

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 29, 2026

In the opinion of Kutak Rock LLP, Bond Counsel to the Issuer, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Bonds [(including any original issue discount properly allocable to the owner of a Bond)] is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Further, and to the extent of the aforementioned federal income tax exclusion, interest on the Bonds is excludable from taxable net income of individuals, trusts and estates for Minnesota income tax purposes, and is not a preference item for purposes of the computation of the Minnesota alternative minimum tax imposed on individuals, trusts and estates. Interest on the Bonds (a) may affect the federal alternative minimum tax imposed on certain corporations, and (b) is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. For a more detailed description of such opinions of Bond Counsel, see "Tax Matters" herein and "Appendix B – Form of Legal Opinion."

The City will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

New Issue

Rating Application Made: S&P Global Ratings

CITY OF ST. LOUIS PARK, MINNESOTA (Hennepin County)

\$9,930,000* GENERAL OBLIGATION BONDS, SERIES 2026A

PROPOSAL OPENING: July 6, 2026, 10:30 A.M., C.T.

CONSIDERATION: July 6, 2026, 6:15 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$9,930,000* General Obligation Bonds, Series 2026A (the "Bonds") are being issued pursuant to Section 6.15 of the City Charter of the City of St. Louis Park (the "City"), and Minnesota Statutes, Chapters 444 and 475, as amended, by the City, for the purposes of financing capital projects in the City and water utility improvements, including Phase II of the Cedar Lake and Louisiana road and utility reconstruction, the 2026 pavement management projects and Connect the Park projects and improvements to the Police Department Facility. The Bonds will be general obligations of the City for which its full faith and credit and taxing powers are pledged. Delivery is subject to receipt of an approving legal opinion of Kutak Rock LLP, Minneapolis, Minnesota.

DATE OF BONDS: July 28, 2026

MATURITY: February 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2028	\$460,000	2033	\$745,000	2038	\$510,000
2029	650,000	2034	765,000	2039	535,000
2030	675,000	2035	795,000	2040	550,000
2031	695,000	2036	820,000	2041	575,000
2032	715,000	2037	845,000	2042	595,000

***MATURITY ADJUSTMENTS:** The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BONDS: See "Term Bond Option" herein.

INTEREST: August 1, 2027 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing on February 1, 2036 and thereafter are subject to call for prior optional redemption on February 1, 2035 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

MINIMUM PROPOSAL: \$9,810,840.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$198,600 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation.

BOND COUNSEL: Kutak Rock LLP.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

BOOK-ENTRY-ONLY: See "Book-Entry-Only System" herein (unless otherwise specified by the purchaser).



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This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities or shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b) (1), but is subject to revision, amendment and completion in a Final Official Statement.

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representation other than those contained in this Preliminary Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. ***This Preliminary Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Preliminary Official Statement is not to be construed as a contract with the Underwriter (Syndicate Manager). Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the City and other sources for which there is reasonable basis for believing the information is accurate and complete. Bond Counsel has not participated in the preparation of this Preliminary Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein. Compensation of Ehlers and Associates, Inc., payable entirely by the City, is contingent upon the delivery of the Bonds.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

Preliminary Official Statement: This Preliminary Official Statement was prepared for the City for dissemination to potential investors. Its primary purpose is to disclose information regarding the Bonds to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Preliminary Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

Review Period: This Preliminary Official Statement has been distributed to prospective bidders for review. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers and Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum prior to the sale.

Final Official Statement: Copies of the Final Official Statement will be delivered to the Underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

Continuing Disclosure: Subject to certain exemptions, issues in an aggregate amount over \$1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Preliminary Official Statement describes the conditions under which the City is required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of the Bonds, the Underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Bonds and all times subsequent thereto up to and including the time of the delivery of the Bonds, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Bonds; (3) a certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Bonds, (b) neither the corporate existence or boundaries of the City nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the City which indicates that the City does not expect to use the proceeds of the Bonds in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

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CITY OF ST. LOUIS PARK CITY COUNCIL

		<u>Term Expires</u>
Nadia Mohamed	Mayor	January 2028
Daniel Bashore	Council Member	January 2030
Paul Baudhuin	Council Member	January 2028
Tim Brausen	Council Member	January 2030
Sue Budd	Council Member	January 2030
Jim Engelking	Council Member	January 2030
Yolanda Farris	Council Member	January 2028

ADMINISTRATION

Kim Keller, City Manager
Joe Olson, Deputy Finance Director
Melissa Kennedy, City Clerk

PROFESSIONAL SERVICES

Campbell Knutson, P.A., City Attorney, Eagan, Minnesota

Kutak Rock LLP, Bond Counsel, Minneapolis, Minnesota

Ehlers and Associates, Inc., Municipal Advisors, Minneapolis, Minnesota
(Other office located in Waukesha, Wisconsin)

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the City of St. Louis Park, Minnesota (the "City") and the issuance of its \$9,930,000* General Obligation Bonds, Series 2026A (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution authorizing the issuance and sale of the Bonds ("Award Resolution") to be adopted by the City Council on July 6, 2026.

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Minneapolis, Minnesota, (651) 697-8500, the City's municipal advisor. A copy of this Preliminary Official Statement may be downloaded from Ehlers' web site at www.ehlers-inc.com by connecting to the Bond Sales link and following the directions at the top of the site.

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of July 28, 2026. The Bonds will mature on February 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on February 1 and August 1 of each year, commencing August 1, 2027, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). **The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2028 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Bonds are held under the book-entry system, beneficial ownership interests in the Bonds may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Bonds shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Bonds shall be payable as provided in the Award Resolution.

The City has selected Bond Trust Services Corporation, Minneapolis, Minnesota ("BTSC"), to act as paying agent (the "Paying Agent"). BTSC and Ehlers are affiliate companies. The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

*Preliminary, subject to change.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after February 1, 2036 shall be subject to optional redemption prior to maturity on February 1, 2035 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of redemption shall be sent by mail not more than 60 days and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

AUTHORITY; PURPOSE

The Bonds are being issued pursuant to Section 6.15 of the City Charter of the City, and Minnesota Statutes, Chapters 444 and 475, as amended, by the City, for the purposes of financing capital projects in the City and water utility improvements, including Phase II of the Cedar Lake and Louisiana road and utility reconstruction, the 2026 pavement management projects and Connect the Park projects and improvements to the Police Department Facility (further breakout of portions listed below).

ESTIMATED SOURCES AND USES*

Sources	City Project Portion	Utility Revenue Portion	Total Bond Issue
Par Amount of Bonds	<u>\$7,365,000</u>	<u>\$2,565,000</u>	<u>\$9,930,000</u>
Total Sources	\$7,365,000	\$2,565,000	\$9,930,000
Uses			
Total Underwriter's Discount (1.200%)	\$88,380	\$30,780	\$119,160
Costs of Issuance	91,228	31,772	123,000
Deposit to Construction Fund	7,185,000	2,500,000	9,685,000
Rounding Amount	<u>392</u>	<u>2,448</u>	<u>2,840</u>
Total Uses	\$7,365,000	\$2,565,000	\$9,930,000

*Preliminary, subject to change.

Breakdown of Principal Payments*:

Payment Date	City Project Portion	Utility Revenue Portion	Total Bond Issue
2/01/2028	\$275,000	\$185,000	\$460,000
2/01/2029	420,000	230,000	650,000
2/01/2030	435,000	240,000	675,000
2/01/2031	450,000	245,000	695,000
2/01/2032	460,000	255,000	715,000
2/01/2033	480,000	265,000	745,000
2/01/2034	490,000	275,000	765,000
2/01/2035	515,000	280,000	795,000
2/01/2036	530,000	290,000	820,000
2/01/2037	545,000	300,000	845,000
2/01/2038	510,000	-	510,000
2/01/2039	535,000	-	535,000
2/01/2040	550,000	-	550,000
2/01/2041	575,000	-	575,000
2/01/2042	<u>595,000</u>	<u>-</u>	<u>595,000</u>
Total	\$7,365,000	\$2,565,000	\$9,930,000

*Preliminary, subject to change.

SECURITY

The Bonds will be general obligations of the City for which its full faith and credit and taxing powers are pledged without limitation as to rate or amount.

The City anticipates that the debt service on the City Project Portion of the Bonds will be paid from ad valorem property taxes. In accordance with Minnesota Statutes, the City will levy each year an amount not less than 105% of the debt service requirements on the City Project Portion of the Bonds. In the event funds on hand for payment of principal and interest are at any time insufficient, the City is required to levy an additional ad valorem tax upon all taxable properties within its boundaries without limit as to rate or amount to make up any deficiency.

The City anticipates that the debt service on the Utility Revenue Portion of the Bonds will be paid entirely from net revenues of the water system ("utility revenues") which is owned and operated by the City. In accordance with Minnesota Statutes, receipt of utility revenues will be sufficient to provide not less than 105% of principal and interest on the Utility Revenue Portion of the Bonds.

Should the utility revenues and/or ad valorem property taxes pledged for payment of the Bonds be insufficient to pay the principal and interest as the same shall become due, the City is required to pay maturing principal and interest from moneys on hand in any other fund of the City not pledged for another purpose and/or to levy a tax for this purpose upon all the taxable property in the City, without limitation as to rate or amount.

RATING

General obligation debt of the City, with the exception of any outstanding credit enhanced issues, is currently rated "AAA"/Stable outlook by S&P Global Ratings ("S&P").

The City has requested a rating on the Bonds from S&P, and bidders will be notified as to the assigned rating prior to the sale. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from S&P.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Bonds, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Undertaking described under the heading "CONTINUING DISCLOSURE" neither the City nor the underwriter undertake responsibility to bring to the attention of the owner of the Bonds any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

CONTINUING DISCLOSURE

In order to assist brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Bonds, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the City shall agree to provide certain information to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events.

On the date of issue and delivery, the City shall execute and deliver a Continuing Disclosure Certificate, under which the City will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the City are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

A failure by the City to comply with any Disclosure Undertaking will not constitute an event of default on the Bonds. However, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

In the previous five years, the City believes it has not failed to comply in all material respects with its prior undertakings under the Rule. The City has reviewed its continuing disclosure responsibilities along with any changes to the Rule, to ensure compliance. Ehlers is currently engaged as dissemination agent for the City.

LEGAL OPINION

An opinion as to the validity of the Bonds and the exemption from taxation of the interest thereon will be furnished by Kutak Rock LLP, Minneapolis, Minnesota, Bond Counsel to the City ("Bond Counsel"), and will be available at the time of delivery of the Bonds. The legal opinion will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). See "FORM OF LEGAL OPINION" found in Appendix B.

Bond Counsel has not participated in the preparation of this Official Statement and is not passing upon its accuracy, completeness, or sufficiency. Bond Counsel has not examined or verified, nor attempted to examine or verify, any of the financial or statistical statements or data contained in this Official Statement and will express no opinion with respect thereto.

TAX MATTERS

General Matters. In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Bonds [(including any original issue discount properly allocable to the owner of a Bond)] is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Further, and to the extent of the aforementioned federal income tax exclusion, interest on the Bonds is excludable from taxable net income of individuals, trusts, and estates for Minnesota income tax purposes, and is not a preference item for purposes of the computation of the Minnesota alternative minimum tax imposed on individuals, trusts, and estates. The opinions described above assume the accuracy of certain representations and compliance by the City with covenants designed to satisfy the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be met subsequent to the issuance of the Bonds. Failure to comply with such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes and in taxable net income for Minnesota income tax purposes, retroactive to the date of issuance of the Bonds. The City has covenanted to comply with such requirements. Interest on the Bonds (a) may affect the federal alternative minimum tax imposed on certain corporations, and (b) is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Bonds.

The accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the owners of the Bonds. The extent of these other tax consequences will depend on such owners' particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences.

Purchasers of the Bonds, particularly purchasers that are corporations (including S corporations, foreign corporations operating branches in the United States of America, and certain corporations subject to the alternative minimum tax imposed on corporations), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Bonds.

A copy of the form of opinion of Bond Counsel is attached hereto as Appendix B.

Original Issue Discount. The Bonds that have an original yield above their respective interest rates, if any, as shown on the inside cover of this Official Statement (collectively, the "Discount Bonds"), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity (excluding "qualified stated interest" within the meaning of Section 1.1273-1 of the Treasury Regulations) constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Bond is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received on disposition of such Discount Bond that are attributable to accrued or otherwise recognized original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less (b) the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such bonds for a price that is higher or lower than the "adjusted issue price" of the bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

Original Issue Premium. The Bonds that have an original yield below their respective interest rates, if any, as shown on the inside cover of this Official Statement (collectively, the "Premium Bonds"), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Bank Qualified. The City has represented that it does not reasonably anticipate issuing greater than \$10,000,000 of tax-exempt obligations in calendar year 2026 (excluding certain private activity and refunding bonds) and that it has designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. Accordingly, assuming the accuracy of such representations, in the case of certain banks, thrift institutions or other financial institutions owning the Bonds, a deduction is allowed for 80 percent of that portion of such institutions' interest expense allocable to interest on such bonds. Bond Counsel has expressed no opinion with respect to any deduction for federal tax law purposes of interest on indebtedness incurred or continued by an owner of the Bonds or a related person to purchase or carry such bonds.

Backup Withholding

An owner of a Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the Bonds if such owner fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner's taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other "reportable payments" (as defined in the Code) properly, or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading "TAX MATTERS" or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

PROSPECTIVE PURCHASERS OF THE BONDS ARE ADVISED TO CONSULT WITH THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE BONDS.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the City in connection with the issuance of the Bonds. The Municipal Advisor cannot participate in the underwriting of the Bonds. The financial information included in this Preliminary Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor. Ehlers makes no representation, warranty or guarantee regarding the accuracy or completeness of the information in this Preliminary Official Statement, and its assistance in preparing this Preliminary Official Statement should not be construed as a representation that it has independently verified such information.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

BTSC and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the City, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the City under an agreement separate from Ehlers.

INDEPENDENT AUDITORS

The basic financial statements of the City for the fiscal year ended December 31, 2025 have been audited by Redpath and Company, LLC, St. Paul, Minnesota, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Preliminary Official Statement.

RISK FACTORS

The following is a description of possible risks to holders of the Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here.

Taxes: The Bonds are general obligations of the City, the ultimate payment of which rests in the City's ability to levy and collect sufficient taxes to pay debt service should other revenue (utility revenues) be insufficient. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the City in time to pay debt service when due.

State Actions: Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the State of Minnesota (the "State") may affect the overall financial condition of the City, the taxable value of property within the City, and the ability of the City to levy and collect property taxes.

Future Changes in Law: Various State and federal laws, regulations and constitutional provisions apply to the City and to the Bonds. The City can give no assurance that there will not be a change in or interpretation of any such applicable laws, regulations and provisions which would have a material effect on the City or the taxing authority of the City.

Ratings; Interest Rates: In the future, the City's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Bonds for resale prior to maturity.

Tax Exemption: If the federal government or the State of Minnesota taxes all or a portion of the interest on municipal obligations, directly or indirectly, or if there is a change in federal or state tax policy, the value of the Bonds may fall for purposes of resale. Noncompliance following the issuance of the Bonds with certain requirements of the Code and covenants of the Award Resolution may result in the inclusion of interest on the Bonds in gross income of the recipient for United States income tax purposes or in taxable net income of individuals, estates or trusts for State of Minnesota income tax purposes. No provision has been made for redemption of the Bonds, or for an increase in the interest rate on the Bonds, in the event that interest on the Bonds becomes subject to federal or State of Minnesota income taxation, retroactive to the date of issuance.

Continuing Disclosure: A failure by the City to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Levy Limits: The State Legislature has periodically imposed limitations on the ability of municipalities to levy property taxes. While these limitations have expired, the potential exists for future legislation to limit the ability of local governments to levy property taxes. All previous limitations have not limited the ability to levy for the payment of debt service on bonded indebtedness. For more detailed information about Minnesota levy limits, contact the Minnesota Department of Revenue or Ehlers and Associates.

State Economy; State Aids: State of Minnesota cash flow problems could affect local governments and possibly increase property taxes.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Bonds to the accounts of the Beneficial Owners of the Bonds may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the City to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Bonds.

Economy: A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the City, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the City may have an adverse effect on the value of the Bonds in the secondary market.

Secondary Market for the Bonds: No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof. Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Bankruptcy: The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Bonds will be similarly qualified.

Cybersecurity: The City is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the City will not experience an information technology breach or attack with financial consequences that could have a material adverse impact.

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Preliminary Official Statement and the Appendices hereto.

VALUATIONS

OVERVIEW

All non-exempt property is subject to taxation by local taxing districts. Exempt real property includes Indian lands, public property, and educational, religious and charitable institutions. Most personal property is exempt from taxation (except investor-owned utility mains, generating plants, etc.).

The valuation of property in Minnesota consists of three elements. (1) The estimated market value is set by city or county assessors. Not less than 20% of all real properties are to be appraised by local assessors each year. (2) The taxable market value is the estimated market value adjusted by all legislative exclusions. (3) The tax capacity (taxable) value of property is determined by class rates set by the State Legislature. The tax capacity rate varies according to the classification of the property. Tax capacity represents a percent of taxable market value.

The property tax rate for a local taxing jurisdiction is determined by dividing the total tax capacity or market value of property within the jurisdiction into the dollars to be raised from the levy. State law determines whether a levy is spread on tax capacity or market value. Major classifications and the percentages by which tax capacity is determined are:

Type of Property	2023/24	2024/25	2025/26
Residential homestead ¹	First \$500,000 - 1.00% Over \$500,000 - 1.25%	First \$500,000 - 1.00% Over \$500,000 - 1.25%	First \$500,000 - 1.00% Over \$500,000 - 1.25%
Agricultural homestead ¹	First \$500,000 HGA - 1.00% Over \$500,000 HGA - 1.25% First \$2,150,000 - 0.50% ² Over \$2,150,000 - 1.00% ²	First \$500,000 HGA - 1.00% Over \$500,000 HGA - 1.25% First \$3,500,000 - 0.50% ² Over \$3,500,000 - 1.00% ²	First \$500,000 HGA - 1.00% Over \$500,000 HGA - 1.25% First \$3,500,000 - 0.50% ² Over \$3,500,000 - 1.00% ²
Agricultural non-homestead	Land - 1.00% ²	Land - 1.00% ²	Land - 1.00% ²
Seasonal recreational residential	First \$500,000 - 1.00% ³ Over \$500,000 - 1.25% ³	First \$500,000 - 1.00% ³ Over \$500,000 - 1.25% ³	First \$500,000 - 1.00% ³ Over \$500,000 - 1.25% ³
Residential non-homestead:	1 unit - 1st \$500,000 - 1.00% Over \$500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City ⁴ - 1.25% Affordable Rental: First \$174,000 - 0.75% Over \$174,000 - 0.25%	1 unit - 1st \$500,000 - 1.00% Over \$500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City ⁴ - 1.25% Affordable Rental: - 0.25%	1 unit - 1st \$500,000 - 1.00% Over \$500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City ⁴ - 1.25% Affordable Rental - 0.25%
Industrial/Commercial/Utility ⁵	First \$150,000 - 1.50% Over \$150,000 - 2.00%	First \$150,000 - 1.50% Over \$150,000 - 2.00%	First \$150,000 - 1.50% Over \$150,000 - 2.00%

¹ A residential property qualifies as "homestead" if it is occupied by the owner or a relative of the owner on the assessment date.

² Applies to land and buildings. Exempt from referendum market value tax.

³ Exempt from referendum market value tax.

⁴ Cities of 5,000 population or less and located entirely outside the seven-county metropolitan area and the adjacent nine-county area and whose boundaries are 15 miles or more from the boundaries of a Minnesota city with a population of over 5,000.

⁵ The estimated market value of utility property is determined by the Minnesota Department of Revenue.

CURRENT PROPERTY VALUATIONS

2025/26 Economic Market Value	<u>\$10,457,953,994¹</u>
2025/26 Assessor's Estimated Market Value	
Real Estate	\$9,958,327,800
Personal Property	<u>22,100,400</u>
Total Valuation	<u>\$9,980,428,200</u>
2025/26 Net Tax Capacity	
Real Estate	\$120,310,848
Personal Property	<u>434,466</u>
Net Tax Capacity	\$120,745,314
Less:	
Captured Tax Increment Tax Capacity ²	(10,973,667)
Fiscal Disparities Contribution ³	<u>(13,167,503)</u>
Taxable Net Tax Capacity	\$96,604,144
Plus: Fiscal Disparities Distribution ³	<u>7,466,166</u>
Adjusted Taxable Net Tax Capacity	<u>\$104,070,310</u>

¹ According to the Minnesota Department of Revenue, the Assessor's Estimated Market Value (the "AEMV") for the City was about 95.97% of the actual selling prices of property sold in the City. The sales ratio was calculated by comparing the selling prices with the AEMV. Dividing the AEMV of real estate by the sales ratio and adding the AEMV of personal property and utility, railroads and minerals, if any, results in an Economic Market Value ("EMV") for the City of \$10,457,953,994.

² The captured tax increment value shown above represents the captured net tax capacity of tax increment financing districts in the City.

³ Each community in the seven-county metropolitan area contributes 40% of the growth in its commercial-industrial property tax base to an area pool which is then distributed among the municipalities on the basis of population, special needs, etc. Each governmental unit makes a contribution and receives a distribution--sometimes gaining and sometimes contributing net tax capacity for tax purposes.

2025/26 NET TAX CAPACITY BY CLASSIFICATION

	2025/26 Net Tax Capacity	Percent of Total Net Tax Capacity
Residential homestead	\$60,927,868	50.46%
Commercial/industrial	36,326,209	30.09%
Public utility	248,308	0.21%
Railroad operating property	571,222	0.47%
Non-homestead residential	22,028,532	18.24%
Commercial & residential seasonal/rec.	12,296	0.01%
Other	196,413	0.16%
Personal property	434,466	0.36%
	<u> </u>	<u> </u>
Total	<u><u>\$120,745,314</u></u>	<u><u>100.00%</u></u>

TREND OF VALUATIONS

Levy Year	Assessor's Estimated Market Value	Assessor's Taxable Market Value	Net Tax Capacity¹	Adjusted Taxable Net Tax Capacity²	Percent Increase/Decrease in Estimated Market Value
2021/22	\$8,555,110,800	\$8,428,814,718	\$106,119,396	\$87,256,766	4.28%
2022/23	9,427,743,400	9,329,350,550	116,626,650	96,682,406	10.20%
2023/24	9,748,879,700	9,650,904,194	120,912,490	101,064,612	3.41%
2024/25	9,926,673,200	9,738,161,288	121,168,959	100,607,002	1.82%
2025/26	9,980,428,200	9,799,012,607	120,745,314	104,070,310	0.54%

¹ Net Tax Capacity is before fiscal disparities adjustments and includes tax increment values.

² Adjusted Taxable Net Tax Capacity is after fiscal disparities adjustments and does not include tax increment values.

