herein specified until the Note and the interest thereon have been fully paid. There shall be maintained in the Fund two separate accounts, to be designated the "Project Account," and the "Debt Service Account," respectively (together, the "Accounts"):

A. *Project Account*. The Project Account shall be maintained in the manner herein specified:

(i) On receipt of the purchase price of the Note, the Issuer shall credit proceeds from the sale of the Note, less the amounts allocated as capitalized interest funded from Note proceeds, if any (the "Capitalized Interest"); less amounts used to pay part of the interest cost of the issue as allowed by Section 475.56 of the Act (the "Additional Interest");

and less any accrued interest paid by Lender at closing and delivery of the Note (the "Accrued Interest"), if any, to the Project Account.

(ii) From the Project Account there shall be paid all costs and expenses of the Project, including engineering costs, the cost of any construction contracts heretofore let and all other costs incurred and to be incurred of the kind authorized in Section 475.65 of the Act; and the moneys in said account shall be used for no other purpose except as otherwise provided by law; provided that the proceeds of the Note may also be used to the extent necessary to pay interest on the Note; other costs for which payment from such fund is authorized shall include costs of legal, financial advisory, and other professional services, printing and publication costs and costs of issuance of the Note.

B. *Debt Service Account*. The Debt Service Account shall be maintained in the manner herein specified until all of the Note and the interest thereon have been fully paid:

(i) There are irrevocably appropriated and pledged to the Debt Service Account: (a) Net Revenues which, along with the Permanent Obligations will be sufficient to pay the principal of and interest on the Note when due; (b) the Capitalized Interest; (c) the Accrued Interest; (d) the Additional Interest; (e) all funds remaining in the Project Account after completion of the Project and payment of the costs thereof; (f) proceeds of the Permanent Obligations; (g) the Issuer's funds in an amount necessary to provide the coverage specified in Minnesota Statutes, Section 475.61 and (h) any and all other monies which are properly available and are appropriated by the governing body of the Issuer to the Debt Service Account; and (i) investment earnings, if any, on the moneys identified in preceding clauses (a) through (h).

(ii) Immediately prior to each Interest Payment Date, the City Administrator shall transfer to the Debt Service Account amounts of Net Revenues which are sufficient, along with any Net Revenues and Permanent Obligations then on deposit in the Debt Service Account, for the payment of all interest and principal then due on the Note.

(iii) If the balances in the Debt Service Account are ever insufficient to pay all principal and interest then due on the Note, the City Administrator shall nevertheless provide sufficient money first from the Project Account, next from the Sewer Fund, Water Fund, and from any other funds of the Issuer which are available for that purpose, and such other funds shall be reimbursed from the Debt Service Account when the balance therein is sufficient.

C. *Investments*. Monies on deposit in the Sewer Fund, the Water Fund, the Project Account and in the Debt Service Account may, at the discretion of the Issuer, be invested in securities permitted by Minnesota Statutes, Chapter 118A; provided, that any such investments shall mature at such times and in such amounts as will permit for payment of the principal and interest on the Note when due.

4.04 No Tax Levy. It is determined that the Net Revenues and Permanent Obligations pledged for payment of principal and interest on the Note will produce at least five percent in excess of the amount needed to meet when due, the principal and interest payments on the Note and that no tax levy is needed at this time.

4.05 Definitive Bonds. In accordance with its statutory duties under Minnesota Statutes, Section 475.61, Subdivision 6, the Issuer covenants and agrees with the holders of the Note that if the Note cannot be paid at maturity from the Net Revenues and Permanent Obligations or from other funds appropriated by the Issuer, the Note will be paid from the proceeds of permanent bonds which the City Council shall offer for sale in advance of their maturity but the indebtedness funded by the Note shall not be extended by the issue of additional temporary bonds for more than six years from the date of the Note. The holder of the Note shall have and may enforce, by mandamus or other appropriate proceedings, all rights respecting the levy and collection of taxes that are granted by law to holders of permanent bonds, except the right to require the levies to be collected prior to the maturity of the Note. If the Note is not paid in full at maturity, the holder may require the issuance in exchange for them, at par, of new temporary bonds maturing within one year from their date of issue but not subject to any other maturity limitation, and bearing interest at the maximum rate permitted by law.

4.06 General Obligation. It is recognized, however, that the Issuer's liability on the Note is not limited to the Net Revenues and Permanent Obligations and other appropriated funds so pledged, and the Issuer covenants and agrees that it will levy upon all taxable property within the Issuer, and cause to be extended, assessed, and collected, any taxes found necessary for full payment of the principal of and interest on the Note and any definitive obligations, without limitation as to rate or amount.

