Lakeville

ARENAS

Built for the Community

2025 Annual Report

Presented to the
Lakeville City Council
Lakeville Area Schools Board

Spring 2026

6,635	$2.14M	1,096
Ice Hours	Revenue	LTS Enrollments

Lakeville
ARENAS

Who We Are

- Joint Powers Agreement between the City of Lakeville and ISD 194 (Lakeville Area Schools), formed 2006
- Operates Ames Arena, Hasse Arena, and the Allina Health Pavilion Rink — the covered outdoor sheet opened Thanksgiving 2024
- Operating expenses are fully self-funded through ice rentals and programming revenue — no daily operating tax subsidy
- Governed by a 5-member Board of Directors representing the City, ISD 194, and the community at large
- Key partners: City of Lakeville · ISD 194 · Lakeville Hockey Association · Heritage Figure Skating Club

Ames Arena

19900 Ipava Ave · 2 indoor sheets

Est. 1994

Hasse Arena

8525 215th St W · 1 indoor sheet

Est. 2006

Allina Health Pavilion Rink

Covered outdoor sheet at Hasse

Opened 2024 – 2025 Season

Joe Bergquist, General Manager · Tonyea Patterson, Admin Supervisor · Nick Ames & Jeff Zimmerman, Operations Managers

Built for the Community

2025 — The Year Everything Came Together

First Full Year
Pavilion Rink

Record 6,635
Ice Hours

Maggie Flaherty
& the Walter Cup

Inaugural
Mite Day Camps

First Sanctioned
US Figure Skating Comp

Record Learn to Skate
1,096 Enrollments

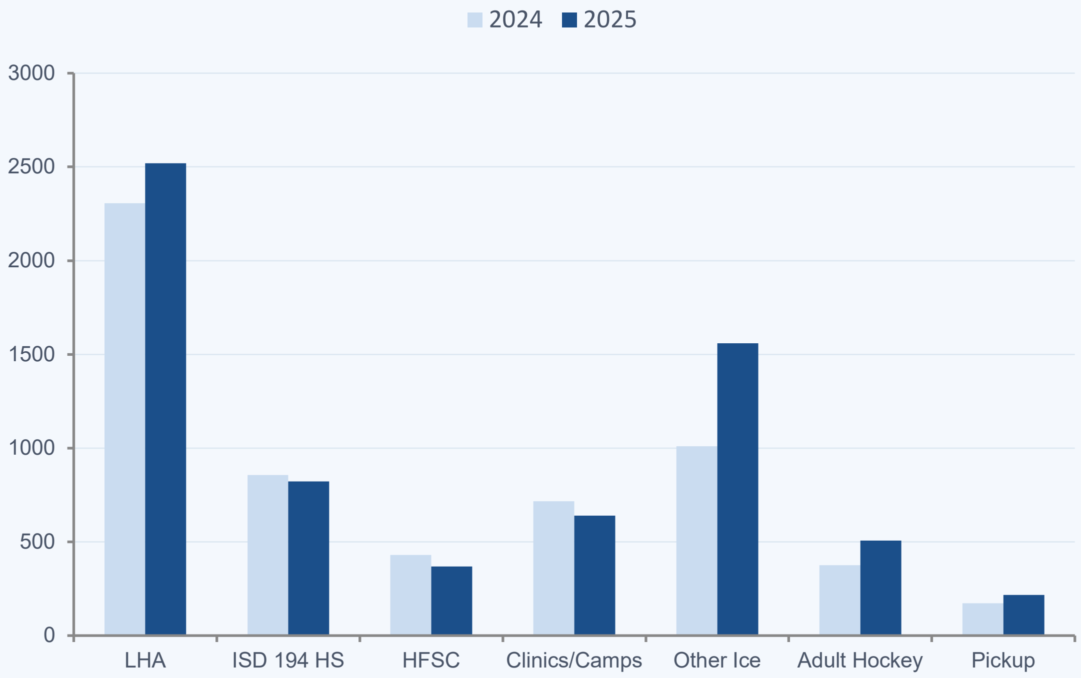
A world-class community asset — built and sustained by Lakeville, for Lakeville.

Self-funded · 100% Community-Serving · No Daily Tax Subsidy

ICE TIME & USAGE

Record Ice Hours in 2025

6,635 total hours — up 13.1% from 2024



+549.5 hrs

Other Ice (new programs, tournaments, Pavilion)

+213.5 hrs

LHA Ice — continued partnership growth

+132 hrs

Adult Hockey
+35% year-over-year

+45.25 hrs

Pickup Ice Sales
+26% year-over-year

PROGRAMS & COMMUNITY IMPACT

Growing Every Program

Learn to Skate

1,096

Enrollments — Highest Ever

Top 5 program in Minnesota · 4 sessions/year

Aspire to Skate

53

Enrollments in 2025

Up from 24 in 2024, 8 in 2023 — remarkable trajectory

Mite Leagues

336

Participants (Spring + Fall)

Up from 283 in 2024 (+18.7%) — inaugural day camps

Arena Programming

+62%

Revenue Growth vs. 2024

$67,844 actual · new structured programs & camps

Basic Skills Competition

53

Skaters from across Midwest

First-ever sanctioned US Figure Skating event, June 2025

Public Plus Ice

NEW

Launched 2025

Private lesson add-on — highly successful first year

2025 Highlights & Events

Jan 2025

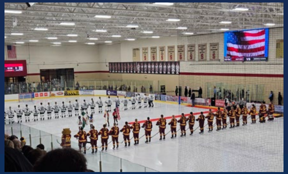
Hockey Day Lakeville

Allina Health Pavilion Rink Grand Opening · community celebration

Jan 1, 2025

US Hockey Hall of Fame Game

MN Gophers Women's vs. Bemidji State · Hasse Arena



Feb 2025

MN Hockey District 8 Tournament

Peewee-A Regional Tournament · Ames Arena

Mar 2025

HFSC Annual Ice Show

March 21–22 · Heritage Figure Skating Club

Jun 2025

First Sanctioned US Figure Skating Competition

53 skaters from across the Midwest · Hasse Arena

Summer 2025

Maggie Flaherty & the Walter Cup

Back-to-back PWHL champions · LHA Icecats skate event

Fall 2025

Inaugural Mite Day Camps

34 participants · expanding to 5 days/week in 2026

Dec 2025

Holidays at Hasse

Skate with Santa · Open Door Pantry food drive · hot cocoa bar

ALLINA HEALTH PAVILION RINK

Pavilion Rink — Year Two Upgrades

Opened Thanksgiving 2024 · Grand Opening Hockey Day Lakeville, January 2025

Year 2 Improvements Completed:

- ✓ Sunscreens installed — prevents ice glazing 10am–5pm
- ✓ Locker rooms with heaters are completed
- ✓ West/north wind screens for skater comfort
- ✓ Radiant heaters above bleachers, benches & officials' boxes
- ✓ Dragonfly fiber Wi-Fi — installed & ready
- ✓ Broke Ground: concession stand, catering kitchen & 32×40 lobby

What's Ahead

Spring '26

Patio, playground & security fencing

Summer '26

Zamboni/equipment shed

2027+

Dry-floor revenue: roller hockey, basketball, pickleball & more

Long-term

Footings for potential full enclosure — 4th indoor sheet

2025 Financial Results

Audited — Fiscal Year Ended December 31, 2025

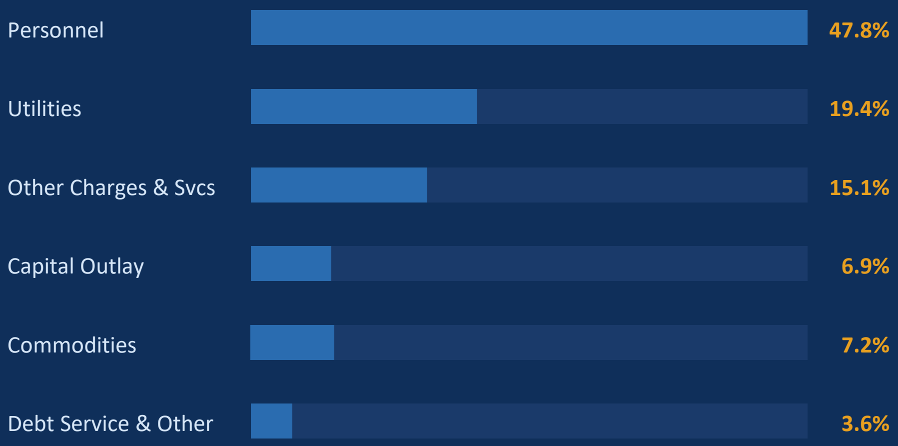
$2.14M
Total Revenue

$1.995M
Total Expenditures

$140,942
Net Surplus

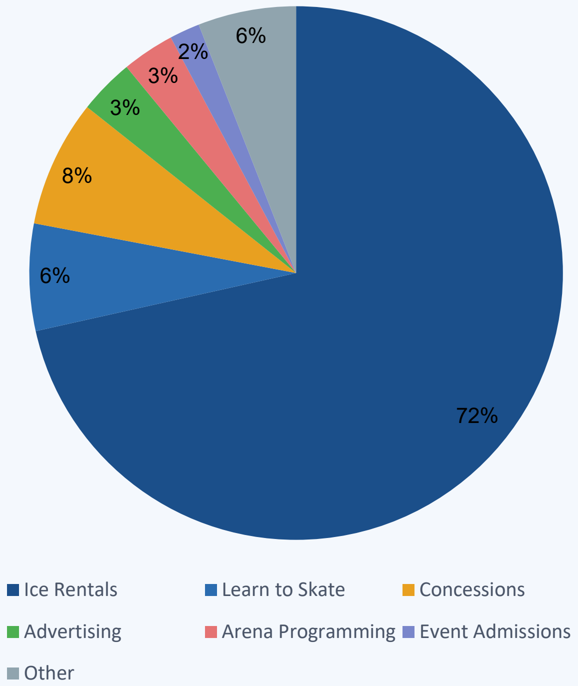
$1.088M
Fund Balance (12/31/25)

2025 Expenditures by Category



REVENUE DIVERSIFICATION

Diversified & Growing Revenue



Year-over-Year Revenue Growth

Ice Rental Revenue
$1,527,398
+$205K (+15.4%)

Learn to Skate
$138,410
+$21K (+17.8%)

Arena Programming
$67,844
+$26K (+62.1%)

Advertising Revenue
$71,781
+$21K (+41.7%)

Concessions/Pro Shop
$164,377
+$1.7K

Looking Ahead to 2026

2026 Budget

Revenue Budget	$2,474,773
Expenditure Budget	$2,345,581
Net	$6,668

Rate increase: 3.6% rate increase planned for 2026–27 season

2026 Priorities

Pavilion Rink 2.0 Completion

Patio, playground, Zamboni shed · dry-floor revenue in 2027

Programming Expansion

Mite 5-day camps · summer 4-on-4 skates · fall-summer-spring breakfast club · 2027 AAA tournament series

New Community Ice Club Memberships

Public Ice & Hockey Club Memberships Launching Summer 2026

Staffing & Retention

3% COLA all staff · 6% Driver Supervisors · Office Manager hire Spring '26

Capital Fund

No capital expenditures planned · fund continues to rebuild toward targets

Executive Governance Summary

Lakeville Arenas

Lakeville, Minnesota

For the year ended December 31, 2025

Abdo
Lighting the path forward

5201 Eden Avenue, Ste 250
Edina, MN 55436
P 952.835.9090

100 Warren Street, Ste 600
Mankato, MN 56001
P 507.625.2727

14500 N Northsight Blvd, Ste 321
Scottsdale, AZ 85260
P 480.864.5579

April 24, 2026

Board of Directors
Lakeville Arenas
Lakeville, Minnesota

We have audited the accompanying financial statements of the governmental activities and each major fund of the Lakeville Arenas (the Organization) for the year ended December 31, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of the audit. We have communicated such information in our letter to you dated November 25, 2025. Professional standards require that we provide you with the following information related to our audit.

Significant Audit Findings

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified no deficiency in internal control that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of compliance with certain provisions of Minnesota statutes. However, providing an opinion on compliance with those provisions was not an objective of our audit. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the Organization's compliance with those requirements. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported in accordance with Minnesota statutes.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies were not changed during the year ended December 31, 2025. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements include depreciation on capital assets, allowance for doubt full accounts and the liability for the Organizations pensions.

- Management's estimate of depreciation is based on estimated useful lives of the assets. Depreciation is calculated using the straight-line method.

- Management's estimate of allowance for doubtful accounts is based on an estimate of delinquent account receivable balances that will not be collected.

- The Organization's liability for other post-employment benefits was estimated to be zero primarily based on the assumption that employees, whom participate in the health insurance plan, will not retire with the Organization.