LARGEST TAXPAYING PARCELS¹

Taxpayer	Type of Property	2025/26 Net Tax Capacity	Percent of City's Total Net Tax Capacity
BOF III Minnesota 10 West End LLC	Commercial	\$1,791,950	1.48%
ACCESO Acquisitions LLC	Commercial	1,499,250	1.24%
BOF II Minnesota W End Off Pk LLC	Commercial	1,467,720	1.22%
Excelsior & Grand Apts LLC	Apartment	1,409,340	1.17%
MSP West End LLC	Commercial	1,251,930	1.04%
Park Nicollet Real Estate	Commercial	1,232,124	1.02%
Knollwood MZL LLC	Commercial	1,056,250	0.87%
Beltline Residences LLC	Apartment	809,048	0.67%
4800 Excelsior Apartments	Apartment	714,920	0.59%
Bel Verge LLC	Apartment	<u>651,375</u>	<u>0.54%</u>
Total		\$11,883,907	9.84%

City's Total 2025/26 Net Tax Capacity \$120,745,314

Source: Current Property Valuations, Net Tax Capacity by Classification, Trend of Valuations and Largest Taxpaying Parcels have been furnished by Hennepin County.

¹ Hennepin County has provided the largest taxpaying *parcels* which appear on the tax rolls of Hennepin County, and therefore the information stated above may not be reflective of the entire valuation of all parcels and may not include all classifications of property.

DEBT

DIRECT DEBT¹

General Obligation Debt (see schedules following)

Total G.O. debt secured by housing improvement area fees	\$5,405,000
Total G.O. debt secured by housing revenues	1,045,000
Total G.O. debt secured by tax abatement revenues	12,460,000
Total G.O. debt secured by taxes (includes the City Project Portion of the Bonds)*	40,705,000
Total G.O. debt secured by utility revenues (includes the Utility Revenue Portion of the Bonds)*	22,295,000
Total General Obligation Debt*	<u>\$81,910,000</u>

*Preliminary, subject to change.

DEBT PAYMENT HISTORY

The City has no record of default in the payment of principal and interest on its debt.

FUTURE FINANCING

The City anticipates issuing general obligation bonds for capital projects in the next 12 months. The City also anticipates issuing conduit debt for development projects, and the timing of this issuance and project is estimated for 2027; however, the size and scope of these projects is not yet known.

¹ Outstanding debt is as of the dated date of the Bonds.

DEBT LIMIT

The statutory limit on net debt of Minnesota municipalities other than school districts or cities of the first class (Minnesota Statutes, Section 475.53, subd. 1) is 3% of the Assessor's Estimated Market Value of all taxable property within its boundaries. "Net debt" means the amount remaining after deducting from gross debt the amount of current revenues which are applicable within the current fiscal year to the payment of any debt and the aggregate principal of certain obligations enumerated under Minnesota Statutes, Section 475.51, subd. 4, including the following: (1) obligations issued for improvements payable wholly or partly from special assessments levied against benefitted property; (2) warrants or orders having no definite or fixed maturity; (3) obligations payable wholly from the income of revenue producing conveniences (includes the Utility Revenue Portion of the Bonds); (4) obligations issued to create or maintain a permanent improvement revolving fund; (5) obligations issued to finance any revenue producing public convenience; (6) funds held as sinking funds for payment of principal and interest on debt other than those deductible under Minnesota Statutes, Section 475.51, subd. 4; (7) obligations to repay energy conservation investment loans under Minnesota Statutes, Section 216C.37; (8) obligations issued to pay certain postemployment benefit liabilities; (9) obligations issued to pay certain judgments against the City; and (10) all other obligations which are not to be included in computing the net debt of a municipality under the provisions of the law authorizing their issuance.

2025/26 Assessor's Estimated Market Value	\$9,980,428,200
Multiply by 3%	0.03
Statutory Debt Limit	<u>\$299,412,846</u>
Less: Long-Term Debt Outstanding Being Paid Solely from Taxes (includes the City Project Portion of the Bonds)*	<u>(40,705,000)</u>
Unused Debt Limit*	<u><u>\$258,707,846</u></u>

*Preliminary, subject to change.

City of St. Louis Park, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Housing Improvement Area Fees
(As of 07/28/2026)

	Taxable Housing Improvement Area Bonds Series 2012A		Taxable Housing Imp. Area Ref. Bonds Series 2019C		Taxable Housing Improvement Area Bonds Series 2022B							
Dated	10/17/2012		11/26/2019		09/07/2022							
Amount	\$1,290,000		\$2,200,000		\$4,900,000							
Maturity	02/01		02/01		02/01							
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2026	0	9,771	0	4,368	0	89,464	0	103,603	103,603	5,405,000	.00%	2026
2027	70,000	18,458	285,000	5,743	190,000	174,653	545,000	198,853	743,853	4,860,000	10.08%	2027
2028	70,000	16,183	125,000	1,375	200,000	165,878	395,000	183,435	578,435	4,465,000	17.39%	2028
2029	75,000	13,718			205,000	157,790	280,000	171,508	451,508	4,185,000	22.57%	2029
2030	75,000	11,036			215,000	150,440	290,000	161,476	451,476	3,895,000	27.94%	2030
2031	80,000	8,130			220,000	142,773	300,000	150,903	450,903	3,595,000	33.49%	2031
2032	85,000	4,973			230,000	134,728	315,000	139,700	454,700	3,280,000	39.32%	2032
2033	85,000	1,658			235,000	126,123	320,000	127,780	447,780	2,960,000	45.24%	2033
2034					245,000	117,003	245,000	117,003	362,003	2,715,000	49.77%	2034
2035					255,000	107,248	255,000	107,248	362,248	2,460,000	54.49%	2035
2036					265,000	96,848	265,000	96,848	361,848	2,195,000	59.39%	2036
2037					275,000	85,979	275,000	85,979	360,979	1,920,000	64.48%	2037
2038					290,000	74,538	290,000	74,538	364,538	1,630,000	69.84%	2038
2039					300,000	62,440	300,000	62,440	362,440	1,330,000	75.39%	2039
2040					310,000	49,783	310,000	49,783	359,783	1,020,000	81.13%	2040
2041					325,000	36,444	325,000	36,444	361,444	695,000	87.14%	2041
2042					340,000	22,313	340,000	22,313	362,313	355,000	93.43%	2042
2043					355,000	7,544	355,000	7,544	362,544	0	100.00%	2043
	540,000	83,925	410,000	11,485	4,455,000	1,801,983	5,405,000	1,897,393	7,302,393			

City of St. Louis Park, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Housing Revenues
(As of 07/28/2026)

Refunding Bonds Series 2022A								
Dated	06/21/2022							
Amount	\$1,345,000							
Maturity	02/01							
Calendar Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2026	0	20,771	0	20,771	20,771	1,045,000	.00%	2026
2027	80,000	39,941	80,000	39,941	119,941	965,000	7.66%	2027
2028	80,000	36,741	80,000	36,741	116,741	885,000	15.31%	2028
2029	85,000	33,441	85,000	33,441	118,441	800,000	23.44%	2029
2030	85,000	30,126	85,000	30,126	115,126	715,000	31.58%	2030
2031	90,000	26,801	90,000	26,801	116,801	625,000	40.19%	2031
2032	95,000	23,286	95,000	23,286	118,286	530,000	49.28%	2032
2033	100,000	19,481	100,000	19,481	119,481	430,000	58.85%	2033
2034	100,000	15,481	100,000	15,481	115,481	330,000	68.42%	2034
2035	105,000	11,381	105,000	11,381	116,381	225,000	78.47%	2035
2036	110,000	7,013	110,000	7,013	117,013	115,000	89.00%	2036
2037	115,000	2,372	115,000	2,372	117,372	0	100.00%	2037
	1,045,000	266,836	1,045,000	266,836	1,311,836			

City of St. Louis Park, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Tax Abatement Revenues
(As of 07/28/2026)

Tax Abatement Bonds 1) Series 2019A								
Dated	04/10/2019							
Amount	\$12,460,000							
Maturity	02/01							
Calendar Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2026	0	189,866	0	189,866	189,866	12,460,000	.00%	2026
2027	190,000	375,931	190,000	375,931	565,931	12,270,000	1.52%	2027
2028	1,370,000	344,731	1,370,000	344,731	1,714,731	10,900,000	12.52%	2028
2029	1,425,000	295,956	1,425,000	295,956	1,720,956	9,475,000	23.96%	2029
2030	1,470,000	252,531	1,470,000	252,531	1,722,531	8,005,000	35.75%	2030
2031	1,515,000	209,650	1,515,000	209,650	1,724,650	6,490,000	47.91%	2031
2032	1,555,000	167,438	1,555,000	167,438	1,722,438	4,935,000	60.39%	2032
2033	1,595,000	123,128	1,595,000	123,128	1,718,128	3,340,000	73.19%	2033
2034	1,645,000	75,525	1,645,000	75,525	1,720,525	1,695,000	86.40%	2034
2035	1,695,000	25,425	1,695,000	25,425	1,720,425	0	100.00%	2035
	12,460,000	2,060,181	12,460,000	2,060,181	14,520,181			

1) This represents the \$12,460,000 Tax Abatement portion of the \$22,220,000 General Obligation Bonds, Series 2019A.

City of St. Louis Park, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 07/28/2026)

	G.O. Bonds Series 2016A		G.O. Bonds 1) Series 2017A		G.O. Bonds 2) Series 2018A		G.O. Bonds 3) Series 2019A		Refunding Bonds 4) Series 2019B	
Dated	07/14/2016		07/13/2017		06/14/2018		04/10/2019		11/26/2019	
Amount	\$10,000,000		\$3,430,000		\$2,020,000		\$9,760,000		\$7,585,000	
Maturity	02/01		02/01		02/01		02/01		02/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	0	9,384	0	8,369	0	10,350	0	91,125	0	85,050
2027	1,155,000	9,384	380,000	12,700	225,000	17,325	865,000	164,950	645,000	153,975
2028			385,000	4,331	230,000	10,500	895,000	129,750	675,000	120,975
2029					235,000	3,525	935,000	97,825	705,000	86,475
2030							965,000	69,325	745,000	57,675
2031							360,000	49,900	765,000	35,025
2032							370,000	39,863	785,000	11,775
2033							380,000	29,313		
2034							390,000	18,000		
2035							405,000	6,075		
2036										
2037										
2038										
2039										
2040										
2041										
2042										
	1,155,000	18,769	765,000	25,400	690,000	41,700	5,565,000	696,125	4,320,000	550,950

- 1) This represents the \$3,430,000 City Charter portion of the \$9,900,000 General Obligation Bonds Series 2017A.
- 2) This represents the \$2,020,000 City Charter portion of the \$8,800,000 General Obligation Bonds, Series 2018A.
- 3) This represents the \$9,760,000 City Charter portion of the \$22,220,000 General Obligation Bonds, Series 2019A.
- 4) This represents the \$7,585,000 Refunding portion of the \$15,105,000 General Obligation Bonds, Series 2019B.

