

Annual Comprehensive Financial Report

for the fiscal year ended Dec. 31, 2025

Kim Keller – City Manager
Prepared by: Finance Division

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



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CITY OF ST. LOUIS PARK, MINNESOTA
ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

December 31, 2025

Kim Keller – City Manager

Prepared by: Finance Division

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

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I. INTRODUCTORY SECTION

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June 15, 2026

Government's citizens, as well as Honorable Mayor and Members of the City Council
City of St. Louis Park, Minnesota

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

This report consists of management's representations concerning the finances of the City of St. Louis Park. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of St. Louis Park established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation for the City of St. Louis Park's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of St. Louis Park's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of St. Louis Park's financial statements have been audited by Redpath and Company, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of St. Louis Park for the fiscal year ended December 31, 2025, are free of any material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of St. Louis Park's financial statements for the fiscal year ended December 31, 2025, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Government

The City of St. Louis Park, established in 1886, is a first ring community located immediately west of Minneapolis. Thanks to its convenient location, St. Louis Park combines all the cultural amenities of a large metropolitan area with small town friendliness. The City of St. Louis Park currently occupies a land area of 10.8 square miles and serves a population of 50,027. The City of St. Louis Park is empowered to levy a property tax on both real and personal properties located within its boundaries. While it also is empowered by state statutes to extend its corporate limits by annexation, St. Louis Park is a completely developed community and is bordered on all sides by other incorporated communities.

St. Louis Park operates under the council/manager form of government. Policy-making and legislative authority are vested in a City Council consisting of a mayor, two at-large council members, and four ward council members. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the council, for overseeing the day-to-day operations of the City government, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members serve four-year staggered terms.

The City of St. Louis Park provides a full range of services, including police and fire protection; redevelopment, the construction and maintenance of highways, streets, and other infrastructure; water, sewer, storm water, and refuse services, as well as recreational activities and cultural events.

The annual budget serves as the foundation for the City of St. Louis Park's financial planning and control. All departments and agencies of the City of St. Louis Park submit requests for appropriation to the City Manager in June of each year. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the council for review prior to adoption of a preliminary tax levy by September 30. The council is required to hold a public hearing on the proposed budget and to adopt a final budget no later than December 28.

The appropriated budget is prepared by fund, (e.g. General), function (e.g., public safety), and department (e.g., police). Department directors may make transfers of appropriation within a

department. Transfers of appropriations between funds, however, require the approval of the City Council. Budget to actual comparisons are provided in this report.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of St. Louis Park operates.

Local economy

The City of St. Louis Park currently enjoys a durable economic environment and local indicators point to continued stability versus other communities in the Twin City Metro Area. The City of St. Louis Park has a well-diversified tax base, with a sizeable full valuation that includes retail, manufacturing, and health care components, as well as diverse housing stock. Redevelopment and Development efforts remain very strong in St Louis Park.

Redevelopment/Development

The City of St. Louis Park is dedicated to supporting a diverse mix of housing and neighborhood-focused development. As the community grows, the city remains committed to expanding creative and inclusive housing options, preserving existing affordable housing, and encouraging the reinvestment and revitalization of neighborhood businesses and services to meet the needs of current and future residents.

Over the past several years, the city has seen significant redevelopment, resulting in new projects that include a mix of market-rate and affordable housing, along with commercial, retail, and service spaces that enhance neighborhood livability and support economic vitality. To help realize these goals, the city has strategically leveraged tools such as tax increment financing and its local housing trust fund to advance key community and economic development priorities.

Large redevelopment/development projects are currently under construction:

Beltline Boulevard Station

In 2025 construction began on this 6.6-acre site. This development is set to open in 2026 and will provide 380 residential units and 20,000 square feet of neighborhood commercial space right on the light rail. Development highlights include four elements:

- **Building 1** – seven-story mixed-use building with six levels of market rate housing (152 units) and approximately 19,500 square feet of neighborhood commercial space, potentially anchored by a grocer.
- **Building 2** – four-story all affordable apartment building with 82 units, 39 units will be available to households earning up to 60% of Area Median Income (AMI), 23 units will be available to households earning up to 50% AMI, and 20 units will be available to households earning up to 30% AMI. The majority of units will be larger and suitable for families, including twenty-two three-bedroom units, and 44 units two bedrooms units.
- **Building 3** – five-story market rate apartment building with 146 units
- **Parking ramp** – approximate 592-stall, six-story parking ramp, which is proposed to include 268 light rail park and ride stalls and approximately 1,800 square feet of retail/commercial space.

Terasă Development

Terasa at West End is a mixed-use multifamily and retail development. The property features 223 multifamily units, including 45 apartments affordable at 50% AMI, and 21,000 square feet of ground-floor retail. Zoning, TIF approvals, demolition, and site preparation began in 2025. Construction on the project will begin after calendar year 2025.

The city also partners with Westopolis, our Convention and Visitors Bureau, to showcase St. Louis Park as a vibrant destination for both business and leisure. Through strategic marketing and outreach, this collaboration draws visitors, events, and new activity to the area—boosting local businesses and energizing the community’s economy.

Long-term Financial Planning

The City maintains a 10 year Long Range Financial Management Plan that incorporates anticipated revenues, expenditures, capital outlay, and tax impacts for all relevant funds. The plan anticipates opportunities or challenges, allows for changes to then be made, with the goal of achieving long-term sustainability. The plan is used in conjunction with the annual budget process and Capital Improvement Plan, which then allows the City Council to evaluate various budget decisions prior to adoption. This plan has proven its value by playing a significant role in maintaining the City’s AAA bond rating from Standard & Poor’s, which assists in keeping the costs of borrowing for the City of St. Louis Park at a low rate.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of St. Louis Park for its annual comprehensive financial report (ACFR) for the fiscal year ended December 31, 2024. This was the 42nd consecutive year that the government received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report (ACFR). The report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Division and other key City of St. Louis Park personnel. We would like to express our appreciation to all members of the organization who assisted and contributed to the preparation of the report. Credit also must be given to the Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of St. Louis Park's finances.

Respectfully submitted,



Kim Keller
City Manager



Joe Olson
Deputy (Acting) Finance Director

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of St. Louis Park
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morill

Executive Director/CEO

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Administrative services

- City clerk
- Finance (includes assessing, utility billing)
- Human resources
- Racial equity and inclusion

Building and energy

- Construction codes
- Property maintenance/licensing
- Sustainability

Communications and technology

- Communications
- Information technology
- ParkTV

Community development

- Housing
- Economic development/redevelopment
- Planning and zoning

Engineering

- Construction
- Engineering services
- Transportation

Fire department

- Emergency response
- Emergency management
- EMS/alternative response medic
- Prevention

Parks and recreation

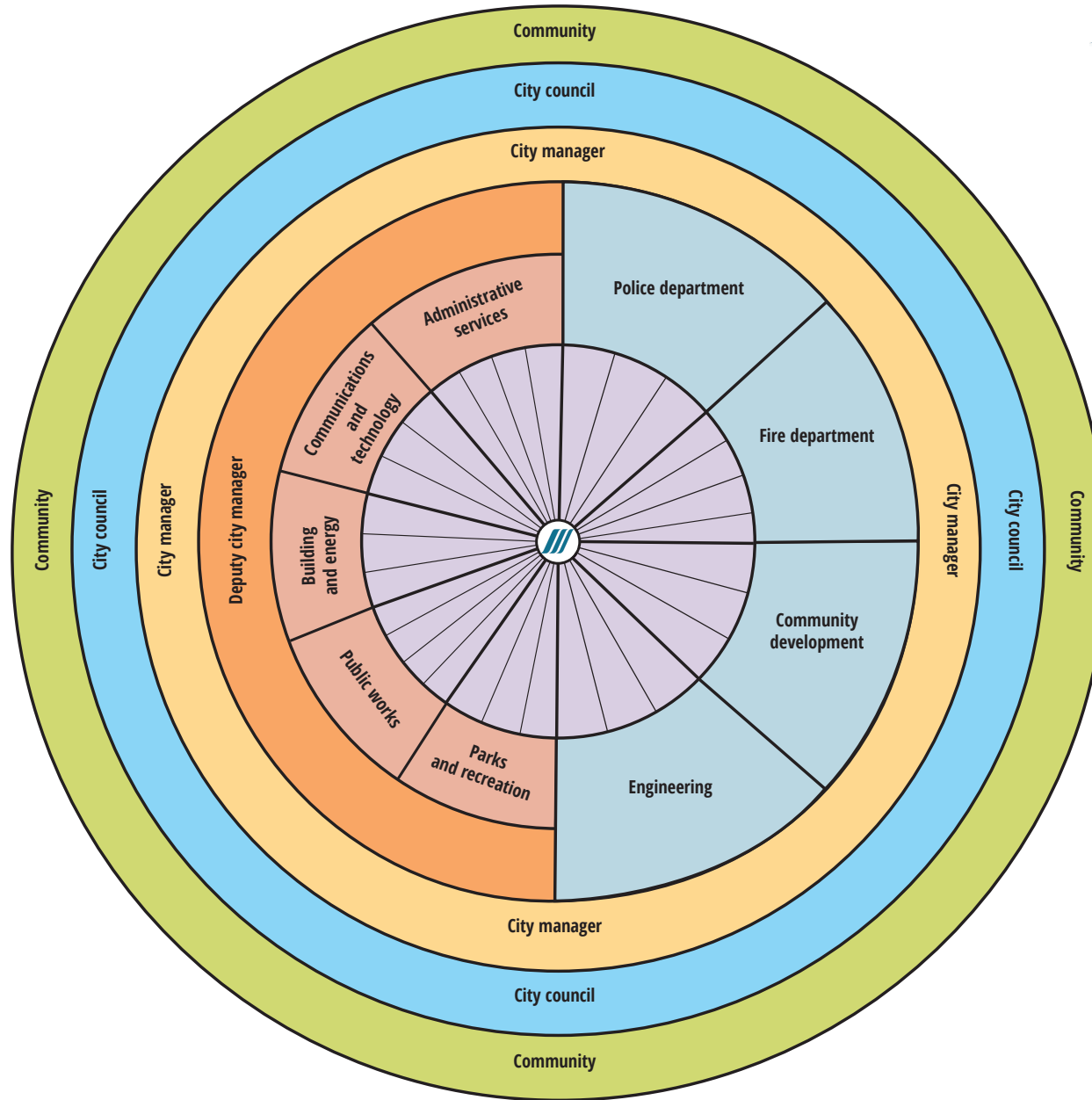
- Facilities maintenance (includes all city facilities)
- Parks maintenance (includes fleet, natural resources)
- Recreation programming (includes Westwood Hills Nature Center)

Police department

- Administration
- Investigations
- Patrol

Public works

- Administration/asset management
- Solid waste
- Streets
- Utilities



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OFFICIALS OF THE CITY OF ST. LOUIS PARK

Council

Nadia Mohamed

Mayor

EDA Commissioner

Term Expires 01/2028

Yolanda Farris

At-Large A Councilmember

EDA Treasurer

Term Expires 01/2028

Paul Baudhuin

At-Large B Councilmember

EDA Commissioner

Term Expires 01/2028

Margaret Rog

Ward 1 Councilmember

EDA Commissioner

Term Expires 01/2026

Lynette Dumalag

Ward 2 Councilmember

EDA President

Term Expires 01/2026

Sue Budd

Ward 3 Councilmember

EDA Vice President

Term Expires 1/2026

Tim Brausen

Ward 4 Councilmember

EDA Commissioner

Term Expires 1/2026

Executive Staff

Kim Keller, *City Manager*

Cindy Walsh, *Deputy City Manager*

Jay Hall, *Public Works Director*

Jason West, *Parks and Recreation Director*

Bryan Kruelle, *Police Chief*

Peter Hanlin, *Fire Chief*

Karen Barton, *Community Development Director*

Amelia Cruver, *Finance Director*

Debra Heiser, *Engineering Director*

Jacque Smith, *IR & Communications Director*

Rita Vorpahl, *Human Resources Director*

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II. FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of St. Louis Park, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. Louis Park, Minnesota, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City of St. Louis Park, Minnesota's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of St. Louis Park, Minnesota 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of St. Louis Park, Minnesota's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of St. Louis Park, Minnesota's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

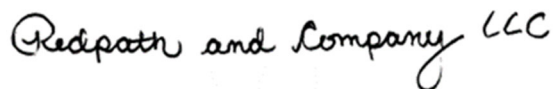
Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2026, on our consideration of the City of St. Louis Park, Minnesota's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of St. Louis Park, Minnesota's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of St. Louis Park, Minnesota's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Redpath and Company LLC".

REDPATH AND COMPANY, LLC
St. Paul, Minnesota

June 15, 2026

City of St. Louis Park

Management's Discussion and Analysis

As management of the City of St. Louis Park, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which starts on page 3 of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$261,972,245 (*net position*). Of this amount, \$73,325,963 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$25,517,560 as a result of revenues in excess of expenses. \$5,960,302 was a result of an increase of net position within business-type activities, and \$19,557,258 from an increase of net position within governmental activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$97,720,950 a decrease of \$1,195,562 in comparison with the prior year. The decrease was primarily related to expenditures for redevelopment and development purposes city-wide. Approximately 37 percent of this total amount, or \$36,048,323, is either nonspendable or restricted for specific purposes. The remaining fund balance was committed by City Council, assigned or unassigned.
- At the end of the current fiscal year, unassigned fund balance for the General fund was \$28,494,628 (45 percent) of the total subsequent year budgeted General fund expenditures.
- The City's total noncurrent liabilities, including compensated absences, lease liabilities, subscription-based IT arrangement liabilities, bonded debt, OPEB liability, pollution remediation, and net pension liability decreased \$8,152,710 during 2025. Principal paid on bonded debt during the year was \$8,185,000. The City issued new bonded debt with an outstanding balance of \$915,000. Net pension liabilities decreased \$2,664,454, \$1,052,697 related to the State's General Employees Retirement Fund (GERF) and \$1,611,757 related to the State's Public Employees Police and Fire Fund (PEPFF).

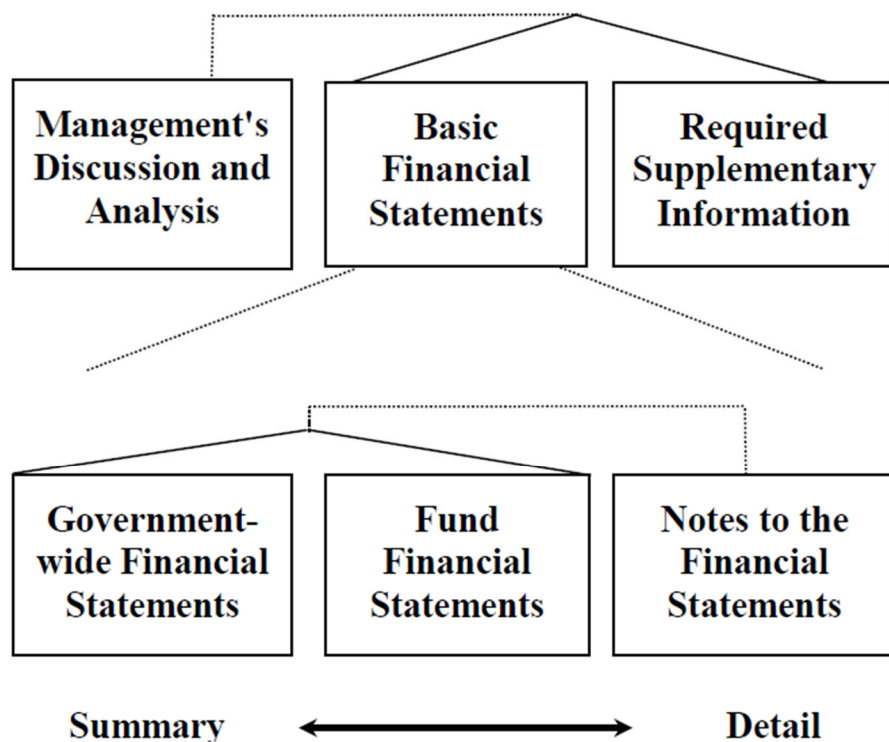
Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves. The following chart (Figure 1) shows how the various parts of this annual report are arranged and related to one another.

City of St. Louis Park Management's Discussion and Analysis

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section combining fund financial statements and schedules that further explains and supports the information in the financial statements. Figure 1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining fund financial statements and schedules that provide details about nonmajor governmental funds, which are added together and presented in single columns in the basic financial statements. Internal service funds statements are also included, reflecting balances prior to their elimination from the government-wide financial statements, to avoid “doubling-up” effect within the governmental and business-type activities columns of said statements.

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



City of St. Louis Park

Management's Discussion and Analysis

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

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

	Government-wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire City government and the City's component units	The activities of the City that are not proprietary, such as police, fire and parks	Activities the City operates similar to private businesses, such as the water and sewer system
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balances	• Statement of Net Position • Statement of Revenues, Expenses and Changes in Net Position • Statement of Cash Flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of deferred outflows/inflows of resources information	All deferred outflows/inflows of resources, regardless of when cash is received or paid	Only deferred outflows of resources expected to be used up and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included	All deferred outflows/inflows of resources, regardless of when cash is received or paid
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

City of St. Louis Park Management's Discussion and Analysis

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

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

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public information, operations, parks and recreation, housing and rehabilitation, social and economic development, and interest on long-term debt. The business-type activities of the City include water, sewer, solid waste, and storm water operations.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate Economic Development Authority (EDA) for which the City is financially accountable. Financial information for this *component unit* is not reported separately from the financial information presented for the primary government itself.

The government-wide financial statements start on page 38 of this report.

Fund financial statements – A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements

City of St. Louis Park Management's Discussion and Analysis

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains seven individual major governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Housing Rehabilitation, Affordable Housing Trust, Debt Service, Development EDA, Redevelopment District, and Capital, all of which are considered to be major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts annual appropriated budgets for the General Fund, the Special Revenue Funds of Housing Rehabilitation, Cable Television, Community Development, Special Service Districts, Affordable Housing Trust, and Climate Investment Funds, and the Capital Project Funds of the Development EDA, Park Improvement (sub-fund of the Capital Fund), and Pavement Management (sub-fund of the Capital Fund) Funds. Budgetary comparison statements are provided for these funds to demonstrate compliance with this budget.

The basic governmental fund financial statements start on page 40 of this report.

Proprietary funds – The City maintains two different types of proprietary funds.

Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, solid waste, and storm water operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, solid waste and storm water operations, all of which are major funds for the City except for the City's solid waste fund.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for maintaining its fleet of vehicles, management information systems, replacement of City equipment, employee benefits, compensated absences, pension benefit, and insurance. Because all these services predominately benefit governmental rather than business-type functions, they have been included within *governmental activities* in the governmental-wide financial statements. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

City of St. Louis Park Management's Discussion and Analysis

The basic proprietary fund financial statements start on page 45 of this report.

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 51 of this report.

Other Supplementary Information - In addition to the basic financial statements and accompanying notes, Required Supplementary Information, presents a detailed budgetary comparison schedule for the General Fund and Housing Rehabilitation Fund to demonstrate compliance with the budget. In accordance with the requirements of GASB Statement No. 75, it also includes other post-employment benefit plan schedule of changes in total OPEB liability and related ratios. In accordance with the requirements of GASB Statement No. 68, also included is defined benefit pension plan information: a) schedules of the City's contributions and b) schedules of the City's proportionate share of net pension liability. These schedules can be found in the Required Supplementary Information section of this report. The combining statements and schedules referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information starting on page 120 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$261,972,245 at the close of the most recent fiscal year.

	Governmental Activities			Business-type Activities		
	2025	2024	Increase (Decrease)	2025	2024	Increase (Decrease)
Assets						
Current and other assets	\$145,823,301	\$136,000,040	\$ 9,823,261	\$24,220,318	\$24,980,465	\$ (760,147)
Capital assets	165,424,191	157,782,614	7,641,577	71,220,586	67,659,025	3,561,561
Total assets	311,247,492	293,782,654	17,464,838	95,440,904	92,639,490	2,801,414
Total deferred outflows of resources	16,658,821	20,648,529	(3,989,708)	-	-	-
Liabilities						
Other liabilities	17,092,462	12,820,233	4,272,229	1,855,284	2,712,172	(856,888)
Noncurrent liabilities	91,398,524	97,686,632	(6,288,108)	24,313,126	26,177,728	(1,864,602)
Total liabilities	108,490,986	110,506,865	(2,015,879)	26,168,410	28,889,900	(2,721,490)
Total deferred inflows of resources	22,304,274	26,370,523	(4,066,249)	4,411,302	4,848,700	(437,398)
Net position						
Net investment in capital assets	102,412,153	88,402,821	14,009,332	47,257,055	42,481,743	4,775,312
Restricted	38,977,074	36,962,412	2,014,662	-	-	-
Unrestricted	55,721,826	52,188,562	3,533,264	17,604,137	16,419,147	1,184,990
Total net position	\$197,111,053	\$177,553,795	\$ 19,557,258	\$64,861,192	\$58,900,890	\$ 5,960,302

City of St. Louis Park Management's Discussion and Analysis

City of St. Louis Park's Net Position

A portion of the City's net position (57 percent) reflects its investment in capital assets (e.g., land, permanent easements, buildings, infrastructure, machinery, equipment, lease assets, and subscription-based IT arrangement assets); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position \$38,977,074 represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* \$73,325,963 may be used to meet the City's ongoing obligations to citizens and creditors.

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

City of St. Louis Park Management's Discussion and Analysis

Analysis of the City's Operations – The following table provides a summary of the City's operations for the year ended December 31, 2025. Overall, both the governmental and business-type activities revenue and expenses remained stable.

City of St. Louis Park's Changes in Net Position

	Governmental Activities			Business-type Activities		
	2025	2024	Increase (Decrease)	2025	2024	Increase (Decrease)
Revenues						
Program revenues						
Charges for services	\$ 10,288,470	\$ 8,280,101	\$ 2,008,369	\$ 30,819,609	\$ 28,040,715	\$ 2,778,894
Operating grants and contributions	12,173,036	7,665,211	4,507,825	1,271,802	1,690,778	(418,976)
Capital grants and contributions	5,115,294	10,930,059	(5,814,765)	520,244	224,578	295,666
General revenues						
Property taxes and TIF	65,185,244	61,785,447	3,399,797	-	-	-
Franchise fees	5,467,558	5,502,940	(35,382)	-	-	-
Lodging taxes	1,095,421	1,096,864	(1,443)	-	-	-
Grants and contributions not restricted to specific programs	-	3,748,369	(3,748,369)	-	-	-
Unrestricted interest and investment income (loss)	3,954,009	3,706,433	247,576	921,793	825,709	96,084
Gain on sale of capital assets	426,999	270,524	156,475	2,275	1,455	820
Miscellaneous	4,327,976	899,016	3,428,960	545,237	-	545,237
Total revenues	108,034,007	103,884,964	4,149,043	34,080,960	30,783,235	3,297,725
Expenses						
General government	15,994,719	14,808,262	1,186,457	-	-	-
Public safety	26,024,009	24,630,534	1,393,475	-	-	-
Public information	525,100	2,410,905	(1,885,805)	-	-	-
Operations	9,132,239	10,928,402	(1,796,163)	-	-	-
Parks and recreation	11,871,229	9,717,552	2,153,677	-	-	-
Housing and rehabilitation	929,202	1,396,062	(466,860)	-	-	-
Social and economic development	24,783,468	12,702,937	12,080,531	-	-	-
Interest on long-term debt	1,725,271	1,864,221	(138,950)	-	-	-
Water	-	-	-	7,063,157	6,551,873	511,284
Sewer	-	-	-	8,113,815	8,104,364	9,451
Storm water	-	-	-	2,956,245	2,778,018	178,227
Solid waste	-	-	-	7,478,953	7,017,489	461,464
Total expenses	90,985,237	78,458,875	12,526,362	25,612,170	24,451,744	1,160,426
Increase (decrease) in net position before transfers	17,048,770	25,426,089	(8,377,319)	8,468,790	6,331,491	2,137,299
Transfers	2,508,488	2,435,426	73,062	(2,508,488)	(2,435,426)	(73,062)
Change in net position	19,557,258	27,861,515	(8,304,257)	5,960,302	3,896,065	2,064,237
Net position, January 1	177,553,795	149,692,280	27,861,515	58,900,890	55,004,825	3,896,065
Net position, December 31	\$ 197,111,053	\$ 177,553,795	\$ 19,557,258	\$ 64,861,192	\$ 58,900,890	\$ 5,960,302

City of St. Louis Park Management's Discussion and Analysis

Governmental Activities

Governmental activities increased the City's net position by \$19,557,258. Overall, the governmental activities in 2025 increased due primarily to asset additions of \$17,464,838 and a decrease of liabilities in the amount of \$2,015,879. Changes in the City's share of the State's net pension liability fluctuates based on market conditions.

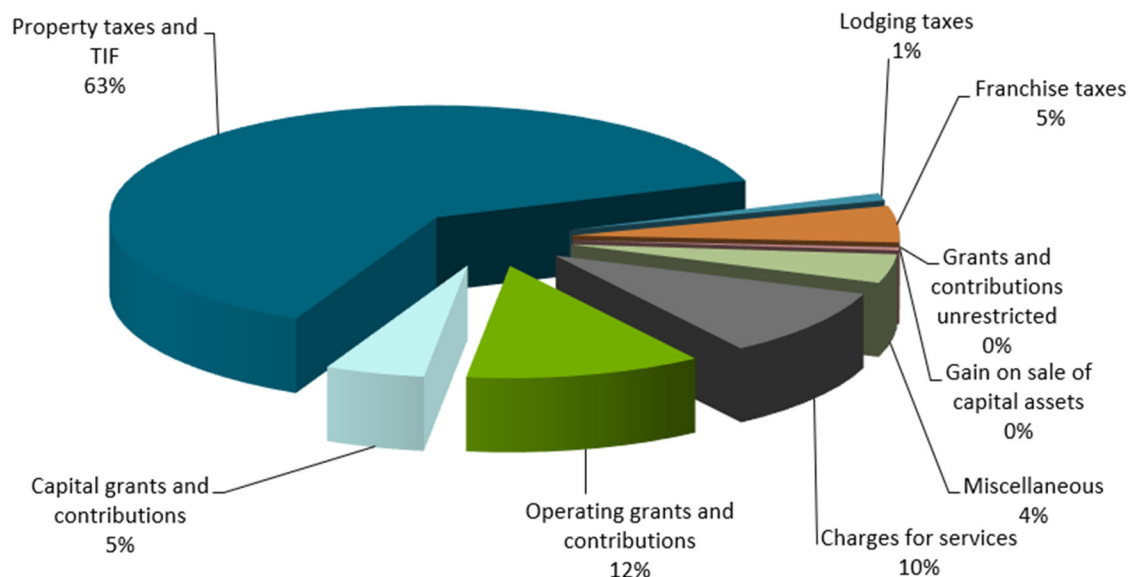
Business-type Activities

Business-type activities increased the City's net position by \$5,960,302. Revenues increased by \$3,297,725, and expenses increased by \$1,160,426. Net transfers were comparable to the prior year. The increase in revenues was primarily attributable to an increase in charges for services from 2024 to 2025. The increase in expenses was primarily attributable to an increase in operating expenses to support the utility services offered to properties throughout the City.

