

CITY OF HUGO, MINNESOTA

SUMMARY FINANCIAL REPORT

The purpose of this report is to provide a summary of financial information concerning the City of Hugo to interested citizens. The complete financial statements may be examined at City Hall, 14669 Fitzgerald Avenue North and on the city's website. Questions about this report should be directed to Bryan J. Bear, City Administrator at (651) 762-6320.

Met Council Population Estimate	17,753	17,354	
Revenues and Expenditures for General Operations (Governmental Funds)			
	Total 2025	Total 2024	Percent Increase (Decrease)
REVENUES:			
Property Taxes	\$ 12,650,571	\$ 12,167,975	3.97%
Special Assessments	706,267	418,411	68.80%
Licenses and Permits	911,667	874,937	4.20%
Intergovernmental (Grants and Aids)	1,604,221	1,188,313	35.00%
Charges for Services	426,912	662,794	-35.59%
- Developer Infrastructure Charges	328,996	617,670	-46.74%
Fines and Forfeits	54,336	45,905	18.37%
Investment Earnings	1,288,030	1,172,150	9.89%
Net increase (decrease) in the fair value of investments	459,624	516,272	-10.97%
Rents	170,000	161,721	5.12%
Miscellaneous	76,432	29,662	157.68%
Total Revenues	\$ 18,677,056	\$ 17,855,810	4.60%
Per Capita	\$ 1,052	\$ 1,029	2.25%
EXPENDITURES:			
Current:			
General Government	\$ 1,766,443	\$ 1,737,803	1.65%
Public Safety	3,073,713	2,829,095	8.65%
Streets and Highways	1,766,125	1,755,151	0.63%
Urban and Economic Development	198,897	75,690	162.78%
Culture and Recreation	751,320	662,708	13.37%
Miscellaneous	277,293	238,032	16.49%
Debt Service:			
Bond Principal	615,000	590,000	4.24%
Interest and Fiscal Charges	350,515	376,348	-6.86%
Capital Outlay	3,717,170	3,485,086	6.66%
Total Expenditures	\$ 12,516,476	\$ 11,749,913	6.52%
Per Capita	\$ 705	\$ 677	4.13%
Total Long-Term Indebtedness	\$ 14,563,378	\$ 15,188,653	-4.12%
Per Capita	\$ 820	\$ 875	-6.27%
General Fund and Special Revenue Funds Restricted, Committed, Assigned, and Unassigned Fund Balance - December 31	\$ 8,579,946	\$ 8,098,621	5.94%
Per Capita	\$ 483	\$ 467	3.56%

Published one time in The Citizen on August 20, 2026.

CITY OF HUGO, MINNESOTA

PROPRIETARY FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 34,157,471	\$ 29,519,978
Receivables:		
Accounts receivable	1,048,068	850,665
Accrued interest	106,489	146,153
Special assessments (net of allowance for uncollectibles)	196,889	189,443
Lease receivable	32,694	-
Due from other governmental units	3,597	3,370
Total Current Assets	35,545,208	30,709,609
Noncurrent Assets		
Lease receivable, noncurrent	462,435	-
Property and Equipment:		
Nondepreciable	336,125	336,125
Depreciable	50,902,949	49,476,187
Less: Accumulated depreciation	16,596,993	15,310,040
Total Noncurrent Assets	35,104,516	34,502,272
Total Assets	70,649,724	65,211,881
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows from pension activity	50,505	54,495
LIABILITIES		
Current Liabilities		
Current portion of long-term debt (compensated absences)	46,914	42,570
Accounts payable	34,136	38,203
Contracts payable	-	14,411
Due to other governmental units	25,443	24,250
Salaries payable	8,256	4,718
Total Current Liabilities	114,749	124,152
Long-term Liabilities		
Net pension liability	195,342	213,915
Compensated absences, net of current portion	25,782	15,306
Total Long-Term Liabilities	221,124	229,221
Total Liabilities	335,873	353,373
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows from leasing activity	494,262	-
Deferred inflows from pension activity	129,269	157,473
Total Deferred Inflows of Resources	623,531	157,473
NET POSITION		
Investment in capital assets	34,642,081	34,487,738
Unrestricted	35,098,744	30,267,792
Total Net Position	\$ 69,740,825	\$ 64,755,530

Published one time in The Citizen on August 20, 2026.