- Management's estimate of its pension liability is based on several factors including, but not limited to, anticipated investment return rate, retirement age for active employees, life expectancy, salary increases and form of annuity payment upon retirement.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole. The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 24, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the governmental unit’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) (Management’s Discussion and Analysis, the budgetary comparison schedule for the General fund, the Schedule of Employer’s Share of the Net Pension Liability and the Schedule of Employer’s Contributions), which is information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the introductory section, which accompanies the financial statements but is not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Future Accounting Standard Changes

The following Governmental Accounting Standards Board (GASB) Statements have been issued and may have an impact on future financial statements:

GASB Statement No. 103 - *Financial Reporting Model Improvements* *Effective: 12/31/2026*

GASB Statement No. 104 - *Disclosure of Certain Capital Assets* *Effective: 12/31/2026*

Further information on upcoming GASB pronouncements.

* * * * *

Restriction on Use

This communication is intended solely for the information and use of the Board of Directors, management and the Minnesota Office of the State Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Our audit would not necessarily disclose all weaknesses in the system because it was based on selected tests of the accounting records and related data. The comments and recommendations in the report are purely constructive in nature, and should be read in this context.

If you have any questions or wish to discuss any of the items contained in this letter, please feel free to contact us at your convenience. We wish to thank you for the opportunity to be of service and for the courtesy and cooperation extended to us by your staff.

Abdo

Abdo
Minneapolis, Minnesota
April 24, 2026

Financial Report
For the Year Ended December 31, 2025

Lakeville
ARENAS

LAKEVILLE ARENAS

Table of Contents

I. INTRODUCTORY SECTION

LAKEVILLE ARENAS
APPOINTED OFFICIALS
DECEMBER 31, 2025

BOARD OF DIRECTORS

Appointed by	Appointed Official	Position with Appointer
Arena Board	Troy Patterson	Member at Large
City of Lakeville	Justin Miller	City Administrator
City of Lakeville	Michelle Volk	City Council Member
Independent School District 194	Carly Anderson	Independent School District 194 Board Member
Independent School District 194	Michael Baumann	Independent School District 194 Superintendent

Lakeville
ARENAS

April 24, 2026

City of Lakeville, Independent School District 194 and Citizens,

On behalf of the Lakeville Arena Board, it is my pleasure to present to you the Lakeville Arenas Financial Report for the year ended December 31, 2025.

Lakeville Arenas Profile

The Lakeville Arenas is a joint powers entity created in December 2004 between the City and ISD 194. Lakeville Arenas is governed by a Board consisting of two representatives appointed by the City, two appointed by ISD 194 and one member appointed to represent the community at large.

The Board is charged with the responsibility of undertaking entrepreneurial endeavors in the overall operation and management of the Lakeville Arenas. Its purpose is to lease, maintain, operate, and manage the Arena Complex in the best interests of the overall community. The Lakeville Arenas currently manages the Ames Arena which consists of two contiguous facilities located at 19900 Ipava Avenue and the Hasse Arena located at 8525 215th Street West. A budget is adopted by July 1st of each year.

Financial Operations

Revenues exceeded expenditures by $140,942 in 2025.

	2025	2024	Change
Revenues	$ 2,136,038	$ 1,891,341	$ 244,697
Expenditures			
Personnel	953,459	756,750	196,709
Other charges and services	302,038	345,855	(43,817)
Utilities	387,855	239,994	147,861
Capital outlay	137,770	362,710	(224,940)
Supplies	143,024	180,694	(37,670)
Debt service expense	33,793	19,935	13,858
Other expense	37,157	46,733	(9,576)
Total expenditures	1,995,096	1,952,671	42,425
Net	$ 140,942	$ (61,330)	$ 202,272

Revenues were up this past year primarily due to ice rentals, learn to skate, arena programming, and advertising contracts. Personnel services were up in 2025 resulting primarily from the hiring of additional driver and Programs Coordinator positions. Utility costs were higher compared to the prior year due to an increase in electrical and natural gas rates, decrease in amount for solar credits and the addition of the refrigerated outdoor pavilion rink. Capital outlay included Zamboni charger and transmission, pressure washer, slushy machine, freezer, stainless steel countertops, fire door operator, garage doors, dashboard gate panel, and finance purchase agreement for lawn mower.

Financial Position

A measure of an organization's ability to meet current and future obligations is its fund balance. Lakeville Arenas had a $1,088,372 fund balance as of December 31, 2025, of which $439,534 is assigned for capital acquisitions as required by the Joint Powers Agreement. An additional $28,504 is non-spendable and $106,077 is assigned to other purposes. The remaining $514,257 provides the working capital to meet cash flow and operational requirements during the summer and fall when revenues are minimal.

Balance Sheet - Governmental Funds

	Total Governmental Funds
Assets	$ 1,224,182
Liabilities	$ 135,810
Fund balances	
Non-spendable for prepaid	6,285
Non-spendable for inventory	22,219
Assigned for compensated absences	106,077
Assigned for future capital acquisitions	439,534
Unassigned	514,257
Total fund balances	1,088,372
Total liabilities and fund balances	$ 1,224,182

Arena Debt

The Hasse Arena construction was originally financed with a Lease Revenue Bond issued by the Lakeville Housing and Redevelopment Authority in 2006. The debt is repaid with property taxes levied by the City of Lakeville and Independent School District 194. The 2006 bonds were advance refunded by HRA Lease Revenue Refunding Bonds, Series 2016A. On February 7, 2022, the City Council authorized the issuance of Taxable General Obligation Bonds, Series 2022B, to refund the HRA Lease Revenue Refunding Bonds, Series 2016A (noted above) and provide funding for constructing the outdoor rink at the Hasse Arena. The sale of the bonds was held on March 7, 2022 and closed on April 5, 2022. True interest cost was 2.69 percent. The refunding resulted in savings of approximately $130,000 over the term of the bonds. An amended and restated joint powers agreement to address the payment of the refunding portion of the 2022B bonds was approved by ISD#194 and the City of Lakeville in February 2022. Agreements have been approved with Lakeville Hockey Association (LHA) and Heritage Figure

Skating Club (HFSC) for additional contributions to be used for debt repayment of the bonds issued for the new outdoor rink.

The Ames arena parking lot expansion project was financed with a Tax Abatement Bond issued by the City of Lakeville. As such, the debt is included in the City of Lakeville Annual Comprehensive Financial Report not the Lakeville Arenas Annual Financial Report. The debt is being repaid with contributions from the Lakeville Hockey Association and the Heritage Figure Skating Club. A portion of the interest on the debt will be paid by Lakeville Arenas. The final debt payment is February 1, 2031.

An energy improvement project began in the fall of 2020 at both facilities. The project cost was approximately $7.9 million and was completed in the fall of 2021. The project is financed with a Tax Abatement Bond issued by the City of Lakeville in February 2021. As such, the debt is included in the City of Lakeville Annual Comprehensive Financial Report not the Lakeville Arenas Annual Financial Report. The debt is being repaid with energy savings realized at both facilities and property taxes levied by the City of Lakeville and Independent School District 194. The final debt payment is February 1, 2041.

Conclusion

The Lakeville community has an arena due to the collaborative efforts of the City of Lakeville, Lakeville Housing and Redevelopment Authority, Independent School District 194, and the Lakeville Hockey Association. In the absence of such a relationship, the community would not have such an amenity.

The various organizations within our community who patronize and support the arena are to be commended for their visionary and cooperative partnership approach to make this outstanding amenity a reality.

Carly Anderson, Board Chair

II. FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Lakeville Arenas
Lakeville, Minnesota

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Lakeville Arenas (the Organization), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Organization'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 and each major fund of the Organization as of December 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Organization 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.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, 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 Organization’s internal control. Accordingly, no such opinion is expressed.

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

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

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

Report on Summarized Comparative Information

We have previously audited the Organization's 2024 financial statements, and we expressed unmodified opinions on the respective financial statements in our report dated June 3, 2025. In our opinion, the summarized comparative information presented herein for the respective financial statements as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis starting on page 7, the budgetary comparison for the General fund on page 34, and the Schedule of Employer’s Share of the Net Pension Liability and the Schedule of Employer’s Contributions starting on page 37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statement 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.

Abdo

Abdo
Minneapolis, Minnesota
April 24, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis present an overview of the financial activities and financial position of the Lakeville Arenas for the year ended December 31, 2025.

Financial Highlights

- The Lakeville Arenas' assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $1,752,595 (net position). Of this amount, $783,059 (unrestricted net position) may be used to meet the Organization's ongoing operations and obligations.
- As of December 31, 2025, the Lakeville Arenas' governmental funds reported combined ending fund balances of $1,088,371. Of the total fund balance, $28,504 is non-spendable and $545,611 is assigned for future capital acquisitions and compensated absences; the remaining $514,257 is unassigned.

Overview of the Financial Statements

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

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

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

The Statement of Activities presents information showing how the Organization's net position changed during the most recent fiscal year.

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.

Lakeville Arenas maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund and the Capital Maintenance Reserve fund.

Notes to the Financial Statements. The Notes to the Financial Statements provide additional information that is essential to the full understanding of the data provided in the Organization's other basic financial statements.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Organization's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found starting on page 33 of this report.

(continued on next page)

Government Wide Financial Analysis

The assets and deferred outflows of resources of the Lakeville Arenas exceeded liabilities and deferred inflows of resources by $1,752,595 at the close of the most recent fiscal year. Of this amount, $783,059 (unrestricted net position) may be used to meet the ongoing operations and obligations of the Organization.

As of the end of the current fiscal year, the Organization's unrestricted net position was $783,059, or 37.0 percent of total expenses of $2,114,944.

Total assets as of December 31, 2025, were $2,294,183 and comprised primarily of cash and investments (40.3 percent); accounts receivable, interest receivable and inventory (13.0 percent); and capital assets (46.6 percent). Deferred outflows of resources amounted to $154,998.

Total liabilities as of December 31, 2025 amounted to $559,940. Non-current liabilities due within one year and in more than one year amount to $45,407 (8.1 percent) and $378,723 (67.6 percent), respectively. Accounts payable, wages payable, sales tax payable and unearned income amounted to $135,810 (24.3 percent). Deferred inflows of resources amounted to $136,646.

Organization as a Whole – Government-Wide Financial Statements

The following is a condensed version of the statement of net position at December 31, 2025, with comparative information at December 31, 2024:

	2025	2024	Increase/ (Decrease)
Cash and cash equivalents	$ 925,334	$ 666,938	$ 258,396
Other assets	298,848	444,243	(145,395)
Capital assets - net	1,070,001	1,117,576	(47,575)
Total assets	2,294,183	2,228,757	65,426
Deferred outflows of resources	154,998	49,363	105,635
Current liabilities	181,217	179,303	1,914
Non-Current Liabilities	378,723	271,075	107,648
Total liabilities	559,940	450,378	109,562
Deferred inflows of resources	136,646	97,046	39,600
Net position			
Net investment in capital assets	969,536	1,049,129	(79,593)
Unrestricted	783,059	681,567	101,492
Total net position	$ 1,752,595	$ 1,730,696	$ 21,899

(continued on next page)

A condensed version of the statement of activities for the year ended December 31, 2025 with comparative information from 2024 is shown below.

	2025	2024	Increase/ (Decrease)
Revenues			
Program revenues	$ 2,025,560	$ 1,782,899	$ 242,661
Investment revenue	36,426	48,971	(12,545)
Other revenue	74,857	66,874	7,983
Total revenues	2,136,843	1,898,744	238,099
Expenses			
Culture and recreation	2,114,944	1,764,204	350,740
Change in net position	21,899	134,540	(112,641)
Net position - beginning	1,730,696	1,596,156	134,540
Net position - ending	$ 1,752,595	$ 1,730,696	$ 21,899

Governmental Activities

Governmental activities for 2025 increased the Lakeville Arenas' net position by $21,899.

Revenues

- Revenues were up this past year primarily due to ice rentals, learn to skate, arena programming, and advertising contracts.
- Ice rentals amounted to $1,527,398 in 2025, which is a $205,109 increase from 2024. Ice rentals are 72.1 percent of general fund revenues.
- Learn-To-Skate revenues of $138,410 increased $20,935 (17.8 percent) from 2024.
- Public skating revenues of $45,169 decreased $18,310 (28.8 percent) from 2024.
- Arena programming revenues of $67,844 increased $25,991 (62.1 percent) from 2024.
- Event admissions amounted to $39,158 in 2025, which is a $10,417 (21.0 percent) decrease from 2024.
- Concession/pro shop sales (net) amounted to $164,377 in 2025, which is a $1,714 (1.1 percent) increase from 2024.
- Advertising revenues were $71,781 in 2025, which is a $21,117 (41.7 percent) increase from 2024.