Governmental Activities

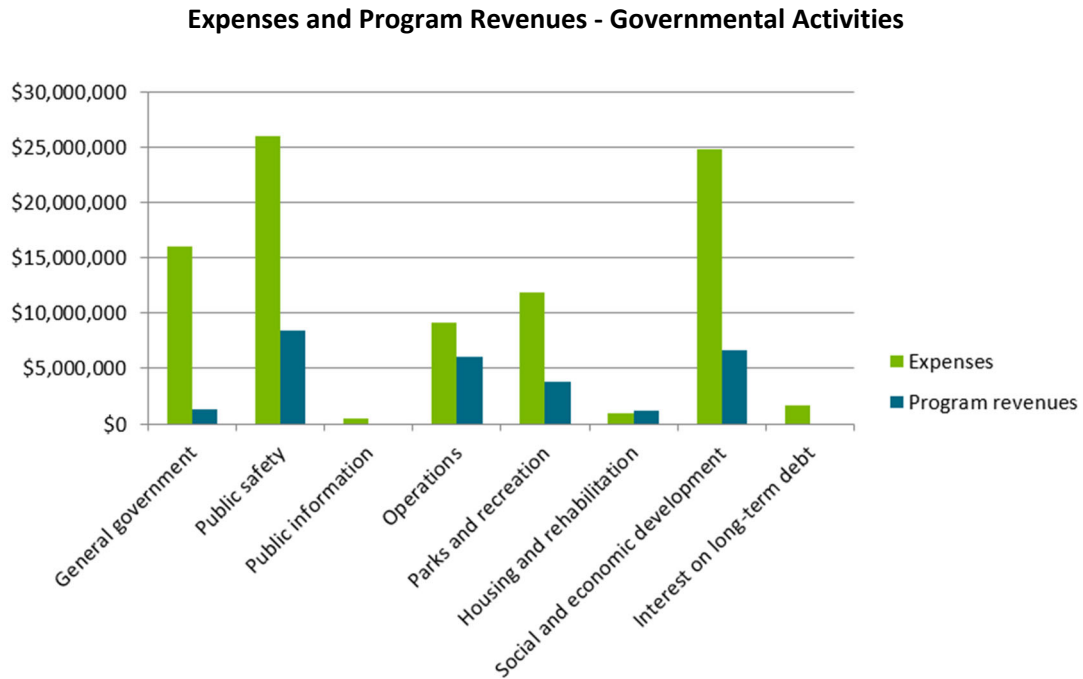
Revenues - The following chart illustrates the City's revenue by source for its governmental activities:

Revenues by Source - Governmental Activities



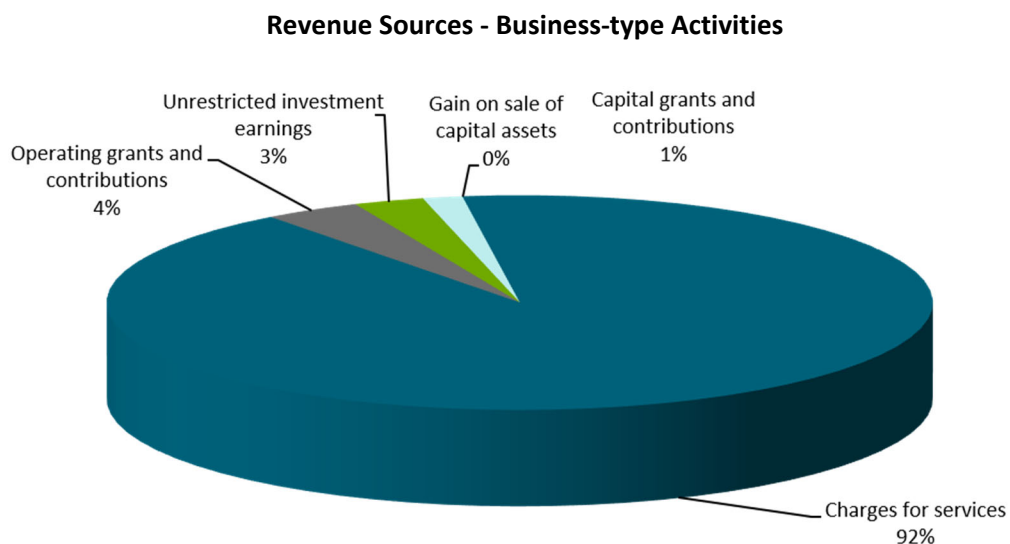
City of St. Louis Park Management's Discussion and Analysis

Expenses - The following chart illustrates the City's expenses and program revenues for its governmental activities:



Business-type Activities

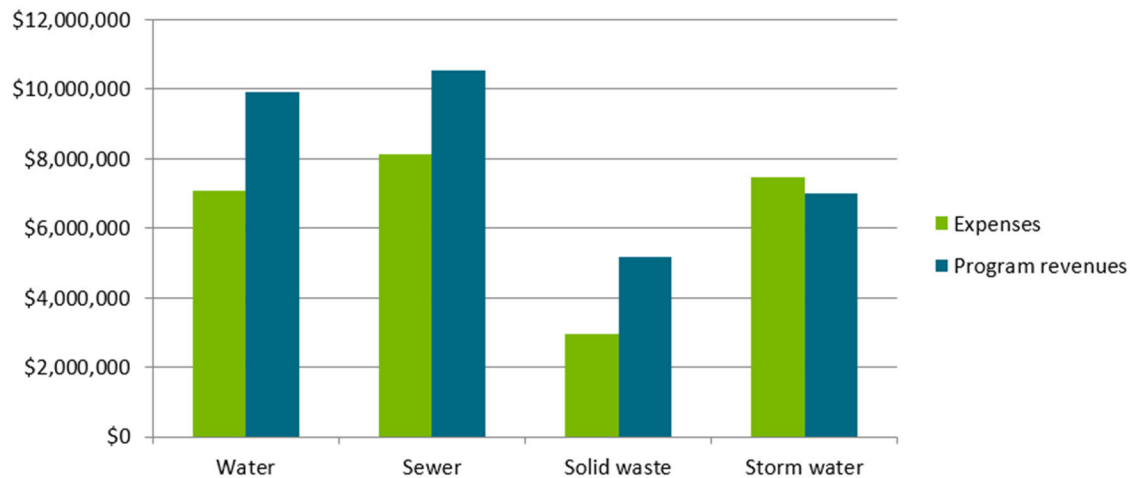
Revenues - The following chart illustrates the City's revenue by source for its business-type activities:



City of St. Louis Park Management's Discussion and Analysis

Expense and Program Revenues - Business-type Activities

Expenses - The following chart illustrates the City's expenses and program revenues for its business-type activities:



Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

Governmental funds – As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$97,720,950, a decrease of \$1,195,562 in comparison with the prior year. Approximately 27 percent of this total amount, \$26,669,911, constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance \$71,051,039 is not available for new spending because it is either 1) nonspendable \$325,293, 2) restricted \$35,723,030, 3) committed \$1,665,753 or 4) assigned \$33,336,963 for specific purposes.

City of St. Louis Park Management's Discussion and Analysis

Major Funds	Fund Balances December 31,		Increase (Decrease)
	2025	2024	
General	\$ 29,867,093	\$ 28,627,682	\$ 1,239,411
The City's General fund balance increased during the current fiscal year. The increase is primarily attributable to transfers into the general fund of \$6,188,023 exceeding transfers out of \$3,900,209. This was offset by expenditures exceeding revenues by \$1,048,403.			
Housing Rehabilitation	\$ 7,695,051	\$ 7,403,741	\$ 291,310
The Housing Rehabilitation fund balance increased \$291,310 as a result of revenue related to housing exceeding expenses by \$1,049,929. This was decreased by transfers out exceeding transfers in by \$758,619.			
Affordable Housing Trust Fund	\$ 15,786,100	\$ 11,625,161	\$ 4,160,939
The Affordable Housing Trust fund balance increased \$4,160,939 as a result of transfers in exceeding transfers out by \$2,535,000. This was further increased by revenue exceeding expenses by \$1,625,939.			
Debt Service	\$ 9,065,171	\$ 8,250,784	\$ 814,387
The fund balance of the Debt Service fund increased \$814,387 as a result of revenues related to the City's debt service exceeding expenses by \$66,137. The Debt Service fund balance was also increased by \$748,250 of transfers in to support the City's debt service payments.			
Development EDA	\$ 16,387,321	\$ 19,502,641	\$ (3,115,320)
The Development EDA fund balance decreased \$3,115,320 as a result of expenditures exceeding revenues by \$2,429,314. The fund balance was further decreased by transfers out exceeding transfers in by \$686,006.			
Redevelopment District	\$ 6,914,784	\$ 8,420,024	\$ (1,505,240)
The Redevelopment District fund is comprised of all tax increment districts in the city. The decrease in fund balance of \$1,505,240 is due to transfers out exceeding transfers in by \$3,501,923 to capital projects and to support city-wide housing. This was offset by revenues exceeding expenditures by \$1,996,683.			
Capital	\$ 8,187,316	\$ 8,363,739	\$ (176,423)
The Capital fund balance decreased \$176,423 due to expenditures exceeding revenue by \$1,792,635. This was offset by transfers in exceeding transfers out by \$1,616,212.			

City of St. Louis Park Management's Discussion and Analysis

Proprietary funds – The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. At the end of the year, unrestricted net position of the Water, Sewer, Storm Water, and Solid Waste funds amounted to \$26,238,599. Total net position increased by \$8,223,636. This increase was primarily a result of the City's operating revenues exceeded its operating expenses by \$8,059,940 in 2025. This was partially offset by transfers out of the proprietary funds to other City funds in the amount of \$2,508,488.

General Fund Budgetary Highlights

Actual revenues and transfers in were \$6,829,214 over budget and expenditures and transfers out were \$4,992,746 over budget. The end result was an increase in fund balance of \$1,239,411.

Capital Asset and Debt Administration

The City's investment in capital assets for its governmental and business type activities as of December 31, 2025 was \$236,644,777 (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads, highways, and bridges. The City's investment in capital assets for the current fiscal year increased 5 percent.

City of St. Louis Park Management's Discussion and Analysis

City of St. Louis Park's Capital Assets (net of accumulated depreciation)

	Governmental Activities			Business-type Activities		
	2025	2024	Increase (Decrease)	2025	2024	Increase (Decrease)
Land	\$ 17,255,135	\$ 17,255,135	\$ -	\$ 515,082	\$ 515,082	\$ -
Permanent easements	1,441,876	1,441,876	-	-	-	-
Construction in progress	8,789,037	12,952,158	(4,163,121)	1,608,207	4,973,101	(3,364,894)
Buildings and structures	42,844,071	44,407,859	(1,563,788)	365,402	390,198	(24,796)
Improvements other than buildings	27,048,588	28,568,485	(1,519,897)	4,331,691	4,228,601	103,090
Infrastructure	54,744,228	41,648,056	13,096,172	60,997,927	54,084,599	6,913,328
Machinery and equipment	4,408,717	4,933,823	(525,106)	3,402,277	3,467,444	(65,167)
Fleet	7,206,334	5,349,962	1,856,372	-	-	-
Lease assets - fleet	35,872	66,566	(30,694)	-	-	-
Lease assets - machinery and equipment	841,793	1,116,842	(275,049)	-	-	-
Subscription-based IT arrangements	808,540	41,852	766,688	-	-	-
Total	<u>\$ 165,424,191</u>	<u>\$ 157,782,614</u>	<u>\$ 7,641,577</u>	<u>\$ 71,220,586</u>	<u>\$ 67,659,025</u>	<u>\$ 3,561,561</u>

Additional information on the City's capital assets can be found in Note 5 on pages 67 of this report.

Debt administration

At the end of the current fiscal year, the City had total bonded debt outstanding of \$80,570,000. Of this amount, \$57,130,000 comprises debt issued for improvement and capital projects, of which \$51,200,000 will be repaid by ad valorem tax levies and \$5,930,000 will be repaid through the collection of special assessments. The remaining \$23,440,000 of the City's bonded debt represents general obligation revenue bonds with \$22,320,000 to be repaid by the Water, Sewer, and Storm Water fund user charges and \$1,120,000 from revenues collected from the benefitting property. Furthermore, the City has long-term debt of \$865,089 related to lease liabilities, \$5,446,351 for compensated absences, \$7,507,643 for other postemployment benefits payable, \$16,425,654 for the net pension liability, \$699,691 relating to subscription-based IT arrangement liabilities, and \$259,500 related to pollution remediation.

City of St. Louis Park Management's Discussion and Analysis

City of St. Louis Park's Outstanding Debt General Obligation Bonds, Revenue Bonds, and other Debt

	Governmental Activities			Business-type Activities		
	2025	2024	Increase (Decrease)	2025	2024	Increase (Decrease)
G.O. improvement	\$ 51,200,000	\$ 56,285,000	\$ (5,085,000)	\$ 22,320,000	\$ 23,920,000	\$ (1,600,000)
G.O. special assessment	5,930,000	6,445,000	(515,000)	-	-	-
G.O. revenue	1,120,000	1,190,000	(70,000)	-	-	-
Bond issuance premium/discount	2,410,027	2,709,837	(299,810)	1,527,695	1,679,102	(151,407)
Lease liability	865,089	1,155,418	(290,329)	-	-	-
Compensated absences	5,240,420	4,681,049	559,371	205,931	203,626	2,305
Other postemployment benefits	7,507,643	6,112,800	1,394,843	-	-	-
Pollution remediation liability	-	-	-	259,500	375,000	(115,500)
Net pension liability	16,425,654	19,090,108	(2,664,454)	-	-	-
Subscription liability	699,691	17,420	682,271	-	-	-
Total	<u>\$ 91,398,524</u>	<u>\$ 97,686,632</u>	<u>\$ (6,288,108)</u>	<u>\$ 24,313,126</u>	<u>\$ 26,177,728</u>	<u>\$ (1,864,602)</u>

Principal payments during 2025 totaled \$8,185,000. The City maintains an "AAA" rating from Standard & Poor's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 3 percent of its total assessed valuation. The current debt limitation for the City is \$297,800,196 which is significantly more than the City's outstanding general obligation debt. Additional information on the City's long-term debt can be found in Note 6 on pages 69-73 of this report.

Economic Factors, Subsequent Year Budgets, Rates and Changes in Structure

The City estimates that the demand for City services will continue to grow as the economy improves. The property tax levy is set annually and is adjusted as necessary to fund the cost of providing services to our citizens and customers. Charges for services are evaluated each year and adjusted to support operations and capital outlay. All these factors were considered in preparing the City's budget for the 2026 fiscal year.

Requests for Information

This financial report is designed to provide our citizens, customers, and creditors with a general overview of the City of St. Louis Park's finances and to show the City's accountability for the resources it is entrusted. Questions concerning any of the information provided in the report, or requests for additional financial information, can be directed to the City of St. Louis Park Finance Division at 5005 Minnetonka Boulevard, St. Louis Park, Minnesota, 55416, 952-924-2500.

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BASIC FINANCIAL STATEMENTS

	Governmental Activities	Business-Type Activities	Totals
Assets			
Cash and investments	\$ 95,532,551	\$ 19,907,759	\$ 115,440,310
Accrued interest receivable	348,442	40,566	389,008
Due from other governments	7,893,714	245,711	8,139,425
Accounts receivable	3,073,125	5,963,020	9,036,145
Taxes receivable	420,076	-	420,076
Prepaid items	1,321,989	513,007	1,834,996
Inventories	254,738	99,874	354,612
Internal balances	8,634,462	(8,634,462)	-
Special assessments receivable	8,208,798	1,289,036	9,497,834
Leases receivable	143,904	4,795,807	4,939,711
Loans receivable	16,910,069	-	16,910,069
Pledges receivable	550,000	-	550,000
Land held for resale	2,531,433	-	2,531,433
Capital assets			
Nondepreciable assets	27,486,048	2,123,289	29,609,337
Depreciable assets (net of accumulated depreciation)	136,251,938	69,097,297	205,349,235
Amortizable assets (net of accumulated amortization)	1,686,205	-	1,686,205
Total assets	<u>311,247,492</u>	<u>95,440,904</u>	<u>406,688,396</u>
Deferred outflows of resources			
Related to pensions	14,192,643	-	14,192,643
Related to OPEB	2,466,178	-	2,466,178
Total deferred outflows of resources	<u>16,658,821</u>	<u>-</u>	<u>16,658,821</u>
Liabilities			
Accounts payable	7,390,563	846,779	8,237,342
Salaries payable	2,280,684	213,533	2,494,217
Due to other governments	2,757,794	70,411	2,828,205
Contracts payable	787,231	233,615	1,020,846
Accrued interest payable	762,898	328,244	1,091,142
Deposits payable	1,714,733	162,702	1,877,435
Unearned revenue	1,398,559	-	1,398,559
Noncurrent liabilities			
Due within one year	10,671,589	3,008,364	13,679,953
Due in more than one year	80,726,935	21,304,762	102,031,697
Total liabilities	<u>108,490,986</u>	<u>26,168,410</u>	<u>134,659,396</u>
Deferred inflows of resources			
Related to pensions	21,344,737	-	21,344,737
Related to OPEB	819,122	-	819,122
Related to leases	140,415	4,411,302	4,551,717
Total deferred inflows of resources	<u>22,304,274</u>	<u>4,411,302</u>	<u>26,715,576</u>
Net position			
Net investment in capital assets	102,412,153	47,257,055	149,669,208
Restricted for			
Redevelopment districts	10,782,831	-	10,782,831
Affordable housing	15,796,144	-	15,796,144
E-911 purposes	32,225	-	32,225
Public safety aid	124,464	-	124,464
Community development	543,733	-	543,733
Debt service	10,185,171	-	10,185,171
Cable TV equipment	16,251	-	16,251
Police and fire purposes	1,370,676	-	1,370,676
Opioid settlement	125,579	-	125,579
Unrestricted	<u>55,721,826</u>	<u>17,604,137</u>	<u>73,325,963</u>
Total net position	<u>\$ 197,111,053</u>	<u>\$ 64,861,192</u>	<u>\$ 261,972,245</u>

The accompanying notes are an integral part of these financial statements.

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities							
General government	\$ 15,994,719	\$ 908,681	\$ 417,954	\$ 35,214	\$ (14,632,870)	\$ -	\$ (14,632,870)
Public safety	26,024,009	5,662,593	2,824,420	-	(17,536,996)	-	(17,536,996)
Public information	525,100	-	-	-	(525,100)	-	(525,100)
Operations	9,132,239	238,110	1,445,163	4,333,068	(3,115,898)	-	(3,115,898)
Parks and recreation	11,871,229	3,288,514	451,270	71,549	(8,059,896)	-	(8,059,896)
Housing and rehabilitation	929,202	2,100	848,543	386,734	308,175	-	308,175
Social and economic development	24,783,468	188,472	6,185,686	288,729	(18,120,581)	-	(18,120,581)
Interest on long-term debt	1,725,271	-	-	-	(1,725,271)	-	(1,725,271)
Total governmental activities	90,985,237	10,288,470	12,173,036	5,115,294	(63,408,437)	-	(63,408,437)
Business-Type activities							
Water	7,063,157	9,581,479	10,000	344,351	-	2,872,673	2,872,673
Sewer	8,113,815	10,316,945	33,284	175,893	-	2,412,307	2,412,307
Storm water	2,956,245	4,121,198	1,034,586	-	-	2,199,539	2,199,539
Solid waste	7,478,953	6,799,987	193,932	-	-	(485,034)	(485,034)
Total business-type activities	25,612,170	30,819,609	1,271,802	520,244	-	6,999,485	6,999,485
Total	\$ 116,597,407	\$ 41,108,079	\$ 13,444,838	\$ 5,635,538	(63,408,437)	6,999,485	(56,408,952)
General revenues							
Taxes							
Property taxes					49,633,154	-	49,633,154
Tax increment					15,552,090	-	15,552,090
Franchise taxes					5,467,558	-	5,467,558
Lodging taxes					1,095,421	-	1,095,421
Unrestricted interest and investment income (loss)					3,954,009	921,793	4,875,802
Gain on sale of capital assets					426,999	2,275	429,274
Miscellaneous					4,327,976	545,237	4,873,213
Transfers					2,508,488	(2,508,488)	-
Total general revenues and transfers					82,965,695	(1,039,183)	81,926,512
Change in net position					19,557,258	5,960,302	25,517,560
Net position - January 1					177,553,795	58,900,890	236,454,685
Net position - December 31					\$ 197,111,053	\$ 64,861,192	\$ 261,972,245

The accompanying notes are an integral part of these financial statements.

CITY OF ST. LOUIS PARK, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2025

	Special Revenue Fund		
	General	Housing Rehabilitation	Affordable Housing Trust
Assets			
Cash and investments	\$ 33,457,705	\$ 4,927,979	\$ 9,902,805
Accrued interest receivable	348,353	-	-
Due from other governments	890,765	-	-
Accounts receivable	630,035	-	-
Taxes receivable - unremitted	41,949	-	1,647
Taxes receivable - delinquent	322,573	-	10,044
Prepaid items	64,491	-	-
Inventories	254,738	-	-
Special assessments receivable - delinquent	-	62,793	-
Special assessments receivable - deferred	-	7,296,384	-
Interfund loan receivable	-	-	1,987,275
Loans receivable - current	-	250,000	257,423
Loans receivable - noncurrent	-	3,575,952	4,057,013
Pledges receivable - current	-	-	-
Pledges receivable - noncurrent	-	-	-
Leases receivable - current	-	-	-
Leases receivable - noncurrent	-	-	-
Land held for resale	-	-	-
Total assets	<u>\$ 36,010,609</u>	<u>\$ 16,113,108</u>	<u>\$ 16,216,207</u>
Liabilities			
Accounts payable	\$ 873,551	\$ 26,705	\$ 375,757
Salaries payable	2,255,698	-	-
Due to other governments	174,588	-	44,306
Contracts payable	-	-	-
Interfund loan payable	-	1,045,273	-
Deposits payable	1,118,547	-	-
Unearned revenue	1,398,559	-	-
Total liabilities	<u>5,820,943</u>	<u>1,071,978</u>	<u>420,063</u>
Deferred inflows of resources			
Related to leases	-	-	-
Unavailable revenue	322,573	7,346,079	10,044
Total deferred inflows of resources	<u>322,573</u>	<u>7,346,079</u>	<u>10,044</u>
Fund balances			
Nonspendable	319,229	-	-
Restricted	156,689	-	15,786,100
Committed	-	-	-
Assigned	896,547	7,695,051	-
Unassigned	28,494,628	-	-
Total fund balances	<u>29,867,093</u>	<u>7,695,051</u>	<u>15,786,100</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 36,010,609</u>	<u>\$ 16,113,108</u>	<u>\$ 16,216,207</u>

The accompanying notes are an integral part of these financial statements.

Debt Service	Capital Projects Funds			Other Governmental Funds	Total Governmental Funds
	Development EDA	Redevelopment District	Capital Fund		
\$ 9,288,525	\$ 12,945,139	\$ 11,119,898	\$ 4,487,421	\$ 3,415,511	\$ 89,544,983
-	89	-	-	-	348,442
363,675	4,472,295	-	1,958,022	-	7,684,757
-	1,005,978	75,713	1,232,827	128,572	3,073,125
13,411	366	24,347	998	-	82,718
-	-	-	-	-	332,617
-	1,484	-	-	4,580	70,555
-	-	-	-	-	254,738
-	-	-	-	11,667	74,460
-	-	-	-	837,954	8,134,338
-	1,567,610	-	-	-	3,554,885
75,000	299,341	-	-	-	881,764
1,045,000	4,138,681	2,686,336	-	525,323	16,028,305
-	-	-	100,000	-	100,000
-	-	-	450,000	-	450,000
-	26,295	-	-	-	26,295
-	117,609	-	-	-	117,609
-	897,000	-	1,634,433	-	2,531,433
<u>\$ 10,785,611</u>	<u>\$ 25,471,887</u>	<u>\$ 13,906,294</u>	<u>\$ 9,863,701</u>	<u>\$ 4,923,607</u>	<u>\$ 133,291,024</u>
\$ 4,254	\$ 5,498,232	\$ 34,225	\$ 229,366	\$ 153,914	\$ 7,196,004
-	-	-	-	22,985	2,278,683
-	55,919	2,404,343	2,311	-	2,681,467
-	-	-	781,806	-	781,806
-	-	2,509,612	-	-	3,554,885
596,186	-	-	-	-	1,714,733
-	-	-	-	-	1,398,559
<u>600,440</u>	<u>5,554,151</u>	<u>4,948,180</u>	<u>1,013,483</u>	<u>176,899</u>	<u>19,606,137</u>
-	140,415	-	-	-	140,415
<u>1,120,000</u>	<u>3,390,000</u>	<u>2,043,330</u>	<u>662,902</u>	<u>928,594</u>	<u>15,823,522</u>
<u>1,120,000</u>	<u>3,530,415</u>	<u>2,043,330</u>	<u>662,902</u>	<u>928,594</u>	<u>15,963,937</u>
-	1,484	-	-	4,580	325,293
9,065,171	-	8,739,501	1,370,676	604,893	35,723,030
-	-	-	-	1,665,753	1,665,753
-	16,385,837	-	6,816,640	1,542,888	33,336,963
-	-	(1,824,717)	-	-	26,669,911
<u>9,065,171</u>	<u>16,387,321</u>	<u>6,914,784</u>	<u>8,187,316</u>	<u>3,818,114</u>	<u>97,720,950</u>
<u>\$ 10,785,611</u>	<u>\$ 25,471,887</u>	<u>\$ 13,906,294</u>	<u>\$ 9,863,701</u>	<u>\$ 4,923,607</u>	<u>\$ 133,291,024</u>
Total fund balances reported above					\$ 97,720,950
Amounts reported for governmental activities in the statement of net position are different because:					
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds					143,951,130
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds:					
Receivables not available soon enough to pay for the current period's expenditures					15,823,522
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:					
Bonds payable and unamortized bond premium/discount					(60,660,027)
Accrued interest payable					(718,317)
Internal service funds are used by management to charge the cost of certain services to individual funds.					
The assets and liabilities are included in the governmental statement of net position					993,795
Net position of governmental activities					<u>\$ 197,111,053</u>

The accompanying notes are an integral part of these financial statements.

CITY OF ST. LOUIS PARK, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2025

	Special Revenue Funds			
	General	Housing Rehabilitation	Special Assessment (Cost Recovery)	Affordable Housing Trust
Revenues				
Property taxes	\$ 38,476,376	\$ -		\$ 1,150,917
Tax increments	-	-		-
Franchise taxes	-	-		-
Lodging tax	-	-		-
Licenses and permits	5,960,760	-		-
Intergovernmental	4,810,091	-		848,543
Charges for services	3,330,269	-		2,100
Fines and forfeitures	24,561	-		-
Special assessments	-	990,331		-
Interest income (loss)	1,276,248	203,632		401,307
Miscellaneous	1,137,130	-		57,799
Total revenues	55,015,435	1,193,963		2,460,666
Expenditures				
Current				
General government	13,169,820	-		-
Public safety	24,408,209	-		-
Public information	-	-		-
Operations	5,884,942	-		-
Parks and recreation	8,933,616	-		-
Housing and rehabilitation	-	94,462		834,727
Social and economic development	-	-		-
Miscellaneous	820,775	-		-
Non-departmental internal charges	1,021,337	-		-
Capital outlay				
Public safety	1,330,898	-		-
Operations	494,241	-		-
Parks and recreation	-	-		-
Social and economic development	-	-		-
Debt service				
Principal	-	-		-
Interest and other	-	49,572		-
Total expenditures	56,063,838	144,034		834,727
Revenues over (under) expenditures	(1,048,403)	1,049,929		1,625,939
Other financing sources (uses)				
Transfers in	6,188,023	-		2,535,000
Transfers out	(3,900,209)	(758,619)		-
Total other financing sources (uses)	2,287,814	(758,619)		2,535,000
Net change in fund balances	1,239,411	291,310		4,160,939
Fund balances:				
Fund balance - January 1, as previously presented	28,627,682	7,403,741	3,027,716	-
Changes within financial reporting entity (nonmajor to major fund)	-	-	-	11,625,161
Changes within financial reporting entity (major to nonmajor fund)	-	-	(3,027,716)	-
Fund balance - January 1, as adjusted	28,627,682	7,403,741	-	11,625,161
Fund balance - December 31	\$ 29,867,093	\$ 7,695,051	\$ -	\$ 15,786,100

The accompanying notes are an integral part of these financial statements.

Capital Projects Funds				Other Governmental Funds	Total Governmental Funds
Debt Service	Development EDA	Redevelopment District	Capital Fund		
\$ 6,856,222	\$ 228,965	\$ -	\$ 510,000	\$ -	\$ 47,222,480
-	-	15,552,090	-	-	15,552,090
-	-	-	4,932,314	535,244	5,467,558
-	1,095,421	-	-	-	1,095,421
-	-	-	-	-	5,960,760
417,350	4,739,261	-	5,948,157	209,579	16,972,981
-	188,472	-	3,863	-	3,524,704
-	-	-	-	-	24,561
-	-	-	-	442,647	1,432,978
193,926	625,722	424,492	340,566	305,019	3,770,912
111,714	2,095,611	75,713	785,333	2,009	4,265,309
7,579,212	8,973,452	16,052,295	12,520,233	1,494,498	105,289,754
-	-	-	-	73,581	13,243,401
-	-	-	949	13,583	24,422,741
-	-	-	-	482,218	482,218
-	-	-	1,234	-	5,886,176
-	-	-	724,097	-	9,657,713
-	-	-	-	13	929,202
-	11,402,766	13,897,076	928	502,276	25,803,046
-	-	-	-	-	820,775
-	-	-	-	9,062	1,030,399
-	-	-	-	17,534	1,348,432
-	-	-	10,874,778	-	11,369,019
-	-	-	164,379	-	164,379
-	-	-	2,546,503	-	2,546,503
5,670,000	-	-	-	-	5,670,000
1,843,075	-	158,536	-	-	2,051,183
7,513,075	11,402,766	14,055,612	14,312,868	1,098,267	105,425,187
66,137	(2,429,314)	1,996,683	(1,792,635)	396,231	(135,433)
748,250	985,144	-	1,634,433	28,700	12,119,550
-	(1,671,150)	(3,501,923)	(18,221)	(3,329,557)	(13,179,679)
748,250	(686,006)	(3,501,923)	1,616,212	(3,300,857)	(1,060,129)
814,387	(3,115,320)	(1,505,240)	(176,423)	(2,904,626)	(1,195,562)
8,250,784	19,502,641	8,420,024	8,363,739	15,320,185	98,916,512
-	-	-	-	(11,625,161)	-
-	-	-	-	3,027,716	-
8,250,784	19,502,641	8,420,024	8,363,739	6,722,740	98,916,512
\$ 9,065,171	\$ 16,387,321	\$ 6,914,784	\$ 8,187,316	\$ 3,818,114	\$ 97,720,950

The accompanying notes are an integral part of these financial statements.

CITY OF ST. LOUIS PARK, MINNESOTA
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 For The Year Ended December 31, 2025
Statement 5

Amounts reported for governmental activities in the
 statement of activities (Statement 2) are different because:

Net changes in fund balances - total governmental funds (Statement 4)	\$ (1,195,562)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay capitalized	15,207,413
Depreciation expense	(8,542,345)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Principal repayments on long term debt	5,670,000
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Interest on long-term debt in the statement of activities differs from the amount reported in the governmental fund because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

77,021

Governmental funds report debt issuance premiums and discounts as an other financing source or use at the time of issuance. Premiums and discounts are reported as an unamortized asset or liability in the City-wide financial statements.

299,810

Certain revenues are recognized as soon as they are earned. Under the modified accrual basis of accounting certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.

Special assessments	(722,301)
Property taxes	(12,822)
Intergovernmental grant revenues	12,495
Loans and other	3,191,580

Internal service funds are used by management to charge the costs for equipment, information system, equipment replacement, employee benefits and major losses incurred by individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.

