

PRELIMINARY OFFICIAL STATEMENT DATED MAY 24, 2024

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 nor 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.

In the opinion of Kennedy & Graven, Chartered, Bond Counsel to the City, based on present federal and Minnesota laws, regulations, rulings and decisions (which exclude any pending legislation which may have a retroactive effect) and, assuming compliance with certain covenants set forth in the resolution approving the issuance of the Bonds, interest to be paid on the Bonds is excludable from gross income for federal income tax purposes and, to the same extent, 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 computing the federal alternative minimum tax or the Minnesota alternative minimum tax imposed on individuals, trusts, and estates. However, such interest is included in determining the adjusted financial statement income of applicable corporations for purposes of computing the alternative minimum tax imposed on such applicable corporations and is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. No opinion will be expressed by Bond Counsel regarding the other state or federal tax consequences caused by the receipt or accrual of interest on the Bonds or arising with respect to ownership of the Bonds. See "TAX EXEMPTION" herein.

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)

\$3,265,000* GENERAL OBLIGATION BONDS, SERIES 2024A

PROPOSAL OPENING: June 3, 2024, 10:00 A.M., C.T.

CONSIDERATION: June 3, 2024, 6:30 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$3,265,000* General Obligation Bonds, Series 2024A (the "Bonds") are being issued pursuant to Section 6.15 of the City Charter and Minnesota Statutes, Chapter 475, as amended, by the City of St. Louis Park, Minnesota (the "City") to finance the 2024 street rehabilitation, Living Streets, and Connect the Park projects. The Bonds will be general obligations of the City, for which its full faith, credit and taxing powers are pledged. Delivery is subject to receipt of an approving legal opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota.

DATE OF BONDS: June 25, 2024

MATURITY: February 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2026	\$220,000	2031	\$150,000	2036	\$180,000
2027	305,000	2032	155,000	2037	185,000
2028	310,000	2033	160,000	2038	195,000
2029	320,000	2034	170,000	2039	200,000
2030	330,000	2035	175,000	2040	210,000

***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, 2025 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing on February 1, 2035 and thereafter are subject to call for prior optional redemption on February 1, 2034 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

MINIMUM PROPOSAL: \$3,225,820.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$65,300 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation.

BOND COUNSEL: Kennedy & Graven, Chartered.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

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

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
Paul Baudhuin	Council Member	January 2028
Tim Brausen	Council Member	January 2026
Sue Budd	Council Member	January 2026
Lynette Dumalag	Council Member	January 2026
Yolanda Farris	Council Member	January 2028
Margaret Rog	Council Member	January 2026

ADMINISTRATION

Kim Keller, City Manager
Amelia Cruver, Finance Director

PROFESSIONAL SERVICES

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

Kennedy & Graven, Chartered, Bond Counsel, Minneapolis, Minnesota

Ehlers and Associates, Inc., Municipal Advisors, Roseville, 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 \$3,265,000* General Obligation Bonds, Series 2024A (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 June 3, 2024.

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Roseville, 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 June 25, 2024. 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, 2025, 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 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2026 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.)** 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, Roseville, 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, 2035 shall be subject to optional redemption prior to maturity on February 1, 2034 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 and Minnesota Statutes, Chapter 475, as amended, by the City, to finance the 2024 street rehabilitation, Living Streets, and Connect the Park projects.

ESTIMATED SOURCES AND USES*

Sources

Par Amount of Bonds	<u>\$3,265,000</u>	
Total Sources		\$3,265,000

Uses

Total Underwriter's Discount (1.200%)	\$39,180	
Costs of Issuance	68,000	
Deposit to Construction Fund	3,153,125	
Rounding Amount	<u>4,695</u>	
Total Uses		\$3,265,000

*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 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 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.

RATING

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

The City has requested an underlying rating on the Bonds from S&P, and bidders will be notified as to the assigned rating prior to the sale. Such rating, if any, 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 of the Bonds, 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 Kennedy & Graven, Chartered, 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.

TAX EXEMPTION

On the date of issuance of the Bonds, Bond Counsel will render an opinion that, at the time of issuance and delivery of the Bonds to the original purchaser, based on present federal and State of Minnesota laws, regulations, rulings and decisions (which exclude any pending legislation which may have a retroactive effect), and assuming compliance with certain covenants set forth in the Award Resolution, interest on the Bonds is excludable from gross income for federal income tax purposes and, to the same extent, is excludable from the taxable net income of individuals, trusts, and estates for Minnesota income tax purposes, and is not a preference item for purposes of computing the federal alternative minimum tax or the Minnesota alternative minimum tax imposed on individuals, trusts, and estates. However, interest on the Bonds is included in determining the annual adjusted financial statement income (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code")) of applicable corporations (as defined in Section 59(k) of the Code) for purposes of computing the alternative minimum tax imposed on such applicable corporations and is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. Section 59(k) of the Code defines "applicable corporation" as any corporation (other than an S corporation), a regulated investment company, or a real estate investment trust which meets the average annual adjusted financial statement income test set forth in Section 59(k) of the Code in one or more taxable years. No opinion will be expressed by Bond Counsel regarding other federal or State of Minnesota tax consequences caused by the receipt or accrual of interest on the Bonds or arising with respect to ownership of the Bonds.

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 (for federal tax purposes) and taxable net income (for State of Minnesota tax purposes) of the owners thereof. 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 United States or State of Minnesota income taxation.

The Code imposes an alternative minimum tax with respect to individuals on alternative minimum taxable income.

The Code provides that in the case of an insurance company subject to the tax imposed by Section 831 of the Code, the amount which otherwise would be taken into account as "losses incurred" under Section 832(b)(5) shall be reduced by an amount equal to the applicable percentage of the interest on the Bonds that is received or accrued during the taxable year.

Interest on the Bonds may be included in the income of a foreign corporation for purposes of the branch profits tax imposed by Section 884 of the Code. Under certain circumstances, interest on the Bonds may be subject to the tax on "excess net passive income" of Subchapter S corporations imposed by Section 1375 of the Code.

The above is not a comprehensive list of all federal tax consequences which may arise from the receipt of interest on the Bonds. The receipt of interest on the Bonds may otherwise affect the federal or State income tax liability of the recipient based on the particular taxes to which the recipient is subject and the particular tax status of other items or deductions. Bond Counsel expresses no opinion regarding any such consequences. All prospective purchasers of the Bonds are advised to consult their own tax advisors as to the tax consequences of, or tax considerations for, purchasing or holding the Bonds.

Legislative proposals

Bond Counsel's opinion is given as of its date and Bond Counsel assumes no obligation to update, revise, or supplement such opinion to reflect any changes in facts or circumstances or any changes in law that may hereafter occur. Proposals are regularly introduced in both the United States House of Representatives and the United States Senate that, if enacted, could alter or affect the tax-exempt status on municipal bonds. For example, legislation has been proposed that would, among other things, limit the amount of exclusions (including tax-exempt interest) or deductions that certain higher-income taxpayers could use to reduce their tax liability. The likelihood of adoption of this or any other such legislative proposal relating to tax-exempt bonds cannot be reliably predicted. If enacted into law, current or future proposals may have a prospective or retroactive effect and could affect the value or marketability of tax-exempt bonds (including the Bonds). Prospective purchasers of the Bonds should consult their own tax advisors regarding the impact of any such change in law.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Bonds shall be designated 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, 2022 have been audited by Redpath and Company, Ltd., 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 will be 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. 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 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	2021/22	2022/23	2023/24
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 \$1,900,000 - 0.50% ² Over \$1,900,000 - 1.00% ²	First \$500,000 HGA - 1.00% Over \$500,000 HGA - 1.25% First \$1,890,000 - 0.50% ² Over \$1,890,000 - 1.00% ²	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
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 - .75% Over \$174,000 - .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: First \$100,000 - .75% Over \$100,000 - .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: First \$100,000 - .75% Over \$100,000 - .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

2022/23 Economic Market Value¹	<u><u>\$9,946,936,402²</u></u>
2023/24 Assessor's Estimated Market Value	
Real Estate	\$9,730,434,300
Personal Property	18,445,400
Total Valuation	<u><u>\$9,748,879,700</u></u>
2023/24 Net Tax Capacity	
Real Estate	\$120,551,050
Personal Property	361,440
Net Tax Capacity	<u>\$120,912,490</u>
Less:	
Captured Tax Increment Tax Capacity ³	(13,822,199)
Fiscal Disparities Contribution ⁴	<u>(13,196,871)</u>
Taxable Net Tax Capacity	<u>\$93,893,420</u>
Plus: Fiscal Disparities Distribution ⁴	7,171,192
Adjusted Taxable Net Tax Capacity	<u><u>\$101,064,612</u></u>

¹ Most recent value available from the Minnesota Department of Revenue.

² According to the Minnesota Department of Revenue, the 2022/23 Assessor's Estimated Market Value (the "AEMV") for the City was about 95.17% 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 a 2022/23 Economic Market Value ("EMV") for the City of \$9,946,936,402.

³ The captured tax increment value shown above represents the captured net tax capacity of tax increment financing districts in the City.

⁴ 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.

2023/24 NET TAX CAPACITY BY CLASSIFICATION

	2023/24 Net Tax Capacity	Percent of Total Net Tax Capacity
Residential homestead	\$59,292,319	49.04%
Commercial/industrial	38,022,445	0.31446
Public utility	233,654	0.19%
Railroad operating property	563,622	0.47%
Non-homestead residential	22,224,587	18.38%
Commercial & residential seasonal/rec.	12,015	0.01%
Other	202,408	0.17%
Personal property	<u>361,440</u>	<u>0.30%</u>
 Total	 <u><u>\$120,912,490</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 Capacity ¹	Adjusted Taxable Net Tax Capacity ²	Percent Increase/Decrease in Estimated Market Value
2019/20	\$7,768,560,500	\$7,619,717,196	\$96,057,628	\$79,948,547	7.82%
2020/21	8,204,317,100	8,060,720,233	102,157,645	84,712,268	5.61%
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%

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	2023/24 Net Tax Capacity	Percent of City's Total Net Tax Capacity
ACCESO Acquisitions LLC	Commercial	\$2,506,190	2.07%
BOF III Minnesota 10 West End LLC	Commercial	1,859,490	1.54%
BOF II Minnesota W End Off Pk LLC	Commercial	1,789,740	1.48%
Excelsior & Grand Apts LLC	Apartments	1,434,650	1.19%
Gateway Knollwood LLC	Commercial	1,295,050	1.07%
Park Nicollet Real Estate	Commercial	1,211,264	1.00%
MSP West End LLC	Commercial	1,185,416	0.98%
Thomson Reuters Prop. Tx.	Commercial	1,064,750	0.88%
4800 Excelsior Apartments	Apartments	726,690	0.60%
Bel Verge LLC	Apartments	<u>721,150</u>	<u>0.60%</u>
Total		\$13,794,390	11.41%

City's Total 2023/24 Net Tax Capacity \$120,912,490

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

DEBT

DIRECT DEBT²

General Obligation Debt (see schedules following)

Total G.O. debt secured by housing improvement area fees	\$6,445,000
Total G.O. debt secured by housing revenues	1,190,000
Total G.O. debt secured by tax abatement revenues	12,460,000
Total G.O. debt secured by taxes (includes the Bonds)*	44,040,000
Total G.O. debt secured by utility revenues	<u>18,170,000</u>
Total General Obligation Debt*	<u><u>\$82,305,000</u></u>

*Preliminary, subject to change.

¹ Hennepin County has provided only the ten largest taxpaying *parcels* which appear on the tax rolls of the 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.

² Outstanding debt is as of the dated date of the Bonds.

DEBT PAYMENT HISTORY

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

FUTURE FINANCING

The City plans to issue approximately \$3,500,000 in general obligation bonds for the 2nd phase of Minnetonka Boulevard (County Road 5) and Cedar/Louisiana project in the next 12 months.

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" (is defined under Minnesota Statutes, Section 475.51, subd. 4) to mean 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 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; (4) obligations issued to create or maintain a permanent improvement revolving fund; (5) obligations issued to finance any public revenue producing 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 judgments against the City; and (9) 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.

2023/24 Assessor's Estimated Market Value	\$9,748,879,700
Multiply by 3%	<u>0.03</u>
Statutory Debt Limit	\$292,466,391
Less: Long-Term Debt Outstanding Being Paid Solely from Taxes (includes the Bonds)*	<u>(44,040,000)</u>
Unused Debt Limit*	<u><u>\$248,426,391</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 06/25/2024)

Dated Amount	Taxable Housing Improvement Area Bonds Series 2012A		Taxable Housing Imp. Area Ref. Bonds Series 2019C		Taxable Housing Improvement Area Bonds Series 2022B							
	10/17/2012	\$1,290,000	11/26/2019	\$2,200,000	09/07/2022	\$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
2024	0	11,721	0	9,918	0	97,451	0	119,090	119,090	6,445,000	.00%	2024
2025	65,000	22,500	275,000	17,085	175,000	190,965	515,000	230,550	745,550	5,930,000	7.99%	2025
2026	65,000	20,550	280,000	11,535	180,000	182,978	525,000	215,063	740,063	5,405,000	16.14%	2026
2027	70,000	18,458	285,000	5,743	190,000	174,653	545,000	198,853	743,853	4,860,000	24.59%	2027
2028	70,000	16,183	125,000	1,375	200,000	165,878	395,000	183,435	578,435	4,465,000	30.72%	2028
2029	75,000	13,718			205,000	157,790	280,000	171,508	451,508	4,185,000	35.07%	2029
2030	75,000	11,036			215,000	150,440	290,000	161,476	451,476	3,895,000	39.57%	2030
2031	80,000	8,130			220,000	142,773	300,000	150,903	450,903	3,595,000	44.22%	2031
2032	85,000	4,973			230,000	134,728	315,000	139,700	454,700	3,280,000	49.11%	2032
2033	85,000	1,658			235,000	126,123	320,000	127,780	447,780	2,960,000	54.07%	2033
2034					245,000	117,003	245,000	117,003	362,003	2,715,000	57.87%	2034
2035					255,000	107,248	255,000	107,248	362,248	2,460,000	61.83%	2035
2036					265,000	96,848	265,000	96,848	361,848	2,195,000	65.94%	2036
2037					275,000	85,979	275,000	85,979	360,979	1,920,000	70.21%	2037
2038					290,000	74,538	290,000	74,538	364,538	1,630,000	74.71%	2038
2039					300,000	62,440	300,000	62,440	362,440	1,330,000	79.36%	2039
2040					310,000	49,783	310,000	49,783	359,783	1,020,000	84.17%	2040
2041					325,000	36,444	325,000	36,444	361,444	695,000	89.22%	2041
2042					340,000	22,313	340,000	22,313	362,313	355,000	94.49%	2042
2043					355,000	7,544	355,000	7,544	362,544	0	100.00%	2043
	670,000	128,925	965,000	45,655	4,810,000	2,183,913	6,445,000	2,358,493	8,803,493			

City of St. Louis Park, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Housing Revenues
(As of 06/25/2024)

Refunding Bonds Series 2022A								
Dated Amount	06/21/2022 \$1,345,000							
Maturity	02/01							
Calendar Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2024	0	23,671	0	23,671	23,671	1,190,000	.00%	2024
2025	70,000	45,941	70,000	45,941	115,941	1,120,000	5.88%	2025
2026	75,000	43,041	75,000	43,041	118,041	1,045,000	12.18%	2026
2027	80,000	39,941	80,000	39,941	119,941	965,000	18.91%	2027
2028	80,000	36,741	80,000	36,741	116,741	885,000	25.63%	2028
2029	85,000	33,441	85,000	33,441	118,441	800,000	32.77%	2029
2030	85,000	30,126	85,000	30,126	115,126	715,000	39.92%	2030
2031	90,000	26,801	90,000	26,801	116,801	625,000	47.48%	2031
2032	95,000	23,286	95,000	23,286	118,286	530,000	55.46%	2032
2033	100,000	19,481	100,000	19,481	119,481	430,000	63.87%	2033
2034	100,000	15,481	100,000	15,481	115,481	330,000	72.27%	2034
2035	105,000	11,381	105,000	11,381	116,381	225,000	81.09%	2035
2036	110,000	7,013	110,000	7,013	117,013	115,000	90.34%	2036
2037	115,000	2,372	115,000	2,372	117,372	0	100.00%	2037
	1,190,000	358,719	1,190,000	358,719	1,548,719			

City of St. Louis Park, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Tax Abatement Revenues
(As of 06/25/2024)

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
2024	0	189,866	0	189,866	189,866	12,460,000	.00%	2024
2025	0	379,731	0	379,731	379,731	12,460,000	.00%	2025
2026	0	379,731	0	379,731	379,731	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	2,819,644	12,460,000	2,819,644	15,279,644			

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 06/25/2024)

	G.O. Bonds 1) Series 2014A		G.O. Bonds Series 2016A		G.O. Bonds 2) Series 2017A		G.O. Bonds 3) Series 2018A		G.O. Bonds 4) Series 2019A	
Dated	12/18/2014		07/14/2016		07/13/2017		06/14/2018		04/10/2019	
Amount	\$5,070,000		\$10,000,000		\$3,430,000		\$2,020,000		\$9,760,000	
Maturity	02/01		02/01		02/01		02/01		02/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	0	11,000	0	25,634	0	19,319	0	18,650	0	108,075
2025	545,000	16,550	1,120,000	43,569	360,000	33,238	205,000	33,200	840,000	207,750
2026	555,000	5,550	1,140,000	27,319	370,000	22,288	210,000	24,900	855,000	190,800
2027			1,155,000	9,384	380,000	12,700	225,000	17,325	865,000	164,950
2028					385,000	4,331	230,000	10,500	895,000	129,750
2029							235,000	3,525	935,000	97,825
2030									965,000	69,325
2031									360,000	49,900
2032									370,000	39,863
2033									380,000	29,313
2034									390,000	18,000
2035									405,000	6,075
2036										
2037										
2038										
2039										
2040										
2041										
2042										
	1,100,000	33,100	3,415,000	105,906	1,495,000	91,875	1,105,000	108,100	7,260,000	1,111,625

- 1) This represents the \$5,070,000 City Charter portion of the \$10,000,000 General Obligation Bonds, Series 2014A.
- 2) This represents the \$3,430,000 City Charter portion of the \$9,900,000 General Obligation Bonds Series 2017A.
- 3) This represents the \$2,020,000 City Charter portion of the \$8,800,000 General Obligation Bonds, Series 2018A.
- 4) This represents the \$9,760,000 City Charter portion of the \$22,220,000 General Obligation Bonds, Series 2019A.

--Continued on next page

City of St. Louis Park, Minnesota
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 06/25/2024)

	Refunding Bonds 5) Series 2019B		G.O. Bonds 6) Series 2020A		G.O. Bonds Series 2021A		G.O. Bonds Series 2024A							
Dated	11/26/2019		11/10/2020		04/15/2021		06/25/2024							
Amount	\$7,585,000		\$10,505,000		\$12,385,000		\$3,265,000*							
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
2024	0	115,050	0	134,975	0	100,684	0	0	0	533,387	533,387	44,040,000	.00%	2024
2025	585,000	215,475	550,000	258,950	880,000	192,568	0	130,427	5,085,000	1,131,726	6,216,726	38,955,000	11.55%	2025
2026	615,000	185,475	575,000	236,450	905,000	174,718	220,000	114,225	5,445,000	981,724	6,426,724	33,510,000	23.91%	2026
2027	645,000	153,975	590,000	213,150	915,000	156,518	305,000	104,238	5,080,000	832,239	5,912,239	28,430,000	35.45%	2027
2028	675,000	120,975	615,000	189,050	935,000	138,018	310,000	93,170	4,045,000	685,794	4,730,794	24,385,000	44.63%	2028
2029	705,000	86,475	645,000	163,850	955,000	119,118	320,000	82,305	3,795,000	553,098	4,348,098	20,590,000	53.25%	2029
2030	745,000	57,675	670,000	137,550	975,000	99,818	330,000	71,255	3,685,000	435,623	4,120,623	16,905,000	61.61%	2030
2031	765,000	35,025	695,000	113,725	995,000	84,346	150,000	63,095	2,965,000	346,091	3,311,091	13,940,000	68.35%	2031
2032	785,000	11,775	715,000	96,150	1,005,000	72,344	155,000	57,910	3,030,000	278,041	3,308,041	10,910,000	75.23%	2032
2033			405,000	84,950	875,000	60,156	160,000	52,515	1,820,000	226,934	2,046,934	9,090,000	79.36%	2033
2034			410,000	76,800	575,000	49,938	170,000	46,738	1,545,000	191,475	1,736,475	7,545,000	82.87%	2034
2035			420,000	68,500	580,000	40,913	175,000	40,570	1,580,000	156,058	1,736,058	5,965,000	86.46%	2035
2036			430,000	60,000	590,000	30,300	180,000	34,135	1,200,000	124,435	1,324,435	4,765,000	89.18%	2036
2037			435,000	51,350	605,000	18,350	185,000	27,381	1,225,000	97,081	1,322,081	3,540,000	91.96%	2037
2038			445,000	42,550	615,000	6,150	195,000	20,159	1,255,000	68,859	1,323,859	2,285,000	94.81%	2038
2039			455,000	33,550			200,000	12,455	655,000	46,005	701,005	1,630,000	96.30%	2039
2040			465,000	24,350			210,000	4,253	675,000	28,603	703,603	955,000	97.83%	2040
2041			475,000	14,950					475,000	14,950	489,950	480,000	98.91%	2041
2042			480,000	5,100					480,000	5,100	485,100	0	100.00%	2042
	5,520,000	981,900	9,475,000	2,005,950	11,405,000	1,343,935	3,265,000	954,830	44,040,000	6,737,221	50,777,221			

* Preliminary, subject to change.