Section 5. Tax Covenants.

5.01 A. The Issuer covenants and agrees with the holders of the Note that the Issuer will (i) take all action on its part necessary to cause the interest on the Note to be exempt from federal income taxes including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Note and investment earnings thereon, making required payments to the federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Note to be subject to federal income taxes, including, without limitation, refraining from spending the proceeds of the Note and investment earnings thereon on certain specified purposes.

B. For purposes of qualifying for the small issuer exception to the federal arbitrage rebate requirements, the Issuer finds, determines and declares:

(i) the Issuer is a governmental unit with general taxing powers;

(ii) the Note is not a "private activity bond" as defined in Section 141 of the Internal Revenue Code of 1986, as amended (the "Code");

(iii) 95% or more of the net proceeds of the Note is to be used for local governmental activities of the Issuer; and

(iv) the aggregate face amount of the tax exempt obligations (other than private activity bonds) issued by the Issuer during the calendar year in which the Note is issued is not reasonably expected to exceed $5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code.

C. In order to qualify the Note as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, the Issuer makes the following factual statements and representations:

(i) the Note is not "private activity bonds" as defined in Section 141 of the Code;

(ii) the Issuer designates the Note as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code;

(iii) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the Issuer (and all entities whose obligations will be aggregated with those of the Issuer) during the calendar year in which the Note is being issued will not exceed $10,000,000; and

(iv) not more than $10,000,000 of obligations issued by the Issuer during the calendar year in which the Note is being issued have been designated for purposes of Section 265(b)(3) of the Code.

5.02 Minnesota Public Facilities Authority Credit Enhancement Program.

A. The Issuer covenants and obligates itself to be bound by the provisions of Minnesota Statutes, Section 446A.086. The Issuer hereby approves the State of Minnesota Public Facilities Authority Credit Enhancement Program Agreement (the "PFA Agreement") with the Minnesota Public Facilities Authority (the "PFA") in substantially the form presented to the Issuer and approves or ratifies the submission of an application to participate in the PFA Credit Enhancement Program. The PFA Agreement is incorporated by reference as if fully set forth herein. The PFA Agreement shall be signed by the manual signature of the Mayor and the manual signature of the City Administrator.

B. The Issuer understands that as a result of its entering into the PFA Agreement, the provisions of Minnesota Statutes, Section 446A.086, shall be binding as long as any portion of the Note remains outstanding.

C. The Registrar is authorized and directed to notify the Minnesota Commissioner of Management and Budget if it becomes aware of a potential default in the payment of principal or interest on the Note or if, on the day two business days prior to the date a payment is due on the Note, there are insufficient funds to make that payment on deposit with the Registrar.

D. The Issuer further covenants to comply with all procedures now or hereafter established by the Minnesota Department of Management and Budget pursuant to Minnesota Statutes, Section 446A.086 and otherwise to take such actions as necessary to comply with that section.

Section 6. Certificate of Proceedings; Miscellaneous.

6.01 The City Administrator or the designee thereof is directed to file with the County Auditor a certified copy of this resolution and such other information as the County Auditor may require, and to obtain from the County Auditor a certificate stating that the Note herein authorized have been duly entered on the County Auditor's register.

6.02 The officers of the Issuer are authorized and directed to prepare and furnish to the Lender of the Note and to bond counsel for the Note certified copies of all proceedings and records of the Issuer relating to the authorization and issuance of the Note and other affidavits and certificates as may reasonably be requested to show the facts relating to the legality and marketability of the Note as such facts appear from the official books and records of the officers' custody or otherwise known to them. All of such certified copies, certificates and affidavits, including any heretofore furnished, constitute representations of the Issuer as to the correctness of facts recited therein and the actions stated therein to have been taken.

6.03 In the event of the absence or disability of the Mayor, the City Administrator, or such officers or members of the City Council as in the opinion of the Issuer's attorney, may act in their behalf, shall without further act or authorization, execute and deliver the Note, and do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers.

6.04 The Mayor and City Administrator are hereby authorized and directed to certify that they have examined the Offering Circular prepared and circulated in connection with the issuance and sale of the Note and that to the best of their knowledge and belief the Offering Circular is a complete and accurate representation of the facts and representations made therein as of the date of the Offering Circular

Section 7. Loan Agreement. The proceeds of the Note will be advanced to the Issuer in accordance with the terms of this Resolution and with a Loan Agreement between the Issuer, and the Lender (the "Loan Agreement"). The Mayor and City Administrator of the Issuer are hereby authorized and directed to execute the Loan Agreement substantially in the form currently on file in the office of the Issuer.