5,571,969

Change in net position of governmental activities (Statement 2)

\$ 19,557,258

The accompanying notes are an integral part of these financial statements.

	Business-Type Activities Enterprise Funds					Governmental Activities
	Non-Major Fund				Internal	Service Funds
	Water	Sewer	Storm Water	Solid Waste		
Assets						
Current assets						
Cash and investments	\$ 6,194,047	\$ 6,119,517	\$ 5,383,765	\$ 2,210,430	\$ 19,907,759	\$ 5,987,568
Accrued interest receivable	40,566	-	-	-	40,566	-
Due from other governments	-	22,707	223,004	-	245,711	208,957
Accounts receivable	1,592,543	2,092,933	684,827	1,592,717	5,963,020	-
Taxes receivable - unremitted	-	-	-	-	-	4,741
Prepaid items	5,220	477,993	29,794	-	513,007	1,251,434
Inventories	99,874	-	-	-	99,874	-
Special assessments receivable - delinquent	88,102	678	-	-	88,780	-
Special assessments receivable - deferred	646,778	553,478	-	-	1,200,256	-
Leases receivable - current	363,538	-	-	-	363,538	-
Leases receivable - noncurrent	4,432,269	-	-	-	4,432,269	-
Total current assets	13,462,937	9,267,306	6,321,390	3,803,147	32,854,780	7,452,700
Noncurrent assets						
Capital assets						
Nondepreciable capital assets, at cost						
Land	114,844	60,000	340,238	-	515,082	818,094
Construction in progress	991,178	164,650	452,379	-	1,608,207	228,600
Total nondepreciable capital assets, at cost	1,106,022	224,650	792,617	-	2,123,289	1,046,694
Depreciable capital assets, at cost						
Buildings and structures	5,082,540	6,111	-	-	5,088,651	9,651,432
Improvements other than buildings	2,604,218	749,350	7,165,760	-	10,519,328	3,813,534
Infrastructure	44,450,586	26,265,433	29,692,660	-	100,408,679	1,313,801
Machinery, furniture and equipment	9,282,064	305,031	103,765	-	9,690,860	10,926,953
Fleet	-	-	-	-	-	13,771,297
Total depreciable capital assets, at cost	61,419,408	27,325,925	36,962,185	-	125,707,518	39,477,017
Less: accumulated depreciation	(23,600,216)	(17,724,334)	(15,285,671)	-	(56,610,221)	(20,736,855)
Total depreciable capital assets, net of accumulated depreciation	37,819,192	9,601,591	21,676,514	-	69,097,297	18,740,162
Amortizable capital assets, at cost						
Subscription-based IT arrangements	-	-	-	-	-	1,075,672
Lease assets - machinery, furniture and equipment	-	-	-	-	-	1,356,187
Lease assets - fleet	-	-	-	-	-	148,797
Total amortizable capital assets, at cost	-	-	-	-	-	2,580,656
Less: accumulated amortization	-	-	-	-	-	(894,451)
Total amortizable capital assets, net of accumulated amortization	-	-	-	-	-	1,686,205
Total capital assets, net of accumulated depreciation and amortization	38,925,214	9,826,241	22,469,131	-	71,220,586	21,473,061
Total noncurrent assets	38,925,214	9,826,241	22,469,131	-	71,220,586	21,473,061
Total assets	52,388,151	19,093,547	28,790,521	3,803,147	104,075,366	28,925,761
Deferred outflows of resources						
Related to pensions	-	-	-	-	-	14,192,643
Related to OPEB	-	-	-	-	-	2,466,178
Total deferred outflows of resources	-	-	-	-	-	16,658,821
Liabilities						
Current liabilities						
Accounts payable	198,813	56,915	75,836	515,215	846,779	194,559
Salaries payable	83,897	54,002	47,185	28,449	213,533	2,001
Due to other governments	10,911	270	438	58,792	70,411	76,327
Contracts payable	158,214	17,050	58,351	-	233,615	5,425
Deposits payable	95,493	-	67,209	-	162,702	-
Accrued interest payable	298,079	15,094	15,071	-	328,244	44,581
Compensated absences payable - current	48,987	44,638	50,422	14,817	158,864	3,841,283
Lease liability - current	-	-	-	-	-	294,787
Subscription-based IT arrangements liability - current	-	-	-	-	-	231,975
Pollution payable - current	259,500	-	-	-	259,500	-
Bonds payable - current	2,305,000	140,000	145,000	-	2,590,000	-
Other postemployment benefits payable - current	-	-	-	-	-	303,544
Total current liabilities	3,458,894	327,969	459,512	617,273	4,863,648	4,994,482
Noncurrent liabilities						
Compensated absences payable	14,513	13,225	14,939	4,390	47,067	1,399,137
Lease liability	-	-	-	-	-	570,302
Subscription-based IT arrangements liability	-	-	-	-	-	467,716
Bonds payable	19,299,611	1,213,336	744,748	-	21,257,695	-
Other postemployment benefits payable	-	-	-	-	-	7,204,099
Net pension liability	-	-	-	-	-	16,425,654
Total noncurrent liabilities	19,314,124	1,226,561	759,687	4,390	21,304,762	26,066,908
Total liabilities	22,773,018	1,554,530	1,219,199	621,663	26,168,410	31,061,390
Deferred inflows of resources						
Related to pensions	-	-	-	-	-	21,344,737
Related to OPEB	-	-	-	-	-	819,122
Related to leases	4,411,302	-	-	-	4,411,302	-
Total deferred inflows of resources	4,411,302	-	-	-	4,411,302	22,163,859
Net position						
Net investment in capital assets	17,280,168	8,455,855	21,521,032	-	47,257,055	19,908,281
Unrestricted	7,923,663	9,083,162	6,050,290	3,181,484	26,238,599	(27,548,948)
Total net position	\$ 25,203,831	\$ 17,539,017	\$ 27,571,322	\$ 3,181,484	73,495,654	\$ (7,640,667)
Adjustment to reflect consolidation of Internal Service fund activities					(8,634,462)	
Net position of business-type activities					\$ 64,861,192	

The accompanying notes are an integral part of these financial statements.

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	Business-Type Activities Enterprise Funds					Governmental Activities
	Water	Sewer	Storm Water	Non-Major Fund Solid Waste	Total	Internal Service Funds
Operating revenues						
Charges for services	\$ 8,844,065	\$ 10,295,345	\$ 4,119,265	\$ 6,777,432	\$ 30,036,107	\$ 5,268,381
Other	195,856	21,600	1,933	22,555	241,944	447,915
Rent	541,558	-	-	-	541,558	-
Total operating revenues	9,581,479	10,316,945	4,121,198	6,799,987	30,819,609	5,716,296
Operating expenses						
Personal services	1,802,551	1,333,139	1,031,115	568,514	4,735,319	3,943,808
Supplies	1,166,726	117,724	41,357	1,005,547	2,331,354	386,708
Professional services	200,070	14,025	190,838	36,442	441,375	1,490,744
Insurance	31,500	73,709	7,026	7,593	119,828	368,049
Utilities	592,155	5,253,672	38,633	5,177,103	11,061,563	-
Repairs and maintenance	435,701	216,168	22,829	-	674,698	18,489
Depreciation and amortization	1,183,402	253,593	855,165	-	2,292,160	2,920,170
Internal charges	206,707	118,873	171,195	40,272	537,047	-
Other	328,025	148,487	10,955	78,858	566,325	224,076
Total operating expenses	5,946,837	7,529,390	2,369,113	6,914,329	22,759,669	9,352,044
Operating income (loss)	3,634,642	2,787,555	1,752,085	(114,342)	8,059,940	(3,635,748)
Nonoperating revenues (expenses)						
Interest income (loss)	358,272	250,202	215,749	97,570	921,793	205,568
Property taxes	-	-	-	-	-	2,423,496
Intergovernmental revenue	10,000	33,284	1,034,586	193,932	1,271,802	370,622
Amortization of bond premiums	198,767	15,332	23,098	-	237,197	-
Gain on disposal of capital assets	-	2,275	-	-	2,275	426,999
Settlement proceeds	545,237	-	-	-	545,237	-
Bond issuance costs	(50,522)	-	-	-	(50,522)	-
Interest expense	(701,954)	(36,776)	(37,112)	-	(775,842)	(50,919)
Total nonoperating revenues (expenses)	359,800	264,317	1,236,321	291,502	2,151,940	3,375,766
Income (loss) before capital contributions and transfers	3,994,442	3,051,872	2,988,406	177,160	10,211,880	(259,982)
Capital contributions and transfers						
Connection fees and special assessments	344,351	175,893	-	-	520,244	-
Transfers in	-	-	-	-	-	3,939,883
Transfers out	(786,856)	(1,056,966)	(395,072)	(269,594)	(2,508,488)	(371,266)
Change in net position	3,551,937	2,170,799	2,593,334	(92,434)	8,223,636	3,308,635
Net position - January 1	21,651,894	15,368,218	24,977,988	3,273,918	65,272,018	(10,949,302)
Net position - December 31	\$ 25,203,831	\$ 17,539,017	\$ 27,571,322	\$ 3,181,484	\$ 73,495,654	\$ (7,640,667)
Change in net position as reported above					\$ 8,223,636	
Adjustment to reflect consolidation of Internal Service fund activities					(2,263,334)	
Change in net position of business-type activities					\$ 5,960,302	

The accompanying notes are an integral part of these financial statements.

	Business-Type Activities Enterprise Funds					Governmental Activities
	Water	Sewer	Storm Water	Non-Major Fund Solid Waste	Total	Internal Service Funds
Cash flows from operating activities						
Receipts from customers and users	\$ 9,145,487	\$ 9,806,213	\$ 4,050,628	\$ 6,674,885	\$ 29,677,213	\$ -
Receipts from interfund services provided	-	-	-	-	-	5,268,381
Other operating cash receipts	195,856	21,600	1,933	22,555	241,944	447,915
Payments to suppliers	(2,871,715)	(5,933,432)	(334,276)	(6,561,404)	(15,700,827)	(3,230,214)
Payments to employees	(1,799,705)	(1,318,788)	(1,017,405)	(561,743)	(4,697,641)	(4,753,315)
Payments for interfund services provided	(206,707)	(118,873)	(171,195)	(40,272)	(537,047)	-
Net cash flows provided (used) by operating activities	4,463,216	2,456,720	2,529,685	(465,979)	8,983,642	(2,267,233)
Cash flows from noncapital financing activities						
Transfers in	-	-	-	-	-	3,939,883
Transfers out	(786,856)	(1,056,966)	(395,072)	(269,594)	(2,508,488)	(371,266)
Property taxes	-	-	-	-	-	2,429,340
Intergovernmental receipts	10,000	19,044	1,488,442	193,932	1,711,418	480,498
Net cash flows provided (used) by noncapital financing activities	(776,856)	(1,037,922)	1,093,370	(75,662)	(797,070)	6,478,455
Cash flows from capital and related financing activities						
Connection fees/special assessments received	200,207	86,127	-	-	286,334	-
Acquisition of capital assets	(3,232,098)	(940,002)	(2,246,564)	-	(6,418,664)	(2,931,901)
Proceeds from sale of capital assets	-	2,275	-	-	2,275	426,999
Proceeds from settlement	545,237	-	-	-	545,237	-
Proceeds from bond issuance	950,272	-	-	-	950,272	-
Principal paid						
Bonds	(2,169,400)	(160,500)	(185,100)	-	(2,515,000)	-
Leases	-	-	-	-	-	(290,330)
Subscription-based IT arrangements	-	-	-	-	-	(262,533)
Interest paid						
Bonds	(693,206)	(39,091)	(40,586)	-	(772,883)	-
Leases	-	-	-	-	-	(42,324)
Subscription-based IT arrangements	-	-	-	-	-	(497)
Net cash flows provided (used) by capital and related financing activities	(4,398,988)	(1,051,191)	(2,472,250)	-	(7,922,429)	(3,100,586)
Cash flows from investing activities						
Investment income	359,860	250,202	215,749	97,570	923,381	205,568
Net increase (decrease) in cash and cash equivalents	(352,768)	617,809	1,366,554	(444,071)	1,187,524	1,316,204
Cash and cash equivalents - January 1	6,546,815	5,501,708	4,017,211	2,654,501	18,720,235	4,671,364
Cash and cash equivalents - December 31	\$ 6,194,047	\$ 6,119,517	\$ 5,383,765	\$ 2,210,430	\$ 19,907,759	\$ 5,987,568

The accompanying notes are an integral part of these financial statements.

	Business-Type Activities Enterprise Funds					Governmental Activities
	Water	Sewer	Storm Water	Non-Major Fund Solid Waste	Totals	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ 3,634,642	\$ 2,787,555	\$ 1,752,085	\$ (114,342)	\$ 8,059,940	\$ (3,635,748)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities						
Depreciation and amortization	1,183,402	253,593	855,165	-	2,292,160	2,920,170
(Increase) decrease in assets/deferred outflows						
Accounts receivable	(133,897)	(489,132)	(79,508)	(102,547)	(805,084)	-
Lease receivable	341,059	-	-	-	341,059	-
Prepaid items	9,574	(26,083)	(22,708)	1,200	(38,017)	(505,031)
Inventories	(20,915)	-	-	-	(20,915)	-
Deferred outflows of resources	-	-	-	-	-	3,989,708
Increase (decrease) in liabilities/deferred inflows						
Accounts payable	34,427	(83,624)	(155)	(260,610)	(309,962)	(69,492)
Due to other governments	(25,124)	60	225	3,549	(21,290)	(167,625)
Deposits payable	-	-	10,871	-	10,871	-
Accrued salaries payable	16,156	5,369	7,058	6,790	35,373	240
Accrued flex spending	-	-	-	-	-	(65,241)
Unearned revenue	(9,900)	-	-	-	(9,900)	-
Pollution payable	(115,500)	-	-	-	(115,500)	-
Compensated absences payable	(13,310)	8,982	6,652	(19)	2,305	559,371
Other postemployment benefits	-	-	-	-	-	1,394,843
Net pension liability	-	-	-	-	-	(2,664,454)
Deferred inflows of resources	(437,398)	-	-	-	(437,398)	(4,023,974)
Net cash provided (used) by operating activities	<u>\$ 4,463,216</u>	<u>\$ 2,456,720</u>	<u>\$ 2,529,685</u>	<u>\$ (465,979)</u>	<u>\$ 8,983,642</u>	<u>\$ (2,267,233)</u>
Noncash capital and related financing activities						
Amortization of bond premiums	\$ 198,767	\$ 15,332	\$ 23,098	\$ -	\$ 237,197	\$ -
Capital assets acquired via subscription-based IT arrangements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 944,804
Acquisition of capital assets via contracts payable	\$ 158,214	\$ 17,050	\$ 58,351	\$ -	\$ 233,615	\$ 5,425

The accompanying notes are an integral part of these financial statements.

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Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of St. Louis Park, Minnesota (the City) was incorporated in 1886 and operates a council-manager form of government under the “Home Rule Charter” concept according to applicable Minnesota laws and statutes. The governing body consists of a seven-member City Council elected by the voters of the City.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies.

A. FINANCIAL REPORTING ENTITY

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City (the primary government) and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the City’s operations and so data from these units are combined with data of the City.

BLENDED COMPONENT UNITS

The Economic Development Authority (EDA) is an entity legally separate from the City. However, for financial reporting purposes, the EDA is reported as if it were part of the City’s operations because the members of the City Council serve as EDA Board Members and the City has the ability to access EDA resources. Separate financial statements are not prepared for the EDA.

The following capital project funds are maintained by the EDA: Development EDA and Redevelopment District.

RELATED ORGANIZATION

The Housing Authority (HA) is an entity legally separate from the City. The HA is governed by a Board of Commissioners appointed by the City Council. However, the City’s accountability for the HA does not extend beyond making the appointments.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or business-type activity is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or business-type activity. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity and 2) grants and contributions that are restricted to meeting

the operational or capital requirements of a particular function or business-type activity. Taxes and other items not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

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

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

The City reports the following major governmental funds:

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

The *Housing Rehabilitation Fund* is used to account for revenues from revenue bond fees and expenditures related to preventing deterioration of multi-unit housing.

The *Affordable Housing Trust Fund* is used to account for the operations related to supporting and expanding efforts to maintain and support naturally occurring affordable housing and other housing opportunities.

The *Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the government.

The *Development EDA Fund* accounts for transactions related to redevelopment efforts in the City; financing is provided by investment income, grants, and developer reimbursements.

The *Redevelopment District Fund* accounts for transactions relative to acquisition and development in the City's tax increment redevelopment districts; financing is provided by the sale of general obligation tax increment bonds along with tax increment property tax payments.

The *Capital Fund* accounts transactions related to city-wide capital projects including work completed on streets, sidewalks, trails, and other capital projects. Revenues and financing are provided through bonding, franchise fees, intergovernmental revenues, property taxes, investment income, and other miscellaneous revenues.

The City reports the following major enterprise funds:

The *Water Fund* accounts for the provisions of water services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, billing and collection.

The *Sewer Fund* accounts for the provisions of sewer services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, billing and collection.

The *Storm Water Fund* accounts for the revenue and expenses related to providing storm water to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including administration, operations, construction, maintenance, billing and collection.

The City reports the following non-major enterprise funds:

The *Solid Waste Fund* accounts for the revenue and expense related to collection, disposal, and recycling of residential solid waste. Financing is provided by charging each property owner a predetermined service fee.

Additionally, the government reports the following fund types:

Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments on a cost reimbursement basis. The City's internal service funds account for employee benefits including postemployment benefits and pensions, insurance, and capital replacement.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, are similarly treated when they involve other funds of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water, sewer, solid waste and storm water enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. BUDGETARY INFORMATION

Budgets are legally adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are legally adopted for the General Fund, the following special revenue funds: Housing Rehabilitation, Affordable Housing Trust, Cable Television, Community Development, Special Service Districts, and Climate Investment Funds, and the following capital projects fund: Development EDA.

Budgeted amounts are reported as originally adopted, or as amended by the City Council. Budgeted expenditure appropriations lapse at year end.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the appropriation, is not employed by the City because it is at present not considered necessary to assure effective budgetary control or to facilitate effective cash management.

E. LEGAL COMPLIANCE - BUDGETS

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. The City Council reviews the proposed budget and makes appropriate changes.
3. Public hearings are conducted to obtain taxpayer comments.
4. The budget is legally enacted through passage of a resolution on a departmental/divisional basis and can be expended by each department based upon detailed budget estimates for individual expenditure accounts in accordance with the provisions of Section 6.05 of the City Charter.
5. After the budget resolution is approved, the City Council can increase the budget only by resolution if actual receipts exceed the estimated, or from accumulated fund balance in the amount of unexpended appropriations from the previous fiscal year.

CITY OF ST. LOUIS PARK, MINNESOTA**NOTES TO FINANCIAL STATEMENTS**

December 31, 2025

6. Formal budgetary integration is employed as a management control device during the year for the General Fund.
7. Legal debt obligation indentures determine the appropriation level and debt service tax levies for the Debt Service Fund. Supplementary budgets are adopted for the Proprietary Funds to determine and calculate user charges. These debt service and budget amounts represent general obligation bond indenture provisions and net income for operation and capital maintenance and are not reflected in the financial statements.
8. A capital improvement program is reviewed annually by the City Council for the Capital Project Funds. However, appropriations for major projects are not adopted until the actual bid award of the improvement. The appropriations are not reflected in the financial statements.
9. The legal level of budgetary control is at the fund level. Expenditures may not legally exceed budgeted appropriations at the total fund level. The City Council must approve all expenditures at fund level either by resolution or through the disbursement process.

The following is a listing of funds whose expenditures exceeded budgeted appropriations for the year ended December 31, 2025:

	<u>Final Budget</u>	<u>Actual</u>	<u>Over Budget</u>
Major Funds:			
General Fund	\$ 53,921,264	\$ 56,063,838	\$ 2,142,574
Housing Rehabilitation	53,000	144,034	91,034
Development EDA	4,817,871	11,402,766	6,584,895
Nonmajor Funds:			
Special Revenue Fund:			
Climate Investment	183,000	358,027	175,027

10. Monitoring of budgets is maintained at the expenditure category level (i.e., personal services, supplies, and other services and charges, and capital outlay) within each program. Management can exceed appropriations at the department level without City Council approval. Approval must be received for exceeding budgeted appropriations at the fund level.
11. The City Council may authorize transfer of budgeted amounts between City funds.

F. CASH AND INVESTMENTS

Cash and investment balances from all funds are pooled and invested to the extent available in authorized investments. Investment income is allocated to individual funds on the basis of average monthly cash balances. The City's investment policy dictates that the General fund is to receive the first three percent of all interest earnings as an administrative fee. The administrative fee does not apply to the Economic Development Authority.

Investments are stated at fair value, based upon quoted market prices, except for investments in 2a7-like external investment pools, which are stated at amortized cost. Investment income is accrued at the balance sheet date.

For purposes of the statement of cash flows, the Proprietary Funds consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. All of the cash and investments allocated to the Proprietary Fund types have original maturities of 90 days or less. Therefore the entire balance in such fund types is considered cash equivalents.

It is the City's policy to invest in a manner that seeks to ensure preservation of capital in the overall portfolio. Safety of principal is the foremost objective, but liquidity and yield are also important considerations. The objective will be to mitigate credit risk by purchasing only highly rated securities with adequate collateral and interest rate risk by matching maturities to cash flow needs and holding securities to maturity.

G. ACCOUNTS RECEIVABLE

Property taxes and special assessment receivables have been reported net of estimated uncollectible accounts (See Note 1 I and J). The City annually certifies delinquent water and sewer accounts to the County for collection in the following year. Because utility bills are considered liens on property, no estimated uncollectible amounts are established. Uncollectible amounts are not material for other receivables and have not been reported.

H. INTERFUND RECEIVABLES AND PAYABLES

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., short-term cash borrowings) or "interfund loan receivable/payable" (i.e., interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

I. PROPERTY TAX REVENUE RECOGNITION

The City Council annually adopts a tax levy and certifies it to the County in December (levy/assessment date) of each year for collection in the following year. The County is responsible for billing and collecting all property taxes for itself, the City, the local School District and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. Real property taxes are payable (by property owners) on May 15 and October 15 of each calendar year. Personal property taxes are payable by taxpayers on February 28 and June 30 of each year. These taxes are collected by the County and remitted to the City on or before July 7 and December 2 of the same year. Delinquent collections for November and December are received the following January. The City has no ability to enforce payment of property taxes by property owners. The County possesses this authority.

The City recognizes property tax revenue when it becomes both measurable and available to finance expenditures of the current period. In practice, current and delinquent taxes and State credits received by the City in July, December and January are recognized as revenue for the current year. Taxes collected by the County by December 31 (remitted to the City the following January) and taxes and credits not received at year end are classified as delinquent and due from County taxes receivable. The portion of delinquent taxes not collected by the City in January is fully offset by deferred inflow of resources because they are not available to finance current expenditures.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The City recognizes property tax revenue in the period for which the taxes were levied. Uncollectible property taxes are not material and have not been reported.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

The City's property tax revenue includes payment from the Metropolitan Revenue Distribution (Fiscal Disparities Formula) per Minnesota Statute 473F. This statute provides a means of spreading a portion of the taxable valuation of commercial/industrial real property to various taxing authorities within the defined metropolitan area. The valuation "shared" is a portion of commercial/industrial property valuation growth since 1971. Property taxes paid to the City through this formula for December 31, 2025 totaled \$3,143,039. Receipt of property taxes from this "fiscal disparities pool" does not increase or decrease total tax revenue.

J. SPECIAL ASSESSMENT REVENUE RECOGNITION

Special assessments are levied against benefited properties for the cost or a portion of the cost of special assessment improvement projects in accordance with State Statutes. These assessments are collectible by the City over a term of years usually consistent with the term of the related bond issue. Collection of annual installments (including interest) is handled by the County Auditor in the same manner as property taxes. Property owners are allowed to (and often do) prepay future installments without interest or prepayment penalties.

Once a special assessment roll is adopted, the amount attributed to each parcel is a lien upon that property until full payment is made or the amount is determined to be excessive by the City Council or court action. If special assessments are allowed to go delinquent, the property is subject to tax forfeit sale and the first proceeds of that sale (after costs, penalties and expenses of sale) are remitted to the City in payment of delinquent special assessments. Pursuant to State Statutes, a property shall be subject to a tax forfeit sale after three years unless it is homesteaded, agricultural or seasonal recreational land in which event the property is subject to such sale after five years.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The City recognizes special assessment revenue in the period that the assessment roll was adopted by the City Council. Uncollectible special assessments are not material and have not been reported.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Revenue from special assessments is recognized by the City when it becomes measurable and available to finance expenditures of the current fiscal period. In practice, current and delinquent special assessments received by the City are recognized as revenue for the current year. Special assessments that are collected by the County by December 31 (remitted to the City the following January) and are also recognized as revenue for the current year. All remaining delinquent, deferred, and special deferred assessments receivable in governmental funding are completely offset by deferred inflow of resources.

K. INVENTORIES

Inventory is valued at cost using the first-in, first out (FIFO) method. Inventory consists mainly of expendable supplies held for consumption. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased.

L. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

M. CAPITAL ASSETS

Capital assets, which include right-to-use lease assets, subscription assets, property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and intangible assets such as easements and computer software, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an estimated useful life in excess of three years and an initial individual cost of more than the following:

Capitalization Threshold	
Land	All
Buildings	\$50,000
Other Improvements	\$50,000
Machinery and equipment	\$25,000
Vehicles	\$25,000
Infrastructure	\$250,000
Other assets	\$50,000
Construction in progress	Accumulate all costs and capitalize if over \$100,000 when completed

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at estimated acquisition value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment, including right-to-use lease assets and subscription assets of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

Buildings and structures	5 – 30 years
Improvements other than buildings	5 – 30 years
Infrastructure	5 – 100 years
Machinery, furniture and equipment	3 – 30 years
Right-to-use lease assets	Shorter of useful life or lease term
Subscription assets	Shorter of useful life or subscription term
Fleet	3 – 25 years
Temporary easements	3 – 5 years

Capital assets of the water utility and sewer utility operations include the water distribution system and sewer collection system. These systems have been wholly (or substantially) financed by non-operating funds (special assessments, general taxes, federal and state grants, and other sources) and contribution to the Water and Sewer operating funds. City policy is to finance these assets by the sources indicated rather than by user charges.

Accordingly, the water and sewer user rates are not established at levels sufficient to cover depreciation on these assets.

The City implemented GASB 51, *Accounting and Financial Reporting for Intangible Assets* effective January 1, 2010, which required the City to capitalize and amortize intangible assets. Pursuant to GASB Statement No. 51, the retroactive reporting of permanent easements is not required and therefore, the City has elected not to report permanent easements acquired in years prior to 2010.

N. COMPENSATED ABSENCES

It is the City's policy to permit employees to accumulate earned but unused vacation, sick pay and flex leave benefits. All liabilities for vacation leave, sick leave, flex leave and severance, both current and long-term that are attributable to services already rendered, accumulate and are more likely than not to be used for time off or otherwise paid, are recorded in the Employee Benefits Fund, an Internal Service Fund for governmental funds, and in the individual enterprise funds. The personnel ordinance limits the annual accumulation of benefits that can be accumulated from year-to-year. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

O. LONG-TERM OBLIGATIONS

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

P. FUND BALANCE CLASSIFICATIONS

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:

Nonspendable - 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 amounts that are constrained for specific purposes that are internally imposed by formal action (resolution) of the City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned - consists of internally imposed constraints. These constraints reflect the specific purpose for which it is the City's intended use. These constraints are established by the City Council and/or management. Pursuant to City Council Resolution, the City's Chief Financial Officer and/or City Manager 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 resources are available for use, it is the City's policy to first use restricted resources, then use unrestricted resources as they are needed.

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

Q. INTERFUND TRANSACTIONS

Interfund services provided and used are accounted for as revenues, expenditures or expenses, and are reported as internal charges. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

R. NET POSITION

Net position represents the difference between assets/deferred outflows and liabilities/deferred inflows. 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 acquire capital assets.
- b) Restricted net position – consist of net position restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.
- c) Unrestricted net position – all other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

S. USE OF ESTIMATES

The preparation of financial statements in accordance with generally accepted accounting principles (GAAP) requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

T. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial 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 government has two items that qualify for reporting in this category. They are the pension and OPEB related deferred outflows of resources reported in the government-wide statement of net position and the proprietary funds statement of net position.

In addition to liabilities, the statement of financial position 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 government has lease, pension, and OPEB related deferred inflows of resources reported in the government-wide statement of net position and the proprietary funds statement of net position. The government also has a type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental fund balance sheet. The governmental funds report unavailable revenues from the following sources: property taxes, special assessments, bond reimbursement payments not yet due and other miscellaneous unavailable revenue.

U. DEFINED BENEFIT PENSION PLAN

For purposes of measuring the net pension liability, deferred outflows and inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to and 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.

V. LEASE RECEIVABLE

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the commencement of the lease in an amount equal to the initial recording of the lease receivable, and is recognized as revenue over the lease term.

Note 2 DEPOSITS AND INVESTMENTS

A. DEPOSITS

In accordance with Minnesota Statutes, the City maintains deposits at those depository banks authorized by the City Council, all of which are members of the Federal Reserve System.

Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the City Treasurer or in a financial institution other than that furnishing the collateral.

Authorized collateral – Minnesota Statute 118.A.03 identifies allowable forms of collateral.