5) This represents the \$7,585,000 Refunding portion of the \$15,105,000 General Obligation Bonds, Series 2019B.

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

City of St. Louis Park, Minnesota
 Schedule of Bonded Indebtedness
 General Obligation Debt Secured by Utility Revenues
 (As of 06/25/2024)

Dated Amount	Utility Revenue Bonds 1) Series 2014A		Utility & Refunding Bonds 2) Series 2017A		Utility Revenue Bonds 3) Series 2018A		Utility Revenue Bonds 4) Series 2019B		Utility Revenue Bonds 5) Series 2020A							Calendar Year Ending
	12/18/2014 \$4,930,000		07/13/2017 \$6,470,000		06/14/2018 \$6,780,000		11/26/2019 \$7,520,000		11/10/2020 \$5,035,000		Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	
Maturity	02/01		02/01		02/01		02/01		02/01							
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	
2024	0	10,700	0	46,988	0	71,150	0	114,450	0	63,675	0	306,963	306,963	18,170,000	.00%	2024
2025	530,000	16,100	530,000	86,025	435,000	133,600	730,000	210,650	290,000	121,550	2,515,000	567,925	3,082,925	15,655,000	13.84%	2025
2026	540,000	5,400	335,000	73,050	445,000	116,000	765,000	173,275	300,000	109,750	2,385,000	477,475	2,862,475	13,270,000	26.97%	2026
2027			340,000	64,413	465,000	100,125	800,000	134,150	315,000	97,450	1,920,000	396,138	2,316,138	11,350,000	37.53%	2027
2028			350,000	56,863	475,000	86,025	845,000	93,025	325,000	84,650	1,995,000	320,563	2,315,563	9,355,000	48.51%	2028
2029			360,000	48,425	500,000	71,400	880,000	49,900	340,000	71,350	2,080,000	241,075	2,321,075	7,275,000	59.96%	2029
2030			365,000	39,363	510,000	56,250	930,000	13,950	355,000	57,450	2,160,000	167,013	2,327,013	5,115,000	71.85%	2030
2031			375,000	29,175	525,000	40,725			365,000	44,875	1,265,000	114,775	1,379,775	3,850,000	78.81%	2031
2032			390,000	17,700	540,000	24,750			380,000	35,600	1,310,000	78,050	1,388,050	2,540,000	86.02%	2032
2033			395,000	5,925	555,000	8,325			385,000	27,950	1,335,000	42,200	1,377,200	1,205,000	93.37%	2033
2034									395,000	20,150	395,000	20,150	415,150	810,000	95.54%	2034
2035									400,000	12,200	400,000	12,200	412,200	410,000	97.74%	2035
2036									410,000	4,100	410,000	4,100	414,100	0	100.00%	2036
	1,070,000	32,200	3,440,000	467,925	4,450,000	708,350	4,950,000	789,400	4,260,000	750,750	18,170,000	2,748,625	20,918,625			

- 1) This represents the \$4,930,000 Utility Revenue portion of the \$10,000,000 General Obligation Bonds, Series 2014A.
- 2) This represents the \$6,470,000 Utility & Refunding portions of the \$9,900,000 General Obligation Bonds Series 2017A.
- 3) This represents the \$6,780,000 Utility Revenue portion of the \$8,800,000 General Obligation Bonds, Series 2018A.
- 4) This represents the \$7,520,000 Utility Revenue portion of the \$15,105,000 General Obligation Bonds, Series 2019B.
- 5) This represents the \$5,035,000 Utility Revenue portion of the \$15,540,000 General Obligation Bonds, Series 2020A.

OVERLAPPING DEBT¹

Taxing District	2023/24 Adjusted Taxable Net Tax Capacity	% In City	Total G.O. Debt²	City's Proportionate Share
Hennepin County	\$2,859,451,218	3.5344%	\$1,071,970,000 ³	\$37,887,708
I.S.D. No. 270 (Hopkins Public Schools)	178,632,641	2.9951%	133,460,000 ⁴	3,997,260
I.S.D. No. 273 (Edina Public Schools)	154,831,339	0.0579%	174,620,000 ⁴	101,105
I.S.D. No. 283 (St. Louis Park Public Schools)	96,217,171	99.3843%	240,940,000 ⁴	239,456,532
Metropolitan Council	6,313,906,529	1.6007%	191,435,000 ⁵	3,064,300
Three Rivers Park District	2,052,772,775	4.9233%	51,405,000	<u>2,530,822</u>
City's Share of Total Overlapping Debt				<u><u>\$287,037,728</u></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 \$9,946,936,402	Debt/ Per Capita 49,786 ¹
Direct G.O. Debt Secured By:			
Housing Improvement Area Fees	\$6,445,000		
Housing Revenues	1,190,000		
Tax Abatement Revenues	12,460,000		
Taxes*	44,040,000		
Utility Revenues	18,170,000		
Total General Obligation Debt*	<u>\$82,305,000</u>		
Less: G.O. Debt Paid Entirely from Revenues ²	<u>(25,805,000)</u>		
Tax Supported General Obligation Debt*	\$56,500,000	0.57%	\$1,134.86
City's Share of Total Overlapping Debt	<u>\$287,037,728</u>	<u>2.89%</u>	<u>\$5,765.43</u>
Total*	<u><u>\$343,537,728</u></u>	<u><u>3.45%</u></u>	<u><u>\$6,900.29</u></u>

*Preliminary, subject to change.

¹ Estimated 2022 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 Levy ¹	Total Collected Following Year	Collected to Date	% Collected
2019/20	\$35,959,918	\$35,746,281	\$35,951,190	99.98%
2020/21	37,462,101	37,266,514	37,457,067	99.99%
2021/22	40,234,506	39,908,823	40,178,975	99.86%
2022/23	42,922,848	42,662,701	42,662,701	99.39%
2023/24	46,301,821	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 15th of each year.

TAX CAPACITY RATES¹

	2019/20	2020/21	2021/22	2022/23	2023/24
Hennepin County	41.084%	38.210%	38.535%	34.542%	34.681%
City of St. Louis Park	45.066%	44.554%	46.424%	44.491%	45.915%
I.S.D. No. 270 (Hopkins Public Schools)	27.190%	26.478%	26.783%	25.006%	26.913%
I.S.D. No. 273 (Edina Public Schools)	30.589%	31.474%	29.975%	28.093%	28.248%
I.S.D. No. 283 (St. Louis Park Public Schools)	25.820%	25.846%	24.913%	30.545%	29.269%
HCRRA	1.388%	1.323%	1.329%	1.188%	1.153%
Hennepin County HRA	0.801%	0.722%	0.771%	0.663%	0.624%
Metropolitan Council	0.616%	0.631%	0.659%	0.576%	0.614%
Metropolitan Mosquito	0.412%	0.381%	0.377%	0.331%	0.312%
Metropolitan Transit	1.433%	1.256%	1.204%	1.066%	0.927%
Park Museum	0.710%	0.707%	0.722%	0.647%	0.694%
Three Rivers Park District	2.859%	2.793%	2.787%	2.473%	2.399%

Referendum Market Value Rates:

I.S.D. No. 270 (Hopkins Public Schools)	0.16182%	0.14358%	0.14030%	0.14957%	0.13812%
I.S.D. No. 273 (Edina Public Schools)	0.21897%	0.21097%	0.21895%	0.22168%	0.20533%
I.S.D. No. 283 (St. Louis Park Public Schools)	0.16574%	0.14818%	0.14838%	0.15920%	0.15544%

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 and Finance Director 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 293 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, 2025
LELS Local 206 - Police	December 31, 2024
LELS Local 218 - Police Sergeants	December 31, 2024
LELS Local 220 - Public Safety Dispatchers	December 31, 2026
IAFF Local 993 - Fire	December 31, 2025
LELS Local 482 - Police Lieutenants	December 31, 2025

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 actuarial study shows a total OPEB liability of \$5,694,659 as of December 31, 2023. The City has been funding these obligations on a pay-as-you-go basis.

Source: The City's most recent actuarial study.

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, 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, 2023)

Fund	Total Cash and Investments
General	\$35,971,059
Special Revenue	16,543,922
Debt Service	8,286,283
EDA / Redevelopment District	18,656,155
Capital Projects	6,382,447
Enterprise Funds	16,044,715
Internal Service	<u>4,070,564</u>
Total Funds on Hand	<u><u>\$105,955,145</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:

	2020 Audited	2021 Audited	2022 Audited
Water			
Total Operating Revenues	\$7,989,679	\$8,535,668	\$9,156,315
Less: Operating Expenses	<u>(4,871,862)</u>	<u>(5,114,841)</u>	<u>(5,651,824)</u>
Operating Income	\$3,117,817	\$3,420,827	\$3,504,491
Plus: Depreciation	<u>1,015,219</u>	<u>1,023,022</u>	<u>1,006,406</u>
Revenues Available for Debt Service	<u><u>\$4,133,036</u></u>	<u><u>\$4,443,849</u></u>	<u><u>\$4,510,897</u></u>
Sewer			
Total Operating Revenues	\$8,059,428	\$8,528,207	\$8,971,596
Less: Operating Expenses	<u>(6,205,817)</u>	<u>(6,581,290)</u>	<u>(6,096,247)</u>
Operating Income	\$1,853,611	\$1,946,917	\$2,875,349
Plus: Depreciation	<u>194,659</u>	<u>162,523</u>	<u>203,551</u>
Revenues Available for Debt Service	<u><u>\$2,048,270</u></u>	<u><u>\$2,109,440</u></u>	<u><u>\$3,078,900</u></u>
Storm Water			
Total Operating Revenues	\$3,158,072	\$3,322,640	\$3,541,917
Less: Operating Expenses	<u>(1,798,490)</u>	<u>(2,151,727)</u>	<u>(2,091,229)</u>
Operating Income	\$1,359,582	\$1,170,913	\$1,450,688
Plus: Depreciation	<u>684,266</u>	<u>679,979</u>	<u>745,530</u>
Revenues Available for Debt Service	<u><u>\$2,043,848</u></u>	<u><u>\$1,850,892</u></u>	<u><u>\$2,196,218</u></u>
Solid Waste¹			
Total Operating Revenues	\$3,782,579	\$4,267,345	\$4,540,176
Less: Operating Expenses	<u>(3,667,061)</u>	<u>(3,676,403)</u>	<u>(3,751,720)</u>
Operating Income	\$115,518	\$590,942	\$788,456
Plus: Depreciation	<u>0</u>	<u>0</u>	<u>0</u>
Revenues Available for Debt Service	<u><u>\$115,518</u></u>	<u><u>\$590,942</u></u>	<u><u>\$788,456</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 and 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 2022 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2020 Audited	2021 Audited	2022 Audited	2023 Unaudited ¹	2024 Adopted Budget ²
Revenues					
Property taxes	\$28,615,201	\$29,469,243	\$31,150,197	\$32,037,361	\$34,147,654
Abatement of property taxes	0	(44,200)	0	0	0
Licenses and permits	5,294,314	4,997,981	7,282,483	5,164,018	4,796,822
Intergovernmental	2,061,147	1,773,951	1,934,379	4,811,446	2,443,282
Charges for services	2,757,212	3,729,289	4,524,857	4,308,477	4,252,453
Fine and forfeits	126,192	150,964	175,090	179,508	190,000
Interest income	486,468	(314,346)	(234,741)	725,857	470,000
Miscellaneous	825,557	645,531	1,228,904	683,340	932,130
Total Revenues	\$40,166,091	\$40,408,413	\$46,061,169	\$47,910,007	\$47,232,341
Expenditures					
Current:					
General government	\$9,490,394	\$9,458,536	\$9,365,669	\$10,427,159	\$12,071,315
Public safety	17,669,504	18,907,816	20,245,105	21,642,310	23,236,356
Operations	5,123,823	5,112,302	5,906,754	6,043,098	6,705,652
Parks and recreation	6,077,457	6,636,383	7,982,218	8,588,160	8,505,481
Miscellaneous	517,651	482,494	585,774	831,286	812,678
Capital outlay	27,638	0	48,679	55,604	0
Total Expenditures	\$38,906,467	\$40,597,531	\$44,134,199	\$47,587,617	\$51,331,482
Excess of revenues over (under) expenditures	\$1,259,624	(\$189,118)	\$1,926,970	\$322,390	(\$4,099,141)
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	\$0	\$4,401	\$0	\$0	\$0
Transfers in	4,732,648	2,054,819	2,207,338	2,865,766	5,720,439
Transfers (out)	0	(4,878,845)	(2,288,000)	(800,000)	(1,621,347)
Total Other Financing Sources (Uses)	4,732,648	(2,819,625)	(80,662)	2,065,766	4,099,092
Net changes in Fund Balances	\$5,992,272	(\$3,008,743)	\$1,846,308	\$2,388,156	(\$49)
General Fund Balance January 1	\$20,831,827	\$26,824,099	\$23,815,356	\$25,661,664	
Prior Period Adjustment	0	0	0	0	
Residual Equity Transfer in (out)	0	0	0	0	
General Fund Balance December 31	\$26,824,099	\$23,815,356	\$25,661,664	\$28,049,820	
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	\$362,022	\$517,589	\$324,139	\$445,964	
Restricted	82,986	94,311	87,357	2,409,288	
Assigned	992,938	1,275,140	1,304,322	700,000	
Unassigned	25,386,153	21,928,316	23,945,846	24,494,568	
Total	\$26,824,099	\$23,815,356	\$25,661,664	\$28,049,820	

¹ Unaudited data is as of May 17, 2024.

² The 2024 budget was adopted on December 18, 2023.

GENERAL INFORMATION

LOCATION

The City, with a 2020 U.S. Census population of 50,010 and a 2022 population estimate of 49,786, 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	1,000 ²
Japs-Olson Company	Commercial printing and direct mail services	600
RAYUS Radiology ³	Medical imaging services	450
Sholom Home West	Nursing home	420
Target	Retail and grocery store	405
Money Gram	Financial transaction processing	400
Cub Foods	Grocery	300
Life-Time	Health Club	300
The City	Municipal government and services	293

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.

³ Previously listed as Center for Diagnostic Imaging.

BUILDING PERMITS (as of May 21, 2024)

	2020	2021	2022	2023	2024
<u>New Single Family Homes</u>					
No. of building permits	11	7	7	5	0
Valuation	\$6,455,000	\$3,775,000	\$3,843,500	\$3,285,000	\$0
<u>New Multiple Family Buildings</u>					
No. of building permits	2	4	1	1	0
Valuation	\$47,579,818	\$73,251,512	\$54,505,485	\$0	\$0
<u>New Commercial/Industrial</u>					
No. of building permits	6	3	7	7	1
Valuation	\$19,828,890	\$505,000	\$168,146,801	\$24,482,837	\$800,000
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	2,337	2,647	2,937	2,384	1,008
Valuation	\$191,442,181	\$202,015,139	\$418,121,984	\$209,415,153	\$51,217,933

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%

2022 Metropolitan Council Population Estimate 49,786

Income and Age Statistics

	The City	Hennepin County	State of Minnesota	United States
2022 per capita income	\$60,434	\$55,199	\$44,947	\$41,261
2022 median household income	\$94,263	\$92,595	\$74,313	\$75,149
2022 median family income	\$142,528	\$126,404	\$107,072	\$92,646
2022 median gross rent	\$1,504	\$1,373	\$1,178	\$1,268
2022 median value owner occupied units	\$357,900	\$358,000	\$286,800	\$281,900
2022 median age	36.0 yrs.	37.2 yrs.	38.5 yrs.	38.5 yrs.

	State of Minnesota	United States
City % of 2022 per capita income	134.46%	146.47%
City % of 2022 median family income	133.11%	153.84%

Housing Statistics

	<u>The City</u>		Percent of Change
	2020	2022	
All Housing Units	23,830	24,264	1.82%

Source: 2010 and 2020 Census of Population and Housing, and 2022 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov>), and 2022 Population Estimates, Metropolitan Council (<https://metro council.org/>).

EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities within counties.

Year	<u>Average Employment</u>		<u>Average Unemployment</u>	
	Hennepin County	Hennepin County	State of Minnesota	
2020	667,782	6.6%	6.3%	
2021	668,831	3.8%	3.7%	
2022	685,129	2.4%	2.7%	
2023	689,878	2.6%	2.8%	
2024, April	690,426	2.4%	2.7%	

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 changes 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 December 31, 2022

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, 2022

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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September 26, 2023

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 comprehensive annual financial report of the City of St. Louis Park for the fiscal year ended December 31, 2022.

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 Ltd., 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, 2022, 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, 2022, 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 48,827. 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, but not between personnel and non-personnel categories. Transfers of appropriations between funds, however, require the approval of the City Council. Budget to actual comparisons are provided in this report for the general fund for which an appropriated annual budget has been adopted. These comparisons are presented as part of the basic financial statements for the governmental funds.

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 committed to providing a broad range of housing and neighborhood-oriented development within the community. It is important to provide more diverse and creative housing choices, while preserving existing affordable housing, and foster and facilitate reinvestment and redevelopment of neighborhood-oriented businesses and services to meet the needs of current and future residents. The city has experienced significant redevelopment in the past five years. These new developments contain market rate and affordable housing units, and commercial, retail, and service spaces to create more livable neighborhoods and promote economic vitality. The city has used its tax increment financing authority in many of these projects to advance specific community and economic development priorities of the city.

Some of the larger projects completed in the past couple of years include:

10 West End

The Excelsior Group and Ryan Companies developed this 11-story, 343,000-square-foot Class A office building within West End on the border of St. Louis Park and Golden Valley. The office tower is in St. Louis Park and the 1,214-stall parking structure is in Golden Valley. The building received LEED Silver certification and was 1 of 9 projects awarded MNSHARP certification.

The Quentin

The Quentin, located at 4900 Cedar Lake Road, was developed by Crowe Companies, LLC and was completed in late 2021. The project included the removal of three substandard buildings and the construction of a five-story, 79-unit sustainable apartment building that includes 8 units affordable at 50% of the area median income. The building is situated on the Cedar Lake Trail and features a new pedestrian trail connection from Cedar Lake Road along Quentin and a bicycle hub for residents and is served by multiple bus lines. The project features a number of sustainability features, including a green roof on the east side of the parking pedestal; landscaping with no-mow, native plants and drought/salt-tolerant landscaping; electric vehicle charging stations for residents and guests; and a solar array on the roof to offset common area electricity

Cedar Place

Patrick Crowe of Crowe Companies LLC developed this six-story, 79 unit apartment building, including 8 affordable units and two levels of structured parking. The site features a new pedestrian trail connection from Cedar Lake Road along Quentin and a bicycle hub for residents. The site is served by multiple bus lines and is situated on the Cedar Lake Trail. The project features several sustainability features, including a green roof on the east side of the parking pedestal; landscaping with no-mow, native plants and drought/salt-tolerant landscaping; electric vehicle charging stations for residents and guests; and a solar array on the roof to offset common area electricity.

Bridgewater Bank

Bridgewater Bank constructed a four-story, 84,000-square-foot office building with a 7,000-square-foot bank branch, 7,000 square feet of commercial space and three levels of structured parking. The first floor includes Bridgewater Bank's customer branch and retail space. The second, third and fourth floors include the bank's executive offices and opportunities for co-working entrepreneurial space. There is a plaza at the corner of Excelsior Boulevard and Monterey Drive with outdoor seating, space for public art and landscaping.

The Elmwood

36th Street LLC, constructed this five-story, 70-unit, age-restricted, mixed-use development at the southeast corner of Xenwood Avenue and 36th Street West. The Elmwood consists of 53 market rate apartments with 17 affordable units at 60 percent area median income, and approximately 4,400 square feet of leasable office/commercial space. The development includes on-street, surface, and underground parking, as well as outdoor amenity space.

Xchange Medical Office

The Davis Group completed a 77,500-square-foot medical office building near 6009 Wayzata Blvd. in November 2021. The development includes one level of underground parking with 51 parking spaces and three levels of medical office space above. The building is oriented towards Wayzata Boulevard to the north with the building's main entrance and a 253 space surface parking lot on the south side of the building.

Parkway Residences, Phase I & II

Parkway Residences Phase I & II, located along West 31st Street near Glenhurst Avenue South was completed in 2023. Phases I & II were completed in 2022 and 2023, respectively, and include the construction of a four-story, 95-unit apartment building with two levels of underground parking, a four-story, 37-unit apartment building with one level of underground parking, and the rehabilitation of three existing apartment buildings that contain 24 units, resulting in a total of 162 residential units. The project includes 24 units available at 50% area median income and six units available at 60% area median income, and includes a variety of sustainability features

Elan West End

The Elan West End is six-story apartment building with 164 residential units. The building is adjacent to Central Park West and the AC Hotel by Marriott. The development includes five affordable units at 60 percent area median income (AMI).

Volo at Texa Tonka

Volo at Texa Tonka includes a 101-unit, four to five-story multifamily building on the northeast corner of Texas Avenue and Minnetonka Boulevard, and an 11-unit, two-story townhome building on the northern portion of the site. The apartment building includes amenity spaces, underground parking, enclosed parking at the first floor and surface parking on-site with other site amenities. Both buildings provide walk up units for residents with exterior entrances to activate the street frontage. The development also connect the neighborhood to the Texa-Tonka shopping center and surrounding amenities like Rainbow Park and Cedar Lake Trail with a public trail connection through the site and includes 20% of the units as affordable at 50% area median income.

The City also sponsors a comprehensive rehabilitation loan program available to single family and multi-family homeowners. The first programs were started in the mid 1970's and have evolved into a comprehensive set of programs to ensure the preservation and enhancement of the City's housing stock.