Expenses

- Personnel costs were $953,459 which represents 49.4 percent of the total operating expenses. Total personnel costs increased 196,709 (26.0 percent) in 2025. The increase was due to additional driver and Programs Coordinator positions along with benefits for the new full-time positions.
- Utility expenses (natural gas and electricity) total $387,855 and represent 20.1 percent of the total operating expenses. Electrical costs increased in 2025 by $129,966 (72.3 percent). Natural gas costs were up $17,895 or 29.7 percent. The increase in electrical and natural gas costs is largely due to an increase in electrical and natural gas rates, decrease in amount for solar credits and the addition of the refrigerated outdoor pavilion rink.
- Commodities ($143,024) represent 7.4 percent of the total operating costs. This is a $37,670 decrease compared to 2024 primarily due to less supplies needed for the ice rinks, buildings and concession stands.
- Other charges and services ($302,038) represent 15.7 percent of the total operating costs. This is a $43,817 decrease compared to 2024 due to not hiring contractors to complete projects/maintenance and handling in house.
- The Hasse Arena construction was originally financed with a Lease Revenue Bond issued by the Lakeville Housing and Redevelopment Authority in 2006. The debt is repaid with property taxes levied by the City of Lakeville and Independent School District 194. The 2006 bonds were advance refunded by HRA Lease Revenue Refunding Bonds, Series 2016A. On February 7, 2022, the City Council authorized the issuance of Taxable General Obligation Bonds, Series 2022B, to refund the HRA Lease Revenue Refunding Bonds, Series 2016A (noted above) and provide funding for constructing the outdoor rink at the Hasse Arena. The sale of the bonds was held on March 7, 2022 and closed on April 5, 2022. True interest cost was 2.69 percent. The refunding resulted in savings of approximately $130,000 over the term of the bonds. An amended and restated joint powers agreement to address the payment of the refunding portion of the 2022B bonds was approved by ISD#194 and the City of Lakeville in February 2022. Agreements have been approved with Lakeville Hockey Association (LHA) and Heritage Figure Skating Club (HFSC) for additional contributions to be used for debt repayment of the bonds issued for the new outdoor rink.
- The Ames arena parking lot expansion project was financed with a Tax Abatement Bond issued by the City of Lakeville. As such, the debt is included in the City of Lakeville Annual Comprehensive Financial Report not the Lakeville Arenas Annual Financial Report. The debt is being repaid with contributions from the Lakeville Hockey Association and the Heritage Figure Skating Club. A portion of the interest on the debt will be repaid by Lakeville Arenas. The final debt payment is February 1, 2031.
- An energy improvement project began in the fall of 2020 at both facilities which were completed in the fall of 2021. The project cost approximately $7.9 million. The project was financed with a Tax Abatement Bond issued by the City of Lakeville in February 2021. As such, the debt is included in the City of Lakeville Annual Comprehensive Financial Report not the Lakeville Arenas Annual Financial Report. The debt is being repaid with energy savings realized at both facilities and property taxes levied by the City of Lakeville and Independent School District 194. The final debt payment is February 1, 2041.

(continued on next page)

Economic Factors and Next Year's Budget and Rates

The Lakeville Arenas is a joint powers organization created by the City of Lakeville and Independent School District 194. The Organization commenced operation of its two facilities in April 2005 – Ames Arena located at 19900 Ipava Avenue and Hasse Arena located at 8525 215th Street.

Key economic factors include the following:

- Since its establishment in 2005, Lakeville Arenas has funded all of its daily operating costs through ice rentals and other revenue generated by the facilities. Public tax funds are not utilized for daily operations, which remained true in 2025 and is expected to continue in 2026 and 2027.
- Ice Rental Revenue in 2025 increased by $205,106 over 2024. Ice rentals year-to-date in 2026, as of April 1, are up $26,649 over the same period in 2025 due to a rate increase of 7.7%. A 3.6% rate increase is expected to be approved for the 2026-2027 prime winter season.
- Private camp and training ice rentals are expected to decrease in 2026 due to shifts in local coaching and family spending concerns largely driven by the current economic climate. However, these factors have opened up an opportunity for Lakeville Arenas to expand its programming beyond its original 2026 plans and provide more affordable options for local residents and users. Although revenue from these new programs remains uncertain, early indicators suggest it is likely to surpass the ice rental income from recently canceled for-profit camps and clinics.
- Lakeville Arenas continues to diversify its revenue by expanding other skating programs to reduce its dependence on ice rentals alone. In 2025, revenue from in-house programs increased by $46,926 compared to 2024. As of April 1st, 2026, these program revenues have grown by $39,040 compared to the same period in 2025.
- Amenity upgrades for the new covered outdoor pavilion rink, aimed at generating revenue during the off-season, will be completed in 2026. New dry-floor revenue streams from the facility are scheduled for 2027.
- Electric and natural gas costs increased sharply in 2025 to $387,855 from $239,994 in 2024, a 62% rise. The significant jump is due to lower solar credits, the addition of the refrigerated outdoor pavilion rink, and overall volatility in energy markets in recent years. Lakeville arenas will adjust the 2026 budget to account for these changes and include them in the 2027 budget.
- Although the current economic environment is unstable and uncertain, Lakeville Arenas is well-equipped to adapt as necessary to ensure a successful 2026 and 2027. This is partly due to the ongoing focus and success in diversifying and expanding revenue sources, recent energy upgrades at all facilities, and continuous monthly tracking of revenue and expenses.

Requests for Information

This financial report is designed to provide a general overview of the Lakeville Arenas' results of operations. Questions concerning any information provided in this report or requests for additional financial information should be addressed to Judy Keliher, Board Chair, Lakeville Arenas, 20195 Holyoke Avenue, Lakeville, Minnesota 55044.

(continued on next page)

BASIC FINANCIAL STATEMENTS

LAKEVILLE ARENAS
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 925,334
Interest receivable	5,309
Accounts receivable	265,035
Inventory/prepaid	28,504
Net investment in capital assets	
Building improvements	457,769
Equipment	612,232
Total assets	2,294,183
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pension resources	154,998
LIABILITIES	
Accounts payable	94,887
Wages payable	29,857
Sales tax payable	5,684
Deposits	5,382
Non-current liabilities	
Due within one year - Financed purchase agreement	27,358
Due in more than one year - Financed purchase agreement	73,108
Due within one year - Compensated absences	18,049
Due in more than one year - Compensated absences	88,028
Due in more than one year - Net pension liability	217,587
Total liabilities	559,940
DEFERRED INFLOWS OF RESOURCES	
Deferred pension resources	136,646
NET POSITION	
Net investment in capital assets	969,536
Unrestricted	783,059
Total net position	$ 1,752,595

LAKEVILLE ARENAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities				
Culture and recreation	$ 2,114,944	$ 2,025,560	$ -	$ (89,384)
	General revenues:			
	Investment earnings			36,426
	Other revenue			74,857
	Total general revenues			111,283
	Change in net position			21,899
	Net position - beginning			1,730,696
	Net position - ending			$ 1,752,595

LAKEVILLE ARENAS
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General Fund	Capital Maintenance Reserve Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 464,257	$ 461,077	$ 925,334
Interest receivable	2,785	2,524	5,309
Accounts receivable	265,035	-	265,035
Inventory	22,219	-	22,219
Prepaid	6,285	-	6,285
Total assets	$ 760,581	$ 463,601	$ 1,224,182
LIABILITIES			
Accounts payable	$ 70,820	$ 24,067	$ 94,887
Wages payable	29,857	-	29,857
Sales tax payable	5,684	-	5,684
Deposits	5,382	-	5,382
Total liabilities	111,743	24,067	135,810
FUND BALANCES			
Non-spendable for prepaid items	6,285	-	6,285
Non-spendable for inventory	22,219	-	22,219
Assigned for future capital acquisition	-	439,534	439,534
Assigned for compensated absences	106,077	-	106,077
Unassigned	514,257	-	514,257
Total fund balances	648,838	439,534	1,088,372
Total liabilities and fund balances	$ 760,581	$ 463,601	$ 1,224,182

LAKEVILLE ARENAS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2025

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

Total fund balances - governmental funds	$ 1,088,372
1. Capital assets used in governmental activities are not financial resources and, therefore, not reported in the governmental funds.	
Capital assets	2,203,138
Less accumulated depreciation	(1,133,137)
2. Long term liabilities are not payable with current financial resources and therefore are not reported in the governmental funds.	
Net pension liability	(217,587)
Finance purchase agreement	(100,466)
3. Accrued compensated absences are not payable with current financial resources and therefore are not reported in the governmental funds.	(106,077)
4. Governmental funds do not report long-term amounts related to pensions.	
Deferred outflows of pension resources	154,998
Deferred inflows of pension resources	(136,646)
Net position of governmental activities	$ 1,752,595

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

	General Fund	Capital Maintenance Reserve Fund	Total Governmental Funds
REVENUES			
Charges for services	$ 2,093,270	$ -	$ 2,093,270
Investment income	19,765	16,661	36,426
Other income	6,343	-	6,343
Total revenues	2,119,378	16,661	2,136,039
EXPENDITURES			
Current			
Culture and recreation			
Personnel	953,459	-	953,459
Commodities	143,024	-	143,024
Other charges and services	302,038	-	302,038
Utilities	387,855	-	387,855
Debt service expense	33,793	-	33,793
Other expense	37,157	-	37,157
Capital outlay	71,655	66,116	137,771
Total expenditures	1,928,981	66,116	1,995,097
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	190,397	(49,455)	140,942
OTHER FINANCING SOURCES (USES)			
Contribution to City of Lakeville	(73,648)	-	(73,648)
Financed purchase agreement issued	60,126	-	60,126
Transfers (to) from other funds	(140,000)	140,000	-
Total other financing sources (uses)	(153,522)	140,000	(13,522)
CHANGE IN FUND BALANCES	36,875	90,545	127,420
FUND BALANCES, BEGINNING OF YEAR	611,963	348,989	960,952
FUND BALANCES, END OF YEAR	$ 648,838	$ 439,534	$ 1,088,372

LAKEVILLE ARENAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES INFUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

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

Total net change in fund balances - governmental funds (modified accrual amount)	$ 127,420
1. Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities the cost of capital assets is allocated over their useful lives as depreciation expense. In the current period these amounts are:	
Capital outlay	120,357
Depreciation expense	(167,932)
2. Accrued compensated absences are not payable with current financial resources and therefore are not reported in the governmental funds.	
Accrued compensated absences	(37,528)
3. Finance purchase agreement activity is not reported in governmental funds.	
Finance purchase issued	(60,126)
Lease repayment	28,107
4. Long-term pension activity is not reported in governmental funds.	
Pension revenue	12,406
Pension expense	(805)
Changes in net position - governmental activities	$ 21,899

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Lakeville Arenas ("the Organization") conform to generally accepted accounting principles applicable to governmental units as promulgated by the American Institute of Certified Public Accountants ("AICPA") and the Governmental Accounting Standards Board ("GASB"). The following is a summary of the significant accounting policies.

A. REPORTING ENTITY

Lakeville Arenas was created under a joint powers agreement between the City of Lakeville ("City") and Independent School District No. 194 ("ISD 194"), pursuant to Minnesota Statutes §471.59 for the purpose of managing and operating Ames and Hasse Arenas. Lakeville Arenas commenced operations on April 1, 2005. Entities established by joint powers agreements are considered governmental units and as such are exempt from federal and state income taxes.

The Board consists of five regular members, two each from the City and ISD 194 and one member from the community at large appointed by the other four regular members.

Lakeville Arenas has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the Organization are such that exclusion would cause the Organization's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on, the primary government. Lakeville Arenas has no component units.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The goal of government-wide financial statements is to present a broad overview of the Organization's finances. The basic statements that form the government-wide financial statements are the statement of net position and the statement of activities. The two statements report information on all the non-fiduciary activities of the Organization. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities reports gross direct expenses by function reduced by program revenues. This results in a measurement of net revenue or expense for each of the Organization's activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues are directly associated with the function and include 1) charges for services and 2) operating or capital grants and contributions that are restricted to a particular function. Other items not properly included among program revenues are reported instead as general revenues.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Major individual governmental funds are reported as separate columns in the fund financial statements.

Lakeville Arenas reports two separate funds. Both funds are considered major governmental funds.

- General fund - The General fund is the general operating fund of the Lakeville Arenas. It is used to account for all financial resources except those required to be accounted for in another fund.

- Capital Maintenance Reserve fund - The Capital Maintenance Reserve fund is used to account for future capital acquisitions and other capital improvements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Ice rental income is recognized as revenue when earned.

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

Amounts reported as program revenues include the following: amounts received from those who purchase, use or directly benefit from a program; amounts received from parties outside Lakeville Arenas that are restricted to one or more specific programs; and earnings on investments that are legally restricted for a specific program. Revenues that do not meet the previous criteria are reported as general revenues.

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

Non-exchange transactions, in which the Organization receives value without directly giving equal value in return, includes grants, entitlement and donations. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Organization must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Organization on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. BUDGETS AND BUDGETARY ACCOUNTING

The Lakeville Arenas Board has full authority over the financial affairs of the Organization. The Board adopts an annual budget for the Organization. During the budget year, supplemental appropriations and deletions may be authorized by the Organization. The amounts shown in the financial statements as 'Budget' represent the original and final budgeted amounts. The Organization prepares its budget on a basis consistent with accounting principles generally accepted in the United States of America. All budgeting appropriations lapse at year-end.

The legal level of budgetary control is at the fund level for the General fund and the Capital Maintenance Reserve fund.