Custodial Credit Risk - deposits – Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Minnesota Statutes require that insurance, surety bonds or collateral protect all City deposits. The fair value of collateral pledged must equal 110% of deposits not covered by insurance or bonds. The City has no additional deposit policies addressing custodial credit risk. As of December 31, 2025, the bank balance of the City's deposits was \$54,636 all of which was covered by federal depository insurance or by collateral pledged and held in the City's name.

B. INVESTMENTS

Subject to rating, yield, maturity and issuer requirements as prescribed by statute, Minnesota Statutes 118A.04 and 118A.05 authorized the City to invest in United States securities, state and local securities, commercial paper, time deposits, temporary general obligation bonds, repurchase agreements, Minnesota joint powers investment trust and guaranteed investment contracts.

At December 31, 2025, the City had the following investments and maturities:

Investment Type	Rating	Investment Maturities (in Years)		
		Fair Value	Less Than 1	1-5
4M - External Investment Pool	AAAm	\$ 41,240,547	\$ 41,240,547	\$ -
4MP - External Investment Pool	AAAm	16,142,337	16,142,337	-
4M LTD - External Investment Pool	AAAm	5,116,768	5,116,768	-
Money Market Funds	AAA	191,952	191,952	-
Certificates of Deposit*	BBB- - AA-	1,707,099	1,220,950	486,149
Certificates of Deposit*	NR	1,454,853	733,859	720,994
Municipal Bonds	AA - AAA	8,230,642	598,452	7,632,190
US Treasuries	AA+	20,357,225	-	20,357,225
US Agencies	AA+	23,163,695	-	23,163,695
Total		<u>\$ 117,605,118</u>	<u>\$ 65,244,865</u>	<u>\$ 52,360,253</u>
		Total investments		\$ 117,605,118
		Deposits		(2,170,519)
		Cash on hand		<u>5,711</u>
		Total cash and investments		<u>\$ 115,440,310</u>

* Investments in Certificates of Deposit are limited such that the investment in any individual issuer does not exceed FDIC insurance.

The deficit deposit balance represents checks which were outstanding at year end. As checks are cleared, amounts are automatically transferred to the deposit account to fund the disbursements.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy has three levels. Level 1 investments are valued using inputs that are based on quoted market prices. Level 2 investments are valued using inputs that are based on matrix pricing models. Level 3 investments are valued using inputs that are unobservable.

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

Investment Type	12/31/2025	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Investments at fair value:				
Certificates of Deposit	\$ 3,161,952	\$ -	\$ 3,161,952	\$ -
Municipal Bonds	8,230,642	-	8,230,642	-
US Treasuries	20,357,225	20,357,225	-	-
US Agencies	<u>23,163,695</u>	<u>-</u>	<u>23,163,695</u>	<u>-</u>
Total/Subtotal	54,913,514	<u>\$ 20,357,225</u>	<u>\$ 34,556,289</u>	<u>\$ -</u>
Investments not categorized:				
Money Market Funds	191,952		-	-
4M - External Investment Pool	41,240,547			
4MP - External Investment Pool	16,142,337			
4M LTD - External Investment Pool	<u>5,116,768</u>			
Total	<u>\$ 117,605,118</u>			

The 4M fund is an external investment pool which is regulated by Minnesota Statutes and the Board of Directors of the League of Minnesota Cities. For the 4M Multi-Class Fund (which includes the Liquid Asset Class and the PLUS Class), the fair value of the position in the pool is the same as the value of pool shares. The pool is managed to maintain a portfolio weighted average maturity of no greater than 60 days and seeks to maintain a constant net asset value (NAV) of \$1 per share. Investments are measured at amortized cost in accordance with GASB Statement No. 79. The 4M Liquid Asset (4M) Class has no redemption requirements. The 4M PLUS (4MP) Class requires funds to be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period are subject to penalty equal to 7 days interest on the amount withdrawn.

The 4M Limited Term Duration (LTD) Fund requires a minimum balance of at least \$50,000. Redemptions from the LTD Fund may only be made monthly and require at least two weeks advance notice. The Fund measures its investments at fair value and has a floating NAV per share which is determined daily.

C. INVESTMENT RISKS

Custodial credit risk – investments – For investments in securities, custodial credit risk is the risk that in the event of failure of the counterparty to a transaction, the City will not be able to recover the value of its investment securities that are in the possession of an outside party. Investments in investment pools and money markets are not evidenced by securities that exist in physical or book entry form, and therefore are not subject to custodial credit risk disclosures. The City's investment policy requires the City's security broker/dealers to provide its audited financial statements, proof of NASD certification, proof of state registration, and certification of having read, understood and agreed to comply with the City's investment policy. Investments in securities are held by the City's broker-dealer of which \$500,000 is insured through SIPC. Each broker-dealer has provided additional protection by providing additional insurance. This insurance is subject to aggregate limits applied to all of the broker-dealers accounts.

Interest rate risk – Interest rate risk is the risk that changes in interest rates of debt investments could adversely affect the fair value of an investment. The City's investment policy states the investment portfolio will remain sufficiently liquid to enable the City to meet all operating and capital requirements

that might be reasonably anticipated. The maximum maturity of investments shall not extend beyond five years, unless related to specific cash flow needs.

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligation to the holder of the investment. State law limits investments to commercial paper to those rated in the highest quality category by at least two nationally recognized rating agencies; in any security of the State of Minnesota or any of its municipalities which is rated “A” or better by a national bond rating service for general obligation and rated “AA” or better for a revenue obligation; a general obligation of the Minnesota Housing Finance Agency to those rated “A” or better by a national bond rating agency; mutual funds or money market funds whose investments are restricted to securities described in MS 118A.04. The City’s investment policy does not place further restrictions on investment options.

Concentration of credit risk – Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government’s investment in a single issuer. The City’s investment policy states no more than 50% of its investment portfolio can be invested in municipal bonds or MHFA securities. Investments in a single issuer exceeding 5% of the City’s overall cash and investment portfolio are in various holdings as follows:

US Treasuries	17.31%
US Agencies	19.70%

Note 3 RECEIVABLES

A. LOANS RECEIVABLE

The City has made loans to local businesses and individuals that qualify for various loan programs. The businesses and individuals pay varying installments on the loans. Depending on the loan program, some of the loans are secured by an interest in the property.

Certain loans are forgivable after 30 years if specific criteria are met. At this time, information is not available to develop an estimate for any loans which may be forgiven. Therefore, no allowance has been recorded. As loan maturity dates approach, the City will evaluate whether an allowance for forgivable loans should be recorded in the financial statements.

As of December 31, 2025, the loans receivable balance was \$16,910,069.

CITY OF ST. LOUIS PARK, MINNESOTA**NOTES TO FINANCIAL STATEMENTS**

December 31, 2025

Significant receivable balances not expected to be collected within one year of December 31, 2025 are as follows:

	Loans Receivable	Special Assessments Receivable	Property Taxes	Interfund Loans Receivable	Pledges Receivable	Total
Major Funds:						
General Fund	\$ -	\$ -	\$ 161,300	\$ -	\$ -	\$ 161,300
Housing Rehabilitation Fund	3,575,952	7,090,700	-	-	-	10,666,652
Affordable Housing Trust Fund	4,057,013	-	5,000	1,987,275	-	6,049,288
Debt Service Fund	1,045,000	-	-	-	-	1,045,000
Development EDA Fund	4,138,681	-	-	1,414,833	-	5,553,514
Redevelopment District Fund	2,686,336	-	-	-	-	2,686,336
Capital Fund	-	-	-	-	450,000	450,000
Water Fund	-	56,000	-	-	-	56,000
Sewer Fund	-	479,000	-	-	-	479,000
Nonmajor Governmental Funds	525,323	715,700	-	-	-	1,241,023
Total	<u>\$ 16,028,305</u>	<u>\$ 8,341,400</u>	<u>\$ 166,300</u>	<u>\$ 3,402,108</u>	<u>\$ 450,000</u>	<u>\$ 28,388,113</u>

Note 4 UNAVAILABLE REVENUE

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

	Unavailable
Delinquent property taxes receivable (General Fund)	\$ 322,573
Delinquent property taxes receivable (Affordable Housing Trust Fund)	10,044
Special assessments not yet due (Housing Rehabilitation Fund)	7,346,079
Special assessments not yet due (Nonmajor Funds)	847,924
Bond reimbursement payments not yet due (Debt Service Funds)	1,120,000
Due from other governments (Capital Fund)	112,902
Other miscellaneous (Development EDA Fund)	3,390,000
Other miscellaneous (Redevelopment District Fund)	2,043,330
Other miscellaneous (Capital Fund)	550,000
Other miscellaneous (Nonmajor Funds)	80,670
Total unavailable revenue for governmental funds	<u>\$ 15,823,522</u>

CITY OF ST. LOUIS PARK, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

Note 5 CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 17,255,135	\$ -	\$ -	\$ 17,255,135
Permanent easements	1,441,876	-	-	1,441,876
Construction in progress	12,952,158	13,546,942	17,710,063	8,789,037
Total capital assets, not being depreciated	31,649,169	13,546,942	17,710,063	27,486,048
Capital assets, being depreciated and amortized:				
Buildings and structures	70,204,775	131,110	-	70,335,885
Improvements other than buildings	55,867,159	667,305	-	56,534,464
Infrastructure	84,979,733	17,569,072	-	102,548,805
Machinery, furniture and equipment	15,631,039	703,987	405,794	15,929,232
Fleet	12,923,689	3,172,336	1,010,325	15,085,700
Lease assets - fleet	148,797	-	-	148,797
Lease assets - machinery, furniture and equipment	1,356,187	-	-	1,356,187
Subscription-based IT arrangements	258,303	1,023,403	206,034	1,075,672
Total capital assets, being depreciated and amortized	241,369,682	23,267,213	1,622,153	263,014,742
Less accumulated depreciation and amortization for:				
Buildings and structures	25,796,916	1,694,898	-	27,491,814
Improvements other than buildings	27,298,674	2,187,202	-	29,485,876
Infrastructure	43,331,677	4,472,900	-	47,804,577
Machinery, furniture and equipment	10,697,216	1,229,093	405,794	11,520,515
Fleet	7,573,727	1,315,964	1,010,325	7,879,366
Lease assets - fleet	82,231	30,694	-	112,925
Lease assets - machinery, furniture and equipment	239,345	275,049	-	514,394
Subscription-based IT arrangements	216,451	256,715	206,034	267,132
Total accumulated depreciation and amortization	115,236,237	11,462,515	1,622,153	125,076,599
Total capital assets being depreciated and amortized - net	126,133,445	11,804,698	-	137,938,143
Governmental activities capital assets - net	\$ 157,782,614	\$ 25,351,640	\$ 17,710,063	\$165,424,191
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 515,082	\$ -	\$ -	\$ 515,082
Construction in progress	4,973,101	5,613,683	8,978,577	1,608,207
Total capital assets, not being depreciated	5,488,183	5,613,683	8,978,577	2,123,289
Capital assets, being depreciated:				
Buildings and structures	5,088,651	-	-	5,088,651
Improvements other than buildings	10,003,517	515,811	-	10,519,328
Infrastructure	91,951,763	8,512,188	55,272	100,408,679
Machinery, furniture and equipment	9,444,972	245,888	-	9,690,860
Total capital assets, being depreciated	116,488,903	9,273,887	55,272	125,707,518
Less accumulated depreciation for:				
Buildings and structures	4,698,453	24,796	-	4,723,249
Improvements other than buildings	5,774,916	412,721	-	6,187,637
Infrastructure	37,867,164	1,543,588	-	39,410,752
Machinery, furniture and equipment	5,977,528	311,055	-	6,288,583
Total accumulated depreciation	54,318,061	2,292,160	-	56,610,221
Total capital assets being depreciated - net	62,170,842	6,981,727	55,272	69,097,297
Business-type activities capital assets - net	\$ 67,659,025	\$ 12,595,410	\$ 9,033,849	\$ 71,220,586

CITY OF ST. LOUIS PARK, MINNESOTA**NOTES TO FINANCIAL STATEMENTS**

December 31, 2025

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 67,880
Public safety	861,532
Operations	5,172,992
Parks and recreation	2,300,137
Public information	43,741
Social and economic development	96,063
Internal service	<u>2,920,170</u>
Total depreciation and amortization expense - governmental activities	<u>\$ 11,462,515</u>
Business-type activities:	
Water	\$ 1,183,402
Sewer	253,593
Storm water	<u>855,165</u>
Total depreciation expense - business-type activities	<u>\$ 2,292,160</u>

CITY OF ST. LOUIS PARK, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

December 31, 2025

Note 6 CITY INDEBTEDNESS

The City issues general obligation bonds, to provide funds for the acquisition and construction of major capital facilities. The City's long-term liabilities are segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the City.

As of December 31, 2025, long-term liabilities of the City consisted of the following:

	Issue Date	Final Maturity Date	Interest Rates	Authorized And Issued	Outstanding 12/31/2025
<u>Governmental Activities:</u>					
General Long-Term Debt:					
General Improvement Bonds:					
G.O. Improvement Bonds Series 2014A	12/18/2014	2/1/2026	2.00%	\$ 5,070,000	\$ 555,000
G.O. Improvement Bonds Series 2016A	7/14/2016	2/1/2027	1.375 - 2.375%	10,000,000	2,295,000
G.O. Improvement Bonds Series 2017A	7/13/2017	2/1/2028	2.125 - 3.00%	3,430,000	1,135,000
G.O. Improvement Bonds Series 2018A	6/14/2018	2/1/2033	3.00 - 4.00%	2,020,000	900,000
G.O. Improvement Bonds Series 2019A	4/10/2019	2/1/2035	2.00 - 4.00%	22,220,000	18,880,000
G.O. Improvement Bonds Series 2019B	11/26/2019	2/1/2032	3.00 - 5.00%	7,585,000	4,935,000
G.O. Improvement Bonds Series 2020A	11/10/2020	2/1/2042	2.00 - 4.00%	10,505,000	8,925,000
G.O. Improvement Bonds Series 2021A	4/15/2021	2/1/2038	1.15 - 2.00%	12,385,000	10,525,000
G.O. Improvement Bonds Series 2024A	6/25/2024	2/1/2040	3.45 - 3.90%	3,050,000	3,050,000
Total General Improvement Bonds				<u>76,265,000</u>	<u>51,200,000</u>
G.O. Special Assessment Bonds:					
G.O. Improvement Bonds Series 2012A HIA	10/17/2012	2/1/2033	0.75 - 3.90%	1,290,000	605,000
G.O. Improvement Bonds Series 2019C HIA	11/26/2019	2/1/2028	2.00 - 2.20%	2,200,000	690,000
G.O. Improvement Bonds Series 2022B	9/7/2022	2/1/2043	3.5 - 4.25%	4,900,000	4,635,000
Total G.O. Special Assessment Bonds				<u>8,390,000</u>	<u>5,930,000</u>
G.O. Revenue bonds:					
G.O. Improvement Refunding Bonds Series 2022A	6/21/2022	2/1/2037	3.8 - 4.125%	1,345,000	1,120,000
Total G.O. Revenue Bonds				<u>1,345,000</u>	<u>1,120,000</u>
Issuance premiums (discounts)	N/A	N/A	N/A	<u>N/A</u>	<u>2,410,027</u>
Total - bonded indebtedness				<u>86,000,000</u>	<u>60,660,027</u>
Lease liability	N/A	N/A	.31 - 7.28%	<u>N/A</u>	<u>865,089</u>
Subscription liability	N/A	N/A	2.31 - 2.86%	<u>N/A</u>	<u>699,691</u>
Compensated absences payable	N/A	N/A	N/A	<u>N/A</u>	<u>5,240,420</u>
Other post employment benefits	N/A	N/A	N/A	<u>N/A</u>	<u>7,507,643</u>
Net pension liability - GERF	N/A	N/A	N/A	<u>N/A</u>	<u>7,671,727</u>
Net pension liability - PEPFF	N/A	N/A	N/A	<u>N/A</u>	<u>8,753,927</u>
Total - net pension liability				<u>N/A</u>	<u>16,425,654</u>
Total governmental activities long-term liabilities				<u>86,000,000</u>	<u>91,398,524</u>

CITY OF ST. LOUIS PARK, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

December 31, 2025

Business-Type Activities:

General Obligation Revenue Bonds:

Utility Revenue Bonds Series 2014A	12/18/2014	2/1/2026	2.00%	\$ 4,930,000	\$ 540,000
Utility G.O. Improvement Bonds Series 2017A	7/13/2017	2/1/2033	2.125 - 3.00%	4,985,000	2,910,000
Utility G.O. Revenue Bonds Series 2018A	6/14/2018	2/1/2033	3.00 - 4.00%	6,780,000	4,015,000
Utility G.O. Revenue Bonds Series 2019B	11/26/2019	2/1/2030	3.00 - 5.00%	7,520,000	4,220,000
Utility G.O. Revenue Bonds Series 2020A	11/10/2020	2/1/2036	2.00 - 4.00%	5,035,000	3,970,000
Utility G.O. Revenue Bonds Series 2024B	9/12/2024	2/1/2040	2.54 - 3.49%	5,750,000	5,750,000
Utility G.O. Revenue Bonds Series 2025A	8/26/2025	2/1/2036	2.5 - 3.52%	915,000	915,000
Total General Obligation Revenue Bonds				35,915,000	22,320,000
Issuance premiums (discounts)	N/A	N/A	N/A	N/A	1,527,695
Total - bonded indebtedness				35,915,000	23,847,695
Compensated absences payable	N/A	N/A	N/A	N/A	205,931
Pollution remediation liability	N/A	N/A	N/A	N/A	259,500
Total business-type activities long-term liabilities				35,915,000	24,313,126
Total long-term liabilities				\$ 121,915,000	\$ 115,711,650

GOVERNMENTAL ACTIVITIES

Annual debt service requirements to maturity for the governmental activities long-term debt are as follows:

Year Ending December 31	G.O. Improvement Bonds		G.O. Special Assessment Bonds		G.O. Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 5,400,000	\$ 1,387,555	\$ 525,000	\$ 215,063	\$ 75,000	\$ 43,041
2027	5,230,000	1,233,258	545,000	198,853	80,000	39,941
2028	5,390,000	1,052,930	395,000	183,435	80,000	36,741
2029	5,200,000	867,699	280,000	171,508	85,000	33,441
2030	5,140,000	702,474	290,000	161,476	85,000	30,126
2031	4,465,000	566,971	300,000	150,903	90,000	26,801
2032	4,575,000	454,894	315,000	139,700	95,000	23,286
2033	3,405,000	357,497	320,000	127,780	100,000	19,481
2034	3,180,000	272,463	245,000	117,003	100,000	15,481
2035	3,265,000	184,988	255,000	107,248	105,000	11,381
2036	1,195,000	125,875	265,000	96,848	110,000	7,013
2037	1,225,000	97,200	275,000	85,979	115,000	2,372
2038	1,250,000	68,700	290,000	74,538	-	-
2039	655,000	45,750	300,000	62,440	-	-
2040	670,000	28,450	310,000	49,783	-	-
2041	475,000	14,950	325,000	36,444	-	-
2042	480,000	5,100	340,000	22,313	-	-
2043	-	-	355,000	7,544	-	-
Total	\$ 51,200,000	\$ 7,466,754	\$ 5,930,000	\$ 2,008,858	\$ 1,120,000	\$ 289,105

It is not practicable to determine the specific year for payment of long-term accrued compensated absences.

BUSINESS-TYPE ACTIVITIES

Annual debt service requirements to maturity for the business-type long-term debt are as follows:

Year Ending December 31	G.O. Revenue Bonds	
	Principal	Interest
2026	\$ 2,590,000	\$ 744,878
2027	2,280,000	655,063
2028	2,390,000	563,713
2029	2,485,000	467,425
2030	2,585,000	375,934
2031	1,710,000	305,425
2032	1,775,000	249,575
2033	1,820,000	193,750
2034	900,000	150,875
2035	925,000	121,250
2036	955,000	91,200
2037	450,000	67,200
2038	465,000	48,900
2039	485,000	29,900
2040	505,000	10,100
Total	<u>\$ 22,320,000</u>	<u>\$ 4,075,188</u>

It is not practicable to determine the specific year for payment of long-term accrued compensated absences.

CITY OF ST. LOUIS PARK, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

CHANGE IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
G.O. improvement bonds	\$ 56,285,000	\$ -	\$ 5,085,000	\$ 51,200,000	\$ 5,400,000
G.O. tax increment bonds	-	-	-	-	-
G.O. special assessment bonds	6,445,000	-	515,000	5,930,000	525,000
G.O. revenue bonds	1,190,000	-	70,000	1,120,000	75,000
Add:					
Premiums on bonds	2,716,273	-	300,600	2,415,673	-
Discounts on bonds	(6,436)	-	(790)	(5,646)	-
Total bonds payable	66,629,837	-	5,969,810	60,660,027	6,000,000
Lease liability	1,155,418	-	290,329	865,089	294,787
Subscription liability	17,420	944,804	262,533	699,691	231,975
Compensated absences *	4,681,049	559,371	-	5,240,420	3,841,283
Other post-employment benefits *	6,112,800	1,394,843	-	7,507,643	303,544
Net pension liability *	19,090,108	-	2,664,454	16,425,654	-
Total governmental activity					
long-term liabilities	<u>\$ 97,686,632</u>	<u>\$ 2,899,018</u>	<u>\$ 9,187,126</u>	<u>\$ 91,398,524</u>	<u>\$ 10,671,589</u>
Business-type activities:					
Bonds payable:					
G.O. revenue bonds	\$ 23,920,000	\$ 915,000	\$ 2,515,000	\$ 22,320,000	\$ 2,590,000
Add:					
Premiums on bonds	1,679,102	85,790	237,197	1,527,695	-
Total bonds payable	25,599,102	1,000,790	2,752,197	23,847,695	2,590,000
Compensated absences *	203,626	2,305	-	205,931	158,864
Pollution remediation liability	375,000	-	115,500	259,500	259,500
Total business-type activity					
long-term liabilities	<u>\$ 26,177,728</u>	<u>\$ 1,003,095</u>	<u>\$ 2,867,697</u>	<u>\$ 24,313,126</u>	<u>\$ 3,008,364</u>

* The changes in compensated absences, other post-employment benefits, and net pension liability are presented as a net change.

CITY OF ST. LOUIS PARK, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

REVENUE PLEDGED

Future revenue pledged for the payment of long-term debt is as follows:

Bond Issue	Use of Proceeds	Revenue Pledged				Remaining Principal and Interest	Current Year	
		Type	Percent of total debt service	Debt service as a % of net revenues	Pledged Through		Principal and Interest paid	Pledged Revenue received
G.O. Improvement Bonds Series 2012A	Housing Improvement Area	Fee	100%	99%	2033	\$ 699,704	\$ 87,500	\$ 42,682
G.O. Improvement Bonds Series 2010A / Refunding 2019C	Housing Improvement Area	Fee	100%	100%	2028	708,653	292,085	62,148
Utility Revenue Bonds Series 2014A	Utility Infrastructure Projects	Utility charges	100%	100%	2026	545,400	546,100	546,100
Utility Revenue Bonds Series 2017A	Utility Infrastructure Projects	Utility charges	100%	100%	2033	3,244,913	404,875	404,875
Utility Refunding Revenue Bonds Series 2017A	Utility Infrastructure Projects	Utility charges	100%	100%	2025	-	211,150	211,150
Utility Revenue Bonds Series 2018A	Utility Infrastructure Projects	Utility charges	100%	100%	2033	4,518,600	568,600	568,600
Utility Revenue Bonds Series 2019B	Utility Infrastructure Projects	Utility charges	100%	100%	2030	4,684,300	940,650	940,650
G.O. Bonds Series 2020A - Utility portion	Utility Infrastructure Projects	Utility charges	100%	100%	2036	4,535,525	411,550	411,550
G.O. Bonds Series 2020A - Levy portion	Bikeway, Bridge, Pavement Management	Tax Levy	100%	n/a	2042	10,537,025	808,950	864,098
G.O. Bonds Series 2021A	Park Improvements, Louisiana Bridge, Wooddale Bikeway, Pavement Management	Tax Levy	100%	n/a	2038	11,575,684	1,072,568	1,143,206
2022A G.O. Refunding Bonds	Louisiana Court Project	Operating revenues of Louisiana Court	100%	n/a	2037	1,409,107	115,941	1,556
2024A G.O. Bonds	Street Improvements	Tax Levy	100%	n/a	2043	4,019,000	159,170	426,846
2024B G.O. Revenue Bonds	Utility Infrastructure Projects	Utility Charges	100%	n/a	2040	7,669,000	203,806	203,806
2025A G.O. Revenue Bonds	Utility Infrastructure Projects	Utility Charges	100%	n/a	2036	1,197,453	-	-

Note 7 DEFINED BENEFIT PENSION PLANS

A. PLAN DESCRIPTION

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

1. General Employees Retirement Plan (General Plan)

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

2. Public Employees Police and Fire Retirement Plan (Police and Fire Plan)

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

B. BENEFITS PROVIDED

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

1. General Employees Plan Benefits

The General Employees Plan requires three years of service to vest. Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Plan members. Members hired prior to July 1, 1989 receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2% of the highest average salary for each of the first ten years of service and 1.7% for each additional year. Under the Level formula, General Plan members receive 1.7% of the highest average salary for all years of service. For members hired prior to July 1, 1989, a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by 0.25% for each month under age 65.

Members with 30 or more years of service can retire at any age with a reduction of 0.25% for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

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

2. Police and Fire Plan Benefits

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

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

C. CONTRIBUTIONS

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

1. General Employees Fund Contributions

General Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2025 and the City was required to contribute 7.50% for General Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2025, were \$1,620,253. The City's contributions were equal to the required contributions as set by state statute.

2. Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2025 and the City was required to contribute 17.70% for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the year ended December 31, 2025, were \$2,080,682. The City's contributions were equal to the required contributions as set by state statute.

D. PENSION COSTS

1. General Employees Fund Pension Costs

At December 31, 2025, the City reported a liability of \$7,671,727 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$185,066.

City's proportionate share of the net pension liability	\$	7,671,727
State of Minnesota's proportionate share of the net pension liability associated with the City		185,066
Total	\$	<u>7,856,793</u>

The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2024 through June 30, 2025, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.2315% at the end of the measurement period and 0.2360% for the beginning of the period.

For the year ended December 31, 2025, the City recognized pension expense of (\$382,882) for its proportionate share of the General Plan's pension expense. In addition, the City recognized an additional (\$28,387) as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

At December 31, 2025, the City reported General Employees Fund 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	\$ 729,898	\$ -
Changes in actuarial assumptions	184,844	1,753,737
Net difference between projected and actual earnings on pension plan investments	-	3,102,482
Changes in proportion	232,221	556,692
Employer contributions subsequent to the measurement date	814,754	-
Total	<u>\$ 1,961,717</u>	<u>\$ 5,412,911</u>

CITY OF ST. LOUIS PARK, MINNESOTA**NOTES TO FINANCIAL STATEMENTS**

December 31, 2025

The \$814,754 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense
2026	\$ (920,444)
2027	(1,692,701)
2028	(1,107,489)
2029	(545,314)
2030	-
Thereafter	-

2. Police and Fire Fund Pension Costs

At December 31, 2025, the City reported a liability of \$8,753,927 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2024 through June 30, 2025, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.7471% at the end of the measurement period and 0.7879% for the beginning of the period.

The State of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2025. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state aid was paid on October 1, 2024. The direct state aid payment will increase by \$17.7 million which was paid on October 1, 2025. Thereafter, by October 1 of each year, the state will pay \$26.7 million to the Police and Fire Fund until the fund is 110% funded for a minimum of three consecutive years (on an actuarial value of assets basis). The \$9 million in supplemental state aid will continue until the fund and the State Patrol Plan (administered by the Minnesota State Retirement System) are 100% funded for three consecutive years (on an actuarial value of assets basis). The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$303,454.

City's proportionate share of the net pension liability	\$ 8,753,927
State of Minnesota's proportionate share of the net	
pension liability associated with the City	303,454
Total	<u>\$ 9,057,381</u>

For the year ended December 31, 2025, the City recognized pension expense of \$2,283,195 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized an additional \$146,826 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$9 million to the Police and Fire Fund special funding situation.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid, because this

CITY OF ST. LOUIS PARK, MINNESOTA**NOTES TO FINANCIAL STATEMENTS**

December 31, 2025

contribution was not considered to meet the definition of a special funding situation. The City recognized \$67,242 for the year ended December 31, 2025, as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

At December 31, 2025, the City reported Police and Fire Fund 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	\$ 4,000,695	\$ -
Changes in actuarial assumptions	6,353,187	10,819,880
Net difference between projected and actual earnings on pension plan investments	-	4,001,688
Changes in proportion	807,428	1,110,258
Employer contributions subsequent to the measurement date	1,069,616	-
Total	<u>\$ 12,230,926</u>	<u>\$ 15,931,826</u>

The \$1,069,616 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense
2026	\$ 1,773,977
2027	(1,973,388)
2028	(4,211,419)
2029	(478,984)
2030	119,298
Thereafter	-

The net pension liability will be liquidated by the Employee Benefits internal service fund.

E. ACTUARIAL METHODS AND ASSUMPTIONS

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2025, using the entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.25% per year
Investment Rate of Return	7.00%

The long-term investment rate of return is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of

investment return rates considered reasonable by the actuary. An investment return of 7.00% is within that range.

Benefit increases after retirement are assumed to be 1.50% for the General Plan and 1.00% for the Police and Fire Plan.

Salary growth assumptions in the General Plan range in annual increments from 11.50% after one year of service to 3.00% after 27 years of service. In the Police and Fire Plan, salary growth assumptions range in annual increments from 10.75% after one year of service to 3.00% after 23 years of service.