Section 8. Post-Issuance Compliance Policy and Procedures. The Issuer has been provided with a Pre- and Post-Issuance Compliance Policy and Procedures which applies to qualifying obligations to provide for compliance with all applicable federal regulations for tax-exempt obligations or tax-advantaged obligations (collectively, the "Policy and Procedures"). The Issuer hereby approves the Policy and Procedures which have been presented to the City Council. The City Administrator is designated to be responsible for post-issuance compliance in accordance with the Policy and Procedures.

CITY OF FRAZEE AND FRAZEE COMMUNITY DEVELOPMENT CORPORATION AFFIRMATION OF BUSINESS RELATIONSHIP

CITY OF FRAZEE AND FRAZEE COMMUNITY DEVELOPMENT CORPORATION AFFIRMATION OF BUSINESS RELATIONSHIP

This affirmation is made effective on the signing date below and includes **The City of Frazee**, a Minnesota municipal corporation, located at 222 Main Avenue West, Frazee, MN 56544 in Becker County, Minnesota, ("City"); and **The Frazee Community Development Corporation, Inc.**, a Minnesota nonprofit corporation, with corporate offices at 32717 Co. Highway 10, PO Box 374, Frazee, MN 56544 and doing business as Wannigan Regional Park at 200 N. River Drive, Frazee, MN 56544 ("FCDC").

1. **WHEREAS**, Minnesota Statutes Chapter 471 empowers the City to operate a program of public recreation by cooperation and agreement with nonprofit organizations;
2. **WHEREAS**, FCDC is a Minnesota nonprofit corporation exempt from taxes under Minnesota Law and under Chapter 501 (c)(3) of the Federal Internal Revenue Code being a qualifying nonprofit organization under Minn. Stat. Chapter 317A;
3. **WHEREAS**, Wannigan Regional Park is a regional recreation facility owned by the City as part of its program of public recreation as authorized by Minn. Stat. 471.191 Subd. 1. Specifically, but without limitation, the City, through agreement with FCDC, offers hiking trails, camping, cross country skiing, snow shoeing, bicycle trail riding, canoeing, kayaking, fishing, community education and recreation meeting space and programming for residents of Frazee and for visitors to Frazee and the surrounding area;
4. **WHEREAS**, the City has determined that providing community recreation, education and wellness services and programs is an essential function of the City, and that such services and programs are a direct and substantial benefit to the City of Frazee, its citizens and its business community by providing recreational opportunities, enhancing public health and welfare, and contributing to economic development;
5. **WHEREAS,** ownership of Wannigan Regional Park by the City provides benefits to the City of Frazee, its citizens and its business community. Ownership by the City facilitates participation by volunteers and donations by public and private entities for capital improvements in the park. Ownership by the City fosters public input into the operation of the facility and ensures that the fees charged to the public for use of the facility are affordable, leading to increased use by a larger and more diverse body of the public;
6. **WHEREAS**, the City, as a smaller municipality, does not have the personnel or resources to provide recreational opportunities and believes that those services can be best and most economically provided by FCDC;
7. **WHEREAS,** the City employs FCDC to develop and manage the property for public use and operate the facility for the benefit and recreation of the general public and for the City.
8. **WHEREAS**, FCDC is expressly authorized to do business as Wanngan Regional Park and establish and maintenance all online business accounts necessary to own, operate and maintain its business activities, including but not limited to verification of its Google business profile, its Gmail email account wanniganpark@gmail.com , and its website www.wanniganpark.com
9. **WHEREAS**, FCDC provides the operation and maintenance of the public facilities and programs at Wannigan Regional Park for public use;
10. **WHEREAS**, FCDC has demonstrated that it is capable of providing programming, program operation, building, development and equipment management services for the development, operation, maintenance, management and scheduling of Wannigan Regional Park and its environs and the provision of programming services under this Agreement.
11. **WHEREAS**, FCDC was organized by private persons as a tax-exempt nonprofit corporation specifically to support, encourage, develop and operate the municipal recreation facility known as Wannigan Regional Park for the use of the City and benefit of the community.
12. **WHEREAS**, the City Council believes that the most suitable use for Wannigan Regional Park is as a municipal recreation facility for the use and benefit of the people of Frazee and its surrounding area and visitors.

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13. **NOW THEREFORE,** in consideration of the matters described above, and of the mutual benefits and obligations set forth in this Affirmation, and other good and valuable consideration, the City of Frazee and FCDC do execute this affirmation.