Any changes in the budget must be approved by a majority vote of the Board. The Board approved amendments to the budget during the year to more closely reflect actual revenues and expenses.

E. DEPOSITS

The Organization's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Cash balances from all funds are combined and invested to the extent available in certificates of deposit, commercial paper, U.S. Government securities, and other securities authorized by the State of Minnesota. Earnings from such investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund.

F. ACCOUNTS RECEIVABLE

Accounts receivable for the Organization's governmental funds are stated at net realizable value. Revenues are recognized at the time the facility is rented regardless of when payment is made. At December 31, 2025, accounts receivable amounted to $265,035.

G. INVENTORY

The inventory in the General fund is stated at the lower of cost or market and consists of inventories held for resale. The cost is recognized as an expenditure at the time the individual inventory items are sold.

H. PREPAID ITEMS

Payments to vendors that reflect costs applicable to future periods are recorded as prepaid items in both the government-wide and fund financial statements.

I. CAPITAL ASSETS

Capital assets which include building improvements and equipment are recorded at historical cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their acquisition value on the date received. A capitalization threshold for financial reporting purposes has been established for assets that exceed $2,500.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation has been provided using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are 4 to 10 years for equipment and 3 to 10 years for building improvements.

J. DEFERRED OUTFLOWS OF RESOURCES

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

K. COMPENSATED ABSENCES

Compensated absences consist of unused paid time off ("PTO"). PTO is accrued bi-weekly on an hourly basis and the maximum amount of PTO that can be accrued and carried over to the next year by each employee is limited to twice the annual accrual amount as of December 15th. The General fund is typically used to liquidate governmental fund compensated absences.

L. PENSIONS

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

The Arena participates in various pension plans, total pension expense for the year ended December 31, 2025 was $35,491. The components of pension expense are noted in the plan summaries in Note 6.

M. NET OTHER POST EMPLOYMENT BENEFITS (OPEB) OBLIGATION

In accordance with the provisions of GASB Statement No. 75, *Accounting and financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, an actuarial valuation is not required to be computed when an organization has fewer than 100 participating members. The organization has three members participating in the plan. As such, the "Alternative Measurement Method" is used to estimate the actuarial accrued liability and the annual required contributions. As of December 31, 2025, the liability was determined to be zero.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. DEFERRED INFLOWS OF RESOURCES

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

O. FUND BALANCES

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

Non-spendable – consists of amounts that are not in spendable form, such as prepaid items and inventories.

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

Committed – consists of internally imposed constraints. These constraints are established by Resolution of the Board.

Assigned – consists of internally imposed constraints. These constraints reflect the specific purpose for which it is the Organization’s intended use. These constraints are established by the Board. Pursuant to Board Resolution, the Organization’s Fiscal Agent is authorized to establish assignments of fund balance.

Unassigned – is the residual classification for the general fund and also reflects negative residual amounts in other funds.

When both restricted and unrestricted (committed, assigned or unassigned) resources are available for use, it is the Organization’s policy to first use restricted resources, and then use unrestricted resources as they are needed.

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

A negative residual amount may not be reported for restricted, committed, or assigned fund balances in the General fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. NET POSITION

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

a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquired capital assets.

b. Restricted net position - Consists of net position restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

c. Unrestricted net position - All other net positions that do not meet the definition of "restricted" or "net investment in capital assets."

Q. USE OF ESTIMATES

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

R. INTERFUND ELIMINATIONS

Interfund eliminations have been made in the governmental type activities of the government-wide statement columns in accordance with generally accepted accounting principles.

NOTE 2 - DEPOSITS AND INVESTMENTS

Cash and investments for the Organization as of December 31, 2025 consisted of the following:

Cash on hand	$ 2,000
Cash at bank	8,273
Money market	414,262
Certificates of deposit	500,799
	$ 925,334

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to the Organization. State statutes require that federal deposit insurance, surety bonds, or collateral protect the Organization's deposits. The fair value of the collateral pledge must equal 110 percent of the deposits not covered by insurance or bonds. As of December 31, 2025, the carrying amount and the bank balance of the Organization's deposits was $8,273.

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

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

The Organization's investment policy does not place any further limitations beyond the state statute requirements. Minnesota Statutes authorize the Organization to invest in the following:

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

2) Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of thirteen months or less.

3) General obligations of a state or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.

4) Obligation of a school district with an original maturity not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to statute section 126C.55.

5) General obligations of the Minnesota Housing Finance Agency rated "A" or better.

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

7) Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies and maturing in 270 days or less.

8) Repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding $10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.

9) Guaranteed investment contracts (GIC's) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

Investment and dividend income are recognized as revenue when earned.

Concentration risk is the risk associated with investing a significant portion of the Organization's investments (considered five percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds.

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

As of December 31, 2025, the Organization's investment portfolio includes the following securities of single issuers exceeding five percent:

Minnesota Municipal Money Market	45.27 percent
Henderson State Bank, Henderson NE	5.48 percent
JP Morgan Chase Bank N.A.	5.47 percent

The Organization categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Organization's recurring fair value measurements are listed in detail below and are valued using quoted market prices (Level 1 inputs.)

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

Types of Investments	Credit Quality/ Ratings	Segmented Time Distribution	12/31/2025	Fair Value Measurement Using Level 1	Level 2	Level 3
Pooled investments at amortized costs						
Broker Money Market Funds	N/A	Under 1 year	$ 414,262	$ -	$ -	$ -
Non-pooled investments at fair value						
Brokered Certificates of Deposit	N/A	Under 1 year	380,763	-	380,763	-
Brokered Certificates of Deposit	N/A	1 to 5 years	120,036	-	120,036	-
Total investments			$ 915,061	$ -	$ 500,799	$ -

- Brokered certificates of deposit of $500,799 are valued using quoted market prices (Level 2 inputs).

NOTE 3 - INTERFUND TRANSFERS

An interfund transfer in the amount of $140,000 was made from the General fund to the Capital Maintenance Reserve fund. This transfer is made annually and finances future capital acquisitions and building improvements.

NOTE 4 - CONTRIBUTIONS

A contribution to the City for $10,188 (Ames parking lot expansion project) and $63,460 (Ames & Hasse energy improvement project) was made during 2025.

NOTE 5 - CAPITAL ASSETS

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, being depreciated				
Building improvements	$ 1,099,890	$ 26,109	$ -	$ 1,125,999
Equipment	982,891	94,248	-	1,077,139
Total assets being depreciated	2,082,781	120,357	-	2,203,138
Less accumulated depreciation				
Building improvements	(567,492)	(100,738)	-	(668,230)
Equipment	(397,713)	(67,194)	-	(464,907)
Total accumulated depreciation	(965,205)	(167,932)	-	(1,133,137)
Total capital assets, being depreciated, net	$ 1,117,576	$ (47,575)	$ -	$ 1,070,001

Depreciation was charged to the Organization's functions as follows:

Culture and recreation	$ 167,932

NOTE 6 - DEFINED BENEFIT PENSION PLANS – STATEWIDE

A. Plan Description

The Arena participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). These plan provisions are established and administered according to Minnesota Statutes chapters 353, 353D, 353E, 353G, and 356. Minnesota Statues chapter 356 defines each plan's financial reporting requirements. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Plan (GERP)

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

B. Benefits Provided

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

NOTE 6 – DEFINED BENEFIT PENSION PLANS - STATEWIDE (continued)

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 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 of 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 retirement 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 an age with a reduction of .25 percent for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

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

C. Contributions

Minnesota statutes chapter 353, 353E, 353G, and 356 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Employees Fund Contributions

General Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2025 and the Arena was required to contribute 7.50 percent for Coordinated Plan members. The Arena's contributions to the General Employees Fund for the years ending December 31, 2025 were $47,897. The Arena's contributions were equal to the required contributions for each year as set by state statute.

NOTE 6 – DEFINED BENEFIT PENSION PLANS - STATEWIDE (continued)

D. Pension Costs

General Employees Fund Pension Costs

At December 31, 2025, the Arena reported a liability of $217,587 for its proportionate share of the General Employees Fund's net pension liability. The Arena'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 Arena totaled $5,249.

Arena Proportionate Share of the Net Pension Liability	$	217,587
State of Minnesota's Proportionate Share of the Net Pension Liability associated with the Arena		5,249
Total	$	222,836

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 Arena's proportionate share of the net pension liability was based on the Arena'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 Arena's proportionate share was 0.0066 percent at the end of the measurement period and 0.0044 percent for the beginning of the period.

For the year ended December 31, 2025, the Arena recognized pension expense of $36,296 for its proportionate share of General Employees Plan's pension expense. In addition, the Arena recognized an additional negative $805 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.

NOTE 6 – DEFINED BENEFIT PENSION PLANS - STATEWIDE (continued)

At December 31, 2025, the Arena 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	$ 20,731	$ -
Changes in Actuarial Assumptions	5,243	50,066
Net Difference Between Projected and Actual Investment Earnings	-	86,580
Changes in Proportion	105,215	-
Contributions Paid to PERA Subsequent to the Measurement Date	23,809	-
Total	$ 154,998	$ 136,646

The $23,809 reported as deferred outflows of resources related to pensions resulting from the Arena'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:

2026	$ 16,159
2027	(7,549)
2028	1,398
2029	(15,465)

E. Long-term Expected Return on Investment

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by 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	33.50%	5.10%
International Equity	16.50%	5.30%
Fixed Income	25.00%	0.75%
Private Markets	25.00%	5.90%
Total	100.00%	

NOTE 6 – DEFINED BENEFIT PENSION PLANS - STATEWIDE (continued)

F. Actuarial Methods and Assumptions

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

Inflation is assumed to be 2.25% for the General Employees Plan. Benefit increases after retirement are assumed to be 1.50% for the General Employees Plan.

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

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

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

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

<u>General Employees Fund</u>

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

NOTE 6 – DEFINED BENEFIT PENSION PLANS - STATEWIDE (continued)

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 Plans was projected to be available to make all projected future benefit payments of current plan members. The long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

H. Pension Liability Sensitivity

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

	1 Percent Decrease (6.0%)	Current (7.0%)	1 Percent Increase (8.0%)
General Employees Fund	$ 528,485	$ 217,587	$ (34,621)

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.

NOTE 7 - RISK MANAGEMENT

The Organization is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters.

Workers' compensation coverage is provided through a pooled self-insurance program through the League of Minnesota Cities Insurance Trust ("LMCIT"). The Organization pays an annual premium to LMCIT. The Organization is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through Workers' Compensation Reinsurance Association ("WCRA") as required by law. For workers' compensation, the Organization is not subject to a deductible. The Organization's workers' compensation coverage is retrospectively rated. With this type of coverage, final premiums are determined after loss experience is known. The amount of premium adjustment, if any, is considered immaterial and not recorded until received or paid.

NOTE 7 – RISK MANAGEMENT (continued)

Property and casualty insurance coverage is provided through a pooled self-insurance program through the LMCIT. The Organization pays an annual premium to the LMCIT. The Organization is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess various amounts.

Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities, if any, include an amount for claims that have been incurred but not reported. The Organization's management is not aware of any incurred but not reported claims. The Organization continues to carry commercial insurance for all other risks of loss, including employee health and disability insurance.

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

NOTE 8 - OUTSTANDING COMMITMENTS

The Organization has agreed to help pay a portion of the interest cost on the debt for the parking lot improvements at the Ames facility. This commitment is not a binding agreement and therefore is not considered a long-term liability for the Organization.

The City of Lakeville approved a guaranteed energy savings agreement with APEX on April 6, 2020 and approved the notice to proceed provision for the construction portion on August 17, 2020. In August 2020, the City and Independent School District #194 (ISD#194) approved a joint powers agreement (JPA) which provided that the debt and debt-related costs would be paid 50/50 by the City and ISD#194. The City issued $7,770,000 of General Obligation Tax Abatement Bonds, Series 2021A on February 16, 2021, to finance the energy saving improvements. The agreement with APEX included a guaranteed utility savings of $63,460 each year for the term of the agreement. The payment for the savings from 2025 will be made in 2026.

NOTE 9 - LONG TERM DEBT

The accrued liability for compensated absences is recorded as a liability in the Governmental Fund. Unused personal time off is recorded as a liability in these financial statements. The General fund has typically been used to liquidate the compensated absences payable obligation.

During the year ended December 31, 2025 the following changes occurred in non-current liabilities:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Accrued compensated absences	$ 68,549	$ 54,239	$ (16,711)	$ 106,077	$ 18,049

NOTE 9 - LONG TERM DEBT (continued)

The Arena’s has entered into financed purchase agreements for the acquisition of a Kubota Skid Steer and John Deere lawn mower with a total purchase price of $87,881 and $60,126, respectively. The agreements are financed through Lease Servicing Center, Inc. dba NCL Government Capital and requires payments of $19,935 and $13,859, respectively, per year with a five-year term.