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

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

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

General Employees Fund

Changes in Actuarial Assumptions:

- The combined service annuity loading factors increased from 15% to 19% for vested terminated members and from 3% to 44% for non-vested, terminated members.
- The assumed post-retirement benefit increase changed from 1.25% to 1.50%.

Changes in Plan Provisions:

- The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1.00% 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 1.50%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1.00% and 1.50%.
- The 1.00% 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.

Police and Fire Fund

Changes in Actuarial Assumptions:

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

CITY OF ST. LOUIS PARK, MINNESOTA**NOTES TO FINANCIAL STATEMENTS**

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- The combined service annuity load changed from 33% to 13% for vested, terminated members and from 2% to 38% for non-vested, terminated members.

Changes in Plan Provisions:

- The period of time needed for benefit recipients to receive their first benefit increase was reduced by one year (from 36 months to 24 months for a full increase).
- The January 1, 2026 benefit increase changed from 1.00% to 3.00%; subsequent January 1 increases will be 1.00%.
- The threshold to end the \$9 million annual state aid contribution changed from the earlier of July 1, 2048 or 90% funded for both PERA Police and Fire and MSRS State Patrol for three consecutive years to 100% funded for both PERA Police and Fire and MSRS State Patrol for three consecutive years (on an actuarial value of assets basis).

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	33.5%	5.10%
International equity	16.5%	5.30%
Fixed income	25%	0.75%
Private markets	25%	5.90%
Total	100%	

F. DISCOUNT RATE

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

G. PENSION LIABILITY SENSITIVITY

The following presents the City's proportionate share of the net pension liability, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current discount rate:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
City's Proportionate share of the GERF net pension liability	\$ 18,633,422	\$ 7,671,727	\$ (1,220,674)
City's Proportionate share of the PEPFF net pension liability	\$ 22,937,143	\$ 8,753,927	\$ (2,892,732)

H. 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 at www.mnpera.org.

I. PENSION EXPENSE

Pension expense recognized by the City for the year ended December 31, 2025 is as follows:

General Plan	\$ (382,882)
Police and Fire Plan	<u>2,283,195</u>
Total	<u>\$ 1,900,313</u>

Note 8 DEFINED CONTRIBUTION PLAN

Four council members of the City of St. Louis Park, Minnesota, are covered by the Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The Defined Contribution Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D and 356, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5.00% of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees contributions must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental

CITY OF ST. LOUIS PARK, MINNESOTA**NOTES TO FINANCIAL STATEMENTS**

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Investment Fund. For administering the plan, PERA receives 2.00% of employer contributions and twenty-five hundredths of 1.00% (0.25%) of the assets in each member's account annually.

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

Contribution Amount		Percentage of Covered Payroll		Required
Employer				
Employee	(Pension Expense)	Employee	Employer	Rate
\$ 3,204	\$ 3,204	5%	5%	5%

Note 9 POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**A. PLAN DESCRIPTION**

In addition to providing the pension benefits described in Notes 7 and 8, the City provides post-employment health care benefits, as defined in paragraph B, through its group health insurance plan (the plan). The plan is a single-employer defined benefit OPEB plan administered by the City. The authority to provide these benefits is established in Minnesota Statutes Sections 471.61 Subd. 2a and 299A.465. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and collective bargaining agreements with employee groups. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

B. BENEFITS PROVIDED

The City is required by State Statute to allow retirees to continue participation in the City's group health insurance plan if the individual terminates service with the City through service retirement or disability retirement. Police officers, police, sergeants, police lieutenants, dispatchers, and firefighters age 50 and over with 3 years of service, or age 65 with 1 year of service, may continue medical and dental coverage at their own expense. Non-union and 49ers union employees age 55 with 3 years of service, age 65 with 1 year of service, any age with 30 years of service, or those whose age plus service is at least 90 may continue medical and dental coverage at their own expense. Employees may obtain dependent coverage at retirement only if the employee was receiving dependent coverage immediately prior to retirement. The surviving spouse of an active employee may continue coverage in the group health insurance plan after the employee's death.

All health care coverage is provided through the City's group health insurance plans. The retiree is required to pay 100% of their premium cost for the City-sponsored group health insurance plan in which they participate. The premium is a blended rate determined on the entire active and retiree population. Since the projected claims costs for retirees exceed the blended premium paid by retirees, the retirees are receiving an implicit rate subsidy (benefit). The coverage levels are the same as those afforded to active employees. Upon a retiree reaching age 65, Medicare becomes the primary insurer.

C. PARTICIPANTS

As of the December 31, 2024 valuation date, participants of the plan consisted of:

Active employees electing coverage	287
Active employees waiving coverage	1
Retirees electing coverage	<u>22</u>
Total	<u><u>310</u></u>

D. TOTAL OPEB LIABILITY AND CHANGES IN TOTAL OPEB LIABILITY

The City's total OPEB liability of \$7,507,643 was measured as of December 31, 2025 and was determined by an actuarial valuation as of December 31, 2024. Changes in the total OPEB liability during 2025 were:

Changes for the year:	
Service cost	\$ 345,229
Interest cost	237,746
Changes of benefit terms	-
Differences between expected and actual experience	248,038
Changes in assumptions	867,374
Benefit payments	<u>(303,544)</u>
Net changes	1,394,843
Balance - beginning of year	<u>6,112,800</u>
Balance - end of year	<u><u>\$ 7,507,643</u></u>

Changes in plan provisions since the prior measurement date include:

- Retiree premiums and explicit subsidy amounts were updated to current levels.

E. ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

The total OPEB liability in the December 31, 2024 actuarial valuation, for reporting date December 31, 2025 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	2.50%
Salary increases	Based on the most recently disclosed assumptions for the pension plan in which the employee participates
Discount rate	4.08%
Index rate for 20-year tax-exempt municipal bonds	4.08%
Healthcare trend rates	12.00% for 2025, 7.70% for 2026, gradually decreasing over several decades to an ultimate rate of 3.90% in 2075 and later years
Retirees' share of benefit-related costs	100%

Since the plan is funded on a pay-as-you-go basis, both the discount rate and the investment rate of return were based on published rate information for 20-year, tax exempt municipal bonds as of the measurement date. (Fidelity 20-year Municipal GO AA Index)

Mortality rates for general employees were based on the Pub-2010 General mortality tables with projected mortality improvements based on scale MP-2021, and other adjustments. Mortality rates for Police and Fire employees were based on the Pub-2010 Public Safety mortality tables with projected mortality improvements based on scale MP-2021, and other adjustments.

The actuarial assumptions used in the valuation for reporting date December 31, 2025 are similar to those used to value pension liabilities for Minnesota public employees. The state pension plans base their assumptions on periodic experience studies.

Changes in assumptions and other inputs since the prior measurement date include:

- The discount rate was changed from 3.77% to 4.08% based on updated 20-year municipal bond rates.
- Healthcare trend rates were reset to reflect updated cost increase expectations.
- Medical per capita claims costs were updated to reflect recent experience and new plan offerings.
- Withdrawal, retirement, mortality, disability, and salary increase rates were updated from the rates used in the July 1, 2022 PERA General Employees Plan valuation to the rates used in the 2023 experience study.
- One current Medicare eligible retiree electing a pre-65 medical plan is assumed to remain on the plan for life.

CITY OF ST. LOUIS PARK, MINNESOTA**NOTES TO FINANCIAL STATEMENTS**

December 31, 2025

- The percent of future non Medicare eligible retirees electing each medical plan changed to reflect recent plan experience and new plan offerings. The following table provides the changes for the assumed percent electing each plan:

<u>Medical Plan</u>	<u>Fiscal 2025 Valuation</u>	<u>Fiscal 2025 Valuation</u>
\$30 Co-Pay	30%	20%
\$2,500 Deductible	45%	45%
\$4,500 Deductible - Open Access	20%	35%
\$4,500 Deductible - Select	5%	0%

F. SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following table presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.08%) or 1% higher (5.08%) than the current discount rate of 4.08%:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ 8,274,184	\$ 7,507,643	\$ 6,830,472

G. SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN HEALTHCARE COST TREND RATES

The following table presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (11.00% decreasing to 2.90%) or 1% higher (13.00% decreasing to 4.90%) than the current healthcare cost trend rates (12.00% decreasing to 3.90%):

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability	\$ 6,670,205	\$ 7,507,643	\$ 8,489,342

CITY OF ST. LOUIS PARK, MINNESOTA**NOTES TO FINANCIAL STATEMENTS**

December 31, 2025

H. OPEB EXPENSE AND DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended December 31, 2025, the City recognized \$563,987 of OPEB expense. At December 31, 2025, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual liability	\$ 1,130,895	\$ 2,977
Changes in actuarial assumptions	1,060,089	816,145
Contributions between the measurement date and reporting date	275,194	-
Total	<u>\$ 2,466,178</u>	<u>\$ 819,122</u>

The \$275,194 of the deferred outflows of resources relates to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ending December 31, 2026. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	OPEB Expense
2026	\$ 261,690
2027	253,590
2028	240,170
2029	231,969
2030	83,315
Thereafter	301,128
	<u>\$1,371,862</u>

Note 10 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The City has established interfund loans to finance infrastructure improvements, project reimbursements, housing rehabilitation loans and to provide initial financing for TIF districts. A summary at December 31, 2025 is as follows:

	Interfund Loan Receivable	Interfund Loan Payable
Major Funds:		
Housing Rehabilitation	\$ -	\$ 1,045,273
Affordable Housing Trust	1,987,275	-
Development EDA	1,567,610	-
Redevelopment District	-	2,509,612
Total	<u>\$ 3,554,885</u>	<u>\$ 3,554,885</u>

The city has two interfund loans which are repaid by tax increment generated by the City's TIF districts totaling \$1,567,610 and will be repaid on or before 12/31/2057 at year-end. The City has one interfund loan repaid with special assessments totaling \$1,987,275, repayment to occur over the collection of the receivable special assessment balance

CITY OF ST. LOUIS PARK, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

December 31, 2025

The City provides temporary advances to funds that have insufficient cash balances by means of an advance from another fund shown as due from other funds in the advancing fund, and a due to other fund in the fund with the deficit, until adequate resources are received. At December 31, 2025, amounts due from other funds and due to other funds were \$0.

Interfund transfers at December 31, 2025 are as follows:

Fund	Transfers in							Totals
	General	Affordable Housing Trust	Debt Service	Development EDA	Capital Fund	Nonmajor Governmental	Internal Service Funds	
Transfers out:								
General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,700	\$ 3,871,509	\$ 3,900,209
Housing Rehabilitation	10,369	-	748,250	-	-	-	-	758,619
Development EDA	36,717	-	-	-	1,634,433	-	-	1,671,150
Redevelopment District	-	2,535,000	-	966,923	-	-	-	3,501,923
Capital	-	-	-	18,221	-	-	-	18,221
Nonmajor Governmental	3,261,183	-	-	-	-	-	68,374	3,329,557
Water	786,856	-	-	-	-	-	-	786,856
Sewer	1,056,966	-	-	-	-	-	-	1,056,966
Storm Water	395,072	-	-	-	-	-	-	395,072
Solid Waste	269,594	-	-	-	-	-	-	269,594
Internal Service - Property Casualty	371,266	-	-	-	-	-	-	371,266
Total transfers in	<u>\$ 6,188,023</u>	<u>\$ 2,535,000</u>	<u>\$ 748,250</u>	<u>\$ 985,144</u>	<u>\$ 1,634,433</u>	<u>\$ 28,700</u>	<u>\$ 3,939,883</u>	<u>\$ 16,059,433</u>

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to a debt service fund in accordance with bond documents, (3) move funds in accordance with the City's adopted capital improvement plan to support project costs, and (4) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with City policy.

Note 11 LEASE AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENT DISCLOSURES
A. LESSOR LEASES

The City leases space on its water towers for cellular tower antenna sites. There are ten leases with terms ranging from 108 to 240 months, including up to four renewal periods of 60 months each at the lessee's option. The lease terms include options which the City considers the likelihood of being exercised to be greater than 50%. The agreements call for annual lease payments ranging from \$8,979 to \$69,643. The lease receivables are measured at the present value of future minimum lease payments expected to be received during the lease term at discount rates of 1.085% to 3.398%.

The City has a ground lease with a term of 142 months including two, 60 month extensions at the lessee's option. The agreement calls for annual payments of \$15,764. The lease receivable is measured at the present value of future minimum lease payments expected to be received during the lease term at a discount rate of .31%.

The City has a vehicle towing and impounding lease agreement with a term of 36 months. The agreement calls for monthly payments starting at \$2,100 and payments increasing by the Consumer Price Index annually. The lease receivable is measured at the present value of future minimum lease payments expected to be received during the lease term at a discount rate of .22%.

At December 31, 2025, the City recorded lease receivables of \$4,939,711 and deferred inflows for these arrangements of \$4,551,717. Lease related inflows of resources (revenue) recognized during the year ended December 31, 2025, was \$479,675 including interest revenue of \$79,922. There were no variable revenues associated with these agreements.

B. LESSEE LEASES

As of December 31, 2025, the City has six outstanding vehicle leases. Each lease requires 60 monthly payments from commencement of the lease, ranging from \$360 to \$508. The lease liability is measured at discount rates ranging from 0.31% to 7.28%. The City also has three outstanding office equipment leases for a piece of office equipment. The lease has a term of 60 months with no extension options. The lease requires monthly payments of \$3,410. The lease liability is measured at a discount rate of 2.616%. The city also has two outstanding police equipment leases. Each lease requires five annual payments from commencement of the lease, ranging from \$43,455 to \$199,994. The lease liability is measured at a discount rate of 2.282%.

As a result of the leases, the City has recorded right-to-use lease assets with a net book value of \$877,665 as of December 31, 2025.

The lease liability and right-to-use lease asset for the year ended December 31, 2025 are shown in Note 6 and Note 5, respectively.

Scheduled lease liability payments are as follows:

Year Ending December 31	Governmental Activities	
	Lease Liability	
	Principal	Interest
2026	\$ 294,787	\$ 20,321
2027	281,550	13,022
2028	278,564	6,271
2029	10,188	44
Total	<u>\$ 865,089</u>	<u>\$ 39,658</u>

C. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

As of December 31, 2025, the City had five outstanding right-to-use subscription-based IT arrangements. The subscriptions have annual payments that range from \$17,822 to \$149,923. The subscription liability is measured at discount rates ranging from 2.31% to 2.86%. As of December 31, 2025, the total combined value of the subscription liability is \$699,691, and the total combined value of the short-term subscription liability is \$231,975. The combined value of the right-to-use asset, as of December 31, 2025 is \$1,075,672 with accumulated amortization of \$267,132. There were no variable or other payments associated with these subscriptions, not included in the subscription liability, within the fiscal year.

The subscription liability and subscription-based IT asset for the year ended December 31, 2025 are shown in Note 6 and Note 5, respectively.

Scheduled subscription liability payments are as follows:

Year Ending December 31	Governmental Activities	
	Subscription Liability	
	Principal	Interest
2026	\$ 231,975	\$ 18,677
2027	244,165	12,356
2028	107,110	5,711
2029	116,441	2,976
Total	<u>\$ 699,691</u>	<u>\$ 39,720</u>

CITY OF ST. LOUIS PARK, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

Note 12 FUND BALANCE

A. CLASSIFICATIONS

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

Fund/Description	Nonspendable	Restricted	Committed	Assigned	Unassigned
General Fund					
Prepaid items	\$ 64,491	\$ -	\$ -	\$ -	\$ -
Inventories	254,738	-	-	-	-
E-911 purposes	-	32,225	-	-	-
Public safety aid	-	124,464	-	-	-
Police - community engagement	-	-	-	81,181	-
Tax court petitions	-	-	-	500,000	-
Weather emergencies	-	-	-	150,000	-
Future budgeted years	-	-	-	165,366	-
Unassigned	-	-	-	-	28,494,628
Housing Rehabilitation	-	-	-	7,695,051	-
Affordable Housing Trust	-	15,786,100	-	-	-
Debt Service	-	9,065,171	-	-	-
Development EDA					
Prepaid items	1,484	-	-	-	-
Redevelopment efforts	-	-	-	16,385,837	-
Redevelopment District	-	8,739,501	-	-	(1,824,717)
Capital Fund					
Police and fire purposes	-	1,370,676	-	-	-
Capital projects	-	-	-	6,816,640	-
Nonmajor Governmental Funds					
Cable TV equipment purchases	4,580	16,251	1,550,386	987,187	-
Community development	-	463,063	-	-	-
Special service districts	-	-	-	554,896	-
Climate investment	-	-	115,367	-	-
Opioid settlement	-	125,579	-	-	-
Special assessment (cost recovery)	-	-	-	805	-
Total	<u>\$ 325,293</u>	<u>\$ 35,723,030</u>	<u>\$ 1,665,753</u>	<u>\$ 33,336,963</u>	<u>\$ 26,669,911</u>

Unless separately displayed, constraints are not more specific than the purpose of the fund.

B. MINIMUM FUND BALANCE POLICY

The City Council has formally adopted a fund balance policy for the General Fund.

The policy establishes a year-end target of unassigned fund balance amount for cash flow timing needs in the range of 40-50% of the subsequent years budget expenditures. At December 31, 2025, the unassigned fund balance for the General Fund was 45% of the subsequent year's budgeted expenditures.

C. DEFICIT FUND BALANCE MINIMUM FUND BALANCE POLICY

The negative unassigned fund balance in the Redevelopment District will be resolved with the collection of receivables that are currently offset with unavailable revenue.

Note 13 COMMITMENTS AND CONTINGENCIES

A. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City continues to carry commercial insurance for risks of loss, including workers compensation, property and general liability and employee health and accident 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.

PROPERTY AND CASUALTY INSURANCE

Property and casualty insurance coverage is provided through the League of Minnesota Cities Insurance Trust (LMCIT), a public entity risk pool currently operating as a common risk management and insurance program for Minnesota cities: general liability, excess liability property, automobile, marine, crime, employee dishonesty, boiler and open meeting law.

The City pays an annual premium to the LMCIT for its insurance coverage. The LMCIT is self-sustaining through member premiums and reinsures through commercial companies for claims in excess of various amounts. The City retains risk for the deductible portions of the insurance policies. The deductible amounts are \$50,000 for each occurrence and a \$150,000 annual aggregate.

Current State Statute (Minnesota Statute subd. 466.04) provides limits of liability for the City. These limits are that the combination of defense expense and indemnification expense shall not exceed \$500,000 in the case of one claimant or \$1,500,000 for any number of claims arising out of a single occurrence.

B. LITIGATION

The City attorney has indicated that existing and pending lawsuits, claims and other actions in which the City is a defendant are either covered by insurance; of an immaterial amount; or, in the judgment of the City attorney, remotely recoverable by plaintiffs.

C. FEDERAL AND STATE FUNDS

The City receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the applicable fund. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2025.

D. TAX ABATEMENTS – PAY-AS-YOU-GO TAX INCREMENT

The City EDA provides tax abatements pursuant to Minnesota Statutes 469.174 to 469.1794 (Tax Increment Financing) through a pay-as-you-go note program. Tax increment financing (TIF) can be used to encourage private development, redevelopment, renovation and renewal, growth in low-to-moderate-income housing, and economic development within the City. TIF captures the increase in tax capacity and property taxes from development or redevelopment to provide funding for the related project.

The City has numerous tax increment pay-as-you-go agreements. The agreements are not a general obligation of the City and are payable solely from available tax increment. Accordingly, these agreements are not reflected in the financial statements of the City. The pay-as-you-go note provides for payment to the developer a percentage of all tax increment received in the prior six months. The payment reimburses the developer for public improvements. Principal and interest shall be paid on February 1 and August 1. Payments are payable solely from available tax increment derived from the developed/redeveloped property and paid to the City. The City shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment.

Details of the pay-as-you-go notes are as follows:

District Name / Note Description	Issue Date	Principal Amount	Interest Rate	First Note Pymt	Final Note Pymt	% TIF Available	2025 Payments	12/31/2025 Balance
Park Commons TIF District								
Excelsior & Grand Phase NE	6/5/2006	\$ 4,668,633	8.50%	8/1/2006	2/1/2028	97.00%	\$ 1,101,235	\$ 942,596
Excelsior & Grand Phase NW	6/5/2006	4,079,105	8.50%	8/1/2007	2/1/2028	97.00%	1,232,035	480,509
Excelsior & Grand Phase E	6/5/2006	3,300,715	8.50%	8/1/2006	2/1/2028	97.00%	660,676	2,670,904
							2,993,946	
Elmwood Apartments TIF District								
Elmwood Apartments	4/4/2022	950,000	4.25%	8/1/2022	2/1/2030	95.00%	234,383	63,717
Highway 7 Corporate Center TIF District								
Highway 7 Business Center Note A	7/24/2008	2,100,000	1.00%	8/1/2008	2/1/2034	95.00%	123,908	145,572
Highway 7 Business Center Note B	7/24/2008	360,000	1.00%	8/1/2008	2/1/2034	95.00%	21,241	24,955
Parkway Residual TIF District								
Parkway Place LLC	1/12/2023	3,350,000	3.32%	8/1/2023	8/1/2037	95.00%	320,708	2,827,155
West End TIF District								
Duke Realty Limited Partnership	11/1/2010	21,100,000	6.75%	2/1/2012	2/1/2031	95.00%	4,175,140	17,204,009
Texa Tonka TIF District								
Texa Tonka Apartments LLC	9/14/2023	2,600,000	3.80%	2/1/2024	2/1/2035	95.00%	265,134	2,281,355
Beltline Residences (Opus) TIF District								
Beltline Residences LLC	6/5/2024	5,200,000	4.25%	8/1/2024	2/1/2032	95.00%	559,414	4,728,816
Wooddale Avenue Apartments TIF District								
St. Louis Park AH I, LLLP	3/22/2024	470,000	4.30%	8/1/2024	2/1/2039	95.00%	25,999	462,933
Mera Wayzata TIF District								
Bigos-9920 Wayzata LLC	1/22/2025	6,045,000	4.25%	2/1/2025	8/1/2038	95.00%	392,677	5,786,186
TIF Spending Plan								
Beltline Mixed Use LLC				11/26/2025	11/26/2025		1,710,109	-
Wooddale Station TIF District								
Bigos-Zelia On Seven LLC	2/1/2025	2,066,352	5.00%	2/1/2025	2/1/2033	95.00%	620,031	1,486,624

E. LOUISIANA COURT PROJECT

The City of St. Louis Park has entered into an agreement with Project for Pride in Living Louisiana Court Limited Partnership to issue \$4,505,000 in General Obligation Bonds – Series 2000A for the purpose of acquiring and renovating certain rental housing facilities within the City of St. Louis Park intended primarily for low and moderate income persons and their families. During 2010, the 2000A bonds were refunded by the \$1,770,000 General Obligation Refunding Bonds, Series 2010C. The City of St. Louis Park will receive monthly principal and interest payments from Project for Pride in Living Louisiana Court Limited Partnership to cover all debt service obligations of the City of St. Louis Park on a semi-annual basis. In the event that the City of St. Louis Park does not receive payment from Project for Pride in Living, the City of St. Louis Park is still under obligation to make all debt service payments. At such time, the City of St. Louis Park would pursue collection of above referenced principal and interest payments per the agreement dated May 1, 2000. As of December 31, 2025, the outstanding principal on the bonds is \$1,190,000.

F. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

At December 31, 2025, the City had commitments for the following major construction projects:

Project Name	Contract Number	Remaining Construction Commitment
MSA Street Rehab Monterey Phase 2	4020-1101	\$ 184,797
Beltline SWLRT Pedestrian Improvements	4022-2000	37,688
2025/26 Cedar Lake Road Construction(Phase II)	4024-1100	7,544,492
South Oak Pond Water Quality Improvement Project	4024-4000	1,799
2025 Alley Reconstruction	4025-1500	32,600
25 Excelsior Blvd Street Light	5025-4102	5,425
2025 Sanitary Sewer Gravity Mainline Rehab Rebid	4025-3000	618,823
Minnetonka Blvd	4023-7000	274,011
		<u>\$ 8,699,635</u>

G. POLLUTION REMEDIATION OBLIGATION

At December 31, 2025, the City has recorded a cost estimate for a pollution remediation liability, which is included in the City's long-term liabilities expected to be due within one year. The estimate totals \$259,500 and relates to contamination discovered from soil testing as part of the 2025-2026 Cedar Lake Road and Louisiana Avenue design process. The City has a commitment to create a Remedial Action Plan (RAP) for cleaning up contaminated sites. The RAP was developed in 2024-2025, but removal of contamination will not occur until 2026. The estimate used to establish the liability was developed through site analysis by independent engineers retained by the City. The liability could change due to price increases or decreases, changes in technology, or other factors. There are \$0 expected recoveries from other responsible parties or the City's insurer.

Note 14 CONDUIT DEBT OBLIGATIONS

From time to time, the City has issued industrial, hospital or housing revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial, commercial or housing facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2025, there were 15 revenue bonds issued. The aggregate principal amount payable as of December 31, 2025 is \$162,321,016.

Note 15 CHANGE IN REPORTING ENTITY

During the year ended December 31, 2025, the City's Affordable Housing Trust Fund was changed from a nonmajor governmental fund to a major governmental fund and the City's Special Assessment (Cost Recovery) Fund was changed from a major governmental fund to a nonmajor governmental fund, resulting in a reduction of beginning fund balance for the nonmajor governmental funds. Below is a summary of those changes:

	Governmental Funds		
	Special Assessment (Cost Recovery)	Affordable Housing Trust	Other Nonmajor Governmental Funds
Fund balances - January 1, as previously presented	\$ 3,027,716	\$ -	\$ 15,320,185
Change within financial reporting entity (nonmajor to major)	-	11,625,161	(11,625,161)
Change within financial reporting entity (major to nonmajor)	(3,027,716)	-	3,027,716
Fund balances - January 1, as adjusted	\$ -	\$ 11,625,161	\$ 6,722,740

The Special Assessment (Cost Recovery) Fund was previously named the Permanent Improvement Fund.

Note 16 SUBSEQUENT EVENTS

Subsequent events have been evaluated for recognition or disclosure through June 15, 2026, the date the financial statements were available to be issued.

Note 17 RECENTLY ISSUED ACCOUNTING STANDARDS

The Governmental Accounting Standards Boards (GASB) recently approved the following statements which were not implemented for these financial statements:

Statement No. 103 *Financial Reporting Model Improvements*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2025.

Statement No. 104 *Disclosure of Certain Capital Assets*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2025.

Statement No. 105 *Subsequent Events*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2026.

The effect these standards may have on future financial statements is not determinable at this time.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ST. LOUIS PARK, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2025

Statement 9

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 38,808,815	\$ 38,808,815	\$ 38,476,376	\$ (332,439)
Licenses and permits	4,700,412	4,700,412	5,960,760	1,260,348
Intergovernmental	3,944,443	3,944,443	4,810,091	865,648
Charges for services	3,282,075	3,282,075	3,330,269	48,194
Fines and forfeitures	7,000	7,000	24,561	17,561
Interest income (loss)	500,000	500,000	1,276,248	776,248
Miscellaneous	1,134,925	575,925	1,137,130	561,205
Total revenues	52,377,670	51,818,670	55,015,435	3,196,765
Expenditures				
Current				
General government	13,949,218	13,949,218	13,169,820	(779,398)
Public safety	24,128,936	24,128,936	24,408,209	279,273
Operations	6,202,629	6,202,629	5,884,942	(317,687)
Parks and recreation	8,507,393	8,507,393	8,933,616	426,223
Miscellaneous	843,088	843,088	820,775	(22,313)
Non-departmental internal charges	-	-	1,021,337	1,021,337
Capital outlay				
Public safety	-	-	1,330,898	1,330,898
Operations	290,000	290,000	494,241	204,241
Total expenditures	53,921,264	53,921,264	56,063,838	2,142,574
Revenues over (under) expenditures	(1,543,594)	(2,102,594)	(1,048,403)	1,054,191
Other financing sources (uses)				
Transfers in	2,555,574	2,555,574	6,188,023	3,632,449
Transfers out	(2,100,074)	(1,050,037)	(3,900,209)	(2,850,172)
Total other financing sources (uses)	455,500	1,505,537	2,287,814	782,277
Net change in fund balances	\$ (1,088,094)	\$ (597,057)	1,239,411	\$ 1,836,468
Fund balance - January 1			28,627,682	
Fund balance - December 31			\$ 29,867,093	

See accompanying notes to the required supplementary information.

CITY OF ST. LOUIS PARK, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - HOUSING REHABILITATION FUND
For The Year Ended December 31, 2025

Statement 10

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Special assessments	\$ -	\$ -	\$ 990,331	\$ 990,331
Interest income (loss)	-	-	203,632	203,632
Total revenues	-	-	1,193,963	1,193,963
Expenditures				
Current				
Housing and rehabilitation	53,000	53,000	94,462	41,462
Debt service				
Interest and other	-	-	49,572	49,572
Total expenditures	53,000	53,000	144,034	91,034
Revenues over (under) expenditures	(53,000)	(53,000)	1,049,929	1,102,929
Other financing sources (uses)				
Transfers in	747,050	747,050	-	(747,050)
Transfers out	(757,419)	(757,419)	(758,619)	(1,200)
Total other financing sources (uses)	(10,369)	(10,369)	(758,619)	(748,250)
Net change in fund balances	<u>\$ (63,369)</u>	<u>\$ (63,369)</u>	291,310	<u>\$ 354,679</u>
Fund balances - January 1			<u>7,403,741</u>	
Fund balances - December 31			<u>\$ 7,695,051</u>	

See accompanying notes to the required supplementary information.