Finally, the City has a Convention and Visitors Bureau, which markets the desirability of St. Louis Park for both business and recreational opportunities. This continues to be a very strong partner with the City of St. Louis Park which has brought increased business and activities to the City.

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 comprehensive annual financial report for the fiscal year ended December 31, 2021. This was the thirty-ninth 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 comprehensive annual financial report. 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 comprehensive annual financial report 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



Amelia Cruver
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, 2021

Christopher P. Morill

Executive Director/CEO

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- Administrative services**
- City clerk
 - Finance (includes assessing, utility billing)
 - Human resources

- Building and energy**
- Construction codes
 - Property maintenance/licensing
 - Sustainability

- Communications and technology**
- Communications
 - Technology
 - ParkTV

- Community development**
- Housing
 - Economic development/redevelopment
 - Planning and zoning

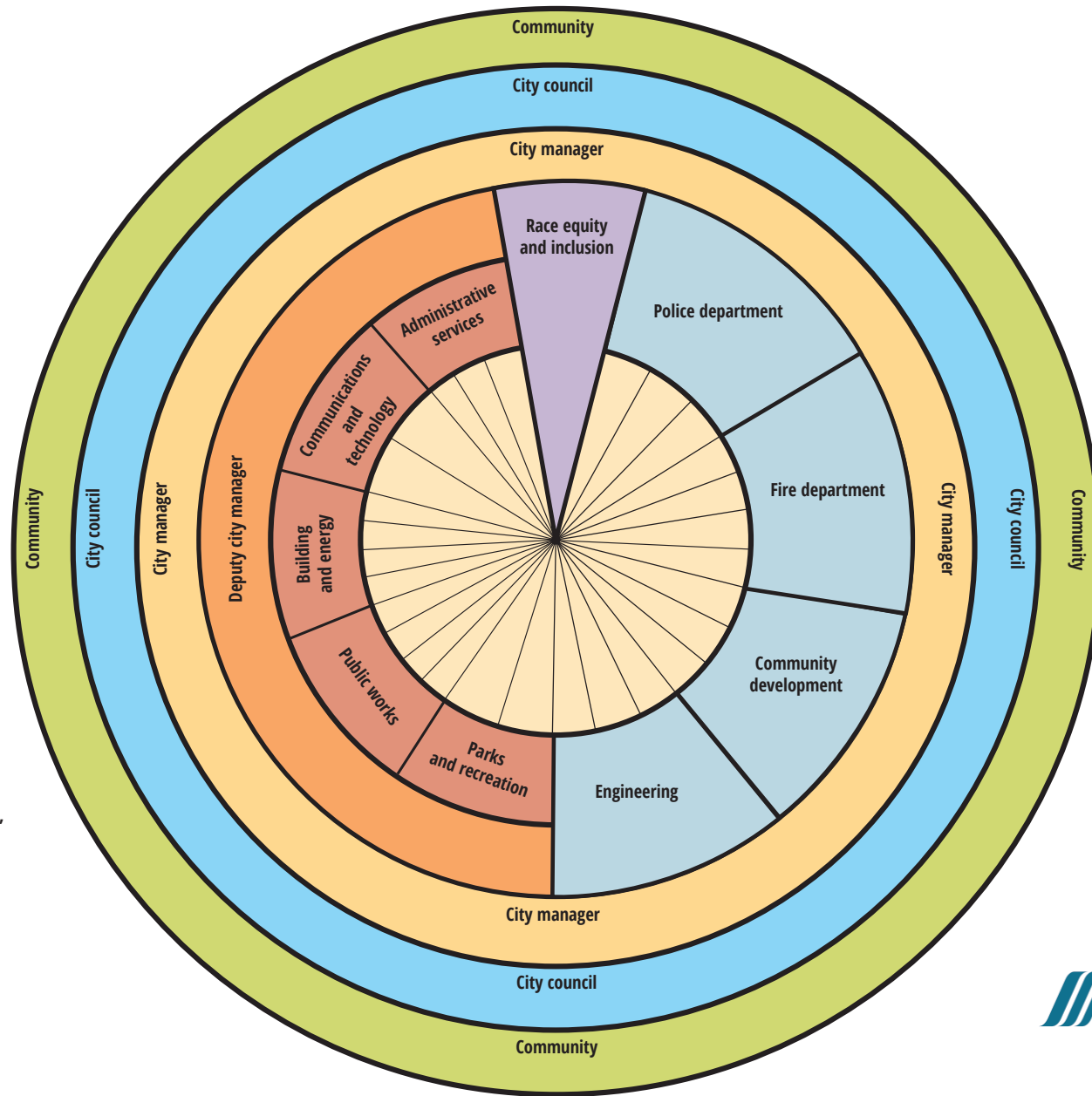
- Engineering**
- Construction
 - Engineering services
 - Transportation

- Fire department**
- Emergency response
 - Emergency management
 - EMS/community health
 - Prevention

- Parks and recreation**
- Facilities
 - Parks maintenance (includes fleet, natural resources)
 - Recreation programming (includes Westwood Hills Nature Center, Rec Center, ROC)

- 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

Jake Spano

Mayor

EDA Commissioner

Term Expires 01/2024

Larry Kraft

At-Large A Councilmember

EDA Commissioner

Term Expires 01/2024

Nadia Mohamed

At-Large B Councilmember

EDA Commissioner

Term Expires 01/2024

Margaret Rog

Ward 1 Councilmember

EDA Treasurer

Term Expires 01/2022

Lynette Dumalag

Ward 2 Councilmember

EDA Commissioner

Term Expires 01/2022

Sue Budd

Ward 3 Councilmember

EDA President

Term Expires 1/2022

Tim Brausen

Ward 4 Councilmember

EDA Vice President

Term Expires 1/2022

Executive Staff

Kim Keller, *City Manager*

Cindy Walsh, *Deputy City Manager/Operations & Recreation Director*

Bryan Kruelle, *Police Chief*

Steve Koering, *Fire Chief*

Karen Barton, *Community Development Director*

Brian Hoffman, *Building & Inspections Director*

Melanie Schmitt, *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, 2022, 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, 2022, 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.

Change in Accounting Principle

As described in Note 16 to the financial statements, the City of St. Louis Park, Minnesota adopted new accounting guidance for the year ended December 31, 2022, Governmental Accounting Standards Board Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

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 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 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 September 26, 2023 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.

Redpath and Company, Ltd.

REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

September 26, 2023

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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, 2022. 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 \$198,581,012 (*net position*). Of this amount, \$57,871,731 (*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 \$8,168,929 as a result of revenues in excess of expenses. \$6,500,144 was a result of an increase of net position within business-type activities, and \$1,668,785 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 \$77,634,308 an increase of \$780,737 in comparison with the prior year. The increase was primarily related to capital project funds accumulated for future improvement projects, and taxes collected to support housing. Approximately 33 percent of this total amount, \$25,976,204 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 \$23,945,846 (54 percent) of the total subsequent year budgeted General fund expenditures.
- The City's total bonded debt and other debt increased \$32,006,751 during 2022. New debt issued, and principal paid during the year was \$6,245,000 and \$8,045,000 respectively. Net pension liabilities increased \$36,288,553, \$8,668,855 related to the State's General Employees Retirement Fund (GERF) and \$27,619,698 related to the State's Public Employees Police and Fire Fund (PEPFF).

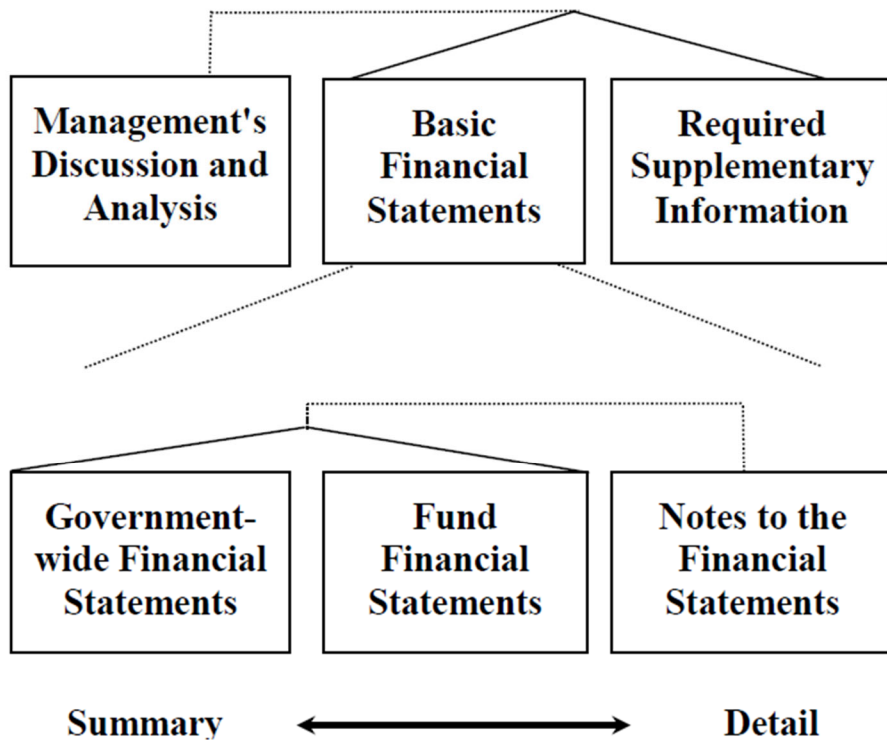
Overview of the Financial Statements

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

	Fund Financial Statements		
	Government-wide 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	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balances 	<ul style="list-style-type: none"> • 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 and recreation, engineering, housing and rehabilitation, housing maintenance, 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 42 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, Debt Service, Development EDA, Redevelopment District, Streets Capital Projects, and Westwood Hills Nature Center Construction Project all of which are considered to be major funds. Data from the other ten 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. Budgetary comparison statements are provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements start on page 44 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.

The basic proprietary fund financial statements start on page 50 of this report.

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

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 53 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 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 125 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 \$198,581,012 at the close of the most recent fiscal year.

	Governmental Activities			Business-type Activities		
	2022	2021	Increase (Decrease)	2022	2021	Increase (Decrease)
Assets						
Current and other assets	\$ 119,463,195	\$ 108,587,896	\$ 10,875,299	\$ 24,173,457	\$ 17,175,392	\$ 6,998,065
Capital assets	156,371,678	158,640,993	(2,269,315)	57,401,837	55,390,650	2,011,187
Total assets	275,834,873	267,228,889	8,605,984	81,575,294	72,566,042	9,009,252
Total deferred outflows of resources	30,887,502	20,423,348	10,464,154	-	-	-
Liabilities						
Other liabilities	18,767,872	14,924,181	3,843,691	1,843,341	1,749,667	93,674
Noncurrent liabilities	137,809,859	100,724,282	37,085,577	25,212,346	27,954,120	(2,741,774)
Total liabilities	156,577,731	115,648,463	40,929,268	27,055,687	29,703,787	(2,648,100)
Total deferred inflows of resources	926,031	24,453,946	(23,527,915)	5,157,208	-	5,157,208
Net position						
Net investment in capital assets	81,133,330	86,983,523	(5,850,193)	32,352,244	30,830,919	1,521,325
Restricted	27,223,707	24,710,300	2,513,407	-	-	-
Unrestricted	40,861,576	35,856,005	5,005,571	17,010,155	12,031,336	4,978,819
Total net position	\$ 149,218,613	\$ 147,549,828	\$ 1,668,785	\$ 49,362,399	\$ 42,862,255	\$ 6,500,144

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, buildings, machinery, and equipment); 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 \$27,223,707 represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* \$57,871,731 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, 2022. 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		
	2022	2021	Increase (Decrease)	2022	2021	Increase (Decrease)
Revenues						
Program revenues						
Charges for services	\$ 12,324,944	\$ 9,183,631	\$ 3,141,313	\$ 26,210,004	\$ 24,653,860	\$ 1,556,144
Operating grants and contributions	3,247,517	2,886,299	361,218	206,308	212,446	(6,138)
Capital grants and contributions	8,958,110	3,996,798	4,961,312	829,382	430,010	399,372
General revenues						
Property taxes and TIF	55,244,115	50,717,221	4,526,894	-	-	-
Franchise fees	5,469,040	5,122,147	346,893	-	-	-
Lodging taxes	905,461	543,133	362,328	-	-	-
Grants and contributions not restricted to specific programs	816,658	587,658	229,000	-	-	-
Unrestricted investment earnings	(888,151)	(215,865)	(672,286)	(97,071)	(45,939)	(51,132)
Gain on disposal of capital assets	164,728	149,946	14,782	-	-	-
Miscellaneous	2,826,100	2,289,514	536,586	-	-	-
Total revenues	89,068,522	75,260,482	13,808,040	27,148,623	25,250,377	1,898,246
Expenses						
General government	14,543,794	11,981,562	2,562,232	-	-	-
Public safety	23,014,115	18,168,010	4,846,105	-	-	-
Public information	1,832,219	496,229	1,335,990	-	-	-
Operations	19,750,249	21,980,357	(2,230,108)	-	-	-
Parks and recreation	8,419,354	6,782,740	1,636,614	-	-	-
Housing and rehabilitation	5,473,490	780,257	4,693,233	-	-	-
Social and economic development	14,493,892	11,246,159	3,247,733	-	-	-
Interest on long-term debt	2,103,528	1,991,765	111,763	-	-	-
Water	-	-	-	6,261,586	5,743,764	517,822
Sewer	-	-	-	6,176,756	6,828,464	(651,708)
Solid waste	-	-	-	3,788,443	3,681,072	107,371
Storm water	-	-	-	2,190,790	2,331,779	(140,989)
Total expenses	89,630,641	73,427,079	16,203,562	18,417,575	18,585,079	(167,504)
Increase (decrease) in net position before transfers	(562,119)	1,833,403	(2,395,522)	8,731,048	6,665,298	2,065,750
Transfers	2,230,904	2,196,105	34,799	(2,230,904)	(2,196,105)	(34,799)
Change in net position	1,668,785	4,029,508	(2,360,723)	6,500,144	4,469,193	2,030,951
Net position, January 1, as previously reported	147,549,828	143,062,677	4,487,151	42,862,255	38,270,062	4,592,193
Prior period adjustment	-	457,643	(457,643)	-	123,000	(123,000)
Net position, January 1, as restated	147,549,828	143,520,320	4,029,508	42,862,255	38,393,062	4,469,193
Net position, December 31	\$ 149,218,613	\$ 147,549,828	\$ 1,668,785	\$ 49,362,399	\$ 42,862,255	\$ 6,500,144

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

Governmental Activities

Governmental activities increased the City's net position by \$1,668,785. Overall, the governmental activities in 2022 were stable, with comparable increases in revenues and expenses. Revenues increased by \$13.8 million, primarily related to additional tax levy revenue, capital grants, and charges for services. Expenses increased by \$16.2 million, with increases across all areas, other than operations, which had a decrease of \$2.2 million resulting from fewer street capital expenditures in 2022.

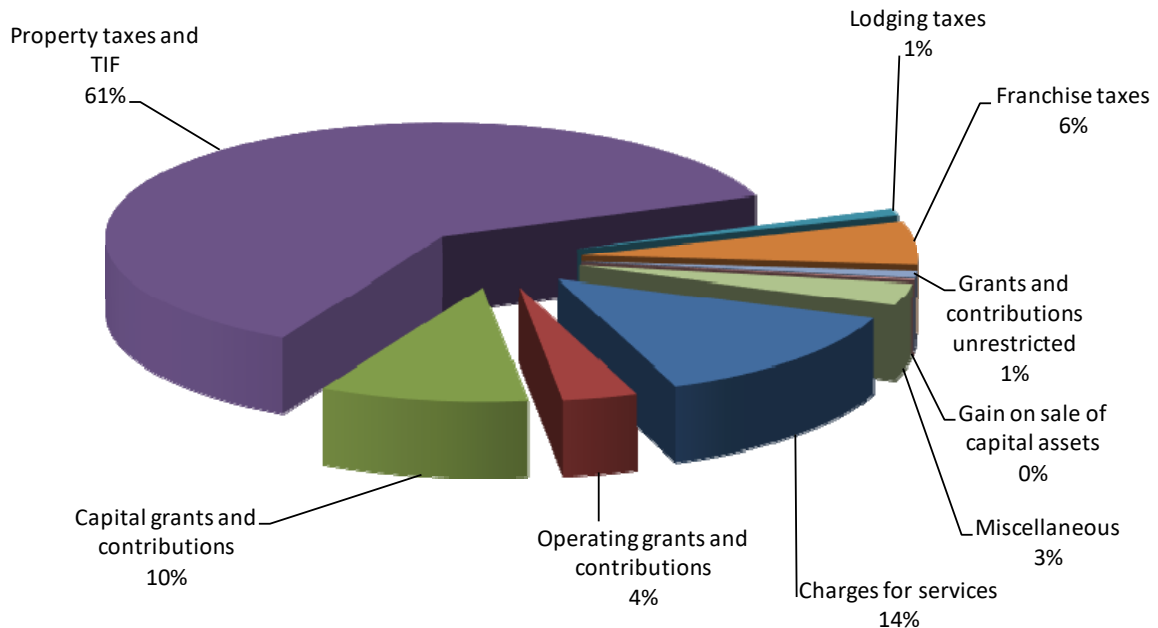
Business-type Activities

Business-type activities increased the City's net position by \$6,500,144. Revenues increased by \$1.9 million, and expenses decreased by \$167,504. Net transfers were comparable to the prior year. The increase in revenues was the result of increased utility rates and the decrease in expenses was partially attributable to decreased interest expense.

Governmental Activities

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

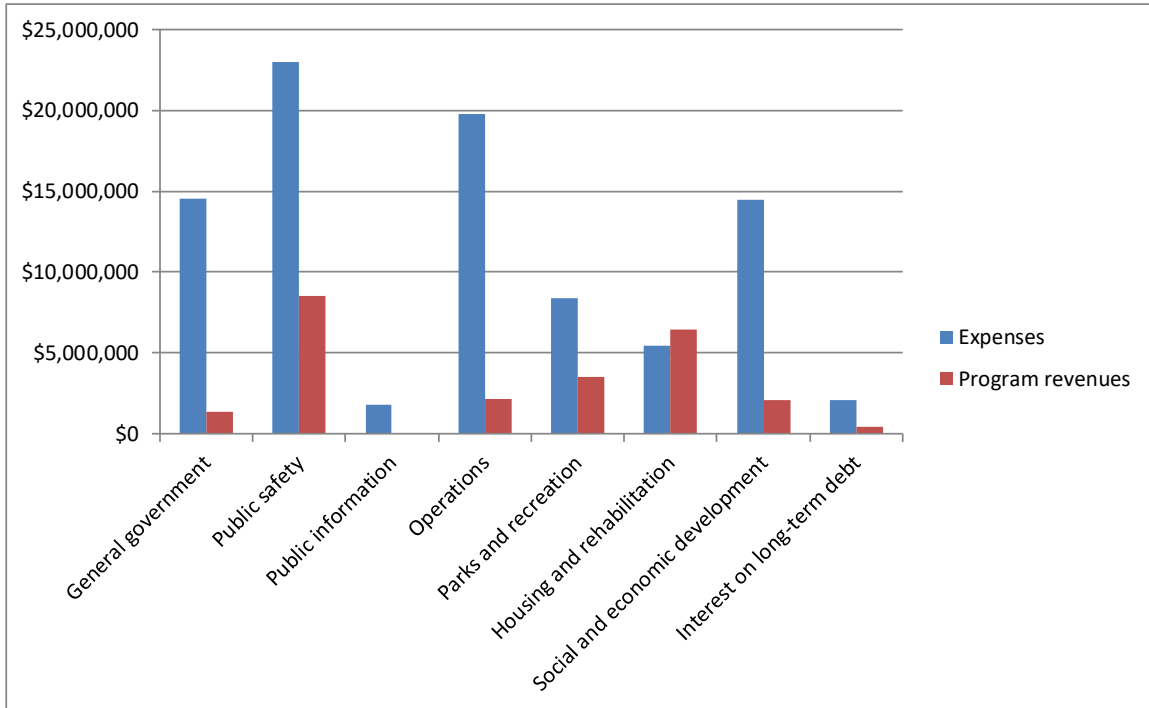
Revenues by Source - Governmental Activities



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

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

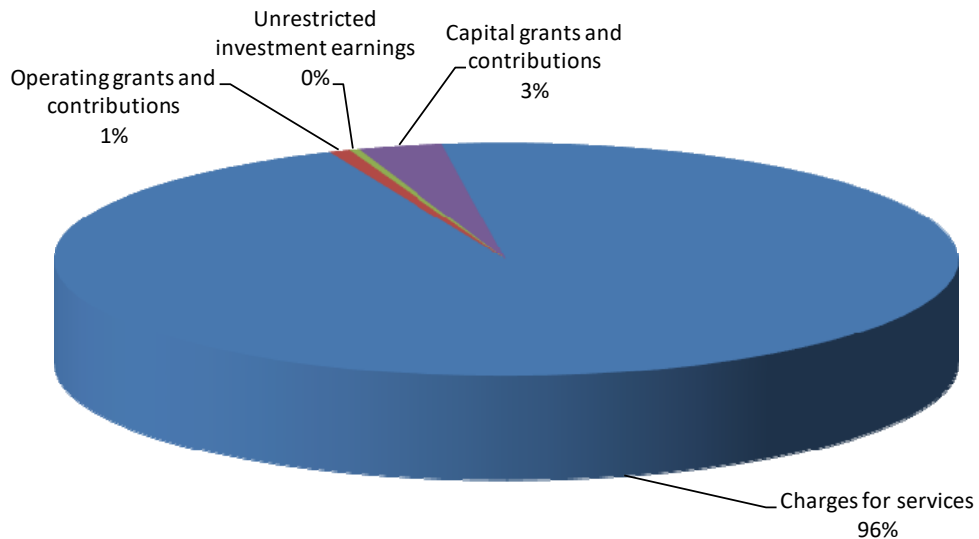
Expenses and Program Revenues - Governmental Activities



Business-type Activities

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

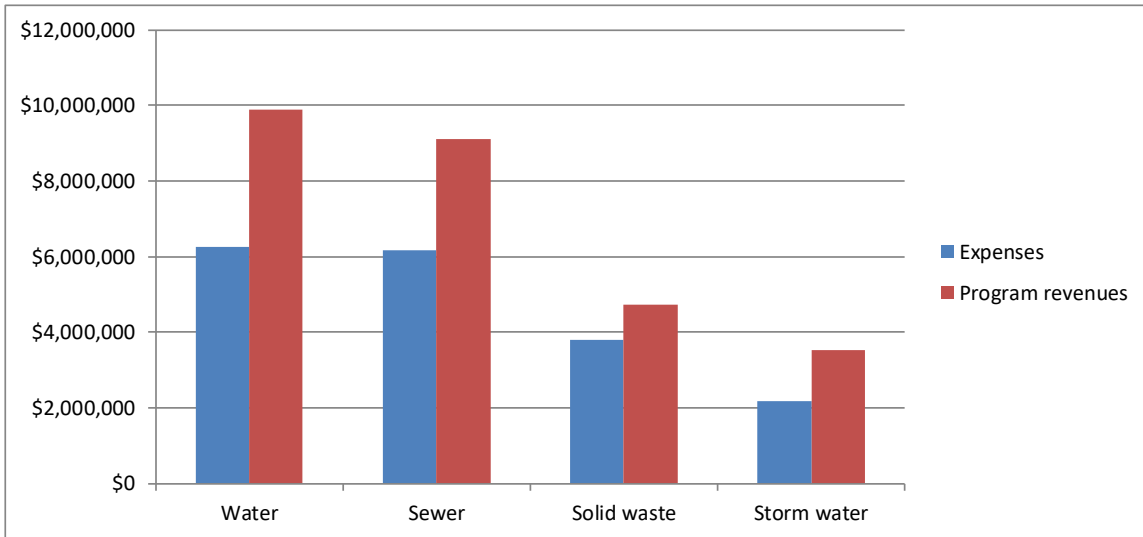
Revenue Sources - Business-type Activities



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.