The Arena's obligations under this agreement are reflected below:

	Maturity Date	Balance 12/31/2024	Additions	Payments	Balance 12/31/2025	Current Portion	LT Portion
Finance Purchase Agreement	12/31/2028	68,447	-	(15,554)	52,893	16,549	36,344
Finance Purchase Agreement	3/31/2029	-	60,126	(12,553)	47,573	10,809	36,764

III. REQUIRED SUPPLEMENTARY INFORMATION

LAKEVILLE ARENAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GENERAL FUND - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025
(WITH 2024 ACTUAL AMOUNTS FOR COMPARISON PURPOSES)

	2025				
	Budget As Originally Adopted	Final Budget	Actual	Variance with Final Budget	2024 Actual
Revenues					
Charges for services					
Ice rental	$ 1,425,774	$ 1,539,612	$ 1,527,398	$ (12,214)	$ 1,322,289
Dry-floor rental	-	2,405	3,045	640	-
Lease/Rental		10,000	10,000	-	-
Learn to skate	121,913	130,985	138,410	7,425	117,475
Admissions-public skating	64,575	49,370	45,169	(4,201)	63,479
Arena Programming	80,068	65,689	67,844	2,155	41,853
Event admissions (net)	48,825	39,591	39,158	(433)	49,575
Concession/Proshop sales (net)	168,930	170,600	164,377	(6,223)	162,663
Skate sharpening	6,123	17,369	18,145	776	14,650
Skate rental	3,698	8,473	6,502	(1,971)	7,725
Vending machines	3,396	1,477	1,441	(36)	3,190
Advertising contracts	49,800	80,293	71,781	(8,512)	50,664
Total charges for services	1,973,102	2,115,864	2,093,270	(22,594)	1,833,563
Other income					
Investment income	19,752	16,818	18,311	1,493	19,959
Increase in fair market value adjustment	11,063	6,396	1,454	(4,942)	7,492
Miscellaneous	3,810	12,082	6,343	(5,739)	8,807
Total revenues	2,007,727	2,151,160	2,119,378	(31,782)	1,869,821
Expenditures					
Culture and recreation					
Personnel services					
Salaries full-time	492,911	533,493	486,414	47,079	317,060
Salaries part-time	204,933	281,673	300,244	(18,571)	320,558
PERA	51,844	57,755	48,031	9,724	37,325
FICA	52,881	61,473	59,901	1,572	48,814
Hospitalization	75,600	30,649	36,022	(5,373)	12,453
Life and disability	1,680	2,131	1,259	872	735
FSA Plan	420	475	129	346	63
Dental insurance	1,260	1,795	2,005	(210)	835
Workers compensation	22,060	23,586	18,472	5,114	18,345
Unemployment compensation	-	1,000	982	18	562
Salaries Contingency	10,178	-	-	-	-
Total personnel services	913,767	994,030	953,459	40,571	756,750

(continued)

LAKEVILLE ARENAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GENERAL FUND - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025
(WITH 2024 ACTUAL AMOUNTS FOR COMPARISON PURPOSES)

	2025				
	Budget As Originally Adopted	Final Budget	Actual	Variance with Final Budget	2024 Actual
Commodities					
Office supplies	-	-	-	-	-
Office/Operating supplies	58,716	53,535	30,131	23,404	80,972
Motor fuels	1,165	5,987	6,030	(43)	2,830
Cleaning supplies	10,210	12,815	19,836	(7,021)	12,651
Clothing	3,675	5,051	430	4,621	1,470
Chemicals	12,275	18,863	19,192	(329)	11,992
Equipment parts/building supplies	70,089	81,246	63,764	17,482	54,124
Small tools/equipment	11,688	9,674	3,178	6,496	11,195
Computer Supplies	5,640	2,713	463	2,250	5,460
Total commodities	173,458	189,884	143,024	46,860	180,694
Other charges and services					
Fiscal management fees	42,949	47,364	41,364	6,000	46,380
Bank charges/credit card fees	23,649	26,414	29,991	(3,577)	25,056
Professional services	8,400	7,500	10,000	(2,500)	8,000
Use of personal auto	-	1,600	-	1,600	-
Advertising	369	1,005	1,839	(834)	416
Insurance	49,615	43,936	43,936	-	47,247
Water and sewer service	32,303	32,054	26,156	5,898	31,572
Waste disposal	8,076	9,272	10,654	(1,382)	7,962
Telephone	3,816	4,940	4,118	822	4,138
Other contractual	19,942	16,917	19,186	(2,269)	53,596
Equipment repair and maintenance	15,105	17,899	27,024	(9,125)	17,048
Building repair and maintenance	64,682	63,444	87,770	(24,326)	96,632
Contract cleaning	-	-	-	-	750
Snow removal	27,344	-	-	-	7,058
Total other charges and services	296,250	272,345	302,038	(29,693)	345,855
Utilities					
Electric service	215,036	255,267	309,730	(54,463)	179,764
Gas service	101,102	65,465	78,125	(12,660)	60,230
Total utilities	316,138	320,732	387,855	(67,123)	239,994
Debt service expense					
Finance purchase agreement payment/interest	-	-	33,793	33,793	19,935
Other expense					
Contract data processing	-	-	18,266	18,266	-
Schools and conferences	4,708	7,934	4,088	(3,846)	4,829
Business Meetings/Misc. Expenses	7,408	166	553	387	6,897
Licenses & Taxes	-	204	-	(204)	-
Dues/subscriptions/licenses	16,710	16,012	14,250	(1,762)	15,072
Total other expense	28,826	24,316	37,157	12,841	26,798

(continued)

LAKEVILLE ARENAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GENERAL FUND - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025
(WITH 2024 ACTUAL AMOUNTS FOR COMPARISON PURPOSES)

	2025				
	Budget As Originally Adopted	Final Budget	Actual	Variance with Final Budget	2024 Actual
Capital outlay	50,000	184,918	71,655	113,263	107,716
Total expenditures	1,778,439	1,986,225	1,928,981	150,512	1,677,742
Excess of revenues over expenditures	229,288	164,935	190,397	25,462	192,079
Other financing uses					
Contribution to City of Lakeville	(75,710)	(75,022)	(73,648)	1,374	(75,023)
Financing purchase agreement proceeds	-	60,126	60,126	-	87,882
Transfers to other funds	(140,000)	(140,000)	(140,000)	-	(140,000)
Total other financing uses	(215,710)	(154,896)	(153,522)	1,374	(127,141)
Net change in fund balances	$ 13,578	$ 10,039	$ 36,875	$ 26,836	$ 64,938
Fund balances, beginning of year			611,963		547,025
Fund balances, end of year			$ 648,838		$ 611,963

LAKEVILLE ARENAS
SCHEDULE OF EMPLOYER'S SHARE OF PUBLIC EMPLOYEES RETIREMENT ASSOCIATION
NET PENSION LIABILITY – GENERAL EMPLOYEES RETIREMENT PLAN
FOR THE YEAR ENDED DECEMBER 31, 2025

Fiscal Year Ending	Organization's Proportion of the Net Pension Liability	Organization's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the Organization (b)	Total (a+b)	Organization's Covered Payroll (c)	Organization's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability
June 30, 2025	0.0066%	$ 217,587	$ 5,249	$ 222,836	$ 594,662	36.6%	90.8%
June 30, 2024	0.0044%	163,153	4,219	167,372	373,512	43.7%	89.1%
June 30, 2023	0.0043%	240,451	6,601	247,052	332,731	72.3%	83.1%
June 30, 2022	0.0038%	300,961	8,798	309,759	277,653	108.4%	76.7%
June 30, 2021	0.0025%	106,761	530	107,291	187,027	57.1%	87.0%
June 30, 2020	0.0033%	197,850	1,062	198,912	204,722	96.6%	79.1%
June 30, 2019	0.0029%	160,335	-	160,335	202,074	79.3%	80.2%
June 30, 2018	0.0035%	194,166	-	194,166	234,522	82.8%	79.5%
June 30, 2017	0.0041%	261,741	-	261,741	260,154	100.6%	75.9%
June 30, 2016	0.0034%	276,063	-	276,063	210,405	131.2%	68.9%

LAKEVILLE ARENAS
SCHEDULE OF EMPLOYER'S PUBLIC EMPLOYEES RETIREMENT ASSOCIATION CONTRIBUTIONS – GENERAL EMPLOYEES RETIREMENT PLAN
FOR THE YEAR ENDED DECEMBER 31, 2025

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
December 31, 2025	$ 47,897	$ 47,897	$ -	$ 638,623	7.50%
December 31, 2024	36,338	36,338	-	484,507	7.50%
December 31, 2023	24,501	24,501	-	326,682	7.50%
December 31, 2022	22,885	22,885	-	305,129	7.50%
December 31, 2021	17,491	17,491	-	233,213	7.50%
December 31, 2020	14,802	14,802	-	197,360	7.50%
December 31, 2019	15,193	15,193	-	202,572	7.50%
December 31, 2018	16,578	16,578	-	221,038	7.50%
December 31, 2017	17,940	17,940	-	239,200	7.50%
December 31, 2016	18,322	18,322	-	244,294	7.50%

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

BUDGETS AND BUDGETARY ACCOUNTING

The Lakeville Arenas Board has full authority over the financial affairs of the Organization. The Board adopts an annual budget for the Organization. During the budget year, supplemental appropriations and deletions may be authorized by the Organization. The amounts shown in the financial statements as 'Budget' represent the original and final budgeted amounts. The Organization prepares its budget on a basis consistent with accounting principles generally accepted in the United States of America. All budgeting appropriations lapse at year-end.

The legal level of budgetary control is at the fund level for the General fund and the Capital Maintenance Reserve fund.

Any changes in the budget must be approved by a majority vote of the Board.

CHANGES IN ACTUARIAL ASSUMPTIONS

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

2024 - The following changes in assumptions are effective with the July 1, 2024 valuation, as recommended in the most recent experience study (dated June 29, 2023): Rates of merit and seniority were adjusted, resulting in slightly higher rates. Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members. Minor increase in assumed withdrawals for males and females. Lower rates of disability. Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study. Minor changes to form of payment assumptions for male and female retirees. Minor changes to assumptions made with respect to missing participant data.

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

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

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

2020 - The price inflation assumption was decreased from 2.50 percent to 2.25 percent. The payroll growth assumption was decreased from 3.25 percent to 3.00 percent. 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 percent less than previous rates. Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter. Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments. The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019. The assumed spouse age difference was changed from two years older for females to one year older. The assumed number of married male new retirees electing the 100 percent Joint & Survivor option changed from 35 percent to 45 percent. The assumed number of married female new retirees electing the 100 percent Joint & Survivor option changed from 15 percent

CHANGES IN ACTUARIAL ASSUMPTIONS (continued)

to 30 percent. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

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

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

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

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

CHANGES IN PLAN PROVISIONS

2025 – The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1% and 1.75%, beginning January 1, 2026. If the funded ratio (on a market value assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.5%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1% and 1.5%. The 1% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

2024 - The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

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

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

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

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

2019 - The employer supplemental contribution was changed prospectively, decreasing from $31.0 million to $21.0

CHANGES IN PLAN PROVISIONS (continued)

million per year. The state's special funding contribution was changed prospectively, requiring $16.0 million due per year through 2031.

2018 - The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024. Interest credited on member contributions decreased from 4.00 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 - The State's contribution for the Minneapolis Employees Retirement Fund equals $16,000,000 in 2017 and 2018, and $6,000,000 thereafter. The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from $21,000,000 to $31,000,000 in calendar years 2019 to 2031. The state's contribution changed from $16,000,000 to $6,000,000 in calendar years 2019 to 2031.

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

IV. OTHER REPORT

INDEPENDENT AUDITOR'S REPORT
ON MINNESOTA LEGAL COMPLIANCE

Board of Directors
Lakeville Arenas
Lakeville, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities and each major fund of the Lakeville Arenas (the Organization), as of and for the year ended December 31, 2025, and the related notes to the financial statements which collectively comprise the Organization's basic financial statements, and have issued our report thereon dated April 24, 2026.

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

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

Abdo

Abdo
Minneapolis, Minnesota
April 24, 2026

LAKEVILLE ARENAS

PROPOSED

2026 Budget Amendment
2027 Budget
2026–2027 Fee Schedule

Serving our Community · Lakeville, Minnesota

TABLE OF CONTENTS

LAKEVILLE ARENAS

2026 Budget Amendment — Executive Summary

Proposed June 2, 2026 · Fund 8970

FINANCIAL SUMMARY

	Adopted Budget	Amended Budget	$ Change	% Change
Revenue	$2,474,773	$2,611,496	+$136,723	+5.5%
Cost of Goods	$122,524	$130,887	+$8,363	+6.8%
Operating Expenses	$2,345,581	$2,477,447	+$131,865	+5.6%
Net Earnings	$6,668	$3,163	($3,505)	

KEY DRIVERS OF CHANGE

Category	Driver	Impact
Revenue	Arena Programming — Mite Camp registrations above plan	+$167,000
Utilities	Electric +$82.7K, Natural Gas +$20.8K (rate/usage pressure)	+$101,965
Personnel	Salary and benefit true-ups across full-time and part-time staff	+$71,459
Other Misc.	Insurance, banking and miscellaneous operating costs	+$26,299
Contracts	Service and maintenance agreements	+$23,056
Prof. Services	Professional and technical services	+$13,715
Supplies	Reduced supply spend across operating areas	−$31,068
Capital	Capital projects deferred or rescoped — cushions operating overage	−$73,560

BOTTOM LINE

Revenue grew $136.7K (+5.5%), driven almost entirely by Arena Programming. Expenses rose $131.9K (+5.6%), led by Utilities ($102K) and Personnel ($71K), partially offset by deferred Capital (−$74K) and lower Supplies (−$31K).