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CITY OF ST. LOUIS PARK, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - AFFORDABLE HOUSING TRUST FUND
For The Year Ended December 31, 2025

Statement 11

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 1,228,250	\$ 1,228,250	\$ 1,150,917	\$ (77,333)
Intergovernmental	-	-	848,543	848,543
Charges for services	-	-	2,100	2,100
Interest income (loss)	-	-	401,307	401,307
Miscellaneous	-	-	57,799	57,799
Total revenues	1,228,250	1,228,250	2,460,666	1,232,416
Expenditures				
Current				
Housing and rehabilitation	1,950,000	1,950,000	834,727	(1,115,273)
Total expenditures	1,950,000	1,950,000	834,727	(1,115,273)
Revenues over (under) expenditures	(721,750)	(721,750)	1,625,939	2,347,689
Other financing sources (uses)				
Transfers in	-	-	2,535,000	2,535,000
Transfers out	(747,050)	(747,050)	-	747,050
Total other financing sources (uses)	(747,050)	(747,050)	2,535,000	3,282,050
Net change in fund balances	\$ (1,468,800)	\$ (1,468,800)	4,160,939	\$ 5,629,739
Fund balances - January 1			11,625,161	
Fund balances - December 31			\$ 15,786,100	

CITY OF ST. LOUIS PARK, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

Last Ten Years*

	2025	2024
Total OPEB Liability:		
Service cost	\$ 345,229	\$ 320,296
Interest cost	237,746	237,569
Differences between expected and actual experience	248,038	(487)
Changes in assumptions	867,374	158,893
Benefit payments	(303,544)	(298,130)
Net change in total OPEB liability	1,394,843	418,141
Total OPEB liability - beginning	6,112,800	5,694,659
Total OPEB liability - ending	<u>\$ 7,507,643</u>	<u>\$ 6,112,800</u>
Covered-employee payroll	\$29,510,114	\$27,187,358
Total OPEB liability as a percentage of covered-employee payroll	25.4%	22.5%

* The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2018 and is intended to show a ten year trend. Additional years will be added as they become available.

2023	2022	2021	2020	2019	2018
\$ 390,372	\$ 369,731	\$ 310,714	\$ 273,727	\$ 312,898	\$ 273,798
117,569	120,277	119,920	148,042	122,728	126,654
480,554	(4,674)	1,214,476	-	269,604	-
(1,176,364)	93,700	169,400	131,969	(170,614)	120,221
(233,409)	(214,438)	(226,393)	(214,270)	(211,503)	(140,966)
(421,278)	364,596	1,588,117	339,468	323,113	379,707
6,115,937	5,751,341	4,163,224	3,823,756	3,500,643	3,120,936
<u>\$ 5,694,659</u>	<u>\$ 6,115,937</u>	<u>\$ 5,751,341</u>	<u>\$ 4,163,224</u>	<u>\$ 3,823,756</u>	<u>\$ 3,500,643</u>
\$25,827,906	\$26,492,137	\$24,937,137	\$24,950,067	\$23,867,837	\$22,206,835
22.0%	23.1%	23.1%	16.7%	16.0%	15.8%

See accompanying notes to the required supplementary information.

CITY OF ST. LOUIS PARK, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -

GENERAL EMPLOYEES RETIREMENT FUND

Last Ten Years

Statement 13

Measurement Date June 30	Fiscal Year Ending December 31	City's Proportionate Share (Percentage) of the Net Pension Liability	City's Proportionate Share (Amount) of the Net Pension Liability (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with City (b)	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with City (a+b)	Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	2016	0.2258%	\$ 18,333,840	\$ 239,395	\$ 18,573,235	\$ 14,027,206	132.4%	68.9%
2017	2017	0.2269%	14,485,146	182,131	14,667,277	14,714,583	99.7%	75.9%
2018	2018	0.2307%	12,798,290	419,668	13,217,958	15,513,575	85.2%	79.5%
2019	2019	0.2358%	13,036,854	405,149	13,442,003	16,684,548	80.6%	80.2%
2020	2020	0.2373%	14,227,219	438,865	14,666,084	16,929,758	86.6%	79.1%
2021	2021	0.2397%	10,236,264	312,569	10,548,833	17,305,663	61.0%	87.0%
2022	2022	0.2387%	18,905,119	554,246	19,459,365	17,852,413	109.0%	76.7%
2023	2023	0.2449%	13,694,534	377,584	14,072,118	19,401,899	72.5%	83.1%
2024	2024	0.2360%	8,724,424	225,596	8,950,020	19,973,187	44.8%	89.1%
2025	2025	0.2315%	7,671,727	185,066	7,856,793	20,960,802	37.5%	90.8%

See accompanying notes to the required supplementary information.

CITY OF ST. LOUIS PARK, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION

Statement 14

SCHEDULE OF PENSION CONTRIBUTIONS - GENERAL EMPLOYEES RETIREMENT FUND

Last Ten Years

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
December 31, 2016	\$ 1,076,319	\$ 1,076,319	\$ -	\$ 14,350,435	7.50%
December 31, 2017	1,122,359	1,122,359	-	14,965,469	7.50%
December 31, 2018	1,206,070	1,206,070	-	16,080,867	7.50%
December 31, 2019	1,270,160	1,270,160	-	16,935,462	7.50%
December 31, 2020	1,330,896	1,330,896	-	17,746,254	7.50%
December 31, 2021	1,320,869	1,320,869	-	17,605,379	7.50%
December 31, 2022	1,366,394	1,366,394	-	18,218,564	7.50%
December 31, 2023	1,443,924	1,443,924	-	19,252,322	7.50%
December 31, 2024	1,537,072	1,537,072	-	20,494,293	7.50%
December 31, 2025	1,620,253	1,620,253	-	21,603,378	7.50%

See accompanying notes to the required supplementary information.

CITY OF ST. LOUIS PARK, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -

PUBLIC EMPLOYEES POLICE AND FIRE FUND

Last Ten Years

Statement 15

Measurement Date June 30	Fiscal Year Ending December 31	City's Proportionate Share (Percentage) of the Net Pension Liability	City's Proportionate Share (Amount) of the Net Pension Liability (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with City (b)	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with City (a+b)	Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	2016	0.7090%	\$ 28,453,404	\$ -	\$ 28,453,404	\$ 6,826,711	416.8%	63.9%
2017	2017	0.7010%	9,464,334	-	9,464,334	7,214,850	131.2%	85.4%
2018	2018	0.7220%	7,695,776	-	7,695,776	7,675,241	100.3%	88.8%
2019	2019	0.7803%	8,307,082	-	8,307,082	8,227,972	101.0%	89.3%
2020	2020	0.7570%	9,978,070	235,086	10,213,156	8,551,806	119.4%	87.2%
2021	2021	0.7605%	5,870,254	263,913	6,134,167	8,990,234	68.2%	93.7%
2022	2022	0.7696%	33,489,952	1,463,172	34,953,124	9,345,528	374.0%	70.5%
2023	2023	0.7788%	13,448,864	541,749	13,990,613	10,229,973	136.8%	86.5%
2024	2024	0.7879%	10,365,684	395,136	10,760,820	10,910,365	98.6%	90.2%
2025	2025	0.7471%	8,753,927	303,454	9,057,381	11,348,819	79.8%	91.8%

See accompanying notes to the required supplementary information.

CITY OF ST. LOUIS PARK, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS - PUBLIC EMPLOYEES POLICE AND FIRE FUND
Last Ten Years

Statement 16

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
December 31, 2016	\$ 1,127,487	\$ 1,127,487	\$ -	\$ 6,959,796	16.20%
December 31, 2017	1,210,648	1,210,648	-	7,473,136	16.20%
December 31, 2018	1,284,219	1,284,219	-	7,927,279	16.20%
December 31, 2019	1,433,661	1,433,661	-	8,458,178	16.95%
December 31, 2020	1,602,879	1,602,879	-	9,055,812	17.70%
December 31, 2021	1,635,494	1,635,494	-	9,240,074	17.70%
December 31, 2022	1,700,317	1,700,317	-	9,606,308	17.70%
December 31, 2023	1,799,416	1,799,416	-	10,166,187	17.70%
December 31, 2024	2,008,062	2,008,062	-	11,344,984	17.70%
December 31, 2025	2,080,682	2,080,682	-	11,755,266	17.70%

See accompanying notes to the required supplementary information.

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Note A LEGAL COMPLIANCE – BUDGETS

The General Fund and Housing Rehabilitation budgets are legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the fund level for the major funds. General Fund expenditures exceeded budget by \$2,142,574. Housing Rehabilitation Fund expenditures exceeded budget by \$91,034.

Note B PENSION INFORMATION

PERA – General Employees Retirement Fund

2025 Changes

Changes in Actuarial Assumptions:

- The combined service annuity loading factors increased from 15% to 19% for vested terminated members and from 3% to 44% for non-vested, terminated members.
- The assumed post-retirement benefit increase changed from 1.25% to 1.50%.

Changes in Plan Provisions:

- The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1.00% 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 1.50%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1.00% and 1.50%.
- The 1.00% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

2024 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

2023 Changes

Changes in Actuarial Assumptions:

- The investment return assumption and single discount rate were changed from 6.50% to 7.00%.

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$170.1 million was 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 2.50% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 Changes

Changes in Actuarial Assumptions:

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

2021 Changes

Changes in Actuarial Assumptions:

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

2020 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- Augmentation for current privatized members was reduced to 2.00% for the period July 1, 2020 through December 31, 2023 and 0.00% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- The employer supplemental contribution was changed prospectively, decreasing from \$31 million to \$21 million per year. The State's special funding contribution was changed prospectively, requiring \$16 million due per year through 2031.

2018 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Annual increases were changed from 1.00% per year with a provision to increase to 2.50% upon attainment of 90% funding ratio to 50% of the Social Security Cost-of Living Adjustment, not less than 1.00% and not more than 1.50%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions:

- The Combined Service Annuity (CSA) loads were changed from 0.80% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.00% for active member liability, 15.00% for vested deferred member liability, and 3.00% for non-vested deferred member liability.
- The assumed annual increase rate was changed from 1.00% per year for all years to 1.00% per year through 2044 and 2.50% per year thereafter.

Changes in Plan Provisions:

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

2016 Changes

Changes in Actuarial Assumptions:

- The assumed annual benefit increase rate was changed from 1.00% per year through 2035 and 2.50% per year thereafter to 1.00% per year for all years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate was changed from 7.90% to 7.50%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

PERA – Public Employees Police and Fire Fund

2025 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- The period of time needed for benefit recipients to receive their first benefit increase was reduced by one year (from 36 months to 24 months for a full increase).
- The January 1, 2026 benefit increase changed from 1.00% to 3.00%; subsequent January 1 increases will be 1.00%.
- The threshold to end the \$9 million annual state aid contribution changed from the earlier of July 1, 2048 or 90% funded for both PERA Police and Fire and MSRS State Patrol for three consecutive years to 100% funded for both PERA Police and Fire and MSRS State Patrol for three consecutive years (on an actuarial value of assets basis).
- The threshold to end the additional \$9 million annual state aid contribution changed from the earlier of July 1, 2048 or 100% funded for a minimum of three consecutive years to 110% funded for a minimum of three consecutive years (on an actuarial value of assets basis).
- An additional \$17.7 million in direct state aid will be paid annually each October 1 beginning October 1, 2025 through June 30, 2048.
- Joint and survivor actuarial equivalent factors were updated to reflect changes in assumptions.

2024 Changes

Changes in Plan Provisions:

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

2023 Changes

Changes in Actuarial Assumptions:

- The investment return assumption was changed from 6.50% to 7.00%.
- The single discount rate changed from 5.40% to 7.00%.

2023 Changes (continued)

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$19.4 million was contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50% vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, non-compounding benefit increase of 3.00% will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

2022 Changes

Changes in Actuarial Assumptions:

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

2021 Changes

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MP-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020, experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020, experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60% to 70%. Minor changes to form of payment assumptions were applied.

2020 Changes

Changes in Actuarial Assumptions:

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

2019 Changes

Changes in Actuarial Assumptions:

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

2018 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- Annual increases were changed to 1.00% for all years, with no trigger.
- An end date of July 1, 2048, was added to the existing \$9 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9 million thereafter until the plan reaches 100% funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80% to 11.30% of pay, effective January 1, 2019, and 11.80% of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20% to 16.95% of pay, effective January 1, 2019, and 17.70% of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions:

- The single discount rate was changed from 5.60% to 7.50%.
- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30% for vested and non-vested deferred members. The CSA was changed to 33% for vested members and 2% for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.00% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65% to 60%.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed annual benefit increase rate was changed from 1.00% for all years to 1.00% per year through 2064 and 2.50% thereafter.

2016 Changes

Changes in Actuarial Assumptions:

- The assumed annual benefit increase rate was changed from 1.00% per year through 2037 and 2.50% per year thereafter to 1.00% per year for all future years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate changed from 7.90% to 5.60%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Note C OPEB INFORMATION

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits. There are no factors that affect trends in the amounts reported, such as changes in benefit terms or assumptions.

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COMBINING FUND STATEMENTS AND SCHEDULES

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NONMAJOR GOVERNMENTAL FUNDS

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NONMAJOR GOVERNMENTAL FUNDS

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

Cable Television Fund – used to account for revenues received from franchise fees and expenditures related to regulation of the privately owned cable television company.

Community Development Fund – used to account for funds received under Title I of the Housing and Community Development Act of 1974.

Special Service Districts Fund – used to account for the operations of Special Service Districts. Revenues are received from each district's property owners and are used to provide additional services, primarily snow removal, within each District.

Climate Investment Fund – used to account for programs related to supporting climate change efforts.

Opioid Settlement Fund – used to account for opioid settlement funds.

Special Assessment (Cost Recovery) – used to account for improvement projects such as fire alarm installations, and mandated safety improvements for hazardous buildings. Revenues are through the use of special assessments, interest income, and other miscellaneous revenues.

	Special Revenue Funds						
	Cable Television	Community Development	Special Service Districts	Climate Investment	Opioid Settlement	Special Assessment (Cost Recovery)	Total
Assets							
Cash and investments	\$ 2,453,082	\$ 18,412	\$ 568,137	\$ 247,428	\$ 128,452	\$ -	\$ 3,415,511
Accounts receivable	126,184	-	1,993	-	-	395	128,572
Prepaid items	4,580	-	-	-	-	-	4,580
Special assessments receivable - delinquent	-	-	2,565	-	-	9,102	11,667
Special assessments receivable - deferred	-	-	276,304	-	-	561,650	837,954
Loans receivable - noncurrent	-	525,323	-	-	-	-	525,323
Total assets	<u>\$ 2,583,846</u>	<u>\$ 543,735</u>	<u>\$ 848,999</u>	<u>\$ 247,428</u>	<u>\$ 128,452</u>	<u>\$ 571,147</u>	<u>\$ 4,923,607</u>
Liabilities							
Accounts payable	\$ 2,457	\$ 2	\$ 16,245	\$ 132,061	\$ 2,873	\$ 276	\$ 153,914
Salaries payable	22,985	-	-	-	-	-	22,985
Total liabilities	<u>25,442</u>	<u>2</u>	<u>16,245</u>	<u>132,061</u>	<u>2,873</u>	<u>276</u>	<u>176,899</u>
Deferred inflows of resources							
Unavailable revenue	-	80,670	277,858	-	-	570,066	928,594
Fund balances							
Nonspendable	4,580	-	-	-	-	-	4,580
Restricted	16,251	463,063	-	-	125,579	-	604,893
Committed	1,550,386	-	-	115,367	-	-	1,665,753
Assigned	987,187	-	554,896	-	-	805	1,542,888
Total fund balances	<u>2,558,404</u>	<u>463,063</u>	<u>554,896</u>	<u>115,367</u>	<u>125,579</u>	<u>805</u>	<u>3,818,114</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,583,846</u>	<u>\$ 543,735</u>	<u>\$ 848,999</u>	<u>\$ 247,428</u>	<u>\$ 128,452</u>	<u>\$ 571,147</u>	<u>\$ 4,923,607</u>

CITY OF ST. LOUIS PARK, MINNESOTA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended December 31, 2025

	Special Revenue Funds	
	Cable Television	Community Development
Revenues		
Franchise taxes	\$ 535,244	\$ -
Intergovernmental	-	-
Special assessments	-	-
Interest income (loss)	111,120	846
Miscellaneous	1,012	-
Total revenues	647,376	846
Expenditures		
Current		
General government	-	-
Public safety	-	-
Public information	482,218	-
Housing and rehabilitation	-	13
Social and economic development	-	-
Non-departmental internal charges	9,062	-
Capital outlay		
Public safety	-	-
Total expenditures	491,280	13
Revenues over (under) expenditures	156,096	833
Other financing sources (uses)		
Transfers in	-	-
Transfers out	-	-
Total other financing sources (uses)	-	-
Net change in fund balances	156,096	833
Fund balances:		
Fund balance - January 1, as previously presented	2,402,308	462,230
Changes within financial reporting entity (nonmajor to major fund)	-	-
Changes within financial reporting entity (major to nonmajor fund)	-	-
Fund balance - January 1, as adjusted	2,402,308	462,230
Fund balance - December 31	\$ 2,558,404	\$ 463,063

Special Revenue Funds					
Special Service Districts	Affordable Housing Trust	Climate Investment	Opioid Settlement	Special Assessment (Cost Recovery)	Total
\$ -		\$ -	\$ -	\$ -	\$ 535,244
-		-	209,579	-	209,579
281,869		-	-	160,778	442,647
19,766		18,115	8,085	147,087	305,019
997		-	-	-	2,009
302,632	-	18,115	217,664	307,865	1,494,498
-		-	-	73,581	73,581
-		-	13,571	12	13,583
-		-	-	-	482,218
-		-	-	-	13
144,249		358,027	-	-	502,276
-		-	-	-	9,062
-		-	17,534	-	17,534
144,249	-	358,027	31,105	73,593	1,098,267
158,383	-	(339,912)	186,559	234,272	396,231
28,700		-	-	-	28,700
-		-	(68,374)	(3,261,183)	(3,329,557)
28,700	-	-	(68,374)	(3,261,183)	(3,300,857)
187,083	-	(339,912)	118,185	(3,026,911)	(2,904,626)
367,813	11,625,161	455,279	7,394	-	15,320,185
-	(11,625,161)	-	-	-	(11,625,161)
-	-	-	-	3,027,716	3,027,716
367,813	-	455,279	7,394	3,027,716	6,722,740
\$ 554,896	\$ -	\$ 115,367	\$ 125,579	\$ 805	\$ 3,818,114

CITY OF ST. LOUIS PARK, MINNESOTA
CABLE TELEVISION FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For The Year Ended December 31, 2025

Statement 19

	2025			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Franchise taxes	\$ 616,397	\$ 616,397	\$ 535,244	\$ (81,153)
Interest income (loss)	-	-	111,120	111,120
Miscellaneous	-	-	1,012	1,012
Total revenues	616,397	616,397	647,376	30,979
Expenditures				
Current				
Public information	466,305	466,305	482,218	15,913
Non-departmental internal charges	-	-	9,062	9,062
Capital outlay				
Public information	160,000	160,000	-	(160,000)
Total expenditures	626,305	626,305	491,280	(135,025)
Revenues over (under) expenditures	(9,908)	(9,908)	156,096	166,004
Other financing sources (uses)				
Transfers out	(9,062)	(9,062)	-	9,062
Total other financing sources (uses)	(9,062)	(9,062)	-	9,062
Net change in fund balances	\$ (18,970)	\$ (18,970)	156,096	\$ 175,066
Fund balances - January 1			2,402,308	
Fund balances - December 31			\$ 2,558,404	

CITY OF ST. LOUIS PARK, MINNESOTA
COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For The Year Ended December 31, 2025

Statement 20

	2025			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 165,000	\$ 165,000	\$ -	\$ (165,000)
Interest income (loss)	-	-	846	846
Total revenues	165,000	165,000	846	(164,154)
Expenditures				
Current				
Housing and rehabilitation	165,000	165,000	13	(164,987)
Total expenditures	165,000	165,000	13	(164,987)
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	833	<u>\$ 833</u>
Fund balances - January 1			462,230	
Fund balances - December 31			<u>\$ 463,063</u>	

CITY OF ST. LOUIS PARK, MINNESOTA
SPECIAL SERVICE DISTRICTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For The Year Ended December 31, 2025

Statement 21

	2025			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Special assessments	\$ 274,415	\$ 274,415	\$ 281,869	\$ 7,454
Interest income (loss)	-	-	19,766	19,766
Miscellaneous	1,933	1,933	997	(936)
Total revenues	276,348	276,348	302,632	26,284
Expenditures				
Current				
Social and economic development	311,195	311,195	144,249	(166,946)
Total expenditures	311,195	311,195	144,249	(166,946)
Revenues over (under) expenditures	(34,847)	(34,847)	158,383	193,230
Other financing sources (uses)				
Transfers in	28,700	28,700	28,700	-
Net change in fund balances	\$ (6,147)	\$ (6,147)	187,083	\$ 193,230
Fund balances - January 1			367,813	
Fund balances - December 31			\$ 554,896	

CITY OF ST. LOUIS PARK, MINNESOTA
CLIMATE INVESTMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For The Year Ended December 31, 2025

Statement 22

	2025			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Interest income (loss)	\$ -	\$ -	\$ 18,115	\$ 18,115
Total revenues	-	-	18,115	18,115
Expenditures				
Current				
Social and economic development	183,000	183,000	358,027	175,027
Total expenditures	183,000	183,000	358,027	175,027
Net change in fund balances	<u>\$ (183,000)</u>	<u>\$ (183,000)</u>	(339,912)	<u>\$ (156,912)</u>
Fund balances - January 1			455,279	
Fund balances - December 31			<u>\$ 115,367</u>	

CITY OF ST. LOUIS PARK, MINNESOTA
DEVELOPMENT EDA FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For The Year Ended December 31, 2025

Statement 23

	2025			
	Budgeted Amounts			Variance with Final
	Original	Final	Actual Amounts	Budget
Revenues				
Property taxes	\$ 187,000	\$ 187,000	\$ 228,965	\$ 41,965
Lodging tax	783,969	783,969	1,095,421	311,452
Intergovernmental	-	-	4,739,261	4,739,261
Charges for services	158,000	158,000	188,472	30,472
Interest income (loss)	45,000	45,000	625,722	580,722
Miscellaneous	3,473,000	3,473,000	2,095,611	(1,377,389)
Total revenues	4,646,969	4,646,969	8,973,452	4,326,483
Expenditures				
Current				
Social and economic development	1,717,871	1,717,871	11,402,766	9,684,895
Capital outlay				
Social and economic development	3,100,000	3,100,000	-	(3,100,000)
Total expenditures	4,817,871	4,817,871	11,402,766	6,584,895
Revenues over (under) expenditures	(170,902)	(170,902)	(2,429,314)	(2,258,412)
Other financing sources (uses)				
Transfers in	-	-	985,144	985,144
Transfers out	(36,717)	(36,717)	(1,671,150)	(1,634,433)
Total other financing sources (uses)	(36,717)	(36,717)	(686,006)	(649,289)
Net change in fund balances	\$ (207,619)	\$ (207,619)	(3,115,320)	\$ (2,907,701)
Fund balance - January 1			19,502,641	
Fund balance - December 31			\$ 16,387,321	

See accompanying notes to the required supplementary information.

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INTERNAL SERVICE FUNDS

The City has five Internal Service Funds to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments on a cost reimbursement basis. The City's internal service funds account for employee benefits including pensions and other postemployment benefits, insurance, and capital replacement.

	Employee Benefits	Property Casualty	Vehicles & Equipment	Municipal Building and Infrastructure	Technology	Total
Assets						
Current assets						
Cash and investments	\$ 248,233	\$ 552,087	\$ 2,164,012	\$ 1,849,351	\$ 1,173,885	\$ 5,987,568
Due from other governments	-	-	30,000	175,038	3,919	208,957
Taxes receivable - unremitted	391	-	-	1,340	3,010	4,741
Prepaid items	518,213	293,434	-	-	439,787	1,251,434
Total current assets	766,837	845,521	2,194,012	2,025,729	1,620,601	7,452,700
Noncurrent assets						
Capital assets						
Nondepreciable capital assets, at cost						
Land	-	-	-	-	818,094	818,094
Construction in progress	-	-	-	228,600	-	228,600
Total nondepreciable capital assets	-	-	-	228,600	818,094	1,046,694
Depreciable capital assets, at cost						
Building and structures	-	-	-	9,612,834	38,598	9,651,432
Improvements other than buildings	-	-	49,248	3,441,199	323,087	3,813,534
Infrastructure	-	-	-	622,563	691,238	1,313,801
Machinery, furniture and equipment	-	-	6,279,315	509,882	4,137,756	10,926,953
Fleet	-	-	13,181,457	-	589,840	13,771,297
Total depreciable capital assets, at cost	-	-	19,510,020	14,186,478	5,780,519	39,477,017
Less: accumulated depreciation	-	-	(11,296,343)	(5,059,276)	(4,381,236)	(20,736,855)
Total depreciable capital assets, net of accumulated depreciation	-	-	8,213,677	9,127,202	1,399,283	18,740,162
Amortizable capital assets, at cost						
Subscription-based IT arrangements	-	-	-	-	1,075,672	1,075,672
Lease assets - machinery, furniture and equipment	-	-	-	-	1,356,187	1,356,187
Lease assets - fleet	-	-	148,797	-	-	148,797
Total amortizable capital assets, at cost	-	-	148,797	-	2,431,859	2,580,656
Less: accumulated amortization	-	-	(112,925)	-	(781,526)	(894,451)
Total amortizable capital assets, net of accumulated amortization	-	-	35,872	-	1,650,333	1,686,205
Total capital assets, net of accumulated depreciation and amortization	-	-	8,249,549	9,355,802	3,867,710	21,473,061
Total noncurrent assets	-	-	8,249,549	9,355,802	3,867,710	21,473,061
Total assets	766,837	845,521	10,443,561	11,381,531	5,488,311	28,925,761
Deferred outflows of resources						
Related to pensions	14,192,643	-	-	-	-	14,192,643
Related to OPEB	2,466,178	-	-	-	-	2,466,178
Total deferred outflows of resources	16,658,821	-	-	-	-	16,658,821
Liabilities						
Current liabilities						
Accounts payable	45,666	104,043	19,588	15,301	9,961	194,559
Salaries payable	-	2,001	-	-	-	2,001
Due to other governments	1,717	-	-	-	74,610	76,327
Contracts payable	-	-	-	5,425	-	5,425
Accrued interest payable	-	-	189	-	44,392	44,581
Compensated absences payable - current	3,841,283	-	-	-	-	3,841,283
Lease liability - current	-	-	29,219	-	265,568	294,787
Subscription-based IT arrangements liability - current	-	-	-	-	231,975	231,975
Other postemployment benefits payable - current	303,544	-	-	-	-	303,544
Total current liabilities	4,192,210	106,044	48,996	20,726	626,506	4,994,482
Noncurrent liabilities						
Compensated absences payable	1,399,137	-	-	-	-	1,399,137
Lease liability	-	-	10,235	-	560,067	570,302
Subscription-based IT arrangements liability	-	-	-	-	467,716	467,716
Other postemployment benefits payable	7,204,099	-	-	-	-	7,204,099
Net pension liability	16,425,654	-	-	-	-	16,425,654
Total noncurrent liabilities	25,028,890	-	10,235	-	1,027,783	26,066,908
Total liabilities	29,221,100	106,044	59,231	20,726	1,654,289	31,061,390
Deferred inflows of resources						
Related to pensions	21,344,737	-	-	-	-	21,344,737
Related to OPEB	819,122	-	-	-	-	819,122
Total deferred inflows of resources	22,163,859	-	-	-	-	22,163,859
Net position						
Net investment in capital assets	-	-	8,210,095	9,355,802	2,342,384	19,908,281
Unrestricted	(33,959,301)	739,477	2,174,235	2,005,003	1,491,638	(27,548,948)
Total net position	\$ (33,959,301)	\$ 739,477	\$ 10,384,330	\$ 11,360,805	\$ 3,834,022	\$ (7,640,667)

CITY OF ST. LOUIS PARK, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For The Year Ended December 31, 2025

Statement 25

	Employee Benefits	Property Casualty	Vehicles & Equipment	Municipal Building and Infrastructure	Technology	Total
Operating revenues						
Charges for services	\$ 3,700,935	\$ -	\$ 1,406,358	\$ -	\$ 161,088	\$ 5,268,381
Other	313,499	122,008	157	11,563	688	447,915
Total operating revenues	4,014,434	122,008	1,406,515	11,563	161,776	5,716,296
Operating expenses						
Personal services	3,897,627	46,181	-	-	-	3,943,808
Supplies	-	-	64,710	11,822	310,176	386,708
Professional services	42,273	-	-	407,322	1,041,149	1,490,744
Insurance	-	368,049	-	-	-	368,049
Repairs and maintenance	-	-	-	-	18,489	18,489
Depreciation and amortization	-	-	1,538,467	466,516	915,187	2,920,170
Other	1,758	795	11,703	777	209,043	224,076
Total operating expenses	3,941,658	415,025	1,614,880	886,437	2,494,044	9,352,044
Operating income (loss)	72,776	(293,017)	(208,365)	(874,874)	(2,332,268)	(3,635,748)
Nonoperating revenues (expenses)						
Interest income (loss)	73,616	57,340	1,816	55,264	17,532	205,568
Property taxes	200,000	-	-	685,031	1,538,465	2,423,496
Intergovernmental revenue	329,496	-	22,500	5,825	12,801	370,622
Gain on disposal of capital assets	-	-	418,976	5,400	2,623	426,999
Interest expense	-	-	(3,021)	-	(47,898)	(50,919)
Total nonoperating revenues (expenses)	603,112	57,340	440,271	751,520	1,523,523	3,375,766
Income (loss) before transfers	675,888	(235,677)	231,906	(123,354)	(808,745)	(259,982)
Transfers						
Transfers in	280,712	-	2,077,928	579,602	1,001,641	3,939,883
Transfers out	-	(371,266)	-	-	-	(371,266)
Change in net position	956,600	(606,943)	2,309,834	456,248	192,896	3,308,635
Net position - January 1	(34,915,901)	1,346,420	8,074,496	10,904,557	3,641,126	(10,949,302)
Net position - December 31	\$ (33,959,301)	\$ 739,477	\$ 10,384,330	\$ 11,360,805	\$ 3,834,022	\$ (7,640,667)