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

Governmental funds – As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$77,634,308, an increase of \$780,737 in comparison with the prior year. Approximately 17 percent of this total amount, \$13,062,529, constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance \$64,571,779 is not available for new spending because it is either 1) nonspendable \$327,239, 2) restricted \$25,648,965, 3) committed \$2,118,897 or 4) assigned \$36,476,678 for specific purposes.

Major Funds	Fund Balances December 31,		Increase (Decrease)
	2022	2021	
General	\$ 25,661,664	\$ 23,815,356	\$ 1,846,308
The City's General Fund balanced increased \$1,846,308 during the current fiscal year. Greater than anticipated revenues in licenses and permits of \$2,531,879 contributed to the majority of the increase.			
Housing Rehabilitation	\$ 6,567,161	\$ 6,098,978	\$ 468,183
The Housing Rehabilitation fund balance increased \$468,183 as a result of new bond issuances during the year.			
COVID	\$ (76,598)	\$ 5,625	\$ (82,223)
The fund balance of the Covid fund decreased \$82,223, which resulted from interest losses.			
Debt Service	\$ 6,405,593	\$ 6,118,374	\$ 287,219
The fund balance of the Debt Service fund increased \$287,219 due to transfers received from development and housing rehabilitation sources, in accordance with the bond documents.			
Development EDA	\$ 18,559,583	\$ 19,860,446	\$ (1,300,863)
The Development EDA fund balance decreased \$1,300,863 as a result of project expenditures. Although the fund has \$18.5 million in fund balance, approximately \$8 million is made up of loans receivable and land held for resale.			
Redevelopment District	\$ 7,889,333	\$ 6,644,806	\$ 1,244,527
The Redevelopment District fund is comprised of all tax increment districts in the City. The increase in fund balance of \$1,244,527 is due to collection of property taxes and tax increments in excess of expenditures and transfers out.			
Streets Capital Projects	\$ (8,082,998)	\$ (1,497,831)	\$ (6,585,167)
The Street Capital Projects fund balance decreased \$6,585,167 as a result of increased project related expenditures.			

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, Solid Waste, and Storm Water funds amounted to \$21,291,424. Total net position increased by \$6,753,296. This increase was primarily a result of a planned increase in fees to cover infrastructure replacement.

General Fund Budgetary Highlights

Actual revenues were \$3,947,079 over budget and expenditures were \$178,368 under budget; along with transfers and other financing sources, the end result was an increase in fund balance of \$1,846,308. Planned transfers out accounted for the decrease in fund balance. The largest favorable revenue variance was in licenses and permits (\$2,531,879). Additionally, the City had \$4,900,000 in bonds issued.

Capital Asset and Debt Administration

The City's investment in capital assets for its governmental and business type activities as of December 31, 2022 was \$213,773,516 (net of accumulated depreciation). 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 decreased 0.12 percent.

Major capital asset events during the current fiscal year included the following:

- Continued work on the Louisiana Bridge project
- Street Rehab projects
- Alley construction
- Start of a sanitary sewer project

For the year ending December 31, 2022, the City changed from the modified approach for infrastructure to the depreciation method. Infrastructure assets previously accounted for under the modified approach will be depreciated over the remaining useful life of the assets.

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		
	2022	2021	Increase (Decrease)	2022	2021	Increase (Decrease)
Land	\$ 17,255,135	\$ 17,255,135	\$ -	\$ 515,082	\$ 515,082	\$ -
Permanent easements	1,441,876	1,441,876	-	-	-	-
Buildings and structures	47,645,285	48,862,303	(1,217,018)	441,749	477,886	(36,137)
Improvements other than buildings	30,145,418	24,754,426	5,390,992	5,011,224	5,404,540	(393,316)
Machinery and equipment	4,981,944	5,285,173	(303,229)	3,841,288	4,099,051	(257,763)
Fleet	3,480,139	4,354,769	(874,630)	-	-	-
Infrastructure - Streets	-	26,011,544	(26,011,544)	-	-	-
Infrastructure - Other	44,583,778	19,345,772	25,238,006	42,353,354	41,466,467	886,887
Construction in progress	6,698,824	11,329,995	(4,631,171)	5,239,141	3,427,624	1,811,517
Total	\$ 156,232,399	\$ 158,640,993	\$ (2,408,594)	\$ 57,401,838	\$ 55,390,650	\$ 2,011,188
Right to use leased assets	139,279	-	139,279	-	-	-

Additional information on the City's capital assets can be found in Note 5 on pages 71-72 of this report.

Debt administration

At the end of the current fiscal year, the city had total bonded debt outstanding of \$95,075,000. Of this amount, \$69,395,000 comprises debt issued for improvement and capital projects, of which \$62,205,000 will be repaid by ad valorem tax levies and \$7,190,000 will be repaid through the collection of special assessments. In addition, \$1,105,000 is general obligation tax increment debt which financed redevelopment projects and will be repaid from the tax increments resulting from increased tax capacity of the redevelopment properties. The remaining \$24,575,000 of the City's bonded debt represents general obligation revenue bonds with \$23,230,000 to be repaid by the Water, Sewer, and Storm Water fund user charges and \$1,345,000 from revenues collected from the benefitting property. Furthermore, the City has long-term debt of \$140,862 related to lease liabilities, \$4,427,551 for compensated absences, \$6,115,937 for other postemployment benefits payable and \$52,395,071 for the net pension liability.

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		
	2022	2021	Increase (Decrease)	2022	2021	Increase (Decrease)
G.O. Improvement	\$ 62,205,000	\$ 65,525,000	\$ (3,320,000)	\$ 23,230,000	\$ 27,870,000	\$ (4,640,000)
G.O. Tax Increment	1,105,000	1,615,000	(510,000)	-	-	-
G.O. Special Assessment	7,190,000	2,610,000	4,580,000	-	-	-
G.O. Revenue Bonds	1,345,000	1,390,000	(45,000)	-	-	-
Bond issuance premium/discount	3,108,098	3,337,534	(229,436)	1,759,686	2,194,446	(434,760)
Lease Liability	140,862	103,026	37,836	-	-	-
Compensated absences	4,204,891	4,285,863	(80,972)	222,660	226,726	(4,066)
Other postemployment benefits	6,115,937	5,751,341	364,596	-	-	-
Net pension liability	52,395,071	16,106,518	36,288,553	-	-	-
Total	<u>\$ 137,809,859</u>	<u>\$ 100,724,282</u>	<u>\$ 37,085,577</u>	<u>\$ 25,212,346</u>	<u>\$ 30,291,172</u>	<u>\$ (5,078,826)</u>

Principal payments during 2022 totaled \$8,045,000. 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 \$256,653,324 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 73-77 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 2022 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 Department 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	\$ 82,476,967	\$17,060,390	\$ 99,537,357
Accrued interest receivable	200,537	7,408	207,945
Due from other governments	1,156,609	11,916	1,168,525
Accounts receivable	2,399,657	4,784,239	7,183,896
Taxes receivable	1,988,924	-	1,988,924
Prepaid items	376,857	374,541	751,398
Inventories	239,241	62,103	301,344
Internal balances	4,281,269	(4,281,269)	-
Special assessments receivable	10,415,496	914,915	11,330,411
Leases receivable	183,966	5,239,214	5,423,180
Loans receivable	9,836,863	-	9,836,863
Pledges receivable	906,660	-	906,660
Land held for resale	5,000,149	-	5,000,149
Capital assets			
Nondepreciable assets	25,395,835	5,754,223	31,150,058
Depreciable assets (net of accumulated depreciation)	130,836,564	51,647,614	182,484,178
Right to use leased assets (net of accumulated amortization)	139,279	-	139,279
Total assets	275,834,873	81,575,294	357,410,167
Deferred outflows of resources			
Related to pensions	29,451,341	-	29,451,341
Related to OPEB	1,436,161	-	1,436,161
Total deferred outflows of resources	30,887,502	-	30,887,502
Liabilities			
Accounts payable	2,967,786	999,312	3,967,098
Salaries payable	1,498,619	108,790	1,607,409
Due to other governments	301,186	151,459	452,645
Contracts payable	1,241,278	59,907	1,301,185
Accrued interest payable	930,698	324,725	1,255,423
Deposits payable	6,484,634	199,148	6,683,782
Unearned revenue	5,343,671	-	5,343,671
Noncurrent liabilities			
Due within one year	6,732,464	2,813,771	9,546,235
Due in more than one year	131,077,395	22,398,575	153,475,970
Total liabilities	156,577,731	27,055,687	183,633,418
Deferred inflows of resources			
Related to pensions	648,802	-	648,802
Related to OPEB	94,762	-	94,762
Related to leases	182,467	5,157,208	5,339,675
Total deferred inflows of resources	926,031	5,157,208	6,083,239
Net position			
Net investment in capital assets	81,133,330	32,352,244	113,485,574
Restricted for			
Redevelopment districts	10,587,799	-	10,587,799
Affordable housing	6,412,267	-	6,412,267
E-911 purposes	87,357	-	87,357
Community development	526,578	-	526,578
Debt service	7,898,029	-	7,898,029
Cable TV equipment	262,668	-	262,668
Police and fire purposes	1,231,490	-	1,231,490
Housing rehabilitation	217,519	-	217,519
Unrestricted	40,861,576	17,010,155	57,871,731
Total net position	\$ 149,218,613	\$ 49,362,399	\$ 198,581,012

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	Capital	Governmental Activities	Business-Type Activities	Total
			Grants and Contributions	Grants and Contributions			
Governmental activities							
General government	\$ 14,543,794	\$ 1,323,472	\$ 82,817	\$ -	\$ (13,137,505)	\$ -	\$ (13,137,505)
Public safety	23,014,115	6,756,712	1,462,410	283,726	(14,511,267)	-	(14,511,267)
Public information	1,832,219	-	-	-	(1,832,219)	-	(1,832,219)
Operations	19,750,249	654,428	855,192	622,431	(17,618,198)	-	(17,618,198)
Parks and recreation	8,419,354	3,347,770	89,404	100,000	(4,882,180)	-	(4,882,180)
Housing and rehabilitation	5,473,490	2,676	41,503	6,433,354	1,004,043	-	1,004,043
Social and economic development	14,493,892	239,886	299,941	1,518,599	(12,435,466)	-	(12,435,466)
Interest on long-term debt	2,103,528	-	416,250	-	(1,687,278)	-	(1,687,278)
Total governmental activities	89,630,641	12,324,944	3,247,517	8,958,110	(65,100,070)	-	(65,100,070)
Business-Type activities							
Water	6,261,586	9,156,315	29,682	692,913	-	3,617,324	3,617,324
Sewer	6,176,756	8,971,596	-	136,469	-	2,931,309	2,931,309
Solid waste	3,788,443	4,540,176	176,626	-	-	928,359	928,359
Storm water	2,190,790	3,541,917	-	-	-	1,351,127	1,351,127
Total business-type activities	18,417,575	26,210,004	206,308	829,382	-	8,828,119	8,828,119
Total	\$ 108,048,216	\$ 38,534,948	\$ 3,453,825	\$ 9,787,492	(65,100,070)	8,828,119	(56,271,951)
General revenues							
Taxes							
					41,059,104	-	41,059,104
Property taxes					14,185,011	-	14,185,011
Tax increment					5,469,040	-	5,469,040
Franchise taxes					905,461	-	905,461
Lodging taxes							
Grants and contributions not restricted to specific programs					816,658	-	816,658
Unrestricted investment earnings (loss)					(888,151)	(97,071)	(985,222)
Gain on sale of capital assets					164,728	-	164,728
Miscellaneous					2,826,100	-	2,826,100
Transfers					2,230,904	(2,230,904)	-
Total general revenues and transfers					66,768,855	(2,327,975)	64,440,880
Change in net position					1,668,785	6,500,144	8,168,929
Net position - January 1					147,549,828	42,862,255	190,412,083
Net position - December 31					\$ 149,218,613	\$ 49,362,399	\$ 198,581,012

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

CITY OF ST. LOUIS PARK, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2022

	Special Revenue Funds		
	General	Housing Rehabilitation	COVID Fund
Assets			
Cash and investments	\$ 32,350,939	\$ 4,052,774	\$ 4,426,178
Accrued interest receivable	200,537	-	-
Due from other governments	479,644	-	-
Accounts receivable	960,498	-	-
Taxes receivable - unremitted	753,691	-	-
Taxes receivable - delinquent	407,938	-	-
Prepaid items	84,898	-	-
Inventories	239,241	-	-
Special assessments receivable - delinquent	-	18,833	-
Special assessments receivable - deferred	-	9,490,312	-
Due from other funds	-	147,436	-
Interfund loan receivable	-	-	-
Loans receivable - current	-	447,800	-
Loans receivable - noncurrent	-	3,760,505	-
Pledges receivable - current	-	-	-
Pledges receivable - noncurrent	-	-	-
Leases receivable - current	-	-	-
Leases receivable - noncurrent	-	-	-
Land held for resale	-	-	-
Total assets	\$ 35,477,386	\$ 17,917,660	\$ 4,426,178
Liabilities			
Accounts payable	\$ 878,746	\$ 793,161	\$ -
Salaries payable	1,448,567	3,737	-
Due to other governments	130,373	32,907	-
Contracts payable	-	218,354	-
Due to other funds	-	-	-
Interfund loan payable	-	800,000	-
Deposits payable	6,020,056	-	-
Unearned revenue	769,424	-	4,502,776
Total liabilities	9,247,166	1,848,159	4,502,776
Deferred inflows of resources			
Related to leases	-	-	-
Unavailable revenue	568,556	9,502,340	-
Total deferred inflows of resources	568,556	9,502,340	-
Fund balances			
Nonspendable	324,139	-	-
Restricted	87,357	217,519	-
Committed	-	-	-
Assigned	1,304,322	6,349,642	-
Unassigned	23,945,846	-	(76,598)
Total fund balances	25,661,664	6,567,161	(76,598)
Total liabilities, deferred inflows of resources, and fund balances	\$ 35,477,386	\$ 17,917,660	\$ 4,426,178

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	Streets Capital Projects		
\$ 7,012,458	\$ 6,656,977	\$ 6,108,479	\$ 29,283	\$ 15,852,781	\$ 76,489,869
-	-	-	-	-	200,537
-	-	-	652,002	22,351	1,153,997
13,799	50,435	-	-	1,372,449	2,397,181
-	-	810,354	-	3,199	1,567,244
-	-	-	-	13,742	421,680
-	3,100	-	-	-	87,998
-	-	-	-	-	239,241
-	-	-	-	5,142	23,975
-	-	-	-	901,209	10,391,521
-	305,688	5,169,833	-	1,900,472	7,523,429
-	3,774,150	-	-	1,800,000	5,574,150
50,000	305,750	-	-	-	803,550
1,295,000	2,674,149	794,470	-	509,189	9,033,313
-	-	-	-	156,660	156,660
-	-	-	-	750,000	750,000
-	15,764	-	-	-	15,764
-	168,202	-	-	-	168,202
-	5,000,149	-	-	-	5,000,149
<u>\$ 8,371,257</u>	<u>\$ 18,954,364</u>	<u>\$ 12,883,136</u>	<u>\$ 681,285</u>	<u>\$ 23,287,194</u>	<u>\$ 121,998,460</u>
\$ 9,000	\$ 92,732	\$ 14,190	\$ 92,398	\$ 231,194	\$ 2,111,421
-	16,310	-	-	11,392	1,480,006
-	8,801	46,355	817	774	220,027
-	-	-	650,717	372,207	1,241,278
147,436	-	7,644	7,368,349	-	7,523,429
-	-	4,774,150	-	-	5,574,150
464,228	-	-	-	350	6,484,634
-	-	-	-	71,471	5,343,671
<u>620,664</u>	<u>117,843</u>	<u>4,842,339</u>	<u>8,112,281</u>	<u>687,388</u>	<u>29,978,616</u>
-	182,467	-	-	-	182,467
1,345,000	94,471	151,464	652,002	1,889,236	14,203,069
<u>1,345,000</u>	<u>276,938</u>	<u>151,464</u>	<u>652,002</u>	<u>1,889,236</u>	<u>14,385,536</u>
-	3,100	-	-	-	327,239
6,553,029	-	10,436,335	-	8,354,725	25,648,965
-	245,535	-	-	1,873,362	2,118,897
-	18,310,948	-	29,283	10,482,483	36,476,678
(147,436)	-	(2,547,002)	(8,112,281)	-	13,062,529
<u>6,405,593</u>	<u>18,559,583</u>	<u>7,889,333</u>	<u>(8,082,998)</u>	<u>20,710,570</u>	<u>77,634,308</u>
<u>\$ 8,371,257</u>	<u>\$ 18,954,364</u>	<u>\$ 12,883,136</u>	<u>\$ 681,285</u>	<u>\$ 23,287,194</u>	<u>\$ 121,998,460</u>
Total Fund balances reported above					\$ 77,634,308
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					138,752,187
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					14,203,069
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					(74,953,098)
Accrued interest payable					(930,698)
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					(5,487,155)
Net position of governmental activities					<u>\$ 149,218,613</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, 2022

	Special Revenue Funds		
	General	Housing Rehabilitation	COVID Fund
Revenues			
Property taxes	\$ 31,150,197	\$ -	\$ -
Tax increments	-	-	-
Franchise taxes	-	-	-
Lodging tax	-	-	-
License and permits	7,282,483	-	-
Intergovernmental	1,934,379	-	815,116
Charges for services	4,524,857	2,676	-
Fines and forfeitures	175,090	-	-
Special assessments	-	977,204	-
Interest income (loss)	(234,741)	(35,542)	(81,720)
Miscellaneous	1,228,904	710	-
Total revenues	46,061,169	945,048	733,396
Expenditures			
Current			
General government	9,365,669	-	-
Public safety	20,245,105	-	-
Public information	-	-	2,175
Operations	5,906,754	-	-
Parks and recreation	7,982,218	-	-
Housing and rehabilitation	-	5,423,956	-
Housing maintenance	-	-	-
Social and economic development	-	-	-
Miscellaneous	585,774	-	-
Capital outlay			
Public safety	48,679	-	-
Public information	-	-	503
Operations	-	-	-
Parks and recreation	-	-	-
Social and economic development	-	-	-
Debt service			
Principal	-	-	-
Interest and other	-	-	-
Bond issuance costs	-	-	-
Total expenditures	44,134,199	5,423,956	2,678
Revenues over (under) expenditures	1,926,970	(4,478,908)	730,718
Other financing sources (uses)			
Transfers in	2,207,338	397,133	-
Transfers out	(2,288,000)	(369,689)	(812,941)
Bonds issued	-	4,900,000	-
Refunding bonds issued	-	-	-
Premium on bonds issued	-	19,647	-
Payment to refunding bond escrow agent	-	-	-
Proceeds from sale of capital assets	-	-	-
Total other financing sources (uses)	(80,662)	4,947,091	(812,941)
Net change in fund balances	1,846,308	468,183	(82,223)
Fund balances - January 1	23,815,356	6,098,978	5,625
Fund balances - December 31	\$ 25,661,664	\$ 6,567,161	\$ (76,598)

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

Capital Projects Funds					
Debt Service	Development EDA	Redevelopment District	Streets Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 5,248,040	\$ 529,667	\$ -	\$ -	\$ 2,366,396	\$ 39,294,300
-	-	14,185,011	-	-	14,185,011
-	-	-	-	5,469,040	5,469,040
-	905,461	-	-	-	905,461
-	-	-	-	-	7,282,483
416,250	1,564,941	-	1,656,322	174,702	6,561,710
-	211,937	-	-	109,687	4,849,157
-	-	-	-	-	175,090
-	-	-	-	339,637	1,316,841
(62,618)	(94,214)	(139,362)	10,649	(211,834)	(849,382)
180,755	141,865	15,643	9,202	1,475,836	3,052,915
<u>5,782,427</u>	<u>3,259,657</u>	<u>14,061,292</u>	<u>1,676,173</u>	<u>9,723,464</u>	<u>82,242,626</u>
-	-	-	-	-	9,365,669
-	-	-	-	505,653	20,750,758
-	-	-	-	386,216	388,391
-	-	-	7,724,046	3,245,705	16,876,505
-	-	-	-	97,044	8,079,262
-	-	-	-	503	5,424,459
-	-	-	-	30,000	30,000
390,200	3,104,508	10,538,640	-	273,882	14,307,230
-	-	-	-	-	585,774
-	-	-	-	-	48,679
-	-	-	-	-	503
-	-	-	537,294	-	537,294
-	-	-	-	1,350,201	1,350,201
-	1,565,902	-	-	-	1,565,902
4,195,000	-	-	-	-	4,195,000
2,054,165	-	98,985	-	-	2,153,150
195,260	-	-	-	-	195,260
<u>6,834,625</u>	<u>4,670,410</u>	<u>10,637,625</u>	<u>8,261,340</u>	<u>5,889,204</u>	<u>85,854,037</u>
<u>(1,052,198)</u>	<u>(1,410,753)</u>	<u>3,423,667</u>	<u>(6,585,167)</u>	<u>3,834,260</u>	<u>(3,611,411)</u>
1,322,782	-	-	-	1,516,559	5,443,812
-	-	(2,179,140)	-	(448,066)	(6,097,836)
-	-	-	-	-	4,900,000
1,345,000	-	-	-	-	1,345,000
16,635	-	-	-	-	36,282
(1,345,000)	-	-	-	-	(1,345,000)
-	109,890	-	-	-	109,890
<u>1,339,417</u>	<u>109,890</u>	<u>(2,179,140)</u>	<u>-</u>	<u>1,068,493</u>	<u>4,392,148</u>
287,219	(1,300,863)	1,244,527	(6,585,167)	4,902,753	780,737
6,118,374	19,860,446	6,644,806	(1,497,831)	15,807,817	76,853,571
<u>\$ 6,405,593</u>	<u>\$ 18,559,583</u>	<u>\$ 7,889,333</u>	<u>\$ (8,082,998)</u>	<u>\$ 20,710,570</u>	<u>\$ 77,634,308</u>

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

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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, 2022

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) \$ 780,737

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	3,347,815
Depreciation expense	(4,425,300)

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.