--Continued on next page

City of St. Louis Park, Minnesota
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 07/28/2026)

	G.O. Bonds 5) Series 2020A		G.O. Bonds Series 2021A		G.O. Bonds Series 2024A		G.O. Bonds 6) Series 2026A							
Dated	11/10/2020		04/15/2021		06/25/2024		07/28/2026							
Amount	\$10,505,000		\$12,385,000		\$3,050,000		\$7,365,000*							
Maturity	02/01		02/01		02/01		02/01							
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2026	0	112,475	0	82,834	0	67,975	0	0	0	467,562	467,562	40,705,000	.00%	2026
2027	590,000	213,150	915,000	156,518	265,000	129,325	0	262,406	5,040,000	1,119,733	6,159,733	35,665,000	12.38%	2027
2028	615,000	189,050	935,000	138,018	285,000	115,575	275,000	255,975	4,295,000	964,174	5,259,174	31,370,000	22.93%	2028
2029	645,000	163,850	955,000	119,118	300,000	100,950	420,000	245,098	4,195,000	816,840	5,011,840	27,175,000	33.24%	2029
2030	670,000	137,550	975,000	99,818	315,000	85,575	435,000	231,631	4,105,000	681,574	4,786,574	23,070,000	43.32%	2030
2031	695,000	113,725	995,000	84,346	135,000	74,325	450,000	217,468	3,400,000	574,789	3,974,789	19,670,000	51.68%	2031
2032	715,000	96,150	1,005,000	72,344	145,000	67,325	460,000	202,565	3,480,000	490,021	3,970,021	16,190,000	60.23%	2032
2033	405,000	84,950	875,000	60,156	150,000	59,950	480,000	186,935	2,290,000	421,304	2,711,304	13,900,000	65.85%	2033
2034	410,000	76,800	575,000	49,938	160,000	52,200	490,000	170,565	2,025,000	367,503	2,392,503	11,875,000	70.83%	2034
2035	420,000	68,500	580,000	40,913	165,000	44,075	515,000	153,351	2,085,000	312,914	2,397,914	9,790,000	75.95%	2035
2036	430,000	60,000	590,000	30,300	175,000	35,575	530,000	135,060	1,725,000	260,935	1,985,935	8,065,000	80.19%	2036
2037	435,000	51,350	605,000	18,350	185,000	27,500	545,000	115,706	1,770,000	212,906	1,982,906	6,295,000	84.54%	2037
2038	445,000	42,550	615,000	6,150	190,000	20,000	510,000	96,325	1,760,000	165,025	1,925,025	4,535,000	88.86%	2038
2039	455,000	33,550			200,000	12,200	535,000	76,859	1,190,000	122,609	1,312,609	3,345,000	91.78%	2039
2040	465,000	24,350			205,000	4,100	550,000	56,378	1,220,000	84,828	1,304,828	2,125,000	94.78%	2040
2041	475,000	14,950					575,000	34,715	1,050,000	49,665	1,099,665	1,075,000	97.36%	2041
2042	480,000	5,100					595,000	11,751	1,075,000	16,851	1,091,851	0	100.00%	2042
	8,350,000	1,488,050	9,620,000	958,800	2,875,000	896,650	7,365,000	2,452,787	40,705,000	7,129,231	47,834,231			

* Preliminary, subject to change.

5) This represents the \$10,505,000 Levy portion of the \$15,540,000 General Obligation Bonds, Series 2020A.

6) This represents the \$7,365,000 City Projects Portion of the \$9,930,000 General Obligation Bonds, Series 2026A.

City of St. Louis Park, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Utility Revenues
(As of 07/28/2026)

	Utility & Refunding Bonds 1) Series 2017A		Utility Revenue Bonds 2) Series 2018A		Utility Revenue Bonds 3) Series 2019B		Utility Revenue Bonds 4) Series 2020A		Utility Revenue Bonds Series 2024B	
Dated	07/13/2017		06/14/2018		11/26/2019		11/10/2020		09/12/2024	
Amount	\$6,470,000		\$6,780,000		\$7,520,000		\$5,035,000		\$5,750,000	
Maturity	02/01		02/01		02/01		02/01		02/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	0	34,013	0	53,550	0	77,075	0	51,875	0	110,900
2027	340,000	64,413	465,000	100,125	800,000	134,150	315,000	97,450	305,000	215,700
2028	350,000	56,863	475,000	86,025	845,000	93,025	325,000	84,650	315,000	203,300
2029	360,000	48,425	500,000	71,400	880,000	49,900	340,000	71,350	325,000	190,500
2030	365,000	39,363	510,000	56,250	930,000	13,950	355,000	57,450	340,000	177,200
2031	375,000	29,175	525,000	40,725			365,000	44,875	355,000	163,300
2032	390,000	17,700	540,000	24,750			380,000	35,600	370,000	148,800
2033	395,000	5,925	555,000	8,325			385,000	27,950	385,000	133,700
2034							395,000	20,150	400,000	118,000
2035							400,000	12,200	415,000	101,700
2036							410,000	4,100	430,000	84,800
2037									450,000	67,200
2038									465,000	48,900
2039									485,000	29,900
2040									505,000	10,100
	2,575,000	295,875	3,570,000	441,150	3,455,000	368,100	3,670,000	507,650	5,545,000	1,804,000

- 1) This represents the \$6,470,000 Utility & Refunding portions of the \$9,900,000 General Obligation Bonds Series 2017A.
- 2) This represents the \$6,780,000 Utility Revenue portion of the \$8,800,000 General Obligation Bonds, Series 2018A.
- 3) This represents the \$7,520,000 Utility Revenue portion of the \$15,105,000 General Obligation Bonds, Series 2019B.
- 4) This represents the \$5,035,000 Utility Revenue portion of the \$15,540,000 General Obligation Bonds, Series 2020A.

--Continued on next page

City of St. Louis Park, Minnesota
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Utility Revenues
(As of 07/28/2026)

Utility Revenue Bonds Series 2025A			Utility Revenue Bonds 5) Series 2026A							
Dated	08/26/2025		07/28/2026							
Amount	\$915,000		\$2,565,000*							
Maturity	02/01		02/01							
Calendar Year Ending	Principal	Interest	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2026	0	41,503	0	0	0	368,915	368,915	22,295,000	.00%	2026
2027	55,000	43,225	0	86,767	2,280,000	741,830	3,021,830	20,015,000	10.23%	2027
2028	80,000	39,850	185,000	83,183	2,575,000	646,895	3,221,895	17,440,000	21.78%	2028
2029	80,000	35,850	230,000	76,693	2,715,000	544,118	3,259,118	14,725,000	33.95%	2029
2030	85,000	31,725	240,000	69,290	2,825,000	445,228	3,270,228	11,900,000	46.62%	2030
2031	90,000	27,350	245,000	61,529	1,955,000	366,954	2,321,954	9,945,000	55.39%	2031
2032	95,000	22,725	255,000	53,340	2,030,000	302,915	2,332,915	7,915,000	64.50%	2032
2033	100,000	17,850	265,000	44,694	2,085,000	238,444	2,323,444	5,830,000	73.85%	2033
2034	105,000	12,725	275,000	35,580	1,175,000	186,455	1,361,455	4,655,000	79.12%	2034
2035	110,000	7,350	280,000	26,075	1,205,000	147,325	1,352,325	3,450,000	84.53%	2035
2036	115,000	2,300	290,000	16,098	1,245,000	107,298	1,352,298	2,205,000	90.11%	2036
2037			300,000	5,475	750,000	72,675	822,675	1,455,000	93.47%	2037
2038					465,000	48,900	513,900	990,000	95.56%	2038
2039					485,000	29,900	514,900	505,000	97.73%	2039
2040					505,000	10,100	515,100	0	100.00%	2040
	915,000	282,453	2,565,000	558,722	22,295,000	4,257,950	26,552,950			

* Preliminary, subject to change.

5) This represents the \$2,565,000 Utility Revenue Portion of the \$9,930,000 General Obligation Bonds, Series 2026A.

OVERLAPPING DEBT¹

Taxing District	2025/26 Adjusted Taxable Net Tax Capacity	% In City	Total G.O. Debt ²	City's Proportionate Share
Hennepin County	\$2,885,601,120	3.6065%	\$1,222,750,000 ³	\$44,098,479
I.S.D. No. 270 (Hopkins Public Schools)	178,327,306	2.5568%	202,225,000 ⁴	5,170,489
I.S.D. No. 273 (Edina Public Schools)	163,033,280	0.0605%	155,870,000 ⁴	94,301
I.S.D. No. 283 (St. Louis Park Public Schools)	100,014,144	99.3981%	223,545,000 ⁴	222,199,483
Metropolitan Council	6,503,726,905	1.6002%	261,560,000 ⁵	4,185,483
Three Rivers Park District	2,121,317,192	4.9059%	53,165,000	2,608,222
City's Share of Total Overlapping Debt				<u>\$278,356,456</u>

¹ Overlapping debt is as of the dated date of the Bonds. Only those taxing jurisdictions with general obligation debt outstanding are included in this section. It does **not** include non-general obligation debt, self-supporting general obligation revenue debt, short-term general obligation debt, or general obligation tax/aid anticipation certificates of indebtedness.

² Outstanding debt is based on information in Official Statements obtained on EMMA and the Municipal Advisor's records.

³ Hennepin County also has General Obligation Sales Tax Revenue Bonds (Ballpark Project) outstanding which are payable entirely from the proceeds of a dedicated 0.15% county-wide sales tax; and General Obligation Sales Tax Revenue Bonds (Transportation Sales Tax) which are expected to be paid from a 0.50% sales and use tax and a \$20 per vehicle excise taxes. These issues have not been included in the overlapping debt or debt ratios.

⁴ Minnesota School Districts may qualify for aid from the State of Minnesota through the Debt Service Equalization Formula, School Building Bond Agricultural Credit and Long Term Facilities Maintenance Revenue programs. While some of the districts listed may receive these aids, Ehlers has not attempted to estimate the portion of debt service payments that would be financed by State aids for the purposes of the Bonds.

⁵ The above debt includes all outstanding general obligation debt supported by taxes of the Metropolitan Council. The Council also has general obligation wastewater revenue, grant anticipation notes and certificates of participation outstanding all of which are supported entirely by revenues and have not been included in the overlapping debt or debt ratios sections.

DEBT RATIOS

	G.O. Debt	Debt/Economic Market Value \$10,457,953,994	Debt/ Per Capita 50,351¹
Direct G.O. Debt Secured By:			
Housing Improvement Area Fees	\$5,405,000		
Housing Revenues	1,045,000		
Tax Abatement Revenues	12,460,000		
Taxes*	40,705,000		
Utility Revenues*	22,295,000		
Total General Obligation Debt*	<u>\$81,910,000</u>		
Less: G.O. Debt Paid Entirely from Revenues ²	<u>(28,745,000)</u>		
Tax Supported General Obligation Debt*	\$53,165,000	0.51%	\$1,055.89
City's Share of Total Overlapping Debt	<u>\$278,356,456</u>	<u>2.66%</u>	<u>\$5,528.32</u>
Total*	<u><u>\$331,521,456</u></u>	<u><u>3.17%</u></u>	<u><u>\$6,584.21</u></u>

*Preliminary, subject to change.

¹ Preliminary estimated 2025 population.

² Debt service on the City's general obligation revenue debt is being paid entirely from revenues and therefore is considered self-supporting debt.

TAX LEVIES, COLLECTIONS AND RATES

TAX LEVIES AND COLLECTIONS

Tax Year	Net Tax Levy¹	Total Collected Following Year	Collected to Date	% Collected
2021/22	\$40,234,506	\$39,908,823	\$40,195,469	99.90%
2022/23	42,922,848	42,662,701	42,868,913	99.87%
2023/24	45,609,226	45,372,194	45,530,765	99.83%
2024/25	48,869,493	48,692,722	48,692,722	99.64%
2025/26	53,725,895	In process of collection		

Property taxes are collected in two installments in Minnesota--the first by May 15 and the second by October 15.² Mobile home taxes are collectible in full by August 31. Minnesota Statutes require that levies (taxes and special assessments) for debt service be at least 105% of the actual debt service requirements to allow for delinquencies.

¹ This reflects the Final Levy Certification of the City after all adjustments have been made.

² Second half tax payments on agricultural property are due on November 15 of each year.

TAX CAPACITY RATES¹

	2021/22	2022/23	2023/24	2024/25	2025/26
Hennepin County	38.535%	34.542%	34.681%	37.081%	39.242%
City of St. Louis Park	46.424%	44.491%	45.915%	49.989%	51.751%
I.S.D. No. 270 (Hopkins Public Schools)	26.783%	25.006%	26.913%	25.439%	26.775%
I.S.D. No. 273 (Edina Public Schools)	29.975%	28.093%	28.248%	29.110%	30.273%
I.S.D. No. 283 (St. Louis Park Public Schools)	24.913%	30.545%	29.269%	30.744%	30.309%
Hennepin County HRA	0.771%	0.663%	0.624%	0.797%	0.768%
Hennepin County RRA	1.329%	1.188%	1.153%	1.205%	1.177%
Metropolitan Council	0.659%	0.576%	0.614%	0.567%	0.598%
Metropolitan Mosquito	0.377%	0.331%	0.312%	0.328%	0.333%
Metropolitan Transit	1.204%	1.066%	0.927%	1.134%	0.987%
Park Museum	0.722%	0.647%	0.694%	0.744%	0.731%
Three Rivers Park District	2.787%	2.473%	2.399%	2.471%	2.529%

Referendum Market Value Rates:

I.S.D. No. 270 (Hopkins Public Schools)	0.14030%	0.14957%	0.13812%	0.14125%	0.15088%
I.S.D. No. 273 (Edina Public Schools)	0.21895%	0.22168%	0.20533%	0.20146%	0.20252%
I.S.D. No. 283 (St. Louis Park Public Schools)	0.14838%	0.15920%	0.15544%	0.14148%	0.13964%

Source: Tax Levies and Collections and Tax Capacity Rates have been furnished by Hennepin County.

THE ISSUER

CITY GOVERNMENT

The City was organized as a municipality in 1886. The City operates under a home rule charter form of government consisting of a seven-member City Council of which the Mayor is a voting member. The City Manager, Finance Director and City Clerk are responsible for administrative details and financial records.

¹ After reduction for State aids. Does not include the statewide general property tax against commercial/industrial, non-homestead resorts and seasonal recreational residential property.

EMPLOYEES; PENSIONS; UNIONS

The City currently has 299 full-time, 64 part-time, and 40 seasonal employees. All full-time and certain part-time employees of the City are covered by defined benefit pension plans administered by the Public Employee Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF) which are cost-sharing multiple-employer retirement plans. PERA members belong to either the Coordinated Plan or the Basic Plan. Coordinated members are covered by Social Security. See the Notes to Financial Statements in Appendix A for a detailed description of the Plans.

Recognized and Certified Bargaining Units

Bargaining Unit	Expiration Date of Current Contract
IUOE Local 49	December 31, 2028
LELS Local 206 - Police	December 31, 2028
LELS Local 2018 - Police Sergeants	December 31, 2027
LELS Local 220 - Public Safety Dispatchers	December 31, 2026
IAFF Local 993 - Fire	December 31, 2028
LELS Local 482 - Police Lieutenants	December 31, 2028

POST EMPLOYMENT BENEFITS

The City has obligations for some post-employment benefits for its employees. Accounting for these obligations is dictated by Governmental Accounting Standards Board Statement No. 75 (GASB 75). The City's most recent Annual Comprehensive Financial Report (Audit) shows a total OPEB liability of \$7,507,643 as of December 31, 2025. The City has been funding these obligations on a pay-as-you-go basis.

Source: The City's most recent Audit.

LITIGATION

There is no litigation threatened or pending questioning the organization or boundaries of the City or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Bonds or otherwise questioning the validity of the Bonds.

MUNICIPAL BANKRUPTCY

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Minnesota Statutes, Section 471.831, as amended, authorizes municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code. A municipality is defined in United States Code, title 11, section 101, as amended through December 31, 1996, but limited to a county, statutory or home rule charter city, or town; or a housing and redevelopment authority, economic development authority, or rural development financing authority established under Chapter 469, a home rule charter or special law.

FUNDS ON HAND (as of December 31, 2025)

Fund	Total Cash and Investments
General	\$33,457,705
Special Revenue	18,246,296
Debt Service	9,288,526
EDA/Redevelopment District	24,065,036
Capital Projects	4,487,422
Enterprise Funds	19,907,759
Internal Service	<u>5,987,569</u>
 Total Funds on Hand	 <u><u>\$115,440,313</u></u>

ENTERPRISE FUNDS

Revenues available for debt service on the City's enterprise funds have been as follows as of December 31 each year:

	2023 Audited	2024 Audited	2025 Audited
Water			
Total Operating Revenues	\$9,045,322	\$8,709,379	\$9,581,479
Less: Operating Expenses	<u>(6,354,959)</u>	<u>(5,570,879)</u>	<u>(5,946,837)</u>
Operating Income	\$2,690,363	\$3,138,500	\$3,634,642
Plus: Depreciation	<u>1,010,059</u>	<u>1,121,101</u>	<u>1,183,402</u>
Revenues Available for Debt Service	<u><u>\$3,700,422</u></u>	<u><u>\$4,259,601</u></u>	<u><u>\$4,818,044</u></u>
Sewer			
Total Operating Revenues	\$8,957,027	\$9,308,774	\$10,316,945
Less: Operating Expenses	<u>(6,277,740)</u>	<u>(7,602,169)</u>	<u>(7,529,390)</u>
Operating Income	\$2,679,287	\$1,706,605	\$2,787,555
Plus: Depreciation	<u>211,130</u>	<u>242,460</u>	<u>253,593</u>
Revenues Available for Debt Service	<u><u>\$2,890,417</u></u>	<u><u>\$1,949,065</u></u>	<u><u>\$3,041,148</u></u>
Storm Water			
Total Operating Revenues	\$3,710,665	\$3,817,281	\$4,121,198
Less: Operating Expenses	<u>(1,995,619)</u>	<u>(2,290,598)</u>	<u>(2,369,113)</u>
Operating Income	\$1,715,046	\$1,526,683	\$1,752,085
Plus: Depreciation	<u>760,737</u>	<u>823,519</u>	<u>855,165</u>
Revenues Available for Debt Service	<u><u>\$2,475,783</u></u>	<u><u>\$2,350,202</u></u>	<u><u>\$2,607,250</u></u>
Solid Waste¹			
Total Operating Revenues	\$4,420,169	\$6,205,281	\$6,799,987
Less: Operating Expenses	<u>(4,440,629)</u>	<u>(6,537,988)</u>	<u>(6,914,329)</u>
Operating Income	(\$20,460)	(\$332,707)	(\$114,342)
Plus: Depreciation	<u>0</u>	<u>0</u>	<u>0</u>
Revenues Available for Debt Service	<u><u>(\$20,460)</u></u>	<u><u>(\$332,707)</u></u>	<u><u>(\$114,342)</u></u>

¹ Beginning in Fiscal Year 2019, the Solid Waste fund was reclassified as a non-major enterprise fund.

SUMMARY GENERAL FUND INFORMATION

The following are summaries of the revenues, expenditures and fund balances for the City's General Fund. These summaries are not purported to be the complete audited financial statements of the City, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the City. Copies of the complete statements are available upon request. Appendix A includes the 2025 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2021 Audited	2022 Audited	2023 Audited	2024 Audited	2025 Audited
Revenues					
Property taxes	\$29,469,243	\$31,150,197	\$32,037,360	\$33,978,736	\$38,476,376
Abatement of property taxes	(44,200)	0	0	0	0
Licenses and permits	4,997,981	7,282,483	5,164,020	4,662,869	5,960,760
Intergovernmental	1,773,951	1,934,379	4,811,448	4,885,116	4,810,091
Charges for services	3,729,289	4,524,857	4,308,479	3,154,002	3,330,269
Fine and forfeits	150,964	175,090	179,508	14,261	24,561
Interest income (loss)	(314,346)	(234,741)	725,857	999,944	1,276,248
Miscellaneous	645,531	1,228,904	700,963	758,788	1,137,130
Total Revenues	\$40,408,413	\$46,061,169	\$47,927,635	\$48,453,716	\$55,015,435
Expenditures					
General government	\$9,458,536	\$9,365,669	\$10,427,128	\$11,230,640	\$13,169,820
Public safety	18,907,816	20,245,105	21,642,315	23,270,033	24,408,209
Operations	5,112,302	5,906,754	6,043,095	5,486,786	5,884,942
Non-department internal charges	0	0	0	1,021,337	1,021,337
Parks and recreation	6,636,383	7,982,218	8,656,422	9,196,252	8,933,616
Miscellaneous	482,494	585,774	831,287	618,487	820,775
Capital outlay	0	48,679	55,604	949,453	1,825,139
Total Expenditures	\$40,597,531	\$44,134,199	\$47,655,851	\$51,772,988	\$56,063,838
Excess of revenues over (under) expenditures	(\$189,118)	\$1,926,970	\$271,784	(\$3,319,272)	(\$1,048,403)
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	\$4,401	\$0	\$0	\$0	\$0
Transfers in	2,054,819	2,207,338	2,865,766	6,509,854	6,188,023
Transfers (out)	(4,878,845)	(2,288,000)	(800,000)	(2,562,114)	(3,900,209)
Total Other Financing Sources (Uses)	(\$2,819,625)	(\$80,662)	\$2,065,766	\$3,947,740	\$2,287,814
Net changes in Fund Balances	(\$3,008,743)	\$1,846,308	\$2,337,550	\$628,468	\$1,239,411
General Fund Balance January 1	\$26,824,099	\$23,815,356	\$25,661,664	\$27,999,214	\$28,627,682
Prior Period Adjustment	0	0	0	0	0
General Fund Balance December 31	\$23,815,356	\$25,661,664	\$27,999,214	\$28,627,682	\$29,867,093
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	\$517,589	\$324,139	\$445,964	\$650,292	319,229
Restricted	94,311	87,357	2,409,288	1,525,482	156,689
Assigned	1,275,140	1,304,322	700,000	1,714,823	896,547
Unassigned	21,928,316	23,945,846	24,443,962	24,737,085	28,494,628
Total	\$23,815,356	\$25,661,664	\$27,999,214	\$28,627,682	\$29,867,093

GENERAL FUND BUDGET SUMMARY

FISCAL YEAR ENDING DECEMBER 31

COMBINED STATEMENT

	2026 Adopted Budget¹
Revenues	
Property taxes	\$46,962,146
Licenses and permits	4,783,658
Intergovernmental	3,871,954
Charges for services	3,542,943
Fine and forfeits	300
Interest income	500,000
Miscellaneous	623,155
Total Revenues	\$60,284,156
Expenditures	
General government	\$13,203,450
Public safety	25,489,352
Operations	6,172,385
Non-department internal charges	7,526,219
Parks and recreation	9,302,549
Miscellaneous	1,472,441
Total Expenditures	\$63,166,396
Excess of revenues over (under) expenditures	(\$2,882,240)
Other Financing Sources (Uses)	
Transfers in	\$2,737,240
Transfers (out)	(155,000)
Total Other Financing Sources (Uses)	\$2,582,240
Net changes in Fund Balances	(\$300,000)
General Fund Balance January 1	\$28,030,625
Prior Period Adjustment	0
General Fund Balance December 31	\$27,730,625

¹ The 2026 budget was adopted on December 15, 2025.

GENERAL INFORMATION

LOCATION

The City, with a 2020 U.S. Census population of 50,010 and a 2025 population estimate of 50,351, and comprising an area of 10.7 square miles, is located immediately west of Minneapolis, Minnesota.

LARGER EMPLOYERS¹

Larger employers in the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Park Nicollet/Health Partners-Methodist Hospital	Hospital and clinics	4,650
Wells Fargo Mortgage	Financial services	1,100
I.S.D. No. 283 (St. Louis Park Public Schools)	Elementary and secondary education	731 ²
Japs-Olson Company	Commercial printing and direct mail services	600
Target	Retail and grocery store	405
The City	Municipal government and services	403
Costco Wholesale	Wholesale-general merchandise-retail	340
Sholom Home West	Nursing home	301
Cub Foods	Grocery	300
Life-Time	Health Club	300

Source: Data Axle Reference Solutions, written and telephone survey, and the Minnesota Department of Employment and Economic Development.

¹ This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above.

² Reflects employees of entire district, including those outside City limits.

BUILDING PERMITS (as of May 31, 2026)

	2022	2023	2024	2025	2026
<u>New Single Family Homes</u>					
No. of building permits	7	5	1	8	3
Valuation	\$3,843,500	\$3,285,000	\$452,886	\$4,995,000	\$1,834,072
<u>New Multiple Family Buildings</u>					
No. of building permits	1	1	0	2	2
Valuation	\$54,505,485	\$0	\$0	\$70,800,000	\$78,826,525
<u>New Commercial/Industrial</u>					
No. of building permits	7	7	0	3	0
Valuation	\$168,146,801	\$24,482,837	\$0	\$27,295,491	\$0
<u>All Building Permits</u> (including additions and remodelings)					
No. of building permits	2,937	2,384	3,061	2,215	727
Valuation	\$418,121,984	\$209,415,153	\$113,690,987	\$107,597,309	\$105,750,088

Source: The City.

U.S. CENSUS DATA**Population Trend:** The City

2010 U.S. Census population	45,250
2020 U.S. Census population	50,010
Percent of Change 2010 - 2020	10.52%
2025 Metropolitan Council Preliminary Population Estimate	50,351

Income and Age Statistics

	The City	Hennepin County	State of Minnesota	United States
2024 per capita income	\$64,370	\$59,401	\$48,237	\$44,673
2024 median household income	\$101,648	\$97,653	\$89,062	\$80,734
2024 median family income	\$154,163	\$134,878	\$113,993	\$99,999
2024 median gross rent	\$1,644	\$1,487	\$1,280	\$1,413
2024 median value owner occupied units	\$386,800	\$392,900	\$329,300	\$332,700
2024 median age	36.1 yrs.	37.6 yrs.	38.8 yrs.	38.9 yrs.

	State of Minnesota	United States
City % of 2024 per capita income	133.45%	144.09%
City % of 2024 median family income	135.24%	154.16%

Housing Statistics

	<u>The City</u>		
	2020	2025	Percent of Change
All Housing Units	23,830	25,403	6.60%

Source: 2010 and 2020 Census of Population and Housing, and 2024 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov>), and 2025 Preliminary Population Estimates, Metropolitan Council (<https://metro council.org/>).

EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities within counties.

	<u>Average Employment</u>	<u>Average Unemployment</u>	
Year	Hennepin County	Hennepin County	State of Minnesota
2022	692,966	2.2%	2.5%
2023	696,639	2.5%	2.8%
2024	696,890	2.9%	3.1%
2025	699,971	3.6%	3.9%
2026, May	690,492	4.0%	4.0%

Source: Minnesota Department of Employment and Economic Development.

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the City's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The City has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Preliminary Official Statement, nor has the City requested that the Auditor consent to the use of such financial statements in this Preliminary Official Statement. Although the inclusion of the financial statements in this Preliminary Official Statement is not intended to demonstrate the fiscal condition of the City since the date of the financial statements, in connection with the issuance of the Bonds, the City represents that there have been no material adverse change in the financial position or results of operations of the City, nor has the City incurred any material liabilities, which would make such financial statements misleading.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.

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

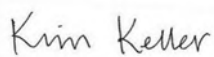
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of St. Louis Park for its annual comprehensive financial report (ACFR) for the fiscal year ended December 31, 2024. This was the 42nd 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

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

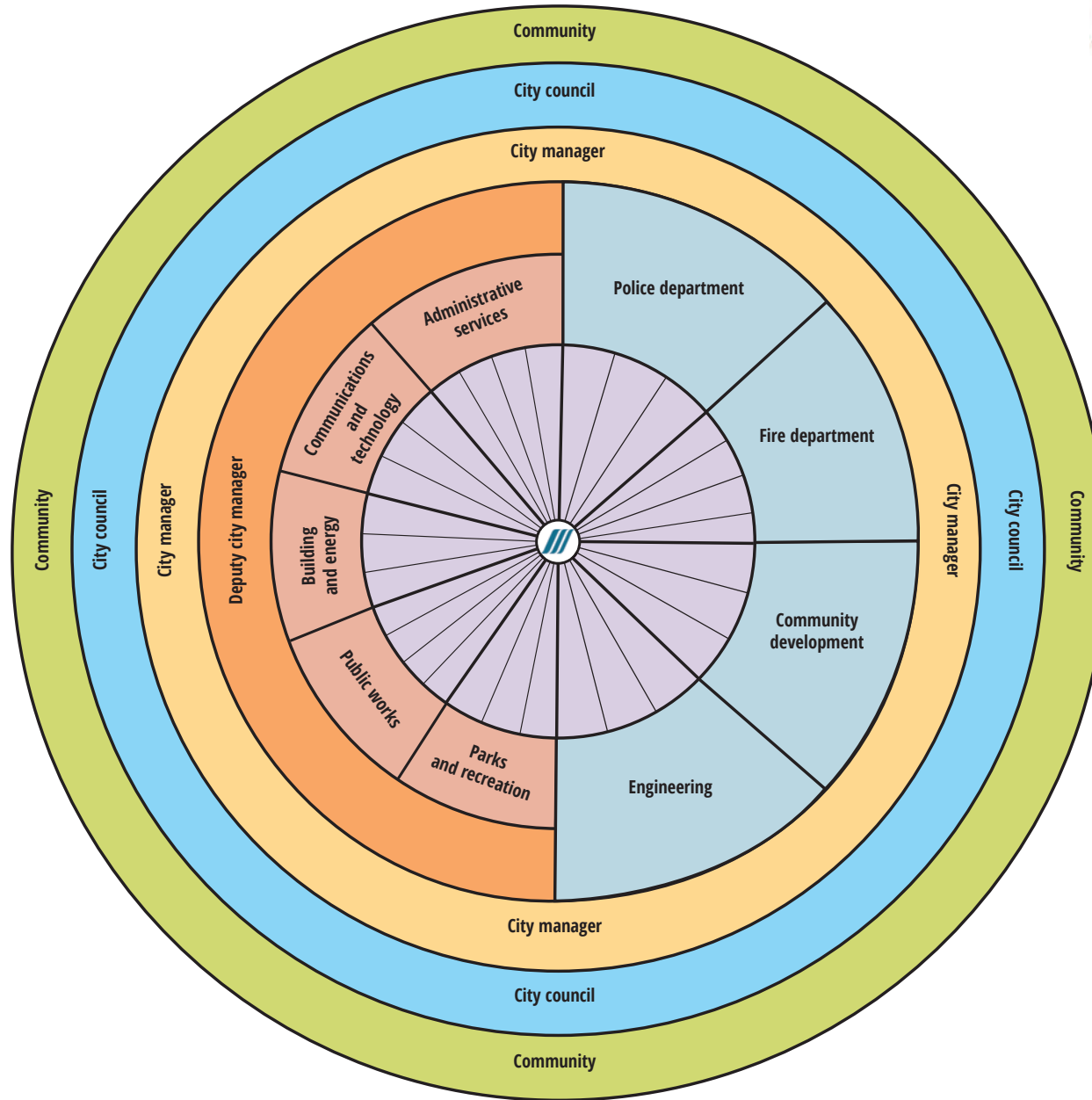
- Facilities maintenance (includes all city facilities)
- Parks maintenance (includes fleet, natural resources)
- Recreation programming (includes Westwood Hills Nature Center)

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.

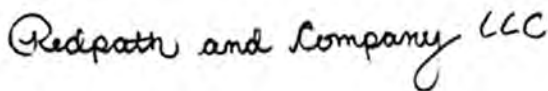
Other Information

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 black ink that reads "Redpath and Company LLC". The signature is written in a cursive, flowing style.

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).

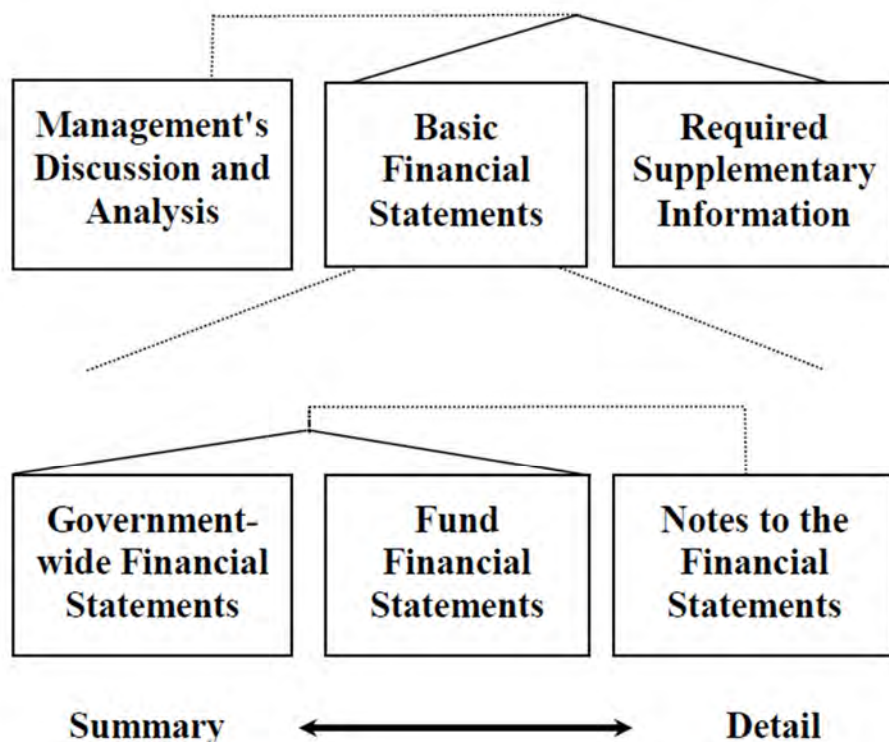
Overview of the Financial Statements

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.

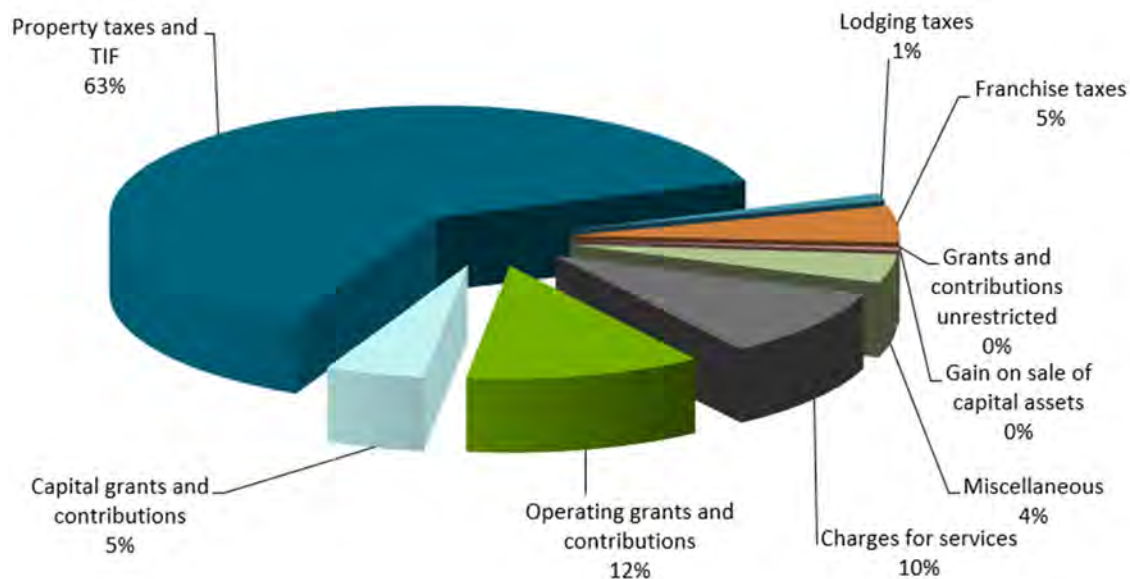
Business-type Activities

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:

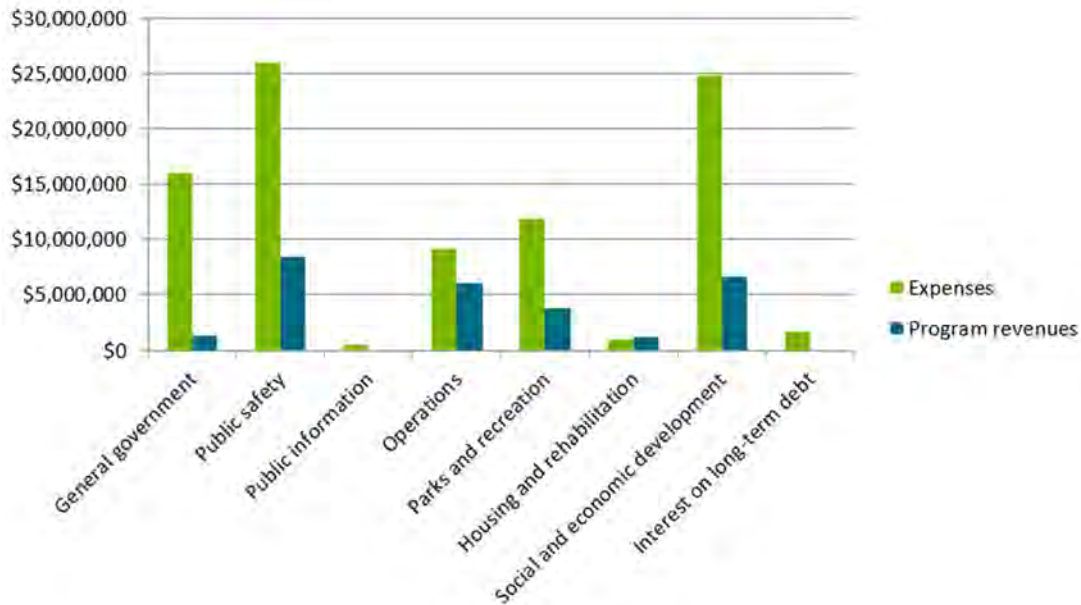
Revenues by Source - Governmental Activities



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:

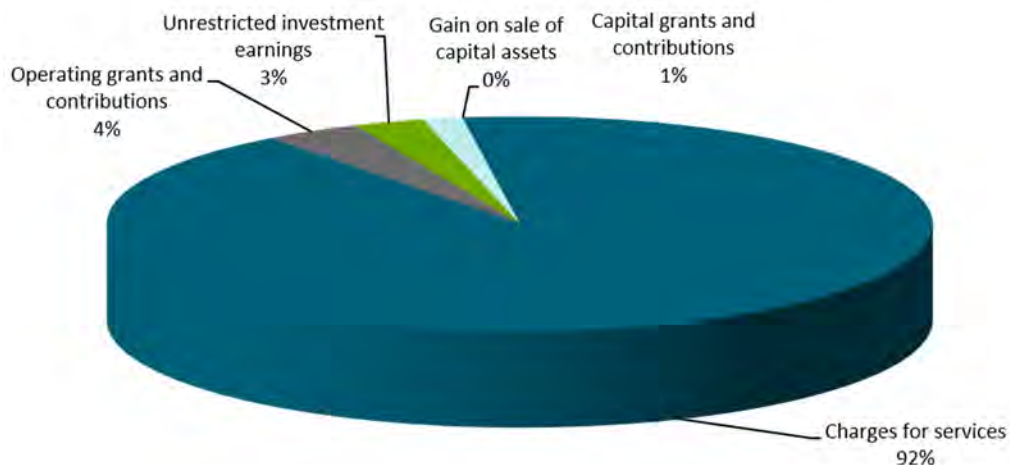
Expenses and Program Revenues - Governmental Activities



Business-type Activities

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

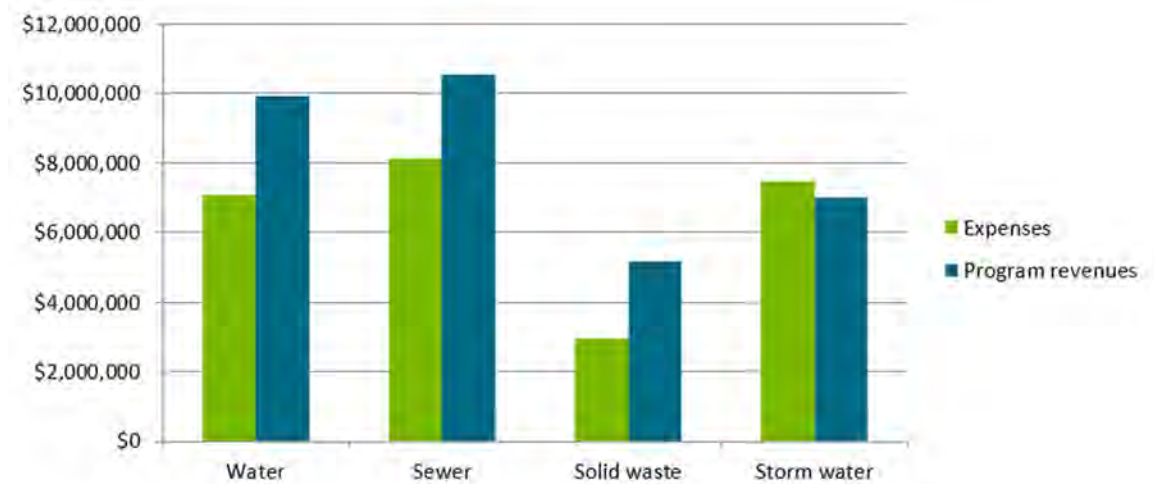
Revenue Sources - Business-type Activities



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:

	Final Budget	Actual	Over Budget
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
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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
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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
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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**

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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	22
Total	<u>310</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>\$ 7,507,643</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.

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- 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

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

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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>

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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.

See accompanying notes to the required supplementary information.

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

Statement 16

SCHEDULE OF PENSION CONTRIBUTIONS - PUBLIC EMPLOYEES POLICE AND FIRE 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	\$ 1,127,487	\$ 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 Amounts	Variance with Final Budget
	Original	Final		
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			<u>455,279</u>	
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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FORM OF LEGAL OPINION

(See following pages)

\$ _____
City of St. Louis Park, Minnesota
General Obligation Bonds
Series 2026A

We have acted as bond counsel to the City of St. Louis Park, Minnesota (the “Issuer”) in connection with the issuance by the Issuer of its General Obligation Bonds, Series 2026A (the “Bonds”), originally dated July 28, 2026, and issued in the original aggregate principal amount of \$ _____. In such capacity and for the purpose of rendering this opinion we have examined certified copies of certain proceedings, certifications and other documents, and applicable laws as we have deemed necessary. Regarding questions of fact material to this opinion, we have relied on certified proceedings and other certifications of public officials and other documents furnished to us without undertaking to verify the same by independent investigation. Under existing laws, regulations, rulings and decisions in effect on the date hereof, and based on the foregoing we are of the opinion that:

1. The Bonds have been duly authorized and executed, and are valid and binding general obligations of the Issuer, enforceable in accordance with their terms.

2. The principal of and interest on the Bonds are payable in part from net revenues of the water system of the Issuer and in part from ad valorem taxes, but if necessary for the payment thereof additional ad valorem taxes are required by law to be levied on all taxable property of the Issuer, which taxes are not subject to any limitation as to rate or amount.

3. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Further, and to the extent of the aforementioned federal income tax exclusion, interest on the Bonds is excludable from taxable net income of individuals, trusts, and estates for Minnesota income tax purposes, and is not a preference item for purposes of the computation of the Minnesota alternative minimum tax imposed on individuals, trusts, and estates. The opinions set forth in the preceding sentences are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986 that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes and from taxable net income for Minnesota income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes and in taxable net income for Minnesota income tax purposes, retroactively to the date of issuance of the Bonds. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations and such interest is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. We express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

4. The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors’ rights generally and by equitable principles, whether considered at law or in equity.

We have not been asked and have not undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and accordingly we express no opinion with respect thereto.

This opinion is given as of the date hereof and we assume no obligation to update, revise, or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Dated July __, 2026 at Minneapolis, Minnesota.

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]
6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.
10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

\$ _____
City of St. Louis Park, Minnesota
General Obligation Bonds
Series 2026A

CONTINUING DISCLOSURE CERTIFICATE

July __, 2026

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of St. Louis Park, Minnesota (the “Issuer”) in connection with the issuance of its General Obligation Bonds, Series 2026A (the “Bonds”), in the original aggregate principal amount of \$ _____. The Bonds are being issued pursuant to resolutions adopted by the City Council of the Issuer (the “Resolutions”). The Bonds are being delivered to _____ (the “Purchaser”) on the date hereof. Pursuant to the Resolutions, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. The Issuer hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders (as defined herein) of the Bonds in order to provide for the public availability of such information and assist the Participating Underwriter(s) (as defined herein) in complying with the Rule (as defined herein). This Disclosure Certificate, together with the Resolutions, constitutes the written agreement or contract for the benefit of the Holders of the Bonds that is required by the Rule.

Section 2. Definitions. In addition to the defined terms set forth in the Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Audited Financial Statements” means annual financial statements of the Issuer, prepared in accordance with GAAP as prescribed by GASB.

“Bonds” means the General Obligation Bonds, Series 2026A, issued by the Issuer in the original aggregate principal amount of \$ _____.

“Disclosure Certificate” means this Continuing Disclosure Certificate.

“EMMA” means the Electronic Municipal Market Access system operated by the MSRB and designated as a nationally recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule.

“Final Official Statement” means the deemed Final Official Statement, dated July __, 2026, which constitutes the final official statement delivered in connection with the Bonds, which is available from the MSRB.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation;

or (c) guarantee of a Financial Obligation as described in clause (a) or (b). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means the fiscal year of the Issuer.

“GAAP” means generally accepted accounting principles for governmental units as prescribed by GASB.

“GASB” means the Governmental Accounting Standards Board.

“Holder” means the person in whose name a Bond is registered or a beneficial owner of such a Bond.

“Issuer” means the City of St. Louis Park, Minnesota, which is the obligated person with respect to the Bonds.

“Material Event” means any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” means the Municipal Securities Rulemaking Board located at 1300 I Street NW, Suite 1000, Washington, DC 20005.

“Participating Underwriter” means any of the original underwriter(s) of the Bonds (including the Purchaser) required to comply with the Rule in connection with the offering of the Bonds.

“Purchaser” means _____.

“Repository” means EMMA, or any successor thereto designated by the SEC.

“Rule” means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and including written interpretations thereof by the SEC.

“SEC” means Securities and Exchange Commission, and any successor thereto.

Section 3. Provision of Annual Financial Information and Audited Financial Statements.

(a) The Issuer shall provide to the Repository not later than twelve (12) months after the end of the Fiscal Year commencing with the year that ends December 31, 2026, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report.

(b) If the Issuer is unable or fails to provide to the Repository an Annual Report by the date required in subsection (a), the Issuer shall send a notice of that fact to the Repository and the MSRB.

(c) The Issuer shall determine each year prior to the date for providing the Annual Report the name and address of each Repository.

Section 4. Content of Annual Reports. The Issuer’s Annual Report shall contain or incorporate by reference the following sections of the Final Official Statement:

1. Current Property Valuations
2. Direct Debt
3. Tax Levies and Collections
4. U.S. Census Data/Population Trend
5. Employment/Unemployment Data

In addition to the items listed above, the Annual Report shall include Audited Financial Statements submitted in accordance with Section 3 of this Disclosure Certificate.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to the Repository or the SEC. If the document incorporated by reference is a final official statement, it must also be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Material Events.

(a) This Section 5 shall govern the giving of notice of the occurrence of any of the following events (“Material Events”) with respect to the Bonds:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
7. Modifications to rights of security holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the obligated person;
13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake

such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) The Issuer shall file a notice of such occurrence with the Repository or with the MSRB within ten (10) business days of the occurrence of the Material Event.

(c) Unless otherwise required by law and subject to technical and economic feasibility, the Issuer shall employ such methods of information transmission as shall be requested or recommended by the designated recipients of the Issuer's information.

Section 6. EMMA. The SEC has designated EMMA as a nationally recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule. Until the EMMA system is amended or altered by the MSRB and the SEC, the Issuer shall make all filings required under this Disclosure Certificate solely with EMMA.

Section 7. Termination of Reporting Obligation. The Issuer's obligations under the Resolutions and this Disclosure Certificate shall terminate upon the redemption in full of all Bonds or payment in full of all Bonds.

Section 8. Agent. The Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolutions and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of the Resolutions or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel to the effect that such amendment or waiver would not, in and of itself, cause a violation of the Rule. The provisions of the Resolutions requiring continuing disclosure pursuant to the Rule and this Disclosure Certificate, or any provision hereof, shall be null and void in the event that the Issuer delivers to the Repository an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which impose the continuing disclosure requirements of the Resolutions and the execution and delivery of this Disclosure Certificate are invalid, have been repealed retroactively or otherwise do not apply to the Bonds. The provisions of the Resolutions requiring continuing disclosure pursuant to the Rule and this Disclosure Certificate may be amended without the consent of the Holders of the Bonds, but only upon the delivery by the Issuer to the Repository of the proposed amendment and an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance with the Rule.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Holder of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolutions and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Bonds and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, we have executed this Disclosure Certificate in our official capacities effective as of the date and year first written above.

CITY OF ST. LOUIS PARK, MINNESOTA

Mayor

City Manager

TERMS OF PROPOSAL

\$9,930,000* GENERAL OBLIGATION BONDS, SERIES 2026A CITY OF ST. LOUIS PARK, MINNESOTA

Proposals for the purchase of \$9,930,000* General Obligation Bonds, Series 2026A (the "Bonds") of the City of St. Louis Park, Minnesota (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3001 Broadway Street, Suite 320, Minneapolis, Minnesota 55413, municipal advisors to the City, until 10:30 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:30 A.M., Central Time, on July 6, 2026, at which time they will be opened, read and tabulated. The proposals will be presented to the City Council for consideration for award by resolution at a meeting to be held at 6:15 P.M., Central Time, on the same date. The proposal offering to purchase the Bonds upon the terms specified herein and most favorable to the City will be accepted unless all proposals are rejected.

AUTHORITY; PURPOSE; SECURITY

The Bonds are being issued pursuant to Section 6.15 of the City Charter of the City, and Minnesota Statutes, Chapters 444 and 475, as amended, by the City, for the purposes of financing capital projects in the City and water utility improvements, including Phase II of the Cedar Lake and Louisiana road and utility reconstruction, the 2026 pavement management projects and Connect the Park projects and improvements to the Police Department Facility. The Bonds will be general obligations of the City for which its full faith and credit and taxing powers are pledged.

DATES AND MATURITIES

The Bonds will be dated July 28, 2026, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on February 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2028	\$460,000	2033	\$745,000	2038	\$510,000
2029	650,000	2034	765,000	2039	535,000
2030	675,000	2035	795,000	2040	550,000
2031	695,000	2036	820,000	2041	575,000
2032	715,000	2037	845,000	2042	595,000

ADJUSTMENT OPTION

The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BOND OPTION

Proposals for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on February 1 and August 1 of each year, commencing August 1, 2027, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. **The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2028 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

Unless otherwise specified by the purchaser, the Bonds will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds.

PAYING AGENT

The City has selected Bond Trust Services Corporation, Minneapolis, Minnesota ("BTSC"), to act as paying agent (the "Paying Agent"). BTSC and Ehlers are affiliate companies. The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after February 1, 2036 shall be subject to optional redemption prior to maturity on February 1, 2035 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of redemption shall be sent by mail not more than 60 days and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

DELIVERY

On or about July 28, 2026, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Bonds must be received by the City at its designated depository on the date of closing in immediately available funds.

LEGAL MATTERS

An opinion as to the validity of the Bonds and the exemption from taxation of the interest thereon will be furnished by Kutak Rock LLP, Minneapolis, Minnesota, Bond Counsel to the City ("Bond Counsel"), and will be available at the time of delivery of the Bonds. The legal opinion will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). See "FORM OF LEGAL OPINION" found in Appendix B.

Bond Counsel has not participated in the preparation of this Official Statement and is not passing upon its accuracy, completeness, or sufficiency. Bond Counsel has not examined or verified, nor attempted to examine or verify, any of the financial or statistical statements or data contained in this Official Statement and will express no opinion with respect thereto.

SUBMISSION OF PROPOSALS

Proposals must not be for less than \$9,810,840 plus accrued interest on the principal sum of \$9,930,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of proposals, interested parties may submit a proposal as follows:

- 1) Electronically to bondsale@ehlers-inc.com; or
- 2) Electronically via **PARITY** in accordance with this Terms of Proposal until 10:30 A.M., Central Time, but no proposal will be received after the time for receiving proposals specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Terms of Proposal, the terms of this Terms of Proposal shall control. For further information about **PARITY**, potential bidders may contact IHS Markit (now part of S&P Global) at <https://ihsmarkit.com/products/municipal-issuance.html> or via telephone (844) 301-7334.

Proposals must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of proposals. Each proposal must be unconditional except as to legality. Neither the City nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit ("Deposit") in the amount of \$198,600 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the proposal opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of proposals. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best proposal provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the proposal is accepted and the Purchaser fails to comply therewith.

The City and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the proposal is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the proposal is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

No proposal can be withdrawn after the time set for receiving proposals unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

AWARD

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The City reserves the right to reject any and all proposals and to waive any informality in any proposal.

BOND INSURANCE

If the Bonds are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the City requested and received a rating on the Bonds from a rating agency, the City will pay that rating fee. Any rating agency fees not requested by the City are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Bonds are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Bonds.

CUSIP NUMBERS

The City will assume no obligation for the assignment or printing of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

CONTINUING DISCLOSURE

In order to assist the Underwriter (Syndicate Manager) in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the City will enter into an undertaking for the benefit of the holders of the Bonds. A description of the details and terms of the undertaking is set forth in Appendix D of the Preliminary Official Statement.

NEW ISSUE PRICING

The winning bidder will be required to provide, in a timely manner, certain information necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and to provide a certificate which will be provided by Bond Counsel upon request.

(a) The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at closing an "issue price" or similar certificate satisfactory to Bond Counsel setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications. All actions to be taken by the City under this Terms of Proposal to establish the issue price of the Bonds may be taken on behalf of the City by the City's municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City's municipal advisor.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

- (1) The City shall disseminate this Terms of Proposal to potential underwriters in a manner that is reasonably designed to reach potential investors;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive proposals from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Terms of Proposal.

Any proposal submitted pursuant to this Terms of Proposal shall be considered a firm offer for the purchase of the Bonds, as specified in this proposal.

(c) If all of the requirements of a "competitive sale" are not satisfied, the City shall advise the winning bidder of such fact prior to the time of award of the sale of the Bonds to the winning bidder. In such event, any proposal submitted will not be subject to cancellation or withdrawal and the City agrees to use the rule selected by the winning bidder on its proposal form to determine the issue price for the Bonds. On its proposal form, each bidder must select one of the following two rules for determining the issue price of the Bonds: (1) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Bonds (the "hold-the-offering-price rule").

(d) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the hold-the-offering-price rule, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the proposal submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the City promptly after the close of the fifth (5th) business day after the sale whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The City acknowledges that in making the representation set forth above, the winning bidder will rely on:

(i) the agreement of each underwriter to comply with requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires,

(ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price rule of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Bonds.

(e) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the 10% test, the winning bidder agrees to promptly report to the City, Bond Counsel and Ehlers the prices at which the Bonds have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Bonds, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(f) By submitting a proposal, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is party to such third-party distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred until either all securities of that maturity allocated to it have been sold or it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

(A) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(B) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(g) Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each term being used as defined below) shall not constitute sales to the public for purposes of this Terms of Proposal. Further, for purposes of this Terms of Proposal:

- (i) "public" means any person other than an underwriter or a related party,
- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),
- (iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) "sale date" means the date that the Bonds are awarded by the City to the winning bidder.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Preliminary Official Statement relating to the Bonds prior to the proposal opening by request from Ehlers at www.ehlers-inc.com by connecting to the Bond Sales link. The Underwriter (Syndicate Manager) will be provided with an electronic copy of the Final Official Statement within seven business days of the proposal acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of \$10.00 per copy.

Information for bidders and proposal forms may be obtained from Ehlers at 3001 Broadway Street, Suite 320, Minneapolis, Minnesota 55413, Telephone (651) 697-8500.

By Order of the City Council

City of St. Louis Park, Minnesota

PROPOSAL FORM

The City Council
City of St. Louis Park, Minnesota (the "City")

July 6, 2026

RE: **\$9,930,000* General Obligation Bonds, Series 2026A (the "Bonds")**
DATED: **July 28, 2026**

For all or none of the above Bonds, in accordance with the Terms of Proposal and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$_____ (not less than \$9,810,840) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____ % due	2028	_____ % due	2033	_____ % due	2038
_____ % due	2029	_____ % due	2034	_____ % due	2039
_____ % due	2030	_____ % due	2035	_____ % due	2040
_____ % due	2031	_____ % due	2036	_____ % due	2041
_____ % due	2032	_____ % due	2037	_____ % due	2042

The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2028 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.) All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

A good faith deposit ("Deposit") in the amount of \$198,600 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the proposal opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of proposals. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best proposal provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the proposal is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Terms of Proposal. This proposal is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Terms of Proposal. Delivery is anticipated to be on or about July 28, 2026.

This proposal is subject to the City's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for the Bonds.

We have received and reviewed the Official Statement, and any addenda thereto, and have submitted our requests for additional information or corrections to the Final Official Statement. As Underwriter (Syndicate Manager), we agree to provide the City with the reoffering price of the Bonds within 24 hours of the proposal acceptance.

This proposal is a firm offer for the purchase of the Bonds identified in the Terms of Proposal, on the terms set forth in this proposal form and the Terms of Proposal, and is not subject to any conditions, except as permitted by the Terms of Proposal.

By submitting this proposal, we confirm that we are an underwriter and have an established industry reputation for underwriting new issuances of municipal bonds. YES: ____ NO: ____.

If the competitive sale requirements are not met, we elect to use either the: ____ 10% test, or the ____ hold-the-offering-price rule to determine the issue price of the Bonds.

Account Manager: _____ By: _____
Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from July 28, 2026 of the above proposal is \$ _____ and the true interest cost (TIC) is ____%.

The foregoing offer is hereby accepted by and on behalf of the City Council of the City of St. Louis Park, Minnesota, on July 6, 2026.

By: _____ By: _____
Title: _____ Title: _____