The City of Frazee, Minnesota	Frazee Community Development Corporation
In Witness of this affirmation, the parties execute this affirmation herewith below	In Witness of this affirmation, the parties execute this affirmation herewith below
By: Mike Sharp, its Mayor	By: Polly Andersen, its President
By: Stephanie Poegel, its City Administrator	By: Denise Anderson, its Vice President

STATE OF MINNESOTA)
) ss.
COUNTY OF BECKER)

The foregoing instrument was acknowledged before me this _______ day of _________,
20____, by Mike Sharp and Stephanie Poegel, the Mayor and City Administrator respectively of the City of Frazee, Minnesota on behalf of the City.
NOTARIAL STAMP OR SEAL

Notary Public Signature My Commission Expires

STATE OF MINNESOTA)
) ss.
COUNTY OF BECKER)

The foregoing instrument was acknowledged before me this _______ day of _________,
20____, by Polly Andersen and Denise Anderson, on behalf of Frazee Community Development Corporation, Inc., a Minnesota non-profit corporation.
NOTARIAL STAMP OR SEAL

Notary Public Signature My commission expires

How to Get Started

Step 1

Select a Park

Step 2

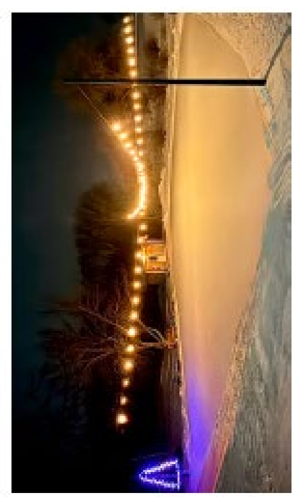
Complete an Adopt-A-Park application

Step 3

Receive approval and complete short training with staff

Step 4

Enjoy the satisfaction of helping keep Frazee beautiful



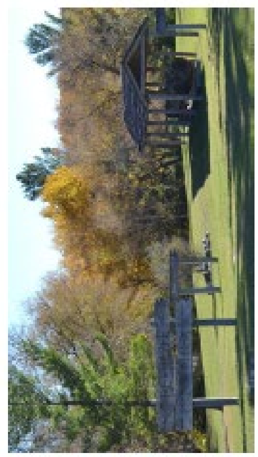
Together We Can Make a Difference

Adopt a Park. Build Community.
Preserve Frazee's Natural Beauty

Gather your family or organization to help maintain the beauty and quality of Frazee's parks. Join the Frazee Park & Rec Committee in providing clean, safe, fun locations for everyone to enjoy!

Contact Us

Phone: 218-334-4991
Email: cityadmin@frazeecity.com
Web: https://frazeecity.com/



Frazee MINNESOTA

ADOPT-A- PARK PROGRAM
PO Box 387
Frazee MN 56544

ADOPT-A-PARK PROGRAM

Frazee Park & Rec Committee

Become a Park Steward

The City of Frazee's Adopt-A-Park Program gives residents, businesses, schools, churches, civic organizations, and community groups the opportunity to take pride in our public spaces by helping care for local parks.

Whether you volunteer a few hours each month or organize a larger group effort, your contribution helps keep Frazee's parks clean, safe, and welcoming for everyone.

Who Can Adopt?

The Adopt-A-Park program welcomes all community members to adopt a park including:

✓ Churches
✓ Residents
✓ Businesses
✓ School Groups
✓ Neighborhoods
✓ Community Organizations

Those adopting will be recognized on the City website and social media.

Frazee's Parks

Lion's Park
Joann Niemann Memorial Park
Little Turkey Park
Corner Park
Hank Ludtke/Riverside Park
Town Lake Beach
Ice Skating Rink
Goose Pond
R.L. Frazee Park

Responsibilities

While duties vary from each park, suggested duties include:

✓ Litter and debris removal

✓ Playground and picnic area cleanup

✓ Beach cleanup activities

✓ Flower planting and beautification

✓ Maintain trees and flower beds

✓ Sweeping concrete surfaces

✓ Flower planting and beautification projects

✓ Inform City Hall of:

- Trail and walkway maintenance
- Reporting vandalism, damage, or safety concerns

Adopt-A-Park Program

Thank you for your interest in helping keep Frazee's parks clean, safe, and welcoming. The Adopt-A-Park Program allows individuals, families, businesses, civic groups, schools, churches, and organizations to volunteer to help maintain and beautify city parks.

Applicant Information

Organization/Group Name: ____

Contact Person: ____

Mailing Address: ____

City/State/ZIP: ____

Phone Number: ____________________ **Email Address:** ____________________

Type of Group (check one):

☐ Individual
☐ Family
☐ Business
☐ School
☐ Church
☐ Civic Organization
☐ Youth Group
☐ Other: ____________________

Park Selection

Please rank your preferred park(s) for adoption.