Arena Operations remain profitable. Net Earnings of $3,163 — a $3,505 reduction from the adopted budget cushion of $6,668.

Utilities and Personnel are the lines to monitor as we head into the 2027 proposed budget.

2026 Budget Amendment

Statement of Revenue & Expenses · Fund 8970 · June 2, 2026

REVENUE

Line Item	2025 Actual	2026 Adopted	2026 Change	2026 Amended
Convenience Fee (Credit Cards)	$4,071	$4,032	($322)	$3,711
Change reflects actual year-to-date effects relative to the original budget.				
Interest on Investments	$18,311	$13,410	+$3,033	$16,444
Change reflects actual year-to-date effects relative to the original budget.				
Net Change in FV of Investments	$1,454	$5,123	($1,859)	$3,264
Change reflects actual year-to-date effects relative to the original budget.				
Other Revenue	$2,272	$5,611	+$11,170	$16,781
Estimated change based on current-year actuals, including the insurance claim received for the stolen sweeper.				
Ice Rental — LHA	$646,633	$720,968	+$8,706	$729,673
Jan–Mar revenue was up $16K year-over-year but $18K below budget due to lower Pavilion ice purchases. Sept–Dec projected up 3.5% from rate increase, plus 14% from four new LHA teams, and added Pavilion purchases.				
Ice Rental — ISD 194	$232,237	$236,195	+$8,726	$244,921
Change reflects actual year-to-date effects relative to the original budget.				
Ice Rental — Other	$648,528	$724,046	($52,985)	$671,062
Adjusted for actual booked ice. Lost some ice from coaching changes and groups that failed financially; replaced with in-house programming. Does not include miscellaneous rentals or Tuesday nights Heritage relinquished.				
Lakeville Skating Academy (LTS)	$138,410	$137,533	($2,721)	$134,812
Estimated change based on current-year actuals, slightly down from a record prior-year period.				
Public Admissions	$45,169	$49,370	+$10,366	$59,736
Estimate derived from 30% increase on year-to-date actuals, supported by additional public ice and new Open Skate Light Shows and themed skates.				
HS Game Admissions	$39,158	$39,591	($3,161)	$36,430
Estimate based on prior-year HS admissions, which have declined again.				
Arena Advertising Sales	$71,781	$88,323	($8,413)	$79,910
Temporary downturn due to program expansion and coordinator unavailability. New Administrative Manager appointment expected to refocus sales efforts.				
Arena Concession Sales	$280,237	$296,835	+$12,313	$309,147
YTD actuals incorporated. Initial ~8% reduction attributed to cashless transition. Comprehensive welcome-center overhaul planned under new Administration Manager, with full-time Welcome Center Managers replacing part-time supervisors. Significant growth anticipated post-makeover.				
Pro Shop Sales	$7,609	$7,580	+$3,867	$11,447
Pro Shop is expected to grow with welcome-center attention and the addition of clothing options.				
Skate Sharpening	$18,145	$18,237	+$914	$19,151
Change reflects actual year-to-date effects relative to the original budget.				
Arena Programming	$67,844	$82,111	+$167,367	$249,479
YTD Mite Camp revenue is $130K+ above the prior year. New ice club memberships and programs are expected to generate at least $45K in additional programming revenue this year.				
Skate Rental	$6,502	$9,320	($111)	$9,209

Line Item	2025 Actual	2026 Adopted	2026 Change	2026 Amended
Change reflects actual year-to-date effects relative to the original budget.				
Arena Dry Floor Activities	$3,045	$24,047	($20,466)	$3,581
Projected decline attributable to Pavilion Rink summer amenities not being finalized for this season.				
Lease/Rental Revenue	$70,126	$10,000	+$300	$10,300
Change reflects actual year-to-date effects relative to the original budget.				
TOTAL REVENUE	**$2,302,974**	**$2,474,773**	**+$136,723**	**$2,611,496**

COST OF GOODS

Line Item	2025 Actual	2026 Adopted	2026 Change	2026 Amended
Pro Shop Cost of Goods	($6,427)	($3,790)	($4,399)	($8,189)
Change reflects actual year-to-date effects relative to the original budget.				
Concessions Cost of Goods	($117,042)	($118,734)	($3,963)	($122,697)
Cost of goods adjusted to actual YTD results, with forecasted sales using prior-year actual margin percentages.				
TOTAL COST OF GOODS	**($123,468)**	**($122,524)**	**($8,363)**	**($130,887)**
NET REVENUE	**$2,179,506**	**$2,352,249**	**+$128,360**	**$2,480,610**

PERSONNEL EXPENDITURES

Line Item	2025 Actual	2026 Adopted	2026 Change	2026 Amended
Salaries — Permanent Regular	$475,110	$699,607	+$8,409	$708,016
The goal is to have all 11 FTE positions filled by the end of summer to reduce staff stress and enable focus on new revenue growth. 2 of the 11 will not be filled until later this year, provided new programming growth is realized.				
Salaries — Permanent Overtime	$11,304	$27,021	($9,899)	$17,122
Estimated decrease attributable to additional FTEs and improved hiring stability.				
Salaries — Part-Time Regular	$200,700	$202,637	($33,263)	$169,375
Part-time, regular, and temporary labor should be assessed together. Decrease reflects the addition of full-time staff and the reclassification of some operations staff to programming labor.				
Salaries — Part-Time Overtime	$450	$4,964	($1,907)	$3,057
Adjusted and reduced slightly to account for added staff.				
Salaries — Temporary	$99,094	$45,559	+$87,970	$133,529
Temporary salaries increased to meet programming growth and expansion needs. The high estimate will be adjusted as actual registrations are confirmed.				
TOTAL SALARY EXPENSE	**$786,657**	**$979,788**	**+$51,311**	**$1,031,100**
PERA — Regular	$48,031	$73,484	($12,424)	$61,060
Decrease reflects original over-budgeting of PERA-eligible PT staff, corrected to prior-year actuals.				
FICA/Medicare	$59,901	$73,484	+$1,656	$75,140
Change reflects actual year-to-date effects relative to the original budget.				
Paid Family Medical Leave Tax	$0	$0	+$4,426	$4,426
Added to estimate — was not originally budgeted.				
Medical Insurance	$36,022	$54,000	+$25,582	$79,582
Estimate increased for new FTE positions.				
Life and Disability Insurance	$381	$563	($24)	$539
Change reflects actual year-to-date effects relative to the original budget.				

Line Item	2025 Actual	2026 Adopted	2026 Change	2026 Amended
Long-Term Disability	$878	$1,610	($93)	$1,517
Change reflects actual year-to-date effects relative to the original budget.				
Dental Insurance	$2,005	$1,831	+$3,106	$4,937
Estimate increased for new FTE positions.				
Workers Compensation Insurance	$18,472	$24,058	($1,239)	$22,819
Estimate based on the current year.				
Unemployment Compensation	$982	$1,020	($829)	$191
Change reflects actual year-to-date effects relative to the original budget.				
FSA Plan	$129	$485	($36)	$449
Change reflects actual year-to-date effects relative to the original budget.				
TOTAL PERSONNEL OTHER EXPENSE	**$166,802**	**$230,535**	**+$20,148**	**$250,683**
TOTAL PERSONNEL EXPENSE	**$953,460**	**$1,210,324**	**+$71,459**	**$1,281,782**
Total increase driven by new FTEs and associated benefits, primarily programming staff supporting revenue growth. Staffing adjusted as actual registration results are observed.				

SUPPLY EXPENSES

Line Item	2025 Actual	2026 Adopted	2026 Change	2026 Amended
Operating Supplies	$30,131	$47,406	($12,612)	$34,794
Optional end-of-year supplies are excluded to offset increased utility costs from reduced solar credits, Pavilion energy consumption, and energy market conditions.				
Motor Fuels	$6,030	$6,106	+$485	$6,591
Change reflects actual year-to-date effects relative to the original budget.				
Building Maintenance Supplies	$19,836	$13,072	+$2,156	$15,228
Change reflects actual year-to-date effects relative to the original budget.				
Clothing	$430	$5,152	+$256	$5,408
Change reflects actual year-to-date effects relative to the original budget.				
Chemicals	$19,192	$19,240	+$2,068	$21,308
Change reflects actual year-to-date effects relative to the original budget.				
Equipment Parts	$9,417	$5,175	+$2,514	$7,689
Change reflects actual year-to-date effects relative to the original budget.				
Building Maintenance (Facility)	$50,243	$54,221	($14,330)	$39,891
Optional end-of-year supplies are excluded to offset increased utility expenses.				
Landscaping Materials	$0	$0	+$2,550	$2,550
Added to estimate.				
Signs and Striping Supplies	$4,104	$11,746	($8,946)	$2,800
Estimate adjusted based on prior-year results.				
Small Tools & Equipment	$3,178	$9,867	($5,282)	$4,585
Estimate adjusted based on prior-year results.				
Computer Supplies	$463	$2,767	+$2,623	$5,390
Adjusted for actual YTD additions.				
TOTAL SUPPLY EXPENSES	**$143,023**	**$177,302**	**($31,068)**	**$146,234**

PROFESSIONAL SERVICES

Line Item	2025 Actual	2026 Adopted	2026 Change	2026 Amended
Fiscal Consultant Fees	$41,364	$48,311	($6,072)	$42,240
Annual software expenses originally recorded here are now reclassified under Software Subscriptions.				
Bank Charges	$1,316	$1,309	+$249	$1,558
Change reflects actual year-to-date effects relative to the original budget.				
Audit	$10,000	$7,650	+$2,850	$10,500
Audit adjusted to actuals.				
Use of Personal Auto	$0	$0	+$1,632	$1,632
Added to estimate.				
Advertising	$1,839	$1,026	+$164	$1,189
Change reflects actual year-to-date effects relative to the original budget.				
General Liability Insurance	$43,936	$44,815	+$16,524	$61,339
Estimated increase based on actual year-to-date premiums.				
TOTAL PROFESSIONAL SERVICES	**$98,455**	**$104,742**	**+$13,715**	**$118,458**

UTILITIES

Line Item	2025 Actual	2026 Adopted	2026 Change	2026 Amended
Electric Service	$309,730	$260,372	+$82,695	$343,067
Increased electric expense from reduced solar credits, Pavilion Rink energy consumption, and prevailing energy market conditions.				
Gas Service	$78,125	$66,775	+$20,839	$87,614
Increased gas expense based on actual prior use and prevailing energy market conditions.				
Water	$26,156	$32,695	($2,795)	$29,900
Adjusted based on YTD actuals.				
Waste Disposal	$10,654	$9,457	+$312	$9,769
Change reflects actual year-to-date effects relative to the original budget.				
Telephone	$4,118	$7,039	+$913	$7,952
Change reflects actual year-to-date effects relative to the original budget.				
TOTAL UTILITIES	**$428,784**	**$376,338**	**+$101,965**	**$478,303**

CONTRACTUAL EXPENSES

Line Item	2025 Actual	2026 Adopted	2026 Change	2026 Amended
Other Contractual	$18,541	$17,252	($3,223)	$14,029
Change reflects actual year-to-date effects relative to the original budget.				
Contract Equipment Repair	$27,024	$18,257	+$31,122	$49,379
Increased for Rink 1 Zamboni annual maintenance, Rink 3 Zamboni battery replacement, and $10K plow truck.				
Contract Building Repair	$87,770	$64,713	($4,843)	$59,870
Optional end-of-year building improvements were removed to help offset increased utility expenses.				
TOTAL CONTRACT EXPENSES	**$133,979**	**$100,222**	**+$23,056**	**$123,278**

OTHER MISCELLANEOUS EXPENSES

Line Item	2025 Actual	2026 Adopted	2026 Change	2026 Amended
Software Subscriptions	$0	$0	+$18,267	$18,267
Moved City Annual Software charges for BS&A and UKG from Fiscal Consultant fees; increased to reflect last year’s actuals.				
Major Maintenance	$73,648	$76,523	($3,563)	$72,960
Change reflects actual year-to-date effects relative to the original budget.				
Miscellaneous	$553	$170	$0	$170
Change reflects actual year-to-date effects relative to the original budget.				
Schools and Conferences	$4,088	$8,093	($6,468)	$1,625
Reduced to help offset utility increases.				
Dues and Subscriptions	$12,054	$16,333	+$4,074	$20,407
Increased to accommodate certain AI subscriptions.				
Licenses and Taxes	$2,196	$208	+$1,763	$1,971
Adjusted to current YTD figures and prior-year results.				
Credit Card Fees	$28,675	$25,634	+$12,225	$37,859
Increased based on actual YTD trends and expected growth from cashless operations.				
TOTAL OTHER MISC. EXPENSES	**$139,480**	**$126,961**	**+$26,299**	**$153,259**