	Employee Benefits	Property Casualty	Vehicles & Equipment	Municipal Building and Infrastructure	Technology	Total
Cash flows from operating activities						
Receipts from interfund services provided	\$ 3,700,935	\$ -	\$ 1,406,358	\$ -	\$ 161,088	\$ 5,268,381
Other operating cash receipts	313,499	122,008	157	11,563	688	447,915
Payments to suppliers	(43,150)	(573,962)	(111,795)	(486,413)	(2,014,894)	(3,230,214)
Payments to employees	(4,707,374)	(45,941)	-	-	-	(4,753,315)
Net cash flows provided (used) by operating activities	(736,090)	(497,895)	1,294,720	(474,850)	(1,853,118)	(2,267,233)
Cash flows from noncapital financing activities						
Transfers in	280,712	-	2,077,928	579,602	1,001,641	3,939,883
Transfers out	-	(371,266)	-	-	-	(371,266)
Property taxes	200,499	-	-	688,046	1,540,795	2,429,340
Intergovernmental receipts	329,496	-	7,582	134,538	8,882	480,498
Net cash flows provided (used) by noncapital financing activities	810,707	(371,266)	2,085,510	1,402,186	2,551,318	6,478,455
Cash flows from capital and related financing activities						
Acquisition of capital assets	-	-	(2,103,190)	(701,937)	(126,774)	(2,931,901)
Proceeds from sale of capital assets	-	-	418,976	5,400	2,623	426,999
Principal paid						
Leases	-	-	(30,820)	-	(259,510)	(290,330)
Subscription-based IT arrangements	-	-	-	-	(262,533)	(262,533)
Interest paid						
Leases	-	-	(3,000)	-	(39,324)	(42,324)
Subscription-based IT arrangements	-	-	-	-	(497)	(497)
Net cash flows provided (used) by capital and related financing activities	-	-	(1,718,034)	(696,537)	(686,015)	(3,100,586)
Cash flows from investing activities						
Investment income	73,616	57,340	1,816	55,264	17,532	205,568
Net increase in cash and cash equivalents	148,233	(811,821)	1,664,012	286,063	29,717	1,316,204
Cash and cash equivalents - January 1	100,000	1,363,908	500,000	1,563,288	1,144,168	4,671,364
Cash and cash equivalents - December 31	\$ 248,233	\$ 552,087	\$ 2,164,012	\$ 1,849,351	\$ 1,173,885	\$ 5,987,568

	Employee Benefits	Property Casualty	Vehicles & Equipment	Municipal Building and Infrastructure	Technology	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ 72,776	\$ (293,017)	\$ (208,365)	\$ (874,874)	\$ (2,332,268)	\$ (3,635,748)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities						
Depreciation and amortization	-	-	1,538,467	466,516	915,187	2,920,170
(Increase) decrease in assets/deferred outflows						
Accounts receivable	-	-	-	-	-	-
Prepaid items	242	(293,434)	-	-	(211,839)	(505,031)
Deferred outflows of resources	3,989,708	-	-	-	-	3,989,708
Increase (decrease) in liabilities/deferred inflows						
Accounts payable	(293)	88,316	(35,382)	(66,492)	(55,641)	(69,492)
Accrued salaries payable	-	240	-	-	-	240
Accrued flex spending	(65,241)	-	-	-	-	(65,241)
Due to other governments	932	-	-	-	(168,557)	(167,625)
Compensated absences payable	559,371	-	-	-	-	559,371
Other postemployment benefits	1,394,843	-	-	-	-	1,394,843
Net pension liability	(2,664,454)	-	-	-	-	(2,664,454)
Deferred inflows of resources	(4,023,974)	-	-	-	-	(4,023,974)
Net cash provided (used) by operating activities	<u>\$ (736,090)</u>	<u>\$ (497,895)</u>	<u>\$ 1,294,720</u>	<u>\$ (474,850)</u>	<u>\$ (1,853,118)</u>	<u>\$ (2,267,233)</u>
Noncash capital and related financing activities						
Capital assets acquired via subscription-based IT arrangements	\$ -	\$ -	\$ -	\$ -	\$ 944,804	\$ 944,804
Acquisition of capital assets via contracts payable	\$ -	\$ -	\$ -	\$ 5,425	\$ -	\$ 5,425

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III. STATISTICAL SECTION (UNAUDITED)

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Statistical Section (Unaudited)

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

<u>Contents</u>	<u>Table</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	1 - 5
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property tax.	6 - 9
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	10 - 14
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	15 - 16
Operating Information These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	17 - 19

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

CITY OF ST. LOUIS PARK, MINNESOTA
STATISTICAL SECTION (UNAUDITED)
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	Fiscal Year			
	2016	2017	2018	2019
Governmental activities				
Net investment in capital assets	\$ 96,458,787	\$ 103,279,857	\$ 107,090,668	\$ 102,644,391
Restricted	10,658,889	11,439,977	13,200,855	22,391,884
Unrestricted	<u>31,751,796</u>	<u>26,888,688</u>	<u>23,914,099</u>	<u>11,937,764</u>
Total governmental activities net position	<u>\$ 138,869,472</u>	<u>\$ 141,608,522</u>	<u>\$ 144,205,622</u>	<u>\$ 136,974,039</u>
Business-type activities				
Net investment in capital assets	\$ 23,030,284	\$ 25,716,982	\$ 25,992,377	\$ 27,805,955
Unrestricted	<u>5,849,650</u>	<u>4,979,057</u>	<u>6,163,907</u>	<u>6,426,698</u>
Total business-type activities net position	<u>\$ 28,879,934</u>	<u>\$ 30,696,039</u>	<u>\$ 32,156,284</u>	<u>\$ 34,232,653</u>
Total primary government				
Net investment in capital assets	\$ 119,489,071	\$ 128,996,839	\$ 133,083,045	\$ 130,450,346
Restricted	10,658,889	11,439,977	13,200,855	22,391,884
Unrestricted	<u>37,601,446</u>	<u>31,867,745</u>	<u>30,078,006</u>	<u>18,364,462</u>
Total primary government	<u>\$ 167,749,406</u>	<u>\$ 172,304,561</u>	<u>\$ 176,361,906</u>	<u>\$ 171,206,692</u>

Source(s):

Source 1: Data was provided by the annual comprehensive financial report (ACFR)

Table 1

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 103,325,878	\$ 86,983,523	\$ 81,133,330	\$ 76,348,500	\$ 88,402,821	\$ 102,412,153
15,556,085	24,710,300	27,223,707	33,471,783	36,962,412	38,977,074
24,180,714	35,856,005	40,861,576	39,871,997	52,188,562	55,721,826
<u>\$ 143,062,677</u>	<u>\$ 147,549,828</u>	<u>\$ 149,218,613</u>	<u>\$ 149,692,280</u>	<u>\$ 177,553,795</u>	<u>\$ 197,111,053</u>
\$ 30,198,068	\$ 30,830,919	\$ 32,352,244	\$ 38,639,429	\$ 42,481,743	\$ 47,257,055
8,071,994	12,031,336	17,010,155	16,365,396	16,419,147	17,604,137
<u>\$ 38,270,062</u>	<u>\$ 42,862,255</u>	<u>\$ 49,362,399</u>	<u>\$ 55,004,825</u>	<u>\$ 58,900,890</u>	<u>\$ 64,861,192</u>
\$ 133,523,946	\$ 117,814,442	\$ 113,485,574	\$ 114,987,929	\$ 130,884,564	\$ 149,669,208
15,556,085	24,710,300	27,223,707	33,471,783	36,962,412	38,977,074
32,252,708	47,887,341	57,871,731	56,237,393	68,607,709	73,325,963
<u>\$ 181,332,739</u>	<u>\$ 190,412,083</u>	<u>\$ 198,581,012</u>	<u>\$ 204,697,105</u>	<u>\$ 236,454,685</u>	<u>\$ 261,972,245</u>

CITY OF ST. LOUIS PARK, MINNESOTA
STATISTICAL SECTION (UNAUDITED)
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2016	2017	2018	2019
Expenses				
Governmental activities				
General government	\$ 11,182,348	\$ 10,648,181	\$ 11,051,775	\$ 12,022,082
Public safety	20,091,787	17,870,131	17,621,109	18,868,900
Public information	549,940	647,316	642,350	594,521
Operations	-	-	-	20,692,741
Parks and recreation	-	-	-	7,463,862
Operations and recreation	13,352,637	13,448,470	15,146,290	-
Engineering	5,091,818	7,859,907	7,491,753	-
Housing and rehabilitation	528,467	480,911	530,192	1,001,834
Housing maintenance	144,204	72,244	19,768	89,828
Social and economic development	8,826,281	10,987,654	12,549,378	16,536,420
Interest on long-term debt	1,620,489	1,511,329	1,456,241	2,139,962
Total governmental activities expenses	<u>61,387,971</u>	<u>63,526,143</u>	<u>66,508,856</u>	<u>79,410,150</u>
Business-type activities				
Water	4,773,624	4,786,816	5,445,760	5,922,733
Sewer	6,002,088	6,227,919	6,083,196	6,387,860
Storm water	1,514,761	1,611,785	2,372,829	2,179,955
Solid waste	3,256,804	3,390,874	3,463,412	3,527,810
Total business-type activities expenses	<u>15,547,277</u>	<u>16,017,394</u>	<u>17,365,197</u>	<u>18,018,358</u>
Total expenses	<u>\$ 76,935,248</u>	<u>\$ 79,543,537</u>	<u>\$ 83,874,053</u>	<u>\$ 97,428,508</u>
Program revenues				
Governmental activities				
Charges for services				
General government	\$ 1,184,122	\$ 1,143,220	\$ 1,214,710	\$ 1,231,454
Public safety	4,354,793	3,962,306	4,049,914	5,212,202
Public information	-	-	-	-
Operations	-	-	-	2,566,014
Parks and recreation	-	-	576	156,330
Operations and recreation	2,122,730	2,308,221	2,516,191	-
Engineering	97,688	134,508	136,648	-
Housing and rehabilitation	7,607	4,514	633,932	3,467
Social and economic development	259,910	255,109	213,944	216,989
Operating grants and contributions	2,512,011	3,670,054	2,666,090	3,360,346
Capital grants and contributions	3,960,739	5,205,879	3,526,377	2,693,816
Total governmental activities program revenue	<u>14,499,600</u>	<u>16,683,811</u>	<u>14,958,382</u>	<u>15,440,618</u>
Business-type activities				
Charges for services				
Water	5,674,239	6,089,295	6,469,268	6,908,538
Sewer	6,663,731	7,261,014	7,360,679	7,634,597
Storm water	2,642,860	2,816,349	2,887,425	3,059,282
Solid waste	2,905,899	3,237,506	3,348,948	3,538,931
Operating grants and contributions	181,525	159,376	174,250	196,100
Capital grants and contributions	799,894	279,801	429,928	556,508
Total business-type activities program revenue	<u>18,868,148</u>	<u>19,843,341</u>	<u>20,670,498</u>	<u>21,893,956</u>
Total program revenues	<u>\$ 33,367,748</u>	<u>\$ 36,527,152</u>	<u>\$ 35,628,880</u>	<u>\$ 37,334,574</u>

Table 2
Page 1 of 2

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 12,065,668	\$ 11,981,562	\$ 14,543,794	\$ 14,731,230	\$ 14,808,262	\$ 15,994,719
18,283,411	18,168,010	23,014,115	25,488,917	24,630,534	26,024,009
924,428	496,229	1,832,219	1,885,527	2,410,905	525,100
18,700,327	21,980,357	19,750,249	23,418,451	10,928,402	9,132,239
6,454,814	6,782,740	8,419,354	9,889,201	9,717,552	11,871,229
-	-	-	-	-	-
-	-	-	-	-	-
1,085,356	780,257	5,473,490	1,897,395	1,396,062	929,202
709,009	-	-	-	-	-
11,642,624	11,246,159	14,493,892	11,924,027	12,702,937	24,783,468
1,818,341	1,991,765	2,103,528	1,721,000	1,864,221	1,725,271
71,683,978	73,427,079	89,630,641	90,955,748	78,458,875	90,985,237
5,539,880	5,743,764	6,261,586	6,874,231	6,551,873	7,063,157
6,434,245	6,828,464	6,176,756	6,331,986	8,104,364	8,113,815
2,206,992	2,331,779	2,190,790	2,061,980	2,778,018	2,956,245
3,666,565	3,681,072	3,788,443	4,484,177	7,017,489	7,478,953
17,847,682	18,585,079	18,417,575	19,752,374	24,451,744	25,612,170
\$ 89,531,660	\$ 92,012,158	\$ 108,048,216	\$ 110,708,122	\$ 102,910,619	\$ 116,597,407
\$ -	\$ 1,266,925	\$ 1,323,472	\$ 1,275,983	\$ 547,692	\$ 908,681
6,353,145	4,719,500	6,756,712	4,605,015	4,001,428	5,662,593
-	-	-	-	-	-
1,703,896	2,939,026	654,428	746,010	453,951	238,110
89,008	43,602	3,347,770	3,078,421	3,094,847	3,288,514
-	-	-	-	-	-
-	-	-	-	-	-
-	750	2,676	4,982	4,904	2,100
330,072	213,828	239,886	217,058	177,279	188,472
6,426,976	2,886,299	3,247,517	4,876,812	7,665,211	12,173,036
3,646,262	3,996,798	8,958,110	3,010,970	10,930,059	5,115,294
18,549,359	16,066,728	24,530,571	17,815,251	26,875,371	27,576,800
7,989,679	8,535,668	9,156,315	9,045,322	8,709,379	9,581,479
8,059,428	8,528,207	8,971,596	8,957,027	9,308,774	10,316,945
3,158,072	3,322,640	3,541,917	3,710,665	3,817,281	4,121,198
3,782,579	4,267,345	4,540,176	4,420,169	6,205,281	6,799,987
196,223	212,446	206,308	288,228	1,690,778	1,271,802
629,172	430,010	829,382	251,800	224,578	520,244
23,815,153	25,296,316	27,245,694	26,673,211	29,956,071	32,611,655
\$ 42,364,512	\$ 41,363,044	\$ 51,776,265	\$ 44,488,462	\$ 56,831,442	\$ 60,188,455

CITY OF ST. LOUIS PARK, MINNESOTA
STATISTICAL SECTION (UNAUDITED)
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2016	2017	2018	2019
Net (expenses) revenues				
Governmental activities	\$ (46,888,371)	\$ (46,842,332)	\$ (51,550,474)	\$ (63,969,532)
Business-type activities	3,320,871	3,825,947	3,305,301	3,875,598
Total primary government	<u>\$ (43,567,500)</u>	<u>\$ (43,016,385)</u>	<u>\$ (48,245,173)</u>	<u>\$ (60,093,934)</u>
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes				
Property taxes	\$ 30,185,703	\$ 31,582,993	\$ 33,449,668	\$ 34,566,143
Tax increment	7,733,689	8,961,792	10,266,075	11,027,616
Franchise taxes	3,079,399	3,763,394	3,804,678	4,212,728
Lodging taxes	-	-	1,021,855	1,074,002
Grants and contributions not restricted to specific programs	584,639	590,978	618,645	319,322
Unrestricted investment earnings (loss)	388,647	408,945	739,130	1,669,916
Gain on sale of capital assets	142,713	106,204	1,751,339	178,509
Miscellaneous	3,201,122	2,091,334	491,591	1,619,458
Transfers	1,879,956	2,075,742	2,004,593	2,070,255
Total governmental activities general revenues	<u>47,195,868</u>	<u>49,581,382</u>	<u>54,147,574</u>	<u>56,737,949</u>
Business-type activities				
Unrestricted investment earnings	65,391	65,900	159,537	271,026
Gain on sale of capital assets	-	-	-	-
Miscellaneous	-	-	-	-
Transfers	(1,879,956)	(2,075,742)	(2,004,593)	(2,070,255)
Total business-type activities general revenues	<u>(1,814,565)</u>	<u>(2,009,842)</u>	<u>(1,845,056)</u>	<u>(1,799,229)</u>
Total primary government	<u>\$ 45,381,303</u>	<u>\$ 47,571,540</u>	<u>\$ 52,302,518</u>	<u>\$ 54,938,720</u>
Change in net position				
Governmental activities	\$ 307,497	\$ 2,739,050	\$ 2,597,100	\$ (7,231,583)
Business-type activities	1,506,306	1,816,105	1,460,245	2,076,369
Total primary government	<u>\$ 1,813,803</u>	<u>\$ 4,555,155</u>	<u>\$ 4,057,345</u>	<u>\$ (5,155,214)</u>

Source(s):

Source 1: Data was provided by the annual comprehensive financial report (ACFR)

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ (53,134,619)	\$ (57,360,351)	\$ (65,100,070)	\$ (73,140,497)	\$ (51,583,504)	\$ (63,408,437)
5,967,471	6,711,237	8,828,119	6,920,837	5,504,327	6,999,485
<u>\$ (47,167,148)</u>	<u>\$ (50,649,114)</u>	<u>\$ (56,271,951)</u>	<u>\$ (66,219,660)</u>	<u>\$ (46,079,177)</u>	<u>\$ (56,408,952)</u>
\$ 36,651,274	\$ 37,841,783	\$ 41,059,104	\$ 43,092,885	\$ 46,118,820	\$ 49,633,154
12,081,105	12,875,438	14,185,011	14,262,120	15,666,627	15,552,090
4,569,901	5,122,147	5,469,040	5,442,999	5,502,940	5,467,558
339,055	543,133	905,461	959,428	1,096,864	1,095,421
331,454	587,658	816,658	760,407	3,748,369	-
1,232,923	(215,865)	(888,151)	3,350,315	3,706,433	3,954,009
56,625	149,946	164,728	329,110	270,524	426,999
1,858,081	2,289,514	2,826,100	3,119,068	899,016	4,327,976
2,102,839	2,196,105	2,230,904	2,297,832	2,435,426	2,508,488
<u>59,223,257</u>	<u>61,389,859</u>	<u>66,768,855</u>	<u>73,614,164</u>	<u>79,445,019</u>	<u>82,965,695</u>
172,777	(45,939)	(97,071)	1,019,421	825,709	921,793
-	-	-	-	1,455	2,275
-	-	-	-	-	545,237
<u>(2,102,839)</u>	<u>(2,196,105)</u>	<u>(2,230,904)</u>	<u>(2,297,832)</u>	<u>(2,435,426)</u>	<u>(2,508,488)</u>
<u>(1,930,062)</u>	<u>(2,242,044)</u>	<u>(2,327,975)</u>	<u>(1,278,411)</u>	<u>(1,608,262)</u>	<u>(1,039,183)</u>
<u>\$ 57,293,195</u>	<u>\$ 59,147,815</u>	<u>\$ 64,440,880</u>	<u>\$ 72,335,753</u>	<u>\$ 77,836,757</u>	<u>\$ 81,926,512</u>
\$ 6,088,638	\$ 4,029,508	\$ 1,668,785	\$ 473,667	\$ 27,861,515	\$ 19,557,258
4,037,409	4,469,193	6,500,144	5,642,426	3,896,065	5,960,302
<u>\$ 10,126,047</u>	<u>\$ 8,498,701</u>	<u>\$ 8,168,929</u>	<u>\$ 6,116,093</u>	<u>\$ 31,757,580</u>	<u>\$ 25,517,560</u>

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CITY OF ST. LOUIS PARK, MINNESOTA
STATISTICAL SECTION (UNAUDITED)
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS

Table 3

Fiscal Year	Property Taxes	Franchise Taxes	Lodging Taxes	Total
2016	\$ 37,919,392	\$ 3,079,399	\$ -	\$ 40,998,791
2017	40,544,785	3,763,394	-	44,308,179
2018	43,715,743	3,804,678	1,021,855	48,542,276
2019	45,593,759	4,212,728	1,074,002	50,880,489
2020	48,732,379	4,569,901	339,055	53,641,335
2021	50,717,221	5,122,147	543,133	56,382,501
2022	55,244,115	5,469,040	905,461	61,618,616
2023	57,355,005	5,442,999	959,428	63,757,432
2024	61,785,447	5,502,940	1,096,864	68,385,251
2025	65,185,244	5,467,558	1,095,421	71,748,223

Source(s):

Source 1: Hennepin County tax settlement data

Source 2: Financial data provided by the City's Finance division related to franchise and lodging taxes

CITY OF ST. LOUIS PARK, MINNESOTA
STATISTICAL SECTION (UNAUDITED)
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year			
	2016	2017	2018	2019
General fund				
Nonspendable	\$ 330,483	\$ 292,821	\$ 258,932	\$ 340,247
Restricted	413,787	392,004	272,840	126,683
Assigned	936,663	1,050,569	1,025,207	1,602,523
Unassigned	<u>16,193,763</u>	<u>17,054,520</u>	<u>17,697,405</u>	<u>18,762,374</u>
Total General fund	<u>\$ 17,874,696</u>	<u>\$ 18,789,914</u>	<u>\$ 19,254,384</u>	<u>\$ 20,831,827</u>
All other governmental funds				
Nonspendable	\$ 23,563	\$ 6,500	\$ 19,700	\$ 6,799
Restricted	10,057,843	11,725,590	12,196,553	28,145,222
Committed	466,287	696,235	1,064,284	913,497
Assigned	41,068,221	33,609,392	33,843,896	31,598,020
Unassigned	<u>(5,187,339)</u>	<u>(3,628,247)</u>	<u>(7,382,436)</u>	<u>(7,310,832)</u>
Total all other governmental funds	<u>\$ 46,428,575</u>	<u>\$ 42,409,470</u>	<u>\$ 39,741,997</u>	<u>\$ 53,352,706</u>

Source(s):

Source 1: Data provided by the annual comprehensive financial report (ACFR)

Table 4

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 362,022	\$ 517,589	\$ 324,139	\$ 445,964	\$ 650,292	\$ 319,229
82,986	94,311	87,357	2,409,288	1,525,482	156,689
992,938	1,275,140	1,304,322	700,000	1,714,823	896,547
25,386,153	21,928,316	23,945,846	24,443,962	24,737,085	28,494,628
<u>\$ 26,824,099</u>	<u>\$ 23,815,356</u>	<u>\$ 25,661,664</u>	<u>\$ 27,999,214</u>	<u>\$ 28,627,682</u>	<u>\$ 29,867,093</u>
\$ -	\$ 9,500	\$ 3,100	\$ 11,929	\$ 14,657	\$ 6,064
18,877,118	23,013,971	25,561,608	27,755,191	33,000,355	35,566,341
812,078	1,535,938	2,118,897	2,068,003	1,972,106	1,665,753
30,398,365	33,433,213	35,172,356	35,640,204	37,395,065	32,440,416
(5,887,231)	(4,954,407)	(10,883,317)	(6,082,211)	(2,093,353)	(1,824,717)
<u>\$ 44,200,330</u>	<u>\$ 53,038,215</u>	<u>\$ 51,972,644</u>	<u>\$ 59,393,116</u>	<u>\$ 70,288,830</u>	<u>\$ 67,853,857</u>

CITY OF ST. LOUIS PARK, MINNESOTA
STATISTICAL SECTION (UNAUDITED)
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year			
	2016	2017	2018	2019
Revenues				
Taxes	\$ 27,734,546	\$ 28,941,646	\$ 31,853,551	\$ 32,598,016
Tax increments	7,733,689	8,961,792	10,266,075	11,368,332
Abatement of property taxes	-	-	-	(340,716)
Franchise taxes	3,079,399	3,763,394	3,804,678	1,074,002
Lodging tax	-	-	1,021,855	4,212,728
Licenses and permits	4,320,078	3,985,517	4,001,645	5,264,659
Intergovernmental	4,345,482	8,228,158	5,240,175	5,383,495
Charges for services	3,406,964	3,529,125	3,708,327	3,847,458
Fines and forfeits	299,808	293,236	282,146	274,339
Special assessments	1,192,628	1,169,859	1,150,577	1,183,508
Interest income (loss)	362,196	369,203	677,131	1,616,635
Miscellaneous	3,230,390	2,218,712	1,529,337	1,701,458
Total revenues	55,705,180	61,460,642	63,535,497	68,183,914
Expenditures				
General government	8,188,193	8,142,675	9,075,636	9,372,448
Public safety	14,669,251	15,824,577	17,050,302	17,651,051
Public information	477,721	495,256	567,653	477,150
Operations	-	-	-	14,448,732
Parks and recreation	-	-	-	6,571,735
Operations and recreation	9,688,872	10,665,329	11,031,544	-
Engineering	480,162	7,754,421	4,449,897	-
Housing and rehabilitation	482,313	453,940	512,029	796,010
Housing maintenance	144,204	57,370	12,040	60,315
Social and economic development	8,673,638	10,857,645	10,479,359	15,396,270
Miscellaneous	-	-	-	26,282
Internal charges	-	-	-	-
Debt service				
Principal	1,681,876	3,650,297	2,055,000	2,990,000
Interest and other	1,446,371	1,493,780	1,462,325	1,468,620
Other charges	2,717	-	-	-
Bond issuance costs	111,922	40,419	33,060	309,945
Capital outlay	19,894,828	10,159,659	14,388,878	16,857,464
Total expenditures	65,942,068	69,595,368	71,117,723	86,426,022
Revenues over (under) expenditures	(10,236,888)	(8,134,726)	(7,582,226)	(18,242,108)
Other financing sources (uses)				
Transfers in	8,148,651	5,586,488	7,282,081	3,919,120
Transfers out	(6,994,545)	(4,182,613)	(5,608,462)	(2,299,247)
Refunding bonds issued	-	-	-	-
Bonds issued	10,000,000	3,430,000	2,020,000	32,005,001
Proceeds from long term debt	-	-	-	-
Premium on bonds issued	396,655	196,964	5,659	1,965,386
Payments to refunded bond escrow agent	-	-	-	(2,160,000)
Proceeds from sale of capital assets	3,000	-	1,679,945	-
Total other financing sources (uses)	11,553,761	5,030,839	5,379,223	33,430,260
Net change in fund balances	\$ 1,316,873	\$ (3,103,887)	\$ (2,203,003)	\$ 15,188,152
Debt service as a percentage of noncapital expenditures	6.02%	8.61%	5.60%	6.00%

Source(s):

Source 1: Data provided by the annual comprehensive financial report (ACFR)

Table 5

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 34,531,332	\$ 36,198,206	\$ 39,294,300	\$ 41,356,429	\$ 43,757,582	\$ 47,222,480
12,081,105	12,875,438	14,185,011	14,262,120	15,666,627	15,552,090
112,630	(257,203)	-	-	-	-
4,569,901	5,122,147	5,469,040	5,442,999	5,502,940	5,467,558
339,055	543,133	905,461	959,428	1,096,864	1,095,421
5,294,314	4,997,981	7,282,483	5,164,020	4,662,869	5,960,760
6,904,307	6,868,059	6,561,710	8,461,941	20,545,819	16,972,981
3,055,615	4,034,686	4,849,157	4,577,185	3,353,019	3,524,704
126,192	150,964	175,090	179,508	14,261	24,561
1,127,497	1,322,729	1,316,841	1,566,668	1,686,870	1,432,978
1,176,200	(238,771)	(849,382)	3,113,385	3,532,380	3,770,912
1,901,751	2,348,898	3,052,915	1,542,728	1,045,067	4,265,309
71,219,899	73,966,267	82,242,626	86,626,411	100,864,298	105,289,754
9,490,394	9,458,536	9,365,669	10,427,128	11,230,640	13,243,401
17,806,753	19,290,081	20,750,758	21,647,295	23,352,784	24,422,741
875,890	452,420	388,391	387,851	525,564	482,218
17,097,698	21,366,729	16,876,505	6,400,754	5,595,095	5,886,176
6,454,814	6,813,935	8,079,262	9,167,718	9,708,495	9,657,713
-	-	-	-	-	-
-	-	-	-	-	-
1,060,588	776,654	5,424,459	1,852,640	1,419,612	929,202
709,009	-	30,000	30,000	-	-
11,513,051	11,110,229	14,307,230	11,415,678	13,806,076	25,803,046
517,651	482,494	585,774	831,287	618,487	820,775
-	-	-	-	1,030,400	1,030,399
11,915,000	3,495,000	4,195,000	4,985,000	5,990,000	5,670,000
2,138,151	1,907,737	2,153,150	2,134,560	2,134,508	2,051,183
-	-	-	-	-	-
124,200	157,707	195,260	-	-	-
8,140,774	6,339,203	3,502,579	8,934,470	17,069,393	15,428,333
87,843,973	81,650,725	85,854,037	78,214,381	92,481,054	105,425,187
(16,624,074)	(7,684,458)	(3,611,411)	8,412,030	8,383,244	(135,433)
7,537,016	10,843,129	5,443,812	12,514,209	12,417,597	12,119,550
(5,573,129)	(10,260,254)	(6,097,836)	(11,168,217)	(12,515,585)	(13,179,679)
-	-	1,345,000	-	-	-
10,505,000	12,385,000	4,900,000	-	3,050,000	-
-	-	-	-	-	-
938,458	529,431	36,282	-	188,926	-
-	-	(1,345,000)	-	-	-
56,625	16,294	109,890	-	-	-
13,463,970	13,513,600	4,392,148	1,345,992	3,140,938	(1,060,129)
\$ (3,160,104)	\$ 5,829,142	\$ 780,737	\$ 9,758,022	\$ 11,524,182	\$ (1,195,562)
17.6%	7.4%	7.7%	9.1%	10.8%	8.6%