____ Lion's Park
____ Town Lake Beach
____ Corner Park
____ Hank Ludtke/Riverside Park
____ Little Turkey Park
____ Joann Niemann Memorial Park

Preferred Start Date: ____________________

Length of Commitment: ☐ 1 Year ☐ Seasonal (April–October) ☐ Other: ____________________

Volunteer Activities

Please indicate activities your group is willing to perform:

☐ Reporting vandalism or safety concerns
☐ Weed removal
☐ Litter and debris pickup
☐ Flower planting and maintenance
☐ Beach cleanup (Town Lake Beach)
☐ Playground area cleanup
☐ Trail and walkway cleanup
☐ Special beautification projects (with City approval)

☐ Other: ______________________________

Estimated Number of Volunteers: __________ Estimated Volunteer Hours Per Month: __________

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Volunteer Agreement

By signing below, I understand and agree that:

1. Volunteers participate at their own risk and will be required to sign a liability waiver
2. Volunteers will conduct activities in a safe and responsible manner.
3. The City of Frazee reserves the right to approve all projects and activities.
4. Volunteers will notify the City of any hazards, damage, vandalism, or maintenance concerns observed in the park.
5. The adoption agreement does not grant exclusive use of any public park.
6. The City may terminate the agreement if program requirements are not met.
7. Volunteers under age 18 must be supervised by an adult.

Signature

Applicant Signature: ______________________________

Printed Name: ______________________________

Applicant Position with Organization: ______________________________

Date: ______________________________

Submit Completed Application To

City of Frazee - 222 Main Ave W, PO Box 387, Frazee MN 56544 - cityadmin@frazeecity.com, Fax: 218-334-4992

Thank you for helping keep Frazee's parks beautiful for residents and visitors alike!

City Approval

Park Assigned: ____________________ Date Approved: ____________________

Approved By: ____________________ Title: ____________________

Agreement Expiration Date: ____________________

Special Conditions (if any):

____

____

____

____

____

____

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Outlook

RE: NPC Doc#702391

From Eekhoff, Mark A (DHS) <Mark.A.Eekhoff@state.mn.us>
Date Tue 7/7/2026 9:57 AM
To Patrick Bakken <PBakken@cityofdetroitlakes.com>
Cc Mata, Daniel R (DHS) <daniel.r.mata@state.mn.us>

Hi Pat,

I apologize; I misunderstood which tract is to be conveyed to the city. To make sure I am clear on this, the city now has a portion of parcel no. 50.0095.000 (the "Whole Parcel"), the city's portion being the part marked "Parcel B" on the survey you sent. The remainder of the Whole Parcel remains in Ms. Turturici's name.

If I finally have my facts straight, then DHS will accept payment of the value of "Parcel B" to release our lien on that parcel.

We do not want to cost the city additional money for a full appraisal to determine the value of "Parcel B." To simplify things, we will release our lien upon payment of the percentage of the value of the Whole Parcel equal to the percentage that "Parcel B" is of the Whole Parcel. Based on the information I can find, the area of "Parcel B" is 13,329.36 square feet, while the area of the Whole Parcel is 35,109.36 square feet. Dividing those, the percentage is (13,329.36/35,109.36) = 37.965%. The most recent tax EMV for the Whole Parcel is $23,100. Multiplying that by the percentage, we get $8,769.97. Based on this math, DHS will accept payment of **$8,769.97** to remove our lien from Parcel B. The payment can be sent to the address listed in my email below.

Please let me know if my understanding of the situation continues to be incorrect, or if my math is off.

Thank you.

Mark Eekhoff (he/him/his)
Staff Attorney | Special Recovery Unit (SRU)

Minnesota Department of Human Services

From: Patrick Bakken <PBakken@cityofdetroitlakes.com>
Sent: Thursday, July 2, 2026 9:50 AM
To: Eekhoff, Mark A (DHS) <Mark.A.Eekhoff@state.mn.us>
Subject: Re: NPC Doc#702391

Mark,

To be clear, we are only requesting that the State release the lien as it relates to the proposed severed tract to be conveyed to the City. The State would still retain its lien to the other remaining portion of the parcel retained by the landowner. Neither the City nor the current landowner were aware of this potential claim. The landowner bought the property via a contract for deed as it was a family transfer. In most intra family transactions, and contract for deed transactions, buyers unfortunately forgo any title work.

Addendum

APPROVAL OF ADDITIONAL CLAIMS

Upcoming Events

Addendum

TOPIC