CAPITAL EXPENSES

Line Item	2025 Actual	2026 Adopted	2026 Change	2026 Amended
Cap Outlay — Buildings	$0	$20,000	($17,560)	$2,440
Adjusted to offset utility spikes — relying on capital funds only for Pavilion this year.				
Cap Outlay — Other Improvements	$11,529	$50,000	($50,000)	$0
Adjusted to offset utility spikes — relying on capital funds only for Pavilion this year.				
Capital Outlay — Computers	$0	$6,000	($6,000)	$0
Adjusted to offset utility spikes — relying on capital funds only for Pavilion this year.				
Capital Lease Payments	$28,106	$33,693	($1,306)	$32,387
Interest	$5,687	$1,306	$0	$1,306
To Escrow Funds	$140,000	$140,000	$0	$140,000
TOTAL CAPITAL EXPENSES	**$245,449**	**$249,693**	**($73,560)**	**$176,133**

REVENUE / EXPENSE SUMMARY

Line Item	2025 Actual	2026 Adopted	2026 Change	2026 Amended
TOTAL REVENUES	**$2,302,974**	**$2,474,773**	**+$136,723**	**$2,611,496**
TOTAL COST OF GOODS	**($123,468)**	**($122,524)**	**($8,363)**	**($130,887)**
TOTAL EXPENDITURES	**$2,142,631**	**$2,345,581**	**+$131,865**	**$2,477,447**
NET EARNINGS / (LOSSES)	**$36,875**	**$6,668**	**($3,505)**	**$3,163**

LAKEVILLE ARENAS

2027 Proposed Budget — Executive Summary

Preliminary, Proposed June 2, 2026 · Fund 8970

FINANCIAL SUMMARY

	2026 Amended	2027 Proposed	$ Change	% Change
Revenue	$2,611,496	$3,035,648	+$424,152	+16.2%
Cost of Goods	$130,887	$163,251	+$32,364	+24.7%
Operating Expenses	$2,477,447	$2,864,505	+$387,058	+15.6%
Net Earnings	$3,163	$7,892	+$4,729	

KEY DRIVERS — 2027 VS. 2026 AMENDED

Category	2026 Amended	2027 Proposed	$ Change	% Change
Personnel (salary + benefits)	$1,281,782	$1,587,810	+$306,028	+23.9%
Utilities	$478,303	$523,752	+$45,449	+9.5%
Cost of Goods	$130,887	$163,251	+$32,364	+24.7%
Supplies	$146,234	$174,243	+$28,009	+19.2%
Other Misc. Expenses	$153,259	$161,060	+$7,801	+5.1%
Professional Services	$118,458	$124,381	+$5,923	+5.0%
Contract Expenses	$123,278	$119,566	($3,712)	−3.0%
Capital Expenses	$176,133	$173,693	($2,440)	−1.4%

HIGHLIGHTS

Revenue grows $424K (+16.2%), continuing the multi-year trend of programmatic and welcome-center expansion, consistent with the annual average growth of the past four years.

Net Earnings improve from $3,163 to $7,892 (+$4,729), maintaining the fund’s net-zero-or-positive target.

Personnel represents the largest increase in expenditure at $306,000. The salary component alone adds $248,000, primarily attributable to wage adjustments and staffing requirements to sustain growth. Staffing levels will be revised in line with actual programming growth.

Utilities increase by $45K (+9.5%) due to ongoing rate pressure and full-year occupancy of the expanded space. Cost of Goods is up $32K (+24.7%), and Supplies are up $28K (+19.2%), both tracking the revenue mix in concessions and programs. Contract expenses and Capital are the only categories down year over year.

MANAGEMENT NOTE

As in previous years, the budget remains difficult to forecast accurately due to sustained rapid growth and expansion, as well as unforeseen factors in long-term planning. Management will once again retain the flexibility to adjust to fluctuations in projected growth and revise the 2027 budget accordingly, ensuring net-zero or positive earnings by year-end.

LAKEVILLE ARENAS

2027 Proposed Budget

Statement of Revenue & Expenses · Fund 8970 · June 2, 2026

REVENUE

Line Item	2025 Actual	2026 Amended	2027 Proposed
Convenience Fee (Credit Cards)	$4,071	$3,711	$3,711
The 2026 amended budget was used as the basis for the 2027 projection.			
Insurance Refunds/Rebates	$0	$0	$2,439
The 2026 amended budget was used as the basis for the 2027 projection.			
Interest on Investments	$18,311	$16,444	$16,444
The 2026 amended budget was used as the basis for the 2027 projection.			
Net Change in FV of Investments	$1,454	$3,264	$3,264
The 2026 amended budget was used as the basis for the 2027 projection.			
Other Revenue	$2,272	$16,781	$16,781
The 2026 amended budget was used as the basis for the 2027 projection.			
Ice Rental — LHA	$646,633	$729,673	$793,178
Adjusted to include 3.5% ice rental rate increase and year-round additional ice for 4 teams added in the 2026–2027 season. Further additions are anticipated in 2027–2028 and will be addressed in the next budget cycle.			
Ice Rental — ISD 194	$232,237	$244,921	$281,001
Adjusted for ice rate increase with an expanded schedule of heavy games in January and February 2027.			
Ice Rental — Other	$648,528	$671,062	$704,615
Increased 3.5% for the ice rate and 1.5% for the estimated sales growth.			
Lakeville Skating Academy (LTS)	$138,410	$134,812	$138,183
Increased 3.5% for ice rate adjustment.			
Public Admissions	$45,169	$59,736	$77,656
Increased public open activities and newly introduced light-show-themed skates.			
HS Game Admissions	$39,158	$36,430	$36,430
Arena Advertising Sales	$71,781	$79,910	$95,892
Target elevated; goal established for 2027. Conservative and attainable with the addition of full-time support staff.			
Arena Concession Sales	$280,237	$309,147	$370,977
Conservative target of 20% growth from concession makeovers, added programming, and public activities.			
Pro Shop Sales	$7,609	$11,447	$14,881
Conservative 30% growth target from clothing additions and T-shirt sales for new tournaments.			
Skate Sharpening	$18,145	$19,151	$22,981
20% growth target from increased traffic.			
Arena Programming	$67,844	$249,479	$374,218
Squirt Day Camps add ~$62K in new revenue; additional $62K from new tournaments. Does not anticipate further ice club membership growth.			
Skate Rental	$6,502	$9,209	$11,512
Increased public open activities and newly introduced light-show-themed skates.			
Arena Dry Floor Activities	$3,045	$3,581	$60,877
Pavilion Rink completed; off-season rentals launching.			

Line Item	2025 Actual	2026 Amended	2027 Proposed
Lease/Rental Revenue	$70,126	$10,300	$10,609
TOTAL REVENUE	**$2,302,974**	**$2,611,496**	**$3,035,648**
Total increase of ~15%, consistent with annual growth rate from 2021 through 2026 (COVID year replaced with preceding-year high to avoid skewing).			

COST OF GOODS

Line Item	2025 Actual	2026 Amended	2027 Proposed
Pro Shop Cost of Goods	($6,427)	($8,189)	($7,440)
Concessions Cost of Goods	($117,042)	($122,697)	($155,810)
TOTAL COST OF GOODS	**($123,468)**	**($130,887)**	**($163,251)**
NET REVENUE	**$2,179,506**	**$2,480,610**	**$2,872,397**

PERSONNEL EXPENDITURES

Line Item	2025 Actual	2026 Amended	2027 Proposed
Salaries — Permanent Regular	$475,110	$708,016	$910,050
Full-year allocation for 11 FTE positions, several of which were vacant or filled late in 2026. Includes 3% cost-of-living increase and annual step increases (GM reached step 8 in 2026).			
Salaries — Permanent Overtime	$11,304	$17,122	$15,441
Salaries — Part-Time Regular	$200,700	$169,375	$214,431
Additional labor required for tournament expansion will be scaled based on inaugural-year results.			
Salaries — Part-Time Overtime	$450	$3,057	$2,144
Salaries — Temporary	$99,094	$133,529	$136,740
Maintaining consistency with the inflated 2026 estimate for optimal programming needs. Adjustments deferred to the next budget cycle based on actual registration outcomes.			
TOTAL SALARY EXPENSE	**$786,657**	**$1,031,100**	**$1,278,806**
PERA — Regular	$48,031	$61,060	$78,254
FICA/Medicare	$59,901	$75,140	$96,550
Paid Family Medical Leave Tax	$0	$4,426	$5,627
Medical Insurance	$36,022	$79,582	$94,500
Budgeted based on full FTE staffing throughout the year, including an annual 5% price increase.			
Life and Disability Insurance	$381	$539	$900
Long-Term Disability	$878	$1,517	$2,100
Dental Insurance	$2,005	$4,937	$6,000
Workers Compensation Insurance	$18,472	$22,819	$23,960
Unemployment Compensation	$982	$191	$191
FSA Plan	$129	$449	$900
TOTAL PERSONNEL OTHER EXPENSE	**$166,802**	**$250,683**	**$309,004**
TOTAL PERSONNEL EXPENSE	**$953,460**	**$1,281,782**	**$1,587,810**
If salaries and projected revenue are realized as budgeted, total salary expenses will represent 52% of revenue, within the target range of 50–55% as labor-intensive programming expands.			

SUPPLY EXPENSES

Line Item	2025 Actual	2026 Amended	2027 Proposed
Operating Supplies	$30,131	$34,794	$52,191
Adjusted for tournament trophies and other expanded programming supplies.			
Motor Fuels	$6,030	$6,591	$6,921
Based on the 2026 amended budget, with 5% inflationary increase.			
Building Maintenance Supplies	$19,836	$15,228	$19,035
Adjusted for increased building traffic.			
Clothing	$430	$5,408	$5,678
Based on the 2026 amended budget, with 5% inflationary increase.			
Chemicals	$19,192	$21,308	$22,373
Based on the 2026 amended budget, with 5% inflationary increase.			
Equipment Parts	$9,417	$7,689	$8,073
Based on the 2026 amended budget, with 5% inflationary increase.			
Building Maintenance (Facility)	$50,243	$39,891	$43,880
Based on the 2026 amended budget, with 10% inflationary increase.			
Landscaping Materials	$0	$2,550	$2,678
Based on the 2026 amended budget, with 5% inflationary increase.			
Signs and Striping Supplies	$4,104	$2,800	$2,940
Based on the 2026 amended budget, with 5% inflationary increase.			
Small Tools & Equipment	$3,178	$4,585	$4,815
Based on the 2026 amended budget, with 5% inflationary increase.			
Computer Supplies	$463	$5,390	$5,660
Based on the 2026 amended budget, with 5% inflationary increase.			
TOTAL SUPPLY EXPENSES	**$143,023**	**$146,234**	**$174,243**

PROFESSIONAL SERVICES

Line Item	2025 Actual	2026 Amended	2027 Proposed
Fiscal Consultant Fees	$41,364	$42,240	$44,352
Based on the 2026 amended budget, with 5% inflationary increase.			
Bank Charges	$1,316	$1,558	$1,636
Based on the 2026 amended budget, with 5% inflationary increase.			
Audit	$10,000	$10,500	$11,025
Based on the 2026 amended budget, with 5% inflationary increase.			
Use of Personal Auto	$0	$1,632	$1,714
Based on the 2026 amended budget, with 5% inflationary increase.			
Advertising	$1,839	$1,189	$1,249
Based on the 2026 amended budget, with 5% inflationary increase.			
General Liability Insurance	$43,936	$61,339	$64,406
Based on the 2026 amended budget, with 5% inflationary increase.			
TOTAL PROFESSIONAL SERVICES	**$98,455**	**$118,458**	**$124,381**

UTILITIES

Line Item	2025 Actual	2026 Amended	2027 Proposed
Electric Service	$309,730	$343,067	$377,374
Based on the 2026 amended budget, with 10% inflationary increase.			
Gas Service	$78,125	$87,614	$96,375
Based on the 2026 amended budget, with 10% inflationary increase.			
Water	$26,156	$29,900	$31,395
Based on the 2026 amended budget, with 5% inflationary increase.			
Waste Disposal	$10,654	$9,769	$10,258
Based on the 2026 amended budget, with 5% inflationary increase.			
Telephone	$4,118	$7,952	$8,349
Based on the 2026 amended budget, with 5% inflationary increase.			
TOTAL UTILITIES	**$428,784**	**$478,303**	**$523,752**

CONTRACTUAL EXPENSES

Line Item	2025 Actual	2026 Amended	2027 Proposed
Other Contractual	$18,541	$14,029	$14,730
Based on the 2026 amended budget, with 5% inflationary increase.			
Contract Equipment Repair	$27,024	$49,379	$41,972
Reduced to reflect elevated and unusual Zamboni and equipment repairs in 2026.			
Contract Building Repair	$87,770	$59,870	$62,864
Based on the 2026 amended budget, with 5% inflationary increase.			
Contract Landscaping	$0	$0	$645
TOTAL CONTRACT EXPENSES	**$133,979**	**$123,278**	**$119,566**

OTHER MISCELLANEOUS EXPENSES

Line Item	2025 Actual	2026 Amended	2027 Proposed
Software Subscriptions	$0	$18,267	$19,180
Based on the 2026 amended budget, with 5% inflationary increase.			
Major Maintenance	$73,648	$72,960	$72,960
Miscellaneous	$553	$170	$178
Based on the 2026 amended budget, with 5% inflationary increase.			
Schools and Conferences	$4,088	$1,625	$1,706
Based on the 2026 amended budget, with 5% inflationary increase.			
Dues and Subscriptions	$12,054	$20,407	$21,427
Based on the 2026 amended budget, with 5% inflationary increase.			
Licenses and Taxes	$2,196	$1,971	$2,070
Based on the 2026 amended budget, with 5% inflationary increase.			