Proceeds from long term debt	(6,245,000)
Principal repayments on long term debt	4,195,000
Redemption of refunded debt	1,345,000

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. (16,728)

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. 229,436

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	5,653,838
Property taxes	39,564
Pledges	(948,372)
Loans and other	(226,815)

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. (2,060,390)

Change in net position of governmental activities (Statement 2) \$ 1,668,785

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

	Business-Type Activities Enterprise Funds					Governmental
	Non-Major Fund				Totals	Activities
	Water	Sewer	Storm Water	Solid Waste		Internal
						Service Funds
Assets						
Current assets						
Cash and investments	\$ 7,162,790	\$ 3,725,923	\$ 2,944,002	\$ 3,227,675	\$ 17,060,390	\$ 5,987,098
Accrued interest receivable	7,408	-	-	-	7,408	-
Due from other governments	10,315	1,601	-	-	11,916	2,612
Accounts receivable	1,520,451	1,647,248	617,282	999,258	4,784,239	2,476
Prepaid items	-	368,441	-	6,100	374,541	288,859
Inventories	62,103	-	-	-	62,103	-
Special assessments receivable - delinquent	70,983	427	-	-	71,410	-
Special assessments receivable - deferred	490,516	352,989	-	-	843,505	-
Leases receivable - current	348,975	-	-	-	348,975	-
Leases receivable - noncurrent	4,890,239	-	-	-	4,890,239	-
Total current assets	14,563,780	6,096,629	3,561,284	4,233,033	28,454,726	6,281,045
Noncurrent assets						
Capital assets, at cost						
Land	114,844	60,000	340,238	-	515,082	818,094
Buildings and structures	5,082,540	6,111	-	-	5,088,651	9,520,322
Improvements other than buildings	2,088,407	749,350	7,165,760	-	10,003,517	2,617,856
Infrastructure	32,264,136	22,575,040	22,665,868	-	77,505,044	1,313,801
Machinery, furniture and equipment	8,790,661	305,031	103,765	-	9,199,457	10,103,081
Fleet	-	-	-	-	-	10,419,027
Construction in progress	2,251,341	1,284,894	1,702,906	-	5,239,141	131,011
Total capital assets, at cost	50,591,929	24,980,426	31,978,537	-	107,550,892	34,923,192
Less: accumulated depreciation	(20,285,650)	(17,017,151)	(12,846,254)	-	(50,149,055)	(17,442,980)
Total capital assets, net of accumulated depreciation	30,306,279	7,963,275	19,132,283	-	57,401,837	17,480,212
Right to use leased assets, at cost						
Machinery, furniture and equipment	-	-	-	-	-	56,372
Fleet	-	-	-	-	-	146,364
Total right to use leased assets, at cost	-	-	-	-	-	202,736
Less: accumulated amortization	-	-	-	-	-	(63,457)
Total right to use leased assets, net of accumulated amortization	-	-	-	-	-	139,279
Total noncurrent assets	30,306,279	7,963,275	19,132,283	-	57,401,837	17,619,491
Total assets	44,870,059	14,059,904	22,693,567	4,233,033	85,856,563	23,900,536
Deferred outflows of resources						
Related to pensions	-	-	-	-	-	29,451,341
Related to OPEB	-	-	-	-	-	1,436,161
Total deferred outflows of resources	-	-	-	-	-	30,887,502
Liabilities						
Current liabilities						
Accounts payable	229,737	49,830	71,626	648,119	999,312	856,365
Salaries payable	54,992	17,867	22,391	13,540	108,790	-
Accrued flex spending	-	-	-	-	-	18,613
Due to other governments	76,384	2,207	4,363	68,505	151,459	81,159
Contracts payable	1,026	10,670	48,211	-	59,907	-
Deposits payable	63,724	-	135,424	-	199,148	-
Accrued interest payable	278,689	21,690	24,346	-	324,725	-
Compensated absences payable - current	116,470	29,474	29,016	8,811	183,771	2,823,293
Leases liability - current	-	-	-	-	-	54,733
Bonds payable - current	2,269,150	144,500	216,350	-	2,630,000	-
Other postemployment benefits payable - current	-	-	-	-	-	214,438
Total current liabilities	3,090,172	276,238	551,727	738,975	4,657,112	4,048,601
Noncurrent liabilities						
Compensated absences payable	2,650	15,871	15,624	4,744	38,889	1,381,598
Lease liability	-	-	-	-	-	86,129
Bonds payable	19,318,656	1,712,108	1,328,922	-	22,359,686	-
Other postemployment benefits payable	-	-	-	-	-	5,901,499
Net pension liability	-	-	-	-	-	52,395,071
Total noncurrent liabilities	19,321,306	1,727,979	1,344,546	4,744	22,398,575	59,764,297
Total liabilities	22,411,478	2,004,217	1,896,273	743,719	27,055,687	63,812,898
Deferred inflows of resources						
Related to pensions	-	-	-	-	-	648,802
Related to OPEB	-	-	-	-	-	94,762
Related to leases	5,157,208	-	-	-	5,157,208	-
Total deferred inflows of resources	5,157,208	-	-	-	5,157,208	743,564
Net position						
Net investment in capital assets	8,717,447	6,095,997	17,538,800	-	32,352,244	17,478,629
Unrestricted	8,583,926	5,959,690	3,258,494	3,489,314	21,291,424	(27,247,053)
Total net position	\$ 17,301,373	\$ 12,055,687	\$ 20,797,294	\$ 3,489,314	53,643,668	\$ (9,768,424)
Adjustment to reflect consolidation of Internal Service fund activities					(4,281,269)	
Net position of business-type activities					\$ 49,362,399	

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

CITY OF ST. LOUIS PARK, MINNESOTA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For The Year Ended December 31, 2022

Statement 7

	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	\$ 8,317,199	\$ 8,971,596	\$ 3,541,917	\$ 4,531,805	\$ 25,362,517	\$ 4,519,915
Other	304,922	-	-	8,371	313,293	350,675
Rent	534,194	-	-	-	534,194	-
Total operating revenues	9,156,315	8,971,596	3,541,917	4,540,176	26,210,004	4,870,590
Operating expenses						
Personal services	1,712,947	764,385	792,787	530,512	3,800,631	7,202,415
Supplies	495,097	33,823	24,133	181,546	734,599	736,425
Professional services	236,662	6,046	168,384	11,184	422,276	245,989
Insurance	18,095	42,343	4,035	4,363	68,836	982,117
Utilities	593,303	60,930	22,160	-	676,393	-
Repairs and maintenance	1,065,032	365,679	74,823	-	1,505,534	-
Depreciation	1,006,406	203,551	745,530	-	1,955,487	2,072,692
Disposal charges	10,903	4,334,878	-	2,925,318	7,271,099	-
Other	513,379	284,612	259,377	98,797	1,156,165	1,023,105
Total operating expenses	5,651,824	6,096,247	2,091,229	3,751,720	17,591,020	12,262,743
Operating income (loss)	3,504,491	2,875,349	1,450,688	788,456	8,618,984	(7,392,153)
Nonoperating revenues (expenses)						
Interest income (loss)	33,116	(52,091)	(38,665)	(39,431)	(97,071)	(38,769)
Property taxes	-	-	-	-	-	1,725,240
Intergovernmental revenue	29,682	-	-	176,626	206,308	456,482
Amortization of bond premiums	174,860	16,470	26,050	-	217,380	-
Gain on disposal of capital assets	-	-	-	-	-	54,838
Interest expense	(678,537)	(52,572)	(59,674)	-	(790,783)	(4,108)
Total nonoperating revenues (expenses)	(440,879)	(88,193)	(72,289)	137,195	(464,166)	2,193,683
Income (loss) before contributions and transfers	3,063,612	2,787,156	1,378,399	925,651	8,154,818	(5,198,470)
Capital contributions						
Connection fees and special assessments	692,913	136,469	-	-	829,382	-
Transfers in	-	-	-	-	-	2,884,928
Transfers out	(677,528)	(926,999)	(362,966)	(263,411)	(2,230,904)	-
Change in net position	3,078,997	1,996,626	1,015,433	662,240	6,753,296	(2,313,542)
Net position - January 1, as previously reported	14,222,376	10,059,061	19,781,861	2,827,074	46,890,372	(7,454,882)
Net position - December 31	\$ 17,301,373	\$ 12,055,687	\$ 20,797,294	\$ 3,489,314	\$ 53,643,668	\$ (9,768,424)
Change in net position as reported above					\$ 6,753,296	
Adjustment to reflect consolidation of Internal Service fund activities					(253,152)	
Change in net position of business-type activities					\$ 6,500,144	

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

	Business-Type Activities Enterprise Funds					Governmental
	Water	Sewer	Storm Water	Non-Major Fund Solid Waste	Total	Activities Internal Service Funds
Cash flows from operating activities						
Receipts from customers and users	\$ 8,498,821	\$ 8,829,975	\$ 3,503,098	\$ 4,505,067	\$ 25,336,961	\$ -
Receipts from interfund services provided	-	-	-	-	-	4,519,915
Other operating cash receipts	304,922	-	-	8,371	313,293	363,392
Payments to suppliers	(3,038,815)	(5,137,777)	(446,966)	(2,745,985)	(11,369,543)	(2,156,517)
Payments to employees	(1,747,532)	(755,460)	(789,880)	(529,149)	(3,822,021)	(4,797,936)
Net cash flows provided (used) by operating activities	4,017,396	2,936,738	2,266,252	1,238,304	10,458,690	(2,071,146)
Cash flows from noncapital financing activities						
Transfers in	-	-	-	-	-	1,237,512
Transfers out	(640,674)	(890,145)	(326,112)	(226,557)	(2,083,488)	-
Property taxes	-	-	-	-	-	2,180,511
Intergovernmental receipts	29,682	-	-	176,626	206,308	456,483
Net cash flows provided (used) by noncapital financing activities	(610,992)	(890,145)	(326,112)	(49,931)	(1,877,180)	3,874,506
Cash flows from capital and related financing activities						
Transfers in	-	-	-	-	-	2,147,416
Transfers out	(36,854)	(36,854)	(36,854)	(36,854)	(147,416)	(500,000)
Connection fees/special assessments received	692,913	136,469	-	-	829,382	-
Acquisition of capital assets	(1,675,287)	(957,650)	(1,333,737)	-	(3,966,674)	(878,229)
Proceeds from sale of capital assets	-	-	-	-	-	154,218
Principal paid						
Bonds	(2,158,200)	(138,500)	(208,300)	-	(2,505,000)	-
Leases	-	-	-	-	-	(64,177)
Interest paid						
Bonds	(708,894)	(54,574)	(63,040)	-	(826,508)	-
Leases	-	-	-	-	-	(4,108)
Net cash flows provided (used) by capital and related financing activities	(3,886,322)	(1,051,109)	(1,641,931)	(36,854)	(6,616,216)	855,120
Cash flows from investing activities						
Investment income	25,708	(52,091)	(38,665)	(39,431)	(104,479)	(38,769)
Net increase (decrease) in cash and cash equivalents	(454,210)	943,393	259,544	1,112,088	1,860,815	2,619,711
Cash and cash equivalents - January 1	7,617,000	2,782,530	2,684,458	2,115,587	15,199,575	3,367,387
Cash and cash equivalents - December 31	\$ 7,162,790	\$ 3,725,923	\$ 2,944,002	\$ 3,227,675	\$ 17,060,390	\$ 5,987,098

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

	Business-Type Activities Enterprise Funds					Governmental
	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)	\$ 3,504,491	\$ 2,875,349	\$ 1,450,688	\$ 788,456	\$ 8,618,984	\$ (7,392,153)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities						
Depreciation	1,006,406	203,551	745,530	-	1,955,487	2,072,692
(Increase) decrease in assets/deferred outflows						
Accounts receivable	15,414	(49,445)	(51,600)	(26,738)	(112,369)	12,717
Lease receivable	308,311	-	-	-	308,311	-
Special assessments	36,576	(92,176)	-	-	(55,600)	-
Prepaid items	10,038	2,673	9,788	9,313	31,812	61,679
Inventories	(7,623)	-	-	-	(7,623)	-
Deferred outflows of resources	-	-	-	-	-	(10,464,154)
Increase (decrease) in liabilities/deferred inflows						
Accounts payable	17,471	(22,851)	57,183	461,288	513,091	722,284
Due to other governments	64,038	172	(466)	4,622	68,366	47,156
Contracts payable	(190,268)	10,540	39,441	-	(140,287)	-
Deposits payable	24,354	-	12,781	-	37,135	-
Accrued salaries payable	2,298	(1,361)	(2,413)	(520)	(1,996)	-
Unearned revenue	(346,910)	-	-	-	(346,910)	-
Accrued flex spending	-	-	-	-	-	6,838
Compensated absences payable	(36,883)	10,286	5,320	1,883	(19,394)	(80,972)
Other postemployment benefits	-	-	-	-	-	364,596
Net pension liability	-	-	-	-	-	36,288,553
Deferred inflows of resources	(390,317)	-	-	-	(390,317)	(23,710,382)
Net cash provided (used) by operating activities	<u>\$ 4,017,396</u>	<u>\$ 2,936,738</u>	<u>\$ 2,266,252</u>	<u>\$ 1,238,304</u>	<u>\$ 10,458,690</u>	<u>\$ (2,071,146)</u>
Noncash capital and related financing activities						
Amortization of bond premiums	\$ 174,860	\$ 16,470	\$ 26,050	\$ -	\$ 217,380	\$ -
Capital assets acquired via lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 202,736

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 funds are maintained by the EDA: *Debt Service Funds –2008B* General Obligation Tax Increment Bonds, and Hoigaard’s 2010A & B TIF Notes; *Capital Project Funds –* 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 to be available if they are collected within 60 days 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, special assessments, intergovernmental revenue, franchise taxes, licenses, 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 *COVID Fund* accounts for the proceeds of Federal COVID relief funding.

The *Debt Service Fund* account 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 *Streets Capital Project Fund* accounts for street construction projects. Revenues are provided by the General Fund for maintenance expenditures or by the issuance of general obligation bonds.

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, 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, and the following special revenue funds: Housing Rehabilitation, Cable Television, Community Development, Special Services Districts, Affordable Housing Trust and Climate Investment Funds.

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 as 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.
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 Funds. 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 Housing Rehabilitation Fund's expenditures exceeded appropriations for the year ended December 31, 2022.
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., the current portion of interfund loans) or "interfund loan receivable/payable" (i.e., the noncurrent portion of 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, 2022 totaled \$2,803,823. 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 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:

<u>Capitalization Threshold</u>	
Land	All
Buildings	\$5,000
Other Improvements	\$25,000
Machinery and equipment	\$10,000
Vehicles	\$10,000
Infrastructure	\$250,000
Other assets	\$5,000
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 of the primary government, as well as the component units, is 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 (including software)	3 – 30 years
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. No liability is recorded for unpaid accumulated sick leave, except for that portion that is payable as severance. All liabilities for vacation leave, flex leave and severance, both current and long-term, are recorded in the Employee Benefits Fund, an Internal Service Fund for governmental funds, and in the individual enterprise funds when incurred. 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.

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. 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. Interfund loans are reported as an interfund loan receivable or payable which offsets the movement of cash between funds. All other interfund transactions are reported as transfers.

R. RECLASSIFICATIONS

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

S. 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”.

T. 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.

U. 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 and pension 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.

V. PENSION PLANS

COST SHARING MULTIPLE – EMPLOYER PLANS

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.

W. 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.

CITY OF ST. LOUIS PARK, MINNESOTA
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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, 2022, the bank balance of the City’s deposits was \$2,560,063 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, 2022, the City had the following investments and maturities:

Investment Type	Rating	Investment Maturities (in Years)				
		Fair Value	Less Than 1	1-5	6-10	11-15
4M Fund	NR	\$ 49,225,349	\$ 49,225,349	\$ -	\$ -	\$ -
4M Term Series	NR	5,000,000	5,000,000	-	-	-
Money Market Funds	NR	512,646	512,646	-	-	-
Certificates of Deposit	NR	7,688,763	5,000,000	2,688,763	-	-
Municipal Bonds	AA- - AAA	9,730,675	1,448,414	6,626,596	1,655,665	-
US Treasuries	AA+	22,243,342	4,996,104	17,247,238	-	-
US Agencies - Fannie Mae/Freddie Mac	AA+	2,286,229	964,488	1,321,741	-	-
Federal Home Loan Bank Notes	AA+	1,769,108	617,737	1,151,371	-	-
Total		\$ 98,456,112	\$ 67,764,738	\$ 29,035,709	\$ 1,655,665	\$ -
		Total investments				\$ 98,456,112
		Deposits				1,068,105
		Cash on hand				13,140
		Total cash and investments				<u>\$ 99,537,357</u>

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.

CITY OF ST. LOUIS PARK, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

The City has the following recurring fair value measurements as of December 31, 2022:

Investment Type	12/31/2022	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Investments at fair value:				
Certificates of Deposit	\$ 7,688,763	\$ -	\$ 7,688,763	\$ -
Municipal Bonds	9,730,675	-	9,730,675	-
US Treasury	22,243,342	-	22,243,342	-
Federal National Mortgage Association	2,286,229	-	2,286,229	-
Federal Home Loan Bank Notes	1,769,108	-	1,769,108	-
Total/Subtotal	43,718,117	\$ -	\$ 43,718,117	\$ -
Investments not categorized:				
External investment pool - 4M Fund	49,225,349			
Money market funds	512,646			
Term Series	5,000,000			
Total	\$ 98,456,112			

The City’s external investment pool investment is with the 4M Fund which is regulated by Minnesota Statutes and the Board of Directors of the League of Minnesota Cities. The 4M Fund is an unrated pool and 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) per share of \$1. The pool measures their investments in accordance with Government Accounting Standards Board Statement No. 79, at amortized cost.

The 4M Liquid Asset Fund has no redemption requirements. The 4M Plus Fund requires funds to be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period are subject to a penalty equal to 7 days interest on the amount withdrawn. The 4M Term Series investments are designed to be held to maturity. Withdrawal prior to maturity require 7 days notice of redemption and are subject to penalties.

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	22.59%
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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.

Also, some of the loans are forgivable after 30 years if certain criteria are met. As of December 31, 2022, any forgiveness of loans would not occur for another 20 – 30 years. 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, 2022, the loans receivable balance was \$9,836,863.

CITY OF ST. LOUIS PARK, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
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Significant receivable balances not expected to be collected within one year of December 31, 2022 are as follows:

	Loans Receivable	Special Assessments Receivable	Property Taxes	Interfund Loans Receivable	Pledges Receivable	Total
Major Funds:						
General Fund	\$ -	\$ -	\$ 326,555	\$ -	\$ -	\$ 326,555
Housing Rehabilitation Fund	3,760,505	8,531,316	-	-	-	12,291,821
Debt Service Funds	1,295,000	-	-	-	-	1,295,000
Development EDA Fund	2,674,149	-	-	3,774,150	-	6,448,299
Redevelopment District Fund	794,470	-	-	-	-	794,470
Water Fund	-	70,987	-	-	-	70,987
Sewer Fund	-	298,865	-	-	-	298,865
Nonmajor Governmental Funds	509,189	529,208	11,000	800,000	750,000	2,599,397
Total	\$ 9,033,313	\$ 9,430,376	\$ 337,555	\$ 4,574,150	\$ 750,000	\$ 24,125,394

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)	\$ 407,938
Delinquent property taxes receivable (Nonmajor Funds)	13,742
Special assessments not yet due (Housing Rehabilitation Fund)	9,502,340
Special assessments not yet due (Nonmajor Funds)	904,297
Bond reimbursement payments not yet due (Debt Service Funds)	1,345,000
Due from other governments (General Fund)	160,618
Due from other governments (Streets Capital Projects Fund)	652,002
Due from other governments (Nonmajor Funds)	-
Other miscellaneous (Development EDA Fund)	94,471
Other miscellaneous (Redevelopment District Fund)	151,464
Other miscellaneous (Nonmajor Funds)	971,197
Total unavailable revenue for governmental funds	\$ 14,203,069

CITY OF ST. LOUIS PARK, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

Note 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 17,255,135	\$ -	\$ -	\$ -	\$ 17,255,135
Infrastructure - streets	26,011,544	-	-	(26,011,544)	-
Permanent easements	1,441,876	-	-	-	1,441,876
Construction in progress	11,329,995	1,921,783	6,552,954	-	6,698,824
Total capital assets, not being depreciated	<u>56,038,550</u>	<u>1,921,783</u>	<u>6,552,954</u>	<u>(26,011,544)</u>	<u>\$25,395,835</u>
Capital assets, being depreciated:					
Buildings and structures	69,590,291	470,247	-	-	70,060,538
Improvements other than buildings	45,989,246	7,239,849	-	-	53,229,095
Infrastructure	41,646,195	327,274	-	26,011,544	67,985,013
Machinery, furniture and equipment	13,738,772	719,390	330,678	-	14,127,484
Fleet	10,867,210	280,724	530,754	-	10,617,180
Total capital assets, being depreciated	<u>181,831,714</u>	<u>9,037,484</u>	<u>861,432</u>	<u>26,011,544</u>	<u>216,019,310</u>
Less accumulated depreciation for:					
Buildings and structures	20,727,988	1,687,265	-	-	22,415,253
Improvements other than buildings	21,234,820	1,848,857	-	-	23,083,677
Infrastructure	22,300,423	1,100,812	-	-	23,401,235
Machinery, furniture and equipment	8,453,599	836,227	144,286	-	9,145,540
Fleet	6,512,441	969,330	344,730	-	7,137,041
Total accumulated depreciation	<u>79,229,271</u>	<u>6,442,491</u>	<u>489,016</u>	<u>-</u>	<u>85,182,746</u>
Total capital assets being depreciated - net	<u>102,602,443</u>	<u>2,594,993</u>	<u>372,416</u>	<u>26,011,544</u>	<u>130,836,564</u>
Governmental activities capital assets - net	<u>\$ 158,640,993</u>	<u>\$ 4,516,776</u>	<u>\$ 6,925,370</u>	<u>\$ -</u>	<u>\$ 156,232,399</u>

Change in estimate – for the year ended December 31, 2022, the City changed from the modified approach for infrastructure to the depreciation method. Infrastructure assets previously accounted for under the modified approach will be depreciated over the remaining useful life of the assets.

CITY OF ST. LOUIS PARK, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 515,082	\$ -	\$ -	\$ 515,082
Construction in progress	3,427,622	3,807,190	1,995,671	5,239,141
Total capital assets, not being depreciated	<u>3,942,704</u>	<u>3,807,190</u>	<u>1,995,671</u>	<u>5,754,223</u>
Capital assets, being depreciated:				
Buildings and structures	5,088,651	-	-	5,088,651
Improvements other than buildings	10,003,517	-	-	10,003,517
Infrastructure	75,422,211	2,082,833	-	77,505,044
Machinery, furniture and equipment	9,127,132	72,325	-	9,199,457
Total capital assets, being depreciated	<u>99,641,511</u>	<u>2,155,158</u>	<u>-</u>	<u>101,796,669</u>
Less accumulated depreciation for:				
Buildings and structures	4,610,765	36,137	-	4,646,902
Improvements other than buildings	4,598,977	393,316	-	4,992,293
Infrastructure	33,955,744	1,195,946	-	35,151,690
Machinery, furniture and equipment	5,028,081	330,088	-	5,358,169
Total accumulated depreciation	<u>48,193,567</u>	<u>1,955,487</u>	<u>-</u>	<u>50,149,054</u>
Total capital assets being depreciated - net	51,447,944	199,671	-	51,647,615
Business-type activities capital assets - net	<u>\$ 55,390,648</u>	<u>\$ 4,006,861</u>	<u>\$ 1,995,671</u>	<u>\$ 57,401,838</u>

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

Governmental activities:	
General government	\$ 109,728
Public safety	446,203
Operations and recreation	2,332,416
Public information	1,415,055
Social and economic development	130,009
Internal service	<u>2,009,080</u>
Total depreciation expense - governmental activities	<u>\$ 6,442,491</u>
Business-type activities:	
Water	\$ 1,006,406
Sewer	203,551
Storm water	<u>745,530</u>
Total depreciation expense - business-type activities	<u>\$ 1,955,487</u>

CITY OF ST. LOUIS PARK, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

Note 6 CITY INDEBTEDNESS

The City issues general obligation bonds, to provide funds for the acquisition and construction of major capital facilities. The reporting entity's long-term debt is 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, 2022, long-term debt of the City consisted of the following:

	Issue Date	Final Maturity Date	Interest Rates	Authorized And Issued	Outstanding 12/31/2022
<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	\$ 2,150,000
G.O. Improvement Bonds Series 2016A	7/14/2016	2/1/2027	1.375 - 2.375%	10,000,000	5,580,000
G.O. Improvement Bonds Series 2017A	7/13/2017	2/1/2028	2.125 - 3.00%	3,430,000	2,175,000
G.O. Improvement Bonds Series 2018A	6/14/2018	2/1/2033	3.00 - 4.00%	2,020,000	1,490,000
G.O. Improvement Bonds Series 2019A	4/10/2019	2/1/2035	2.00 - 4.00%	22,220,000	21,290,000
G.O. Improvement Bonds Series 2019B	11/26/2019	2/1/2032	3.00 - 5.00%	7,585,000	6,630,000
G.O. Improvement Bonds Series 2020A	11/10/2020	2/1/2042	2.00 - 4.00%	10,505,000	10,505,000
G.O. Improvement Bonds Series 2021A	4/15/2021	2/1/2038	1.15 - 2.00%	12,385,000	12,385,000
Total General Improvement Bonds				<u>73,215,000</u>	<u>62,205,000</u>
Tax Increment Bonds:					
Tax Increment Refunding Bonds Series 2008B	12/1/2008	2/1/2024	3.25 - 4.625%	5,490,000	1,105,000
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	795,000
G.O. Improvement Bonds Series 2019C HIA	11/26/2019	2/1/2028	2.00 - 2.20%	2,200,000	1,495,000
G.O. Improvement Bonds Series 2022B	9/7/2022	2/1/2043	3.5 - 4.25%	4,900,000	4,900,000
Total G.O. Special Assessment Bonds				<u>8,390,000</u>	<u>7,190,000</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	1,345,000
Total G.O. Revenue Bonds				<u>1,345,000</u>	<u>1,345,000</u>
Issuance premiums (discounts)	N/A	N/A	N/A	N/A	3,108,098
Total - bonded indebtedness				<u>88,440,000</u>	<u>74,953,098</u>
Compensated absences payable	N/A	N/A	N/A	N/A	4,204,891
Lease liability	N/A	N/A	.31 - 7.28%	N/A	140,862
Net pension liability - GERF	N/A	N/A	N/A	N/A	18,905,119
Net pension liability - PEPFF	N/A	N/A	N/A	N/A	33,489,952
Total - net pension liability				<u>N/A</u>	<u>52,395,071</u>
Other post employment benefits	N/A	N/A	N/A	N/A	6,115,937
Total governmental activities				<u>88,440,000</u>	<u>137,809,859</u>

CITY OF ST. LOUIS PARK, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

Business-Type Activities:

General Obligation Revenue Bonds:

Utility Crossover Refunding Bonds Series 2013A	6/17/2013	8/1/2023	1.00 - 1.90%	4,170,000	285,000
Utility Revenue Bonds Series 2014A	12/18/2014	2/1/2026	2.00%	4,930,000	2,090,000
Utility G.O. Improvement Bonds Series 2017A	7/13/2017	2/1/2033	2.125 - 3.00%	4,985,000	3,860,000
Utility Refunding Revenue Bonds Series 2017A	7/13/2017	2/1/2025	2.125 - 3.00%	1,485,000	600,000
Utility G.O. Revenue Bonds Series 2018A	6/14/2018	2/1/2033	3.00 - 4.00%	6,780,000	5,255,000
Utility G.O. Revenue Bonds Series 2019B	11/26/2019	2/1/3030	3.00 - 5.00%	7,520,000	6,330,000
Utility G.O. Revenue Bonds Series 2020B	11/10/2020	2/1/2036	2.00 - 4.00%	5,035,000	4,810,000
Total General Obligation Revenue Bonds				34,905,000	23,230,000
Issuance premiums (discounts)	N/A	N/A	N/A	N/A	1,759,686
Total - bonded indebtedness				34,905,000	24,989,686
Compensated absences payable	N/A	N/A	N/A	N/A	222,660
Total business-type activities				34,905,000	25,212,346
Total long-term liabilities				\$ 123,345,000	\$ 163,022,205

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. Tax Increment Bonds		G.O. Sp. Assess. Bonds		G.O. Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$4,045,000	\$1,655,543	\$535,000	\$38,400	\$320,000	\$53,913	\$50,000	\$69,048
2024	4,925,000	1,517,583	570,000	13,181	425,000	46,920	50,000	66,823
2025	5,085,000	1,381,030	-	-	515,000	39,585	55,000	64,433
2026	5,225,000	1,247,230	-	-	525,000	32,085	55,000	61,875
2027	4,965,000	1,103,933	-	-	545,000	24,200	60,000	59,143
2028	5,105,000	937,355	-	-	395,000	17,558	60,000	56,233
2029	4,900,000	766,749	-	-	280,000	13,718	65,000	53,138
2030	4,825,000	616,899	-	-	290,000	11,036	65,000	49,855
2031	4,330,000	492,646	-	-	300,000	8,130	70,000	46,378
2032	4,430,000	387,569	-	-	315,000	4,973	75,000	42,589
2033	3,255,000	297,547	-	-	320,000	1,658	75,000	38,633
2034	3,020,000	220,263	-	-	245,000	-	80,000	34,505
2035	3,100,000	140,913	-	-	255,000	-	85,000	30,070
2036	1,020,000	90,300	-	-	265,000	-	90,000	25,323
2037	1,040,000	69,700	-	-	275,000	-	95,000	20,258
2038	1,060,000	48,700	-	-	290,000	-	100,000	14,870
2039	455,000	33,550	-	-	300,000	-	105,000	9,155
2040	465,000	24,350	-	-	310,000	-	110,000	3,108
2041	475,000	14,950	-	-	325,000	-	-	-
2042	480,000	5,100	-	-	340,000	-	-	-
2043	-	-	-	-	355,000	-	-	-
Total	\$ 62,205,000	\$ 11,051,910	\$ 1,105,000	\$ 51,581	\$ 7,190,000	\$ 253,776	\$ 1,345,000	\$ 745,437

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

CITY OF ST. LOUIS PARK, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2022

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
2023	2,630,000	736,665
2024	2,430,000	651,250
2025	2,515,000	567,925
2026	2,385,000	477,475
2027	1,920,000	396,138
2028	1,995,000	320,563
2029	2,080,000	241,075
2030	2,160,000	167,013
2031	1,265,000	114,775
2032	1,310,000	78,050
2033	1,335,000	42,200
2034	395,000	20,150
2035	400,000	12,200
2036	410,000	4,100
Total	<u>\$ 23,230,000</u>	<u>\$ 3,829,579</u>

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

CITY OF ST. LOUIS PARK, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

CHANGE IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2022 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
G.O. improvement bonds	\$ 65,525,000	\$ -	\$ 3,320,000	\$ 62,205,000	\$ 4,045,000
G.O. tax increment bonds	1,615,000	-	510,000	1,105,000	535,000
G.O. special assessment bonds	2,610,000	4,900,000	320,000	7,190,000	320,000
G.O. revenue bonds	1,390,000	1,345,000	1,390,000	1,345,000	85,000
Add:					
Premiums on bonds	3,367,465	36,282	287,300	3,116,447	-
Discounts on bonds	(29,931)	-	(21,582)	(8,349)	-
Total bonds payable	<u>74,477,534</u>	<u>\$6,281,282</u>	<u>\$5,805,718</u>	<u>\$74,953,098</u>	<u>\$4,985,000</u>
Compensated absences	<u>4,285,863</u>	<u>2,645,084</u>	<u>2,726,056</u>	<u>4,204,891</u>	<u>2,823,293</u>
Total governmental activity long-term debt	<u>\$ 78,763,397</u>	<u>\$ 8,926,366</u>	<u>\$ 8,531,774</u>	<u>\$ 79,157,989</u>	<u>\$ 7,808,293</u>
Business-type activities:					
Bonds payable:					
G.O. revenue bonds	\$ 25,735,000	\$ -	\$ 2,505,000	\$ 23,230,000	\$ 2,630,000
Add:					
Premiums on bonds	1,977,066	-	217,380	1,759,686	-
Total bonds payable	<u>27,712,066</u>	<u>-</u>	<u>2,722,380</u>	<u>24,989,686</u>	<u>2,630,000</u>
Compensated absences	<u>242,054</u>	<u>182,846</u>	<u>202,240</u>	<u>222,660</u>	<u>183,771</u>
Total business-type activity long-term debt	<u>\$ 27,954,120</u>	<u>\$ 182,846</u>	<u>\$ 2,924,620</u>	<u>\$ 25,212,346</u>	<u>\$ 2,813,771</u>

For governmental activities, compensated absences are paid out of the Employee benefits internal service fund.

\$1,345,000 GENERAL OBLIGATION BONDS, SERIES 2022A

On September 7th 2022, the City issued the Taxable General Obligation Bonds, Series 2022A to refund the Taxable General Obligation Housing Improvement Bonds, Series 2010C.

Bond proceeds of \$1,345,000 were used for early redemption of the Series 2010C bonds. The City refunded the bonds to reduce its total interest payments by \$303,857 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$167,978.

\$4,900,000 GENERAL OBLIGATION BONDS, SERIES 2022B

On September 7, 2022, the City Issued Taxable General Obligation Housing improvement Area bonds in the amount of \$4,900,000 to finance private housing improvements. The G.O Bonds will have a term of 21 years, with an interest rate between 3.5% - 4.25%, and will be repaid with property tax levies.

CITY OF ST. LOUIS PARK, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

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	962,666	87,577	87,424
G.O. Improvement Bonds Series 2010A / Refunding 2019C	Housing Improvement Area	Fee	100%	100%	2028	1,581,107	293,035	272,959
Tax Increment Refunding Bonds Series 2008B	Street Improvements	TIF	100%	100%	2024	1,156,581	571,913	571,913
G.O. Improvement Refunding Bonds Series 2010C	Louisiana Court Project	Operating revenues of Louisiana Court	100%	90%	2040	-	1,453,310	-
Utility Crossover Refunding Bonds Series 2013A	Utility Infrastructure Projects	Utility charges	100%	100%	2023	290,455	290,455	290,455
Utility Revenue Bonds Series 2014A	Utility Infrastructure Projects	Utility charges	100%	100%	2026	2,174,800	541,750	541,750
Utility Revenue Bonds Series 2017A	Utility Infrastructure Projects	Utility charges	100%	100%	2033	4,472,338	406,000	406,000
Utility Refunding Revenue Bonds Series 2017A	Utility Infrastructure Projects	Utility charges	100%	100%	2025	627,300	205,775	205,775
Utility Revenue Bonds Series 2018A	Utility Infrastructure Projects	Utility charges	100%	100%	2033	6,209,300	567,200	567,200
Utility Revenue Bonds Series 2019B	Utility Infrastructure Projects	Utility charges	100%	100%	2030	7,511,450	939,700	939,700
G.O. Bonds Series 2020A - Utility portion	Utility Infrastructure Projects	Utility charges	100%	n/a	2036	5,773,975	378,850	378,850
G.O. Bonds Series 2020A - Levy portion	Bikeway, Bridge, Pavement Management	Tax Levy	100%	n/a	2042	13,494,208	311,492	856,958
G.O. Bonds Series 2021A	Park Improvements, Louisiana Bridge, Wooddale Bikeway, Pavement Management	Tax Levy	100%	n/a	2038	14,344,116	-	352,766
2022A G.O. Refunding Bonds	Louisiana Court Project	Operating revenues of Louisiana Court	100%	n/a	2037	1,786,580	-	-

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). PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code

1. General Employees Retirement Fund (GERF)

All full-time (with the exception of employees covered by PEPFF) and certain part-time employees of the City are covered by the General Employees Retirement Fund (GERF). GERF members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

2. Public Employees Police and Fire Fund (PEPFF)

The PEPFF, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the PEPFF also covers police officers and firefighters belonging to local relief associations that elected to merge with and transfer assets and administration to PERA.

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.

1. GERF Benefits

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 PERA's Coordinated members. Members hired prior to July 1, 1989 receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2% for each of the first ten years of service and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated Plan members is 1.7% for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

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%. 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. For 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 reduced prorated increase. For members retiring on January 1, 2024 or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

2. PEPFF Benefits

Benefits for the PEPFF members first hired after June 30, 2010 but before July 1, 2014 vest on a prorated basis from 50% after five years up to 100% after ten years of credited service. Benefits for PEPFF members first hired after June 30, 2014 vest on a prorated basis from 50% after ten years up to 100% after twenty years of credited service. The annuity accrual rate is 3% of average salary for each year of service. For PEPFF members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

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. For 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 reduced prorated increase.

C. CONTRIBUTIONS

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

1. GERS Contributions

Coordinated Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2022 and the City was required to contribute 7.5% for Coordinated Plan members. The City's contributions to the GERS for the year ended December 31, 2022 were \$1,366,394. The City's contributions were equal to the required contributions as set by state statute.

2. PEPFF Contributions

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2022 and the City was required to contribute 17.70% for Police and Fire Plan members. The City's contributions to the PEPFF for the year ended December 31, 2022 were \$1,700,317. The City's contributions were equal to the required contributions as set by state statute.

D. PENSIONS COST

1. GERF Pension Costs

At December 31, 2022, the City reported a liability of \$18,905,119 for its proportionate share of GERF’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 \$554,246. The net pension liability was measured as of June 30, 2022, 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, 2021 through June 30, 2022, relative to the total employer contributions received from all of PERA’s participating employers. The City’s proportionate share was 0.2387% at the end of the measurement period and 0.2397% for the beginning of the period.

City’s proportionate share of the net pension liability	\$ 18,905,119
State of Minnesota’s proportionate share of the net pension liability associated with the City	<u>554,246</u>
Total	<u>\$ 19,459,365</u>

For the year ended December 31, 2022, the City recognized pension expense of \$2,612,669 for its proportionate share of the GERF’s pension expense. In addition, the City recognized an additional \$82,817 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota’s contribution of \$16 million to the GERF.

At December 31, 2022, the City reported its proportionate share of the GERF’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 157,910	\$ 201,914
Changes in actuarial assumptions	4,278,571	76,730
Net collective between projected and actual investment earnings	326,935	-
Changes in proportion	90,061	43,602
Contributions paid to PERA subsequent to the measurement date	<u>738,698</u>	<u>-</u>
Total	<u>\$ 5,592,175</u>	<u>\$ 322,246</u>

CITY OF ST. LOUIS PARK, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
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The \$738,698 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, 2023. 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
2023	\$ 1,692,811
2024	1,745,733
2025	(616,999)
2026	1,709,686
2027	-
Thereafter	-

2. PEPFF Pension Costs

At December 31, 2022, the City reported a liability of \$33,489,952 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2022 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, 2021 through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.7696% at the end of the measurement period and 0.7605% for the beginning of the period.

The State of Minnesota also contributed \$18 million to PEPFF during the plan fiscal year ended June 30, 2022. The contribution consisted of \$9 million in direct state aid that does meet 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 direct state aid was paid on October 1, 2021. Thereafter, by October 1 of each year, the state will pay \$9 million to the PEPFF until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later.

The State of Minnesota is included as a non-employer contributing entity in the PEPFF Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$9 million in direct state aid. PEPFF employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2022, the City recognized pension expense of \$2,521,463 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized an additional \$283,817 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$9 million to the PEPFF.

CITY OF ST. LOUIS PARK, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

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. The City recognized \$69,263 for the year ended December 31, 2022 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, 2022, the City reported its proportionate share of the PEPFF’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 2,046,559	\$ -
Changes in actuarial assumptions	19,713,994	202,791
Net collective between projected and actual investment earnings	452,702	-
Changes in proportion	713,873	123,765
Contributions paid to PERA subsequent to the measurement date	<u>932,038</u>	<u>-</u>
Total	<u>\$ 23,859,166</u>	<u>\$ 326,556</u>

The \$932,038 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, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as outflows:

<u>Year Ended December 31,</u>	<u>Pension Expense</u>
2023	\$ 4,727,437
2024	4,351,367
2025	3,795,771
2026	6,922,311
2027	2,803,686
Thereafter	-

The net pension liability will be liquidated by the Employee Benefits, Internal Service fund.

E. ACTUARIAL ASSUMPTIONS

The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.25% per year
Investment Rate of Return	6.50%

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 deemed to be reasonable by the actuary. An investment return of 6.50% was deemed to be within that range of reasonableness for financial reporting purposes.

Benefit increases after retirement are assumed to be 1.25% for the GERF. The PEPFF benefit increase is fixed at 1.00% per year and that increase was used in the valuation.

Salary growth assumptions in the GERF range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service. In the PEPFF, salary growth assumptions range from 11.75% after one year of service to 3.0% after 24 years of service.

Mortality rates for GERF were based on the Pub-2010 General Employee Mortality Table. Mortality rates for PEPFF were based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions for GERF are reviewed every four years. The most recent four-year experience study for GERF was completed in 2019. The assumption changes were adopted by the Board and become effective with the July 1, 2020 actuarial valuation. The most recent four-year experience study for PEPFF was completed in 2020 and adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2022:

General Employees Fund

Changes in Actuarial Assumptions:

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

Police and Fire Fund

Changes in Actuarial Assumptions:

- The single discount rate was changed from 6.50% to 5.4% for financial reporting purposes.
- The mortality improvement scale was changed from MP-2020 to MN-2021.

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 for GERP used to measure the total pension liability in 2022 was 6.5%. 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 GERP was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In the PEPFF, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through June 30, 2060. Beginning in fiscal year ended June 30, 2061, projected benefit payments exceed the funds' projected fiduciary net position. Benefit payments projected after were discounted at the municipal bond rate of 3.69% (based on the weekly rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The resulting equivalent single discount rate of 5.40% for the PEPFF was determined to give approximately the same present value of projected benefits when applied to all years of projected benefits as the present value of projected benefits using 6.5% applied to all years of projected benefits through the point of asset depletion and 3.69% thereafter.

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 or one percentage point higher 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	\$ 29,861,625	\$ 18,905,119	\$ 9,919,093
City's Proportionate share of the PEPFF net pension liability	\$ 50,682,747	\$ 33,489,952	\$ 19,590,607

The net pension liability is generally liquidated by the Employee Benefits Internal Service Fund.

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 fiscal year ended December 31, 2022 is as follows:

GERF	\$ 2,612,669
PEPFF	<u>2,521,463</u>
Total	<u>\$ 5,134,132</u>

Note 8 **DEFINED CONTRIBUTION PLAN**

Four council members of the City of St. Louis Park, Minnesota, are covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by PERA. The PEDCP 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.03, 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% 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 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 Investment Fund. For administering the plan, PERA receives 2% of employer contributions and twenty-five hundredths of 1% (.0025) of the assets in each member’s account annually.

Total contributions made by the City during fiscal year 2022 were:

<u>Contribution Amount</u>		<u>Percentage of Covered Payroll</u>		<u>Required</u>
<u>Employee</u>	<u>Employer (Pension Expense)</u>	<u>Employee</u>	<u>Employer</u>	<u>Rate</u>
\$ 3,378	\$ 3,378	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, 2020 valuation date, participants of the plan consisted of:

Active employees electing coverage	273
Active employees waiving coverage	3
Retirees electing coverage	<u>20</u>
Total	<u><u>296</u></u>

D. TOTAL OPEB LIABILITY AND CHANGES IN TOTAL OPEB LIABILITY

The City’s total OPEB liability of \$5,751,341 was measured at December 31, 2021 and was determined by an actuarial valuation as of December 31, 2022. Changes in the total OPEB liability during 2022 were:

Changes for the year:	
Service cost	\$ 369,731
Interest cost	120,277
Changes of benefit terms	-
Differences between expected and actual experience	(4,674)
Changes in assumptions	93,700
Benefit payments	<u>(214,438)</u>
Net changes	364,596
Balance - beginning of year	<u>5,751,341</u>
Balance - end of year	<u>\$ 6,115,937</u>

There were no plan changes since the measurement date of December 31, 2021.

E. ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	2.25%
Salary increases	Based on most recently disclosed assumptions for the pension plan in which the employee participates
Discount rate	1.84%
Index rate for 20-year tax-exempt municipal bonds	1.84%
Healthcare trend rates	6.30% in 2021 gradually decreasing over several decades to an ultimate rate of 3.80% 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 Pub-2010 general mortality tables with projected mortality improvements based on scale MP-2019, and other adjustments. Mortality rates for Police and Fire employees were based on the RP-2014 mortality tables with projected mortality improvements based on scale MP-2019, and other adjustments.

The actuarial assumptions used in the December 31, 2022 valuation 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 reflect a decrease in the discount rate from 2.00% to 1.84%.

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 or 1% higher than the current discount rate of 1.84%:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ 6,746,433	\$ 6,115,937	\$ 5,559,651

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 (5.30% decreasing to 2.80%) or 1% higher (7.30% decreasing to 4.80%) than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability	\$ 5,340,211	\$ 6,115,937	\$ 7,038,690

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

For the year ended December 31, 2022, the City recognized \$480,455 of OPEB expense. At December 31, 2022, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual liability	\$ 1,088,666	\$ 4,156
Changes of assumption	347,495	90,606
Contributions between the measurement date and reporting date	<u>127,955</u>	<u>-</u>
Total	<u>\$ 1,564,116</u>	<u>\$ 94,762</u>

\$127,955 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, 2023. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31,</u>	<u>OPEB Expense</u>
2023	\$ 204,885
2024	204,885
2025	204,885
2026	192,833
2027	184,733
Thereafter	<u>349,178</u>
	<u>\$1,341,399</u>

CITY OF ST. LOUIS PARK, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
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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, 2022 is as follows:

	<u>Interfund Loan Receivable</u>	<u>Interfund Loan Payable</u>
Major Funds:		
Housing Rehabilitation	\$ -	\$ 800,000
Development EDA	3,774,150	-
Redevelopment District	-	4,774,150
Non-Major Funds	<u>1,800,000</u>	<u>-</u>
Total	<u>\$ 5,574,150</u>	<u>\$ 5,574,150</u>

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. A summary at December 31, 2022 is as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Funds:		
Development EDA	\$ 305,688	\$ -
Streets Capital Projects	-	7,368,349
Housing Rehabilitation	147,436	-
Redevelopment District	5,169,833	7,644
Debt Service	-	147,436
Non-Major Funds	<u>1,900,472</u>	<u>-</u>
Total	<u>\$ 7,523,429</u>	<u>\$ 7,523,429</u>

CITY OF ST. LOUIS PARK, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
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Interfund transfers at December 31, 2022 are as follows:

Fund	Transfers in					Totals
	General	Housing Rehabilitation	Debt Service	Internal Service Funds	Non-major	
Transfers out:						
General	\$ -	\$ -	\$ -	\$ 1,988,000	\$ 300,000	\$ 2,288,000
Housing Rehabilitation	9,488	-	360,201	-	-	369,689
Redevelopment District	-	-	962,581	-	1,216,559	2,179,140
COVID Fund	63,429	-	-	749,512	-	812,941
Nonmajor Governmental	50,933	397,133	-	-	-	448,066
Water	640,674	-	-	36,854	-	677,528
Sewer	890,145	-	-	36,854	-	926,999
Storm Water	326,112	-	-	36,854	-	362,966
Solid Waste	226,557	-	-	36,854	-	263,411
Total transfers in	\$ 2,207,338	\$ 397,133	\$ 1,322,782	\$ 2,884,928	\$ 1,516,559	\$ 8,328,740

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 DISCLOSURES

A. LESSOR LEASES

The City leases space on its water towers for cellular tower antenna sites. There are nine 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 3.155%.

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 \$15,859. 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%.

At December 31, 2022, the City recorded lease receivables of \$5,423,180 and deferred inflows for these arrangements of \$5,339,675. Lease related inflows of resources (revenue) recognized during the year ended December 31, 2022, was \$453,960 including interest revenue of \$46,786. There were no variable revenues associated with these agreements.

B. LESSEE LEASES

As of December 31, 2022, the City had eight outstanding vehicle leases. Each lease requires 60 monthly payments from commencement of the lease, ranging from \$386 to \$581. The lease liability is measured at discount rates ranging from .512% to 7.28%. The City also has three office equipment leases for various pieces of office equipment. The leases have terms of 20 to 58 months with no extension options. Each lease requires monthly payments of \$151 to \$1,841. The lease liability is measured at a discount rate of .31%

As a result of the leases, the City has recorded right to use leased assets with a net book value of \$139,279 as of December 31, 2022.

Lease liability activity for the year ended December 31, 2022, was as follows:

	Beginning Balance*	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Lease liability	\$ 160,065	\$ 42,672	\$ 61,875	\$ 140,862	\$ 54,733

Scheduled lease payments are as follows:

Year Ending December 31	Governmental Activities	
	Lease Liability	
	Principal	Interest
2023	\$ 54,733	\$ 4,247
2024	25,214	3,208
2025	31,980	2,058
2026	24,369	903
2027	4,566	168
Total	\$ 140,862	\$ 10,584

CITY OF ST. LOUIS PARK, MINNESOTA
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Right to use leased asset activity is as follows:

	Beginning Balance*	Increases	Decreases	Ending Balance
Governmental activities:				
Right to use leased assets being amortized:				
Fleet	\$ 103,693	\$ 42,671	\$ -	\$ 146,364
Machinery, furniture and equipment	56,372	-	-	56,372
Total capital assets, being amortized	<u>160,065</u>	<u>42,671</u>	<u>-</u>	<u>202,736</u>
Less accumulated amortization for:				
Fleet	-	37,212	-	37,212
Machinery, furniture and equipment	-	26,245	-	26,245
Total accumulated depreciation	<u>-</u>	<u>63,457</u>	<u>-</u>	<u>63,457</u>
Total right to use leased assets being amortized - net	<u>\$ 160,065</u>	<u>\$ (20,786)</u>	<u>\$ -</u>	<u>\$ 139,279</u>

*As discussed in Note 16, the City implemented GASB 87 for the year ended December 31, 2022. Implementation of the standard resulted in a restatement of beginning balances, however there was no net impact to overall beginning net position.

CITY OF ST. LOUIS PARK, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

Note 12 FUND BALANCE

A. CLASSIFICATIONS

At December 31, 2022, a summary of the governmental fund balance classifications are as follows:

<u>Fund/Description</u>	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>
General Fund					
Prepaid items	\$84,898	\$ -	\$ -	\$ -	\$ -
Inventories	239,241	-	-	-	-
E-911 purposes	-	87,357	-	-	-
Inspections	-	-	-	550,000	-
DWI enforcement	-	-	-	204,322	-
Tax court petitions	-	-	-	500,000	-
Community survey	-	-	-	50,000	-
Unassigned	-	-	-	-	23,945,846
Housing Rehabilitation	-	217,519	-	6,349,642	-
COVID Fund	-	-	-	-	(76,598)
Debt service	-	6,553,029	-	-	(147,436)
Development EDA					
Economic development	3,100	-	245,535	-	-
Redevelopment efforts	-	-	-	18,310,948	-
Redevelopment districts	-	10,436,335	-	-	(2,547,002)
Streets Capital Projects					
Sidewalks and Trails	-	-	-	29,283	-
Unassigned	-	-	-	-	(8,112,281)
Other governmental funds					
Affordable housing	-	6,398,525	-	-	-
Capital improvements	-	-	-	3,399,065	-
Climate Investment	-	-	717,987	-	-
Community development	-	462,042	-	-	-
Opioid Settlement	-	-	83	-	-
Cable TV equipment purchases	-	262,668	1,155,292	711,159	-
Park Improvement	-	-	-	3,531,986	-
Police and fire purposes	-	1,231,490	-	-	-
Special service districts	-	-	-	215,439	-
Permanent Improvement	-	-	-	2,624,834	-
Total	<u>\$ 327,239</u>	<u>\$ 25,648,965</u>	<u>\$ 2,118,897</u>	<u>\$ 36,476,678</u>	<u>\$ 13,062,529</u>

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

CITY OF ST. LOUIS PARK, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
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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, 2022, the unassigned fund balance for the General Fund was 51% of the subsequent year’s budgeted expenditures.

Note 13 DEFICIT FUND BALANCE/NET POSITION

At December 31, 2022, individual funds with deficit fund balance/net position are as follows:

	Amount	Future Financing Source
Redevelopment District:		
Eliot Park TIF	\$ 15,636	Future tax increment
Ellipse TIF District	2,879	Future tax increment
Victoria Ponds	1,732	Future tax increment
Wolke Lake TIF District	391	Future tax increment
Aquila Commons	4	Future tax increment
Hard Coat TIF District	546	Future tax increment
Shoreham TIF District	2,323	Future tax increment
Bridgewater Bank TIF District	721,187	Future tax increment
Wayzata Blvd TIF District	428	Future tax increment
Rise on 7 TIF District	1,801,876	Future tax increment
Debt Service Fund:		
2012A Taxable G.O. HIA Bond	345	Future assessment collections
2019C G.O. HIA Refunding Bond	345	Future assessment collections
Bridgewalk HIA Bond	146,746	Transfer from project fund
COVID Fund	76,598	Future investment earnings
Streets Capital Projects Fund:		
Streets Capital Projects	1,682,059	Future bonding/MSA reimbursement
Sidewalks and Trails	318,544	Future transfer
2023 MSA Street Project	142,887	MSA reimbursement
W36th St/Wooddale Rehab	5,809,686	Future transfer
2024 MSA Street Project	159,105	MSA reimbursement
Internal Service Funds:		Future pension contributions
Employee Benefits	32,194,209	and investment earnings
Total	<u>\$ 43,077,526</u>	

Note 14 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, 2022.

CITY OF ST. LOUIS PARK, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
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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	2022 Payments	12/31/2022 Balance
Zarthan/16th Ave TIF District								
Rottlund - Town Homes/Condos	11/06/2000	\$1,395,547	8.00%	08/01/2003	02/01/2023	89.75%	\$236,213	\$96,955
CSM - Town Place Suites	10/25/2000	1,101,362	8.00%	08/01/2003	02/01/2022	89.75%	45,190	1,218,476
CSM - Spring Hill Suites	10/25/2000	1,448,088	8.00%	08/01/2003	02/01/2022	89.75%	56,598	-
							<u>338,001</u>	
Mill City TIF District								
MSP SLP Apartments	11/20/2000	3,431,137	8.75%	08/1/2002	02/01/2023	94.75%	574,241	2,397,440
Park Commons TIF District								
Excelsior & Grand Phase I	07/01/2003	3,500,000	8.50%	08/05/2005	08/01/2022	97.00%	270,144	-
Excelsior & Grand Phase NE	06/05/2006	4,668,633	8.50%	08/01/2006	02/01/2028	97.00%	579,880	4,095,925
Excelsior & Grand Phase NW	06/05/2006	4,079,105	8.50%	08/01/2007	02/01/2028	97.00%	602,757	3,834,153
Excelsior & Grand Phase E	06/05/2006	3,300,715	8.50%	08/01/2006	02/01/2028	97.00%	<u>346,827</u>	<u>4,125,386</u>
							1,799,608	
Elmwood Village TIF District								
Hoigaard Village 2010A TIF Revenue Bonds	10/21/2010	3,495,000	1.5-5%	02/01/2011	02/01/2023	95.00%	389,625	325,000
Highway 7 Corporate Center TIF District								
Highway 7 Business Center Note A	07/24/2008	2,100,000	1.00%	08/01/2008	08/01/2027	95.00%	119,934	521,352
Highway 7 Business Center Note B	07/24/2008	360,000	1.00%	08/01/2008	08/01/2027	95.00%	20,560	89,375
Highway 7 Business Center Note C	07/24/2008	72,000	1.00%		08/01/2028	95.00%	-	81,983
Highway 7 Business Center Note D	07/24/2008	23,000	1.00%		08/01/2028	95.00%	-	26,189
							<u>140,494</u>	
West End TIF District								
Duke Realty Limited Partnership	11/01/2010	21,100,000	6.75%	02/01/2012	08/01/2031	95.00%	2,275,780	20,909,528
4900 Excelsior TIF District								
Weidner / 4900 Excelsior Apts LLC	03/05/2019	2,800,000	4.50%	08/01/2019	02/01/2027	95.00%	576,207	1,291,410

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. As discussed in Note 6, the 2010C bonds were refunded in 2022 with Series 2022A. 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, 2022, the outstanding principal on the bonds is \$1,345,000.

F. CONSTRUCTION COMMITMENTS

The City has active construction projects as of December 31, 2022. The projects include street construction in areas with newly developed housing, widening and construction of existing streets and bridges, and the construction of additional storm sewer and utility improvements. At year end the City’s commitments with contractors are as follows:

Contractor	Project	Contract Amount
BITUMINOUS Roadways	Pavement Mgt - Fern Hill Neighborhood	\$1,671,209
Geislinger and Sons Inc.	36th St. & wooddale Ave. Improvement Proj.	559,660
Thomas and Sons Construction	Beltline SWLRT pedestrian improvements	37,688
Thomas and Sons Construction	Monterey - Belt Line - 36th Improvements	147,591
Redstone Construction, LLC	Dakota Ave. bikeways and trail bridge	613,042
Redstone Construction, LLC	Louisiana Ave. bridge replacement	810,205
		\$3,839,395

CITY OF ST. LOUIS PARK, MINNESOTA
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December 31, 2022

G. SUBSEQUENT EVENTS

1. Subsequent to December 31, 2022, the city council approved the following significant contracts:

<u>Contractor</u>	<u>Project</u>	<u>Remaining Commitment</u>
Bituminous Roadways, Inc.	2023 Pavement Management	\$ 6,833,385
Kimely-Horn & Associates, Inc.	2024 Cedar Lake Road Improvements	2,039,040
Minnesota Roadways Company	Aquila Park Tennis Courts Reconstruction	502,205
JL Theis, Inc.	2023 Alley Reconstruction	578,882
The Buckingham Companies	2023-2028 Residential Garbage and Recycling Services	15,734,000
Allied Waste Services of North America, LLC	2023-2028 Residential Organics Recycling Collection Services	5,600,000
Waste Container Systems	2023-2028 Residential Yard Waste Collection Contract	<u>5,502,000</u>
		<u>\$ 36,789,512</u>

Note 15 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, 2022, there were 14 revenue bonds issued. The aggregate principal amount payable as of December 31, 2022 is \$203,781,578.

Note 16 ADOPTION OF NEW ACCOUNTING STANDARD

The City implemented GASB Statement No. 87, Leases for the year ended December 31, 2022. As a result, a lease receivable and deferred inflow of resources are reported on the Statement of Net Position and the Balance Sheet – Governmental Funds. In addition, a right to use leased asset and lease liability are reported on the Statement of Net Position and the Statement of Net Position – Proprietary Funds.

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. 94 *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2022.

Statement No. 96 *Subscription – Based Information Technology Arrangements*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2022.

Statement No. 99 *Omnibus 2022*. The provisions of this Statement contain multiple effective dates, the first being for reporting periods beginning after June 15, 2022.

Statement No. 100 *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2023.

Statement No. 101 *Compensated Absences*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2023.

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

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REQUIRED SUPPLEMENTARY INFORMATION

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 30,532,470	\$ 30,532,470	\$ 31,005,746	\$ 473,276
Delinquent property taxes	-	-	144,451	144,451
Total property taxes	30,532,470	30,532,470	31,150,197	617,727
Licenses and permits				
Licenses	922,928	922,928	960,532	37,604
Permits	3,827,676	3,827,676	6,321,951	2,494,275
Total licenses and permits	4,750,604	4,750,604	7,282,483	2,531,879
Intergovernmental				
Federal	-	-	18,525	18,525
State of Minnesota				
Highway user tax	750,000	750,000	769,673	19,673
Police and fire state aid	815,319	815,319	870,924	55,605
Police training reimbursement	50,000	50,000	-	(50,000)
Other	73,520	73,520	207,860	134,340
Local and other	59,931	59,931	67,397	7,466
Total intergovernmental	1,748,770	1,748,770	1,934,379	185,609
Charges for services				
General government	994,783	994,783	1,188,169	193,386
Public safety	100,100	100,100	89,666	(10,434)
Culture and recreation	1,189,600	1,189,600	1,509,981	320,381
Rent of City property	1,553,984	1,553,984	1,737,041	183,057
Total charges for services	3,838,467	3,838,467	4,524,857	686,390
Fines and forfeitures	231,000	231,000	175,090	(55,910)
Interest income (loss)	200,000	200,000	(234,741)	(434,741)
Miscellaneous				
Revenue bond fees	501,279	501,279	1,135,260	633,981
Other	311,500	311,500	93,644	(217,856)
Total miscellaneous	812,779	812,779	1,228,904	416,125
Total revenues	42,114,090	42,114,090	46,061,169	3,947,079

See accompanying notes to the required supplementary information.

Expenditures	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
General government				
Administration				
Current				
Personal services	\$ 1,165,675	\$ 1,165,675	\$ 935,303	\$ 230,372
Supplies	14,000	14,000	57,678	(43,678)
Other services and charges	830,930	830,930	631,203	199,727
Total administration	<u>2,010,605</u>	<u>2,010,605</u>	<u>1,624,184</u>	<u>386,421</u>
Finance				
Current				
Personal services	606,860	606,860	550,337	56,523
Materials and supplies	3,000	3,000	1,979	1,021
Other services and charges	568,656	568,656	440,516	128,140
Total finance	<u>1,178,516</u>	<u>1,178,516</u>	<u>992,832</u>	<u>185,684</u>
Assessing				
Current				
Personal services	798,225	798,225	789,955	8,270
Materials and supplies	1,200	1,200	306	894
Other services and charges	22,105	22,105	14,787	7,318
Total assessing	<u>821,530</u>	<u>821,530</u>	<u>805,048</u>	<u>16,482</u>
Human resources				
Current				
Personal services	737,749	737,749	551,713	186,036
Supplies	2,000	2,000	1,817	183
Other services and charges	143,100	143,100	175,581	(32,481)
Total human resources	<u>882,849</u>	<u>882,849</u>	<u>729,111</u>	<u>153,738</u>
Community development				
Current				
Personal services	1,571,524	1,571,524	1,430,118	141,406
Materials and supplies	3,500	3,500	1,099	2,401
Other services and charges	31,450	31,450	11,185	20,265
Total community development	<u>1,606,474</u>	<u>1,606,474</u>	<u>1,442,402</u>	<u>164,072</u>
Facilities maintenance				
Current				
Personal services	807,703	807,703	743,869	63,834
Materials and supplies	103,700	103,700	105,361	(1,661)
Other services and charges	495,713	495,713	634,416	(138,703)
Total facilities maintenance	<u>1,407,116</u>	<u>1,407,116</u>	<u>1,483,646</u>	<u>(76,530)</u>

See accompanying notes to the required supplementary information.

Expenditures (continued)	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
General government (continued)				
Communications and marketing				
Current				
Personal services	\$ 587,314	\$ 587,314	\$ 611,782	\$ (24,468)
Materials and supplies	22,500	22,500	9,894	12,606
Other services and charges	364,250	364,250	423,824	(59,574)
Total communications, etc.	974,064	974,064	1,045,500	(71,436)
Information resources				
Current				
Personal services	1,054,477	1,054,477	736,222	318,255
Materials and supplies	7,500	7,500	4,828	2,672
Other services and charges	560,642	560,642	501,896	58,746
Total information services	1,622,619	1,622,619	1,242,946	379,673
Total general government	10,503,773	10,503,773	9,365,669	1,138,104
Public safety				
Police				
Current				
Personal services	10,746,585	10,746,585	10,853,594	(107,009)
Materials and supplies	275,850	275,850	251,843	24,007
Other services and charges	824,325	824,325	965,131	(140,806)
Capital outlay	-	-	48,679	(48,679)
Total police	11,846,760	11,846,760	12,119,247	(272,487)
Fire protection				
Current				
Personal services	4,693,178	4,693,178	4,656,140	37,038
Materials and supplies	124,000	124,000	164,662	(40,662)
Other services and charges	547,001	547,001	574,695	(27,694)
Total fire protection	5,364,179	5,364,179	5,395,497	(31,318)
Building				
Current				
Personal services	2,531,852	2,531,852	2,500,588	31,264
Materials and supplies	15,000	15,000	16,675	(1,675)
Other services and charges	165,548	165,548	261,777	(96,229)
Total building	2,712,400	2,712,400	2,779,040	(66,640)
Total public safety	19,923,339	19,923,339	20,293,784	(370,445)

See accompanying notes to the required supplementary information.

Expenditures (continued)	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Operations				
Public works administration				
Current				
Personal services	\$ 232,066	\$ 232,066	\$ 258,135	\$ (26,069)
Materials and supplies	5,000	5,000	1,970	3,030
Other services and charges	18,700	18,700	8,776	9,924
Total public works administration	255,766	255,766	268,881	(13,115)
Public works operations				
Current				
Personal services	1,925,665	1,925,665	1,669,605	256,060
Materials and supplies	497,500	497,500	482,291	15,209
Other services and charges	1,100,504	1,100,504	1,165,373	(64,869)
Total public works operations	3,523,669	3,523,669	3,317,269	206,400
Vehicle maintenance				
Current				
Personal services	719,006	719,006	729,328	(10,322)
Materials and supplies	479,600	479,600	570,922	(91,322)
Other services and charges	170,323	170,323	126,699	43,624
Total vehicle maintenance	1,368,929	1,368,929	1,426,949	(58,020)
Engineering				
Current				
Personal services	407,583	407,583	732,520	(324,937)
Materials and supplies	6,000	6,000	4,896	1,104
Other services and charges	142,532	142,532	156,239	(13,707)
Total engineering	556,115	556,115	893,655	(337,540)
Total operations	5,704,479	5,704,479	5,906,754	(202,275)
Parks and recreation				
Organized recreation				
Current				
Personal services	1,258,460	1,258,460	1,212,811	45,649
Materials and supplies	53,700	53,700	35,592	18,108
Other services and charges	456,900	456,900	504,025	(47,125)
Total organized recreation	1,769,060	1,769,060	1,752,428	16,632
Recreation Center				
Current				
Personal services	1,477,688	1,477,688	1,461,758	15,930
Materials and supplies	225,000	225,000	242,163	(17,163)
Other services and charges	571,355	571,355	794,073	(222,718)
Total recreation center	2,274,043	2,274,043	2,497,994	(223,951)
Park maintenance				
Current				
Personal services	1,374,461	1,374,461	1,385,868	(11,407)
Materials and supplies	118,225	118,225	164,504	(46,279)
Other services and charges	541,823	541,823	518,752	23,071
Total park maintenance	2,034,509	2,034,509	2,069,124	(34,615)

See accompanying notes to the required supplementary information.

Expenditures (continued)	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Parks and recreation (continued)				
Westwood hills nature center				
Current				
Personal services	\$ 721,211	\$ 721,211	\$ 717,618	\$ 3,593
Materials and supplies	44,250	44,250	57,658	(13,408)
Other services and charges	28,709	28,709	24,882	3,827
Total westwood hills nature center	794,170	794,170	800,158	(5,988)
Natural Resources				
Current				
Personal services	253,810	253,810	172,938	80,872
Materials and supplies	23,000	23,000	17,671	5,329
Other services and charges	335,300	335,300	671,905	(336,605)
Total natural resources	612,110	612,110	862,514	(250,404)
Total parks and recreation	7,483,892	7,483,892	7,982,218	(498,326)
Other				
Race equity and inclusion				
Current				
Personal services	244,194	244,194	64,478	179,716
Materials and supplies	3,500	3,500	504	2,996
Other services and charges	44,500	44,500	157,245	(112,745)
Total race equity and inclusion	292,194	292,194	222,227	69,967
Sustainability				
Current				
Personal services	334,840	334,840	311,924	22,916
Materials and supplies	1,500	1,500	2,193	(693)
Other services and charges	68,550	68,550	49,430	19,120
Total Sustainability	404,890	404,890	363,547	41,343
Total other	697,084	697,084	585,774	111,310
Total expenditures	44,312,567	44,312,567	44,134,199	178,368
Revenues over (under) expenditures	(2,198,477)	(2,198,477)	1,926,970	4,125,447
Other financing sources (uses)				
Transfers in	2,198,477	2,198,477	2,207,338	8,861
Transfers out	-	-	(2,288,000)	(2,288,000)
Total other financing sources (uses)	2,198,477	2,198,477	(80,662)	(2,279,139)
Net change in fund balances	\$ -	\$ -	1,846,308	\$ 1,846,308
Fund balance - January 1			23,815,356	
Fund balance - December 31			\$ 25,661,664	

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, 2022

Statement 10

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Charges for services	\$ -	\$ -	\$ 2,676	2,676
Special assessments	549,322	549,322	977,204	427,882
Interest income (loss)	25,000	25,000	(35,542)	(60,542)
Miscellaneous	-	-	710	710
Total revenues	574,322	574,322	945,048	370,726
Expenditures				
Current				
Housing and rehabilitation	1,358,406	1,358,406	5,423,956	(4,065,550)
Total expenditures	1,358,406	1,358,406	5,423,956	(4,065,550)
Revenues over (under) expenditures	(784,084)	(784,084)	(4,478,908)	(3,694,824)
Other financing sources (uses)				
Transfers in	765,633	765,633	397,133	(368,500)
Transfers out	(388,517)	(388,517)	(369,689)	18,828
Bonds issued	-	-	4,900,000	4,900,000
Premium on bonds issued	-	-	19,647	19,647
Total other financing sources (uses)	377,116	377,116	4,947,091	4,569,975
Net change in fund balances	\$ (406,968)	\$ (406,968)	468,183	\$ 875,151
Fund balances - January 1			6,098,978	
Fund balances - December 31			\$ 6,567,161	

CITY OF ST. LOUIS PARK, MINNESOTA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
 For The Year Ended December 31, 2022

Statement 11

	2022	2021	2020	2019	2018
Total OPEB Liability:					
Service cost	\$ 369,731	\$ 310,714	\$ 273,727	\$ 312,898	\$ 273,798
Interest cost	120,277	119,920	148,042	122,728	126,654
Differences between expected and actual experience	(4,674)	1,214,476	-	269,604	-
Changes in assumptions	93,700	169,400	131,969	(170,614)	120,221
Benefit payments	(214,438)	(226,393)	(214,270)	(211,503)	(140,966)
Net change in total OPEB liability	364,596	1,588,117	339,468	323,113	379,707
Total OPEB liability - beginning	5,751,341	4,163,224	3,823,756	3,500,643	3,120,936
Total OPEB liability - ending	\$ 6,115,937	\$ 5,751,341	\$ 4,163,224	\$ 3,823,756	\$ 3,500,643
Covered-employee payroll	\$26,492,137	\$24,937,137	\$24,950,067	\$23,867,837	\$22,206,835
Total OPEB liability as a percentage of covered-employee payroll	23.1%	23.1%	16.7%	16.0%	15.8%

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.

CITY OF ST. LOUIS PARK, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION

Statement 12

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -

GENERAL EMPLOYEES RETIREMENT FUND

Last Ten Years

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
2015	2015	0.2263%	\$ 11,728,040	\$ -	\$ 11,728,040	\$ 13,317,871	88.1%	78.2%
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%

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

See accompanying notes to the required supplementary information.

CITY OF ST. LOUIS PARK, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION

Statement 13

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, 2015	\$ 1,026,806	\$ 1,026,806	\$ -	\$ 13,690,747	7.50%
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%

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

See accompanying notes to the required supplementary information.

CITY OF ST. LOUIS PARK, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION

Statement 14

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -

PUBLIC EMPLOYEES POLICE AND FIRE FUND

Last Ten Years

Measurement Date June 30	Fiscal Year Ending December 31	Proportion (Percentage) of the Net Pension Liability	Proportionate Share (Amount) of the Net Pension Liability (a)	Covered Payroll (b)	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	2015	0.7170%	\$ 8,146,798	\$ 6,568,763	124.0%	86.6%
2016	2016	0.7090%	28,453,404	6,826,711	416.8%	63.9%
2017	2017	0.7010%	9,464,334	7,214,850	131.2%	85.4%
2018	2018	0.7220%	7,695,776	7,675,241	100.3%	88.8%
2019	2019	0.7803%	8,307,082	8,227,972	101.0%	89.3%
2020	2020	0.7570%	9,978,070	8,551,806	116.7%	87.2%
2021	2021	0.7605%	5,870,254	8,990,234	65.3%	93.7%
2022	2022	0.7696%	33,489,952	9,345,528	358.4%	70.5%

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

See accompanying notes to the required supplementary information.

CITY OF ST. LOUIS PARK, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION

Statement 15

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, 2015	\$ 1,087,225	\$ 1,087,225	\$ -	\$ 6,711,265	16.20%
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%

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

See accompanying notes to the required supplementary information.

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 department level for the major funds.

Note B **PENSION INFORMATION**

PERA – General Employees Retirement Fund

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 decreased 0.25% and assumed rates of retirement were changed resulting in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination and disability were also changed.
- Base mortality tables were changed from RP-2014 tables to Pub-2010 tables, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

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

2019 Changes

Changes in Actuarial Assumptions

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

Changes in the Plan Provisions

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

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 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

2017 Changes

Changes in Actuarial Assumptions:

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

2016 Changes

Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- 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

2022 Changes

Changes in Actuarial Assumptions:

- The single discount rate changed from 6.50% to 5.4%.
- 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 tables for healthy annuitants, disabled annuitants and employees were changed from RP-2014 tables to Pub-2010 Public Safety Mortality tables. The mortality improvement scale was changed from MP-2019 to MN-2020.
- Assumed salary increase and retirement rates were modified as recommended in the July 14, 2020 experience study. The changes result in a decrease in gross salary increase rates, 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.

CITY OF ST. LOUIS PARK, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO RSI
December 31, 2022

- 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%.

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

Changes in the Plan Provisions

- There have been no changes since the prior valuation.

2018 Changes

Changes in Actuarial Assumptions:

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

2017 Changes

Changes in Actuarial Assumptions:

- The single discount rate was changed from 5.6% to 7.5%.
- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30 percent for vested and non-vested deferred members. The CSA has been changed to 33 percent for vested members and 2 percent for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65 percent to 60 percent.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter.

2016 Changes

Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2037 and 2.5% thereafter to 1.0% per year for all future years.

CITY OF ST. LOUIS PARK, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO RSI
December 31, 2022

- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 5.6%.
- 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.

COMBINING FUND STATEMENTS AND SCHEDULES

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NONMAJOR GOVERNMENTAL FUNDS

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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 expenditure for specified purposes other than debt service or capital projects.

CAPITAL PROJECTS FUNDS

The Capital Projects Funds account for financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets.

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	Special Revenue	Capital Projects	Interfund Eliminations	Total
Assets				
Cash and investments	\$ 7,667,133	\$ 8,185,648	\$ -	\$ 15,852,781
Due from other governments	-	22,351	-	22,351
Accounts receivable	175,648	1,196,801	-	1,372,449
Taxes receivable - unremitted	3,199	-	-	3,199
Taxes receivable - delinquent	13,742	-	-	13,742
Special assessments receivable - delinquent	428	4,714	-	5,142
Special assessments receivable - deferred	253,264	647,945	-	901,209
Due from other funds	-	1,900,472	-	1,900,472
Loans receivable - noncurrent	509,189	-	-	509,189
Pledges receivable - current	-	156,660	-	156,660
Pledges receivable - noncurrent	-	750,000	-	750,000
Interfund loan receivable	1,800,000	-	-	1,800,000
Total assets	\$ 10,422,603	\$ 12,864,591	\$ -	\$ 23,287,194
Liabilities				
Accounts payable	\$ 91,886	\$ 139,308	\$ -	\$ 231,194
Salaries payable	11,392	-	-	11,392
Due to other governments	-	774	-	774
Contracts payable	-	372,207	-	372,207
Deposits payable	-	350	-	350
Unearned revenue	64,103	7,368	-	71,471
Total liabilities	167,381	520,007	-	687,388
Deferred inflows of resources				
Unavailable revenue	332,027	1,557,209	-	1,889,236
Fund balances				
Restricted	7,123,235	1,231,490	-	8,354,725
Committed	1,873,362	-	-	1,873,362
Assigned	926,598	9,555,885	-	10,482,483
Total fund balances	9,923,195	10,787,375	-	20,710,570
Total liabilities, deferred inflows of resources, and fund balances	\$ 10,422,603	\$ 12,864,591	\$ -	\$ 23,287,194

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, 2022

Statement 17

	Special Revenue	Capital Projects	Total
Revenues			
Property taxes	\$ 1,506,396	\$ 860,000	\$ 2,366,396
Franchise taxes	709,677	4,759,363	5,469,040
Intergovernmental	30,000	144,702	174,702
Charges for services	27,949	81,738	109,687
Special assessments	222,993	116,644	339,637
Interest income (loss)	(87,297)	(124,537)	(211,834)
Miscellaneous	2,427	1,473,409	1,475,836
Total revenues	2,412,145	7,311,319	9,723,464
Expenditures			
Current			
Public safety	-	505,653	505,653
Public information	386,216	-	386,216
Operations	-	3,245,705	3,245,705
Parks and recreation	-	97,044	97,044
Housing and rehabilitation	503	-	503
Housing maintenance	30,000	-	30,000
Social and economic development	273,882	-	273,882
Capital outlay			
Parks and recreation	-	1,350,201	1,350,201
Total expenditures	690,601	5,198,603	5,889,204
Revenues over (under) expenditures	1,721,544	2,112,716	3,834,260
Other financing sources (uses)			
Transfers in	1,516,559	-	1,516,559
Transfers out	(397,133)	(50,933)	(448,066)
Total other financing sources (uses)	1,119,426	(50,933)	1,068,493
Net change in fund balances	2,840,970	2,061,783	4,902,753
Fund balances - January 1	7,082,225	8,725,592	15,807,817
Fund balances - December 31	\$ 9,923,195	\$ 10,787,375	\$ 20,710,570
Reconciliation of beginning fund balance to prior year ending fund balance:			
Prior year ending fund balance for nonmajor special revenue funds			\$ 7,087,850
Less prior year ending fund balance for major fund reported as nonmajor in prior year:			
COVID Fund			(5,625)
Current year beginning fund balance for nonmajor special revenue funds			<u>\$ 7,082,225</u>

NONMAJOR SPECIAL REVENUE FUNDS

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.

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

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

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

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	Cable Television	Community Development	Special Service Districts	Affordable Housing Trust	Climate Investment	Opioid Settlement	Total
Assets							
Cash and investments	\$ 1,966,074	\$ 17,389	\$ 282,902	\$ 4,595,326	\$ 741,256	\$ 64,186	\$ 7,667,133
Accounts receivable	174,651	-	997	-	-	-	175,648
Taxes receivable - unremitted	-	-	-	3,199	-	-	3,199
Taxes receivable - delinquent	-	-	-	13,742	-	-	13,742
Special assessments receivable - delinquent	-	-	428	-	-	-	428
Special assessments receivable - deferred	-	-	253,264	-	-	-	253,264
Loans receivable - noncurrent	-	509,189	-	-	-	-	509,189
Interfund loan receivable	-	-	-	1,800,000	-	-	1,800,000
Total assets	\$ 2,140,725	\$ 526,578	\$ 537,591	\$ 6,412,267	\$ 741,256	\$ 64,186	\$ 10,422,603
Liabilities							
Accounts payable	\$ 214	\$ -	\$ 68,403	\$ -	\$ 23,269	\$ -	\$ 91,886
Salaries payable	11,392	-	-	-	-	-	11,392
Unearned revenue	-	-	-	-	-	64,103	64,103
Total liabilities	11,606	-	68,403	-	23,269	64,103	167,381
Deferred inflows of resources							
Unavailable revenue	-	64,536	253,749	13,742	-	-	332,027
Fund balances							
Restricted	262,668	462,042	-	6,398,525	-	-	7,123,235
Committed	1,155,292	-	-	-	717,987	83	1,873,362
Assigned	711,159	-	215,439	-	-	-	926,598
Total fund balances	2,129,119	462,042	215,439	6,398,525	717,987	83	9,923,195
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,140,725	\$ 526,578	\$ 537,591	\$ 6,412,267	\$ 741,256	\$ 64,186	\$ 10,422,603

CITY OF ST. LOUIS PARK, MINNESOTA
 COMBINING SCHEDULE OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 For The Year Ended December 31, 2022

Statement 19

	Cable Television	Community Development	Special Service Districts	Affordable Housing Trust	Climate Investment	Opioid Settlement	Total
Revenues							
Property taxes	\$ -	\$ -	\$ -	\$ 1,506,396	\$ -	\$ -	\$ 1,506,396
Franchise taxes	709,677	-	-	-	-	-	709,677
Intergovernmental	-	30,000	-	-	-	-	30,000
Charges for services	-	-	27,949	-	-	-	27,949
Special assessments	-	-	222,993	-	-	-	222,993
Interest income (loss)	(27,806)	(299)	(2,847)	(50,590)	(5,838)	83	(87,297)
Miscellaneous	219	-	2,208	-	-	-	2,427
Total revenues	682,090	29,701	250,303	1,455,806	(5,838)	83	2,412,145
Expenditures							
Current							
Public information							
Personal services	344,338	-	-	-	-	-	344,338
Other services and charges	41,878	-	-	-	-	-	41,878
Housing and rehabilitation							
Other services and charges	-	-	-	503	-	-	503
Housing maintenance							
Other services and charges	-	30,000	-	-	-	-	30,000
Social and economic development							
Personal services	-	-	870	-	-	-	870
Supplies	-	-	214	-	-	-	214
Other services and charges	-	-	195,678	-	77,120	-	272,798
Total expenditures	386,216	30,000	196,762	503	77,120	-	690,601
Revenues over (under) expenditures	295,874	(299)	53,541	1,455,303	(82,958)	83	1,721,544
Other financing sources (uses)							
Transfers in	-	-	-	1,216,559	300,000	-	1,516,559
Transfers out	-	-	-	(397,133)	-	-	(397,133)
Total other financing sources (uses)	-	-	-	819,426	300,000	-	1,119,426
Net change in fund balances	295,874	(299)	53,541	2,274,729	217,042	83	2,840,970
Fund balances - January 1	1,833,245	462,341	161,898	4,123,796	500,945	-	7,082,225
Fund balances - December 31	\$ 2,129,119	\$ 462,042	\$ 215,439	\$ 6,398,525	\$ 717,987	\$ 83	\$ 9,923,195
Reconciliation of beginning fund balance to prior year ending fund balance:							
Prior year ending fund balance for nonmajor special revenue funds							\$ 7,087,850
Less prior year ending fund balance for nonmajor fund reported as major in current year:							
COVID Fund							(5,625)
Current year beginning fund balance for nonmajor special revenue funds							\$ 7,082,225

NONMAJOR CAPITAL PROJECTS FUNDS

Police and Fire Pensions Fund – used to account for pension refunds received by the police and fire departments. These funds must be used for specific police and fire purposes.

Permanent Improvement Revolving Fund – used to account for the resources and expenditures required for capital improvements which will provide a direct or significant indirect benefit to individual property owners. Financing of these