CITY OF ST. LOUIS PARK, MINNESOTA
STATISTICAL SECTION (UNAUDITED)
ASSESSED VALUE/TAX CAPACITY VALUE AND ESTIMATED MARKET VALUE
OF ALL TAXABLE PROPERTY
LAST TEN FISCAL YEARS

	Fiscal Year			
	2016	2017	2018	2019
Population	48,354	48,747	49,039	48,677
Real Property				
Total assessed/tax capacity value	\$ 71,118,692	\$ 77,324,247	\$ 81,272,437	\$ 88,023,090
Less tax increment districts -	(6,798,025)	(8,211,886)	(8,746,231)	(10,129,650)
Area-wide allocation (net)	<u>(3,168,815)</u>	<u>(4,255,021)</u>	<u>(4,787,086)</u>	<u>(4,741,344)</u>
Net assessed/tax capacity value	<u>\$ 61,151,852</u>	<u>\$ 64,857,340</u>	<u>\$ 67,739,120</u>	<u>\$ 73,152,096</u>
Estimated market value	<u>\$ 5,841,548,800</u>	<u>\$ 6,306,324,900</u>	<u>\$ 6,637,473,500</u>	<u>\$ 7,205,288,500</u>
Personal Property				
Assessed/tax capacity value	<u>\$ 614,793</u>	<u>\$ 650,504</u>	<u>\$ 710,227</u>	<u>\$ 747,358</u>
Estimated market value	<u>\$ 31,212,200</u>	<u>\$ 33,056,300</u>	<u>\$ 36,048,400</u>	<u>\$ 37,926,900</u>
Total Real and Personal Property				
Assessed/tax capacity value	<u>\$ 61,766,645</u>	<u>\$ 65,507,844</u>	<u>\$ 68,469,347</u>	<u>\$ 73,899,454</u>
Estimated market value	<u>\$ 5,872,761,000</u>	<u>\$ 6,339,381,200</u>	<u>\$ 6,673,521,900</u>	<u>\$ 7,243,215,400</u>
Tax Capacity Rate	46.2%	46.2%	46.4%	44.7%

Source(s):

Source 1: Data was provided by Hennepin County, MN taxing district information

Table 6

Fiscal Year					
2020	2021	2022	2023	2024	2025
49,834	50,010	48,827	49,786	49,321	50,027
\$ 95,317,915	\$ 101,379,851	\$ 105,817,137	\$ 116,291,091	\$ 120,551,050	\$ 120,762,859
(10,875,524)	(11,817,305)	(12,614,033)	(13,838,198)	(13,822,199)	(14,165,903)
(5,233,557)	(5,628,072)	(6,248,597)	(6,106,046)	(6,025,679)	(6,396,054)
<u>\$ 79,208,834</u>	<u>\$ 83,934,474</u>	<u>\$ 86,954,507</u>	<u>\$ 96,346,847</u>	<u>\$ 100,703,172</u>	<u>\$ 100,200,902</u>
<u>\$ 7,731,035,100</u>	<u>\$ 8,164,996,400</u>	<u>\$ 8,539,554,600</u>	<u>\$ 9,410,555,500</u>	<u>\$ 9,730,434,300</u>	<u>\$ 9,905,994,800</u>
<u>\$ 739,713</u>	<u>\$ 777,794</u>	<u>\$ 302,259</u>	<u>\$ 335,559</u>	<u>\$ 361,440</u>	<u>\$ 406,100</u>
<u>\$ 37,525,400</u>	<u>\$ 39,320,700</u>	<u>\$ 15,556,200</u>	<u>\$ 17,187,900</u>	<u>\$ 18,445,400</u>	<u>\$ 20,678,400</u>
<u>\$ 79,948,547</u>	<u>\$ 84,712,268</u>	<u>\$ 87,256,766</u>	<u>\$ 96,682,406</u>	<u>\$ 101,064,612</u>	<u>\$ 100,607,002</u>
<u>\$ 7,768,560,500</u>	<u>\$ 8,204,317,100</u>	<u>\$ 8,555,110,800</u>	<u>\$ 9,427,743,400</u>	<u>\$ 9,748,879,700</u>	<u>\$ 9,926,673,200</u>
43.4%	42.9%	44.7%	42.9%	44.2%	48.8%

CITY OF ST. LOUIS PARK, MINNESOTA
STATISTICAL SECTION (UNAUDITED)
PROPERTY TAX RATES - DIRECT AND OVERLAPPING
LAST TEN FISCAL YEARS

City of St. Louis Park	Fiscal Year			
	2016	2017	2018	2019
Operating Rate	43.744	42.933	41.759	40.090
Debt Service Rate	2.451	3.267	4.624	4.616
Total City Direct Rates	46.195	46.200	46.383	44.706
Overlapping Rates				
County				
Operating Rate	45.356	44.087	42.808	41.861
School District				
Operating Rate	14.887	12.364	14.506	13.578
Debt Service Rate	13.627	13.247	14.529	13.444
Other Taxing Districts				
St. Louis Park HRA Levy	1.634	1.661	1.718	1.667
Metro Mosquito Control	0.483	0.475	0.456	0.427
Metro Council	0.925	0.883	0.844	0.659
Metro Transit Debt	1.491	1.463	1.383	1.456
Hennepin County HRA	0.439	0.497	0.457	0.535
Hennepin Parks	3.601	3.365	3.161	2.961
Park Museum	0.712	0.711	0.710	0.705
HC Regional Railroad Authority	1.879	1.925	1.962	1.807
Referendum Market Value Based Rate	-	-	-	-
Watershed	1.724	1.738	1.694	1.569
Total Overlapping Rates	86.758	82.416	84.228	80.669
Total Direct and Overlapping Rates	132.953	128.616	130.611	125.375

Source(s):

Source 1: Hennipen County "Rate Cards" available on Hennipen County taxing district information

Table 7

Fiscal Year					
2020	2021	2022	2023	2024	2025
38.656	37.652	38.647	36.299	37.941	41.981
4.742	5.203	6.034	6.562	6.240	6.865
43.398	42.855	44.681	42.861	44.181	48.846
41.084	38.210	38.535	34.542	34.681	37.081
13.946	14.273	15.594	16.718	18.917	15.913
13.244	12.205	11.189	8.288	7.996	9.526
1.668	1.699	1.743	1.630	1.734	1.143
0.412	0.381	0.377	0.331	0.312	0.328
0.616	0.631	0.659	0.576	0.614	0.567
1.433	1.256	1.204	1.066	0.927	1.134
0.801	0.722	0.771	0.663	0.624	0.797
2.859	2.793	2.787	2.473	2.399	2.471
0.710	0.707	0.722	0.647	0.694	0.744
1.388	1.323	1.329	1.188	1.153	1.205
-	-	-	-	-	-
1.493	1.422	1.368	1.220	1.135	1.129
79.654	75.622	76.278	69.342	71.186	72.038
123.052	118.477	120.959	112.203	115.367	120.884

Taxpayer	2025			2016		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Bigos Management	\$ 207,476,500	1	2.09			
Excelsior & Grand LLC	101,347,000	2	1.02	\$ 88,702,000	4	1.51
BOF III MN 10 West End Office Park. LLC	95,170,000	3	0.96			
BOF II MN W END OFF PK LLC	89,631,000	4	0.90			
BRI 1880 Towers at West LLC	78,256,000	5	0.79			
Gateway Knollwood, LLC	73,223,000	6	0.74	80,134,000	5	1.36
PNMC Holdings	72,630,500	7	0.73	57,879,100	7	0.99
MSP West End LLC	70,216,300	8	0.71			
Beltline Residences LLC	64,362,000	9	0.65			
Middleton Park Place Investors, LLC	52,862,000	10	0.53	58,821,000	6	1.00
Interchange Investors				109,627,000	1	1.87
ARC WEMPSMN001, LLC				106,623,000	2	1.82
G & I VII 1600 & Moneygram LLC				95,755,700	3	1.63
Ellipse on Excelsior, LLC				44,557,000	8	0.76
WTC No 459 Corp				43,500,000	9	0.74
West End Office MN, LLC				42,953,000	10	0.73
Total	<u>\$ 905,174,300</u>		<u>9.12 %</u>	<u>\$ 728,551,800</u>		<u>12.41</u>
Total taxable assessed value	\$ 9,926,673,200			\$ 5,872,761,000		

Source(s):

Source 1: 2025 Data - Assessing Division (City of St. Louis Park, MN)
 Source 2: 2016 Data - 2016 Annual Comprehensive Financial Report

CITY OF ST. LOUIS PARK, MINNESOTA
STATISTICAL SECTION (UNAUDITED)
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Table 9

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Total Collections to Date	
		Amount	Percentage of Levy	Amount	Percentage of Levy
2016	\$ 29,615,682	\$ 29,462,804	99.48	\$ 29,591,629	99.92
2017	31,350,534	30,559,213	97.48	31,345,761	99.98
2018	32,921,154	32,737,859	99.44	32,891,773	99.91
2019	34,362,862	34,204,350	99.54	34,331,011	99.99
2020	36,103,499	35,746,281	99.01	36,051,454	99.89
2021	37,772,505	37,266,514	98.66	37,652,243	99.69
2022	39,023,549	37,124,572	95.13	38,934,392	99.77
2023	43,144,457	42,662,701	98.88	42,746,411	99.11
2024	46,299,083	45,372,194	98.00	45,787,414	98.89
2025	49,979,665	48,692,722	97.43	48,692,722	97.43

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City of St. Louis Park. This schedule estimates the portion of the outstanding debt of those overlapping governments businesses that is borne by the residents and of the City of St. Louis Park. This process recognizes that, when considering the term debt, the City's ability to issue and repay long- entire burden borne by the residents and taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

Source(s):

Source 1: Data provided related to the collection of taxes from Hennipen County, MN

Source 2: Property tax levies are approved annually by the City of St. Louis Park, MN City Council

Fiscal Year	Governmental Activities							Business Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)	
	General Obligation Bonds	Tax Increment Bonds	Special Assessment Bonds	Revenue Bonds	Lease Liabilities (2)	Subscription Liabilities (3)	Notes Payable	Net Unamortized Premiums/ (Discounts)	Revenue Bonds				Net Unamortized Premiums/ (Discounts)
2016	\$ 31,230,000	\$ 3,805,000	\$ -	\$ -	\$ 215,619	\$ -	\$ 2,025,297	\$ 348,099	\$ 10,515,000	\$ 91,538	\$ 48,230,553	2.46	997.45
2017	28,375,000	3,410,000	3,495,000	1,560,000	165,931	-	-	497,335	14,070,000	375,930	51,949,196	2.53	1,065.69
2018	28,975,000	2,995,000	3,315,000	1,520,000	180,382	-	-	445,293	19,475,000	677,443	57,583,118	2.67	1,174.23
2019	56,450,000	2,560,000	3,170,000	1,480,000	121,005	-	-	2,323,277	24,900,000	1,853,981	92,858,263	3.95	1,909.09
2020	55,790,000	2,100,000	2,925,000	1,435,000	81,699	-	-	3,082,423	27,870,000	2,194,446	95,478,568	3.87	1,915.93
2021	65,525,000	1,615,000	2,610,000	1,390,000	103,026	-	-	3,337,534	25,735,000	1,977,066	102,292,626	2.40	1,265.95
2022	62,205,000	1,105,000	7,190,000	1,345,000	140,862	-	-	3,108,098	23,230,000	1,759,686	100,083,646	2.76	1,348.43
2023	58,160,000	570,000	6,870,000	1,260,000	105,354	136,118	-	2,820,721	20,600,000	1,542,977	92,065,170	2.48	1,233.08
2024	56,285,000	-	6,445,000	1,190,000	1,155,418	17,420	-	2,709,837	23,920,000	1,679,102	93,401,777	2.31	1,141.20
2025	51,200,000	-	5,930,000	1,120,000	865,089	699,691	-	2,410,027	22,320,000	1,527,695	86,072,502	2.05	1,023.45

Note(s):

Note 1: Details regarding the City's outstanding debt can be found in the notes in the annual comprehensive financial report.

(1) Data was provided by the Federal Census Bureau.

(2) The City implemented GASB 87 for the year ended December 31, 2022. Liabilities listed for earlier years are capital lease payables.

(3) The City implemented GASB 96 for the year ended December 31, 2023. Liabilities listed for earlier years are not restated.

Fiscal Year	Governmental Activities					Business Type Activities		Less: Amounts Restricted for Debt Service Funds	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Tax Increment Bonds	Special Assessment Bonds	Revenue Bonds	Net Unamortized Premiums/ (Discounts)	Revenue Bonds	Net Unamortized Premiums/ (Discounts)				
2016	\$ 31,230,000	\$ 3,805,000	\$ -	\$ -	\$ 348,099	\$ 10,515,000	\$ 91,538	\$ (3,146,018)	\$ 42,843,619	0.48	588.14
2017	28,375,000	3,410,000	3,495,000	1,560,000	497,335	14,070,000	375,930	(3,325,205)	48,458,060	0.48	627.90
2018	28,975,000	2,995,000	3,315,000	1,520,000	445,293	19,475,000	677,443	(4,727,310)	52,675,426	0.44	602.23
2019	56,450,000	2,560,000	3,170,000	1,480,000	2,323,277	24,900,000	1,853,981	(13,942,465)	78,794,793	0.69	1,019.52
2020	55,790,000	2,100,000	2,925,000	1,435,000	3,082,423	27,870,000	2,194,446	(4,923,698)	90,473,171	0.75	1,170.06
2021	65,525,000	1,615,000	2,610,000	1,390,000	3,337,534	25,735,000	1,977,066	(5,296,548)	96,893,052	0.82	1,280.59
2022	62,205,000	1,105,000	7,190,000	1,345,000	3,108,098	23,230,000	1,759,686	(6,553,029)	93,389,755	0.81	1,305.71
2023	58,160,000	570,000	6,870,000	1,260,000	2,820,721	20,600,000	1,542,977	(7,810,235)	84,013,463	0.60	899.71
2024	56,285,000	-	6,445,000	1,190,000	2,709,837	23,920,000	1,679,102	(8,250,784)	83,978,155	0.86	1,702.69
2025	51,200,000	-	5,930,000	1,120,000	2,410,027	22,320,000	1,527,695	(9,065,171)	75,442,551	0.76	1,508.04

Note(s):

Note 1: Details regarding the City's outstanding debt can be found in the notes in the annual comprehensive financial report.

(1) Data was provided by Hennepin County, MN and the City's Assessing Division

(2) Data was provided by the Federal Census Bureau

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CITY OF ST. LOUIS PARK, MINNESOTA
STATISTICAL SECTION (UNAUDITED)
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2025

Table 12

Governmental Unit	Debt Outstanding (1)	Percentage Applicable (2)	Share of Overlapping Debt
Overlapping Debt			
Hennepin County	\$ 1,532,160,000	3.66 %	\$ 44,291,810
St. Louis Park Independent School District	232,490,000	99.41 %	227,355,023
Hopkins Independent School District	123,865,000	2.53 %	3,019,554
Edina Independent School District	166,745,000	0.06 %	83,261
Hennepin County Suburban Park District	63,065,000	4.92 %	2,547,725
Hennepin Regional RR Authority	71,980,000	3.66 %	2,617,978
Metropolitan Council	1,159,185,118	1.63 %	6,956
Metro Transit	405,060,000	1.94	1,425,496
Subtotal of Overlapping Debt	3,754,550,118		281,347,803
Direct Debt			
City of St. Louis Park	\$ 62,224,807	100.00 %	\$ 62,224,807
Total of Direct and Overlapping Debt	<u>\$ 3,816,774,925</u>		<u>\$ 343,572,610</u>

Note(s):

Note 1: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City of St. Louis Park. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of St. Louis Park. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

- (1) Net debt which excludes revenue and special assessment bonds.
(2) The percentage applicable to the City of St. Louis Park was determined by dividing the portion of tax capacity within the City by the total tax capacity of the of the taxing jurisdiction.

Source(s):

Source 1: Data provided by Hennepin County, Minnesota

CITY OF ST. LOUIS PARK, MINNESOTA
STATISTICAL SECTION (UNAUDITED)
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year			
	2016	2017	2018	2019
Debt Limit	\$ 176,182,830	\$ 190,181,436	\$ 200,205,657	\$ 216,158,655
Total Net Debt Applicable to Limit	23,934,703	28,375,000	28,975,000	56,450,000
Legal Debt Margin	<u>\$ 152,248,127</u>	<u>\$ 161,806,436</u>	<u>\$ 171,230,657</u>	<u>\$ 159,708,655</u>
Total Net Debt Applicable to the Limit as a percentage of Debt Limit	13.59%	14.92%	14.47%	26.12%
Legal Debt Margin Calculation for Fiscal Year				
Estimated Taxable Market Value	<u>\$ 5,872,761,000</u>	<u>\$ 6,339,381,200</u>	<u>\$ 6,673,521,900</u>	<u>\$ 7,205,288,500</u>
Debt Limit (3% of taxable market value)	<u>\$ 176,182,830</u>	<u>\$ 190,181,436</u>	<u>\$ 200,205,657</u>	<u>\$ 216,158,655</u>
Debt applicable to limit				
Total Bonded Debt	\$ 45,550,000	\$ 50,910,000	\$ 56,280,000	\$ 88,560,000
Less:				
G.O. Revenue Bonds	(10,515,000)	(15,630,000)	(20,995,000)	(26,380,000)
G.O. Improvement Bonds	(5,270,000)	-	-	(12,460,000)
G.O. Special Assessment Bonds	-	(3,495,000)	(3,315,000)	(3,170,000)
G.O. Tax Increment Bonds	(3,805,000)	(3,410,000)	(2,995,000)	(2,560,000)
Notes payable	<u>(2,025,297)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Debt Applicable to Limit:	<u>23,934,703</u>	<u>28,375,000</u>	<u>28,975,000</u>	<u>43,990,000</u>
Legal Debt Margin:	<u>\$ 152,248,127</u>	<u>\$ 161,806,436</u>	<u>\$ 171,230,657</u>	<u>\$ 159,708,655</u>

Source(s):

Source 1: Estimated taxable market value was provided by City's Assessing Division and Hennepin County, MN taxing district information.

Source 2: Data regarding bonded information was provided by City's Finance Division

Note(s):

Note 1: Under State of Minnesota law, the City of St. Louis Park's outstanding general obligation debt should not exceed 3 percent of the market value of the taxable property. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for the extinguishment of those obligations.

Table 13

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 233,056,815	\$ 246,129,513	\$ 256,653,324	\$ 282,832,302	\$ 289,527,126	\$ 297,800,196
55,790,000	65,525,000	62,205,000	58,740,000	43,825,000	38,740,000
<u>\$ 177,266,815</u>	<u>\$ 180,604,513</u>	<u>\$ 194,448,324</u>	<u>\$ 224,092,302</u>	<u>\$ 245,702,126</u>	<u>\$ 259,060,196</u>
23.94%	26.62%	24.24%	20.77%	15.14%	13.01%
<u>\$ 7,768,560,500</u>	<u>\$ 8,204,317,100</u>	<u>\$ 8,555,110,800</u>	<u>\$ 9,427,743,400</u>	<u>\$ 9,650,904,194</u>	<u>\$ 9,926,673,200</u>
<u>\$ 233,056,815</u>	<u>\$ 246,129,513</u>	<u>\$ 256,653,324</u>	<u>\$ 282,832,302</u>	<u>\$ 289,527,126</u>	<u>\$ 297,800,196</u>
\$ 90,120,000	\$ 96,875,000	\$ 95,075,000	\$ 87,460,000	\$ 87,840,000	\$ 80,570,000
(29,305,000)	(27,125,000)	(24,575,000)	(21,860,000)	(25,110,000)	(23,440,000)
(12,460,000)	(12,460,000)	(12,460,000)	(12,460,000)	(12,460,000)	(12,460,000)
(2,925,000)	(2,610,000)	(7,190,000)	(6,870,000)	(6,445,000)	(5,930,000)
(2,100,000)	(1,615,000)	(1,105,000)	(570,000)	-	-
-	-	-	-	-	-
43,330,000	53,065,000	49,745,000	45,700,000	43,825,000	38,740,000
<u>\$ 177,266,815</u>	<u>\$ 180,604,513</u>	<u>\$ 194,448,324</u>	<u>\$ 224,092,302</u>	<u>\$ 245,702,126</u>	<u>\$ 259,060,196</u>

CITY OF ST. LOUIS PARK, MINNESOTA
STATISTICAL SECTION (UNAUDITED)
PLEDGED REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS

Table 14

Fiscal Year	Revenue Bonds ¹					
	Gross Revenue ²	Less: Operating Expenses ³	Net Revenue Available	Debt Service		Coverage
				Principal	Interest	
2016	\$ 15,481,494	\$ (10,328,560)	\$ 5,152,934	\$ 1,155,000	⁵ \$ 301,051	3.54
2017	16,495,157	(10,186,997)	6,308,160	1,360,000	⁶ 197,658	4.05
2018	16,851,218	(11,354,272)	5,496,946	1,375,000	320,608	3.24
2019	17,827,318	(11,848,046)	5,979,272	2,095,000	543,388	2.27
2020	19,334,536	(11,095,215)	8,239,321	2,065,000	697,976	2.95
2021	20,311,000	(11,982,334)	8,328,666	2,135,000	858,728	2.78
2022	21,582,506	(11,883,813)	9,698,693	2,505,000	824,730	2.91
2023	22,553,570	(12,646,390)	9,319,345	2,630,000	736,665	2.77
2024	22,548,558	(13,276,567)	10,763,944	2,430,000	651,250	3.49
2025	25,394,967	(13,553,182)	11,841,785	2,515,000	771,731	3.60

Note(s):

Note 1: Details regarding the government's outstanding debt can be found in the notes to the annual comprehensive financial report.

¹ Includes Water Utility, Sewer Utility and Storm Water Utility revenue bonds.

² Gross revenue includes investment income and excludes intergovernmental and miscellaneous revenues.

³ Expenses exclude depreciation, interest on bonds and miscellaneous expenses.

⁴ Excludes \$2,145,000 refunded principal paid through cash with fiscal agent.

⁵ Excludes \$1,840,000 refunded principal paid through cash with fiscal agent.

⁶ Excludes \$1,555,000 refunded principal paid through issuance of 2017A bonds.

Year	Population (1)	Personal Income (amounts expressed in thousands)	Per Capita Income (1)	Median Age (1)	School Enrollment (2)	Unemployment Rate (3)
2016	48,354	1,962,641	40,589	35.2	4,627	2.9
2017	48,747	2,053,370	42,123	35.7	4,571	2.1
2018	49,039	2,157,275	43,991	35.7	4,560	2.2
2019	48,677	2,286,261	46,968	35.6	4,692	2.5
2020	49,834	2,469,026	49,545	35.3	5,000	5.2
2021	50,010	2,639,628	52,782	36.1	4,523	3.0
2022	48,827	2,721,470	55,737	35.6	4,373	1.8
2023	49,786	3,119,392	62,656	36.0	4,476	2.1
2024	49,321	3,085,029	62,550	36.0	4,370	2.6
2025	50,027	3,220,238	64,370	36.0	4,446	3.4

Source(s):

- (1) Data was provided by the Federal Census Bureau
- (2) School enrollment data was provided by the Minnesota Department of Education (MDE)
- (3) Data provided by the Metropolitan Council, MN
- (4) Data provided by MN DEED

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Employer	Fiscal Year			Fiscal Year		
	2025			2016		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Park Nicollet Health Services and Methodist Hospita	4,650	1	12.0 %	6,286	1	15.2 %
Wells Fargo Mortgage	1,100	2	2.8	1,450	2	5.3
St. Louis Park Public Schools (I.S.D. No. 283)	731	3	1.9	950	3	2.3
Japs-Olson Company	600	4	1.6	659	5	1.6
Sholom Home West	420	5	1.1	650	4	1.6
Target (formerly Super Target)	405	6	1.0	377	8	0.9
Costco Wholesale	340	7	0.9			
Cub Foods	300	8	0.8			
Lifetime Fitness	300	9	0.8			
St. Louis Park, City of	299	10	0.8	269	9	0.7
MoneyGram International				409	6	1.0
Health Partners				400	7	1.5
Epicor Software Corporation				250	10	0.6
Total	<u>9,145</u>		<u>23.70 %</u>	<u>11,700</u>		<u>30.70 %</u>
Total City employment			38,686			41,339

Source(s):

Data Axle Reference Solutions, written and telephone survey, and the Minnesota Department of Employment and Economic Development.
 Source 2: 2025 Data - Total City Employment: Met Council Community Profile website

CITY OF ST. LOUIS PARK, MINNESOTA
STATISTICAL SECTION (UNAUDITED)
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year			
	2016	2017	2018	2019
General government	91.6	97.9	91.8	93.9
Public safety				
Police				
Officers	55.0	57.0	57.0	57.0
Civilians	35.0	35.0	35.0	36.0
Fire				
Firefighters and officers	26.0	28.0	28.0	28.0
Operations and recreation and Engineering	35.0	28.1	35.0	36.0
Water	11.4	12.5	14.6	12.2
Sewer	6.0	6.4	5.1	6.1
Solid Waste	5.8	5.3	4.9	5.6
Storm Water	6.7	7.1	6.2	6.8
Total Employees	<u>272.5</u>	<u>277.3</u>	<u>277.6</u>	<u>281.6</u>

Source(s):

Source 1: Data & records maintained in the Human Resources Division of the City of St. Louis Park, MN

Table 17

Fiscal Year					
2020	2021	2022	2023	2024	2025
128.0	126.8	129.0	127.8	130.6	130.6
58.0	58.0	58.0	60.0	57.0	59.0
15.0	15.0	16.0	15.0	16.0	16.0
28.0	30.0	30.0	31.0	32.0	33.0
37.0	37.0	38.0	28.7	20.2	23.2
9.7	9.0	18.0	11.0	11.3	11.3
6.0	7.0	-	7.5	8.8	9.8
3.0	3.0	3.0	5.0	4.2	4.2
4.0	4.0	1.0	7.0	6.5	6.5
288.7	289.8	293.0	293.0	286.6	293.6

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
Medical calls	3,623	3,705	4,375	4,479	3,559	3,683	3,947	3,798	4,054	4,136
Traffic stops	6,939	7,401	6,267	3,956	3,352	3,429	2,700	5,229	5,210	4,981
Other	31,462	31,052	31,882	37,399	43,757	44,508	40,164	50,331	37,430	41,140
Fire										
Inspections/medical/all other calls	6,130	5,513	6,308	5,712	5,032	5,301	5,648	5,844	5,434	5,504
Fire calls - residential/structural	53	202	297	95	87	130	44	34	74	108
Fire calls - other	41	85	68	50	40	198	76	85	103	132
Cable TV										
Hours of new programming	400	368	362	377	249	377	382	425	382	224
Inspections										
Permits	10,099	11,246	10,106	10,619	11,215	12,180	11,305	11,208	12,296	12,278
Inspections	23,372	28,484	25,187	21,419	23,090	26,928	26,091	25,845	25,662	22,937
Culture and recreation										
Aquatic park attendance	72,439	65,665	71,977	65,000	26,762	39,963	28,649	65,102	43,661	45,100
Hours of ice time	4,125	6,000	6,400	6,900	4,460	5,718	6,650	6,550	6,708	6,600
Water										
Gallons of water production (billions)	1.78	1.79	1.91	1.83	1.77	1.9	1.96	2.03	1.83	1.93
Average watermain breaks per year	20	11	38	33	33	29	28	11	16	32
Public Works										
Snowplowing hours	3,781	2,859	5,466	4,334	2,546	3,275	4,483	3,751	1,874	1,762

Source(s):

Source 1: Data above is retained by departments and divisions of the City of St. Louis Park, MN

CITY OF ST. LOUIS PARK, MINNESOTA
STATISTICAL SECTION (UNAUDITED)
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Table 19

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Function										
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	28	29	29	29	29	29	35	35	36	36
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Vehicles	14	15	15	15	15	15	15	15	15	15
Fire hydrants	1,772	1,773	1,774	1,774	1,774	1,774	1,774	1,774	1,790	1,790
Culture and recreation										
Parks	53	53	53	53	53	53	53	53	53	53
Trails	22	22	22	22	22	22	22	22	22	22
Streets										
Lane miles of streets	311	311	311	311	311	311	417	417	321	321
Miles of streets	155	155	155	155	155	155	149	149	149	149
Water										
Wells	10	10	10	10	10	10	9	9	9	9
Water treatment plants	6	6	6	6	6	6	6	6	6	6
Miles of watermain	175	175	175	175	175	178	159	159	159	159
Sanitary Sewer										
Lift stations	23	23	23	23	23	23	23	23	23	23
Miles of sewermain	143	143	143	143	143	144	137	137	137	137
Storm Sewer										
Lift stations	10	11	11	11	11	11	12	12	11	11
Ponds and lakes	52	52	52	52	52	51	99	99	51	51
Catch basins	3,885	3,885	3,940	3,940	3,940	4,143	4,129	4,129	4,131	4,179

Source(s):

Source 1: Data is retained by departments and divisions of the City of St. Louis Park, MN

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