Line Item	2025 Actual	2026 Amended	2027 Proposed
Credit Card Fees	$28,675	$37,859	$43,538
Increased 15% to reflect revenue growth and cashless sales in the welcome center and programs.			
TOTAL OTHER MISC. EXPENSES	**$139,480**	**$153,259**	**$161,060**

CAPITAL EXPENSES

Line Item	2025 Actual	2026 Amended	2027 Proposed
Cap Outlay — Buildings	$0	$2,440	$0
Capital Lease Payments	$28,106	$32,387	$32,387
Interest	$5,687	$1,306	$1,306
To Escrow Funds	$140,000	$140,000	$140,000
TOTAL CAPITAL EXPENSES	**$245,449**	**$176,133**	**$173,693**

REVENUE / EXPENSE SUMMARY

Line Item	2025 Actual	2026 Amended	2027 Proposed
TOTAL REVENUES	**$2,302,974**	**$2,611,496**	**$3,035,648**
TOTAL COST OF GOODS	**($123,468)**	**($130,887)**	**($163,251)**
TOTAL EXPENDITURES	**$2,142,631**	**$2,477,447**	**$2,864,505**
NET EARNINGS / (LOSSES)	**$36,875**	**$3,163**	**$7,892**
Budget remains challenging to forecast accurately due to sustained rapid growth. Management retains the flexibility to revise projections to ensure net-zero or positive earnings by year-end.			

2026–2027 Board Approved Fee Schedule

SURROUNDING FACILITIES — ICE RATE COMPARISON

Facility	25–26 Winter Prime	25–26 Non-Prime	2026 Summer Prime	2026 Summer Non-Prime	26–27 Winter Prime	26–27 Non-Prime	2027 Summer Prime	2027 Summer Non-Prime
Apple Valley	$275	$195	$195	$195	$285	$205	$205	$205
Bloomington	$265	$193	$237.50	$193	$275	$200	$275	$200
Burnsville	$270.28	$195	$250	$250	$280	$195	$250	$250
Eagan	$250	$185	$185	$165	$255	$190	$190	$170
Farmington	$305	$245	$265	$265	$315	$265	—	—
Lakeville	$280	$180	$212.72	$212.72	$290	$190	$221.96	$221.96
AVERAGE	$274.21	$198.83	$224.20	$213.45	$283.33	$207.50	$228.39	$209.39

** Rates from the MN Ice Arena Managers Association, published May 6, 2026.*

** LHA Agreement Rate Clause: Per the LHA agreement, rates must not exceed $10 per hour above the highest rate charged by nearby rinks listed above.*

PRIME SEASON WINTER ICE RATES (OCT 1 – MAR 31)

Description	Current	With Tax	Change	Proposed	With Tax
Indoor Prime Ice Rental Rate (Hourly)	$280.00	$302.75	+$10.00	$290.00	$313.56
Indoor Non-Prime Ice (School Days 5 am–2 pm)	$180.00	$194.63	+$10.00	$190.00	$205.44
Indoor Fire Ice Sale — Last Minute (up to 30 min notice)	$180.00	$194.63	+$10.00	$190.00	$205.44
Outdoor Pavilion Rink Prime Ice Rental Rate (Hourly)	$200.00	$216.25	+$10.00	$210.00	$227.06
Outdoor Pavilion Rink Non-Prime Ice (School Days 5 am–2 pm)	$100.00	$108.13	+$10.00	$110.00	$118.94
Outdoor Pavilion Rink Fire Ice Sale — Last Minute	$100.00	$108.13	+$10.00	$110.00	$118.94
Staff Youth Game Operations Worker (Per Staff/Per Game)	$20.00	$21.63	$0.00	$20.00	$21.63
Staff HS Game Operations Worker (Per Staff/Per Game)	$30.00	$32.44	$0.00	$30.00	$32.44

SHOULDER SEASON ICE RATES (APR 1 – SEP 30)

Description	Current	With Tax	Change	Proposed	With Tax
Indoor Prime Ice Rental Rate (Hourly)	$212.72	$230.00	+$9.25	$221.97	$240.00
Indoor Fire Ice Sale — Last Minute (up to 30 min)	$92.49	$100.00	+$9.24	$101.73	$110.00
Outdoor Pavilion Rink Dry-Floor Rental Rate (Hourly)	$138.73	$150.00	+$9.25	$147.98	$160.00
Outdoor Pavilion Rink Fire Floor Sale — Last Minute	$69.36	$75.00	+$9.25	$78.61	$85.00

DRY-FLOOR FACILITY RENTALS (MAR 1 – OCT 31)

Description	Current	With Tax	Change	Proposed	With Tax
Outdoor Pavilion Entire Rink Dry-Floor Rental Rate (Hourly)	$138.73	$150.00	+$24.97	$163.70	$177.00
Outdoor Pavilion Entire Rink Fire Floor Sale — Last Minute	$69.36	$75.00	+$9.25	$78.61	$85.00
Daily Entire Rink Rental (24-hr period — Minimum 2 Days)	$1,387.28	$1,500.00	+$550.29	$1,937.57	$2,095.00
Food & Beverage Commission Fee	20%	—	—	20%	—
Merchandise Sales Commission Fee	10%	—	—	10%	—
Paid Attendance Commission Fee	10%	—	—	10%	—
Table Rentals (Each)	$9.25	$10.00	$0.00	$9.25	$10.00
Chair Rentals (Each)	$1.85	$2.00	$0.00	$1.85	$2.00
Scissor Lift Per Day (Waiver Required)	$184.97	$200.00	$0.00	$184.97	$200.00
Manual Pallet Jack Per Day	$18.50	$20.00	$0.00	$18.50	$20.00
Dollies & Push Carts Per Day	$9.25	$10.00	$0.00	$9.25	$10.00

PUBLIC ACTIVITIES (RATES INCLUDE TAXES)

Description	Current	With Tax	Change	Proposed	With Tax
Public Open Indoor Skating (Cost per person)	$9.25	$10.00	$0.00	$9.25	$10.00
Public Open Indoor Hockey / Stick & Puck (Cost per person)	$9.25	$10.00	$0.00	$9.25	$10.00
Public Open Outdoor Skating / Hockey / Stick & Puck	$4.62	$5.00	$0.00	$4.62	$5.00
Freestyle — Figure Skating Practice (Includes skate rental)	$18.50	$20.00	$0.00	$18.50	$20.00
Learn to Skate Lessons (Cost per daily session)	$13.41	$14.50	+$0.50	$13.91	$15.04

OTHER FEES

Description	Current	With Tax	Change	Proposed	With Tax
Skate Rental (tax included)	$4.62	$5.00	$0.00	$4.62	$5.00
Skate Sharpening (tax included)	$9.25	$10.00	$0.00	$9.25	$10.00
Meeting Room Rentals (Per Hour)	$32.37	$35.00	$0.00	$32.37	$35.00
Open Skate Birthday Party Room — 2 hrs	$46.24	$50.00	$0.00	$46.24	$50.00
Ames Dryland Training Area	$46.24	$50.00	$0.00	$46.24	$50.00
Birthday Party Prime Ice Rental (includes ice, freestyle, skate rental)	$280.00	$302.75	+$10.00	$290.00	$313.56
Birthday Party Shoulder Season Ice Rental (incl. ice & skate rental)	$212.72	$230.00	+$9.25	$221.97	$240.00
Side Glass Breakage Fee (not applicable to dasher board glass)	$500.00	$540.63	$0.00	$500.00	$540.63

Event Cleaning Fees (HS Games, Tournaments, Special Events)	$300.00	$324.38	+$200.00	$500.00	$540.63
LR Cleaning / Damage Fee (Minimum charge; additional charges may apply)	$25.00	$27.03	+$5.00	$30.00	$32.44

ADVERTISING & SPONSORSHIP RATES (3–5 YEAR AGREEMENTS)

Dasher Board Ads — 3-Year Agreements, 32"h × 96"w

Description	Paid Annually (Current)	Paid Upfront (Current)	Change	Proposed Annually	Proposed Upfront
Lakeview Bank Rink (Ames) / Hasse Indoor Rink — Prime Location	$1,200	$3,060	$0	$1,200	$3,060
Lakeview Bank Rink (Ames) & Hasse Indoor Rink	$800	$2,040	$0	$800	$2,040
LHA Rink 2 (Ames) & Hasse Pavilion Rink (Bleacher Side)	$800	$2,040	$0	$800	$2,040
LHA Rink 2 (Ames) & Hasse Pavilion Rink (Bleacher Side) — Corner	$500	$1,275	$0	$500	$1,275

Dasher Glass Ads — 3-Year Agreements, 72"h × 48"w

Description	Paid Annually (Current)	Paid Upfront (Current)	Change	Proposed Annually	Proposed Upfront
Lakeview Bank Rink (Ames) & Hasse Indoor Rink — Prime Location	$800	$2,040	$0	$800	$2,040
Lakeview Bank Rink (Ames) & Hasse Indoor Rink	$600	$1,530	$0	$600	$1,530
LHA Rink 2 (Ames) & Hasse Pavilion Rink (Bleacher Side)	$400	$1,020	$0	$400	$1,020
LHA Rink 2 (Ames) & Hasse Pavilion Rink (Bleacher Side) — Corner	$250	$637.50	$0	$250	$637.50

Jumbo Wall Signs — 5-Year Agreements, 72"h × 72"w

Description	Paid Annually (Current)	Paid Upfront (Current)	Change	Proposed Annually	Proposed Upfront
Lakeview Bank Rink (Ames) & Hasse Indoor Rink	$2,400	$10,200	$0	$2,400	$6,120
Ames LHA Rink 2 (Bleacher Facing Ads)	$800	$3,400	$0	$800	$2,040
Pavilion Rink Wind Screens (96' × 96')	$2,000	$8,500	$0	$2,000	$5,100

Zamboni Sponsors — 5-Year Agreements (Signage design included)

Description	Paid Annually (Current)	Paid Upfront (Current)	Change	Proposed Annually	Proposed Upfront

Lakeview Bank Rink (Ames) & Hasse Indoor Rink	$3,000	$12,750	—	$3,000	$7,650
LHA Rink 2 & Pavilion Rink	$2,400	$10,200	+$100	$2,500	$6,375

Scoreboard Sponsors — 5-Year Agreements (Signage design included)

Description	Paid Annually (Current)	Paid Upfront (Current)	Change	Proposed Annually	Proposed Upfront
Lakeview Bank Rink (Ames) & Hasse Indoor Rink	$2,500	$10,625	—	$2,500	$6,375
LHA Rink 2 & Pavilion Rink	$1,500	$6,375	+$500	$2,000	$5,100

In-Ice Advertisements — 3-Year Agreements (Signage design included)

Description	Paid Annually (Current)	Paid Upfront (Current)	Change	Proposed Annually	Proposed Upfront
Lakeview Bank Rink (Ames) & Hasse Indoor Rink	$2,500	$6,375	—	$2,500	$6,375
LHA Rink 2 & Pavilion Rink	$1,500	$3,825	+$500	$2,000	$5,100

Player Benches — 3-Year Agreements (Signage design included)

Description	Paid Annually (Current)	Paid Upfront (Current)	Change	Proposed Annually	Proposed Upfront
Lakeview Bank Rink (Ames) & Hasse Indoor Rink	$2,500	$6,375	—	$2,500	$6,375
LHA Rink 2 & Pavilion Rink	$1,500	$3,825	+$500	$2,000	$5,100

Bleacher Stairs — 3-Year Agreements (Signage design included)

Description	Paid Annually (Current)	Paid Upfront (Current)	Change	Proposed Annually	Proposed Upfront
Lakeview Bank Rink (Ames) & Hasse Indoor Rink	$2,500	$6,375	—	$2,500	$6,375
Hasse Elevator	$2,500	$6,375	—	$2,500	$6,375

Restroom Signs — 3-Year Agreement

Description	Paid Annually (Current)	Paid Upfront (Current)	Change	Proposed Annually	Proposed Upfront
Restrooms — Per Pair (1 Men's / 1 Women's)	$500	$1,275	—	$500	$1,275