CITY OF HUGO, MINNESOTA

PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Operating Revenue		
Water charges	\$ 2,021,085	\$ 1,634,969
Meter sales	71,162	91,042
Sewer charges	2,385,326	2,039,225
Total Operating Revenues	4,477,573	3,765,236
Operating Expenses		
Personal services	678,874	681,312
Engineering	33,825	35,310
Electricity	148,225	130,093
Repairs and maintenance	370,975	284,394
Sewer charges - MCES	974,558	943,318
Depreciation	1,286,953	1,253,633
Miscellaneous	309,304	333,394
Total Operating Expenses	3,802,714	3,661,454
Operating Income (Loss)	674,859	103,782
Nonoperating Revenue (Expense)		
Future infrastructure charges	1,165,951	875,870
Rental income	50,041	44,889
Property taxes (for stormwater purposes)	277,545	278,604
Intergovernmental revenue	3,097	336
Investment earnings	972,832	920,626
Net increase (decrease) in the fair value of investments	347,049	409,008
Miscellaneous	278,708	5,770
Total Nonoperating Revenue	3,095,223	2,535,103
Net Income Before Transfers and Contributions	3,770,082	2,638,885
Capital contributions - special assessments	1,725	1,790
Noncash capital contributions	1,128,616	2,336,596
Capital contributions - other	84,872	84,859
Change in net position	4,985,295	5,062,130
Net Position, Beginning of Year	64,755,530	59,693,400
Net Position, End of Year	\$ 69,740,825	\$ 64,755,530

Published one time in The Citizen on August 20, 2026.

CITY OF HUGO, MINNESOTA

PROPRIETARY FUND
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Cash Flows From Operating Activities		
Cash received from customers	\$ 5,445,894	\$ 4,575,760
Cash paid to suppliers	(1,839,638)	(1,741,460)
Cash paid to employees	(703,303)	(683,820)
Other income received	330,979	7,752
Net Cash Provided By Operating Activities	3,233,932	2,158,232
Cash Flows from Capital and Related Financing Activities		
Acquisition of capital assets	(227,808)	(690,795)
Special assessments and property taxes received	271,824	277,908
Net Cash Provided By (Used In) Capital and Related Financing Activities	44,016	(412,887)
Cash Flows From Investing Activities		
Investment earnings received	1,012,496	850,962
Net increase (decrease) in the fair value of investments	347,049	409,008
Net Cash Provided By (Used In) Investing Activities	1,359,545	1,259,970
Net Increase (Decrease) in Cash and Cash Equivalents	4,637,493	3,005,315
Cash and Cash Equivalents, Beginning of Year	29,519,978	26,514,663
Cash and Cash Equivalents, End of Year	\$ 34,157,471	\$ 29,519,978
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 674,859	\$ 103,782
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	1,286,953	1,253,633
Change in net pension liability	(42,787)	12,270
Future infrastructure charges, included in nonoperating revenues	1,165,951	875,870
Change in lease receivable and deferred inflows of resources	(867)	(43,243)
Other income	331,846	50,995
(Increase) Decrease In:		
Accounts receivable	(197,403)	(62,952)
Due from other governmental units	(227)	(2,394)
Increase (Decrease) In:		
Accounts payable	10,467	(9,764)
Contracts payable	(14,411)	(7,367)
Due to other governmental units	1,193	2,180
Salaries payable	3,538	(19,051)
Estimated liability for compensated absences	14,820	4,273
Net Cash Provided By Operating Activities	\$ 3,233,932	\$ 2,158,232
Noncash Investing, Capital and Financing Activities		
Receipt of contributed property	\$ 1,128,616	\$ 2,336,596
Capital assets in accounts payable at year end	\$ -	\$ 14,534

Published one time in The Citizen on August 20, 2026.

**OFFICE OF THE MINNESOTA
SECRETARY OF STATE
CERTIFICATE OF ASSUMED NAME**

Pursuant to Chapter 333, Minnesota Statutes; the undersigned, who is or will be conducting or transacting a commercial business in the State of Minnesota under an assumed name, hereby certifies:

1. The assumed name under which the business is or will be conducted is:
For Real Appliance Repair
2. The street address of the principal place of business is or will be:
16325 Forest Blvd N, # 2
Hugo MN 55038
3. The name and street address of all persons conducting business under the above Assumed Name, including any corporation that may be conducting this business.
Stephen Footh Rios
16325 Forest Blvd N, # 2
Hugo MN 55038

I certify that I am authorized to sign this certificate and I further certify that I understand that by signing this certificate, I am subject to the penalties of perjury as set forth in section 609.48 as if I had signed this certificate under oath.

Dated: July 15, 2026
Signed: Stephen Footh Rios
Published two times in The Cltizen on August 6 and 20, 2026.

**OFFICE OF THE MINNESOTA
SECRETARY OF STATE
CERTIFICATE OF ASSUMED NAME**

Pursuant to Chapter 333, Minnesota Statutes; the undersigned, who is or will be conducting or transacting a commercial business in the State of Minnesota under an assumed name, hereby certifies:

1. The assumed name under which the business is or will be conducted is:
Klein Insurance Group
2. The street address of the principal place of business is or will be:
6600 145th Circle N
Hugo, MN 55038
3. The name and street address of all persons conducting business under the above Assumed Name, including any corporation that may be conducting this business.
Klein Insurance & Financial Services Agency Inc.
6600 145th Circle N
Hugo, MN 55038

I certify that I am authorized to sign this certificate and I further certify that I understand that by signing this certificate, I am subject to the penalties of perjury as set forth in section 609.48 as if I had signed this certificate under oath.

Dated: August 6, 2026
Signed: Chris Klein - President
Published two times in The Cltizen on August 20 and September 3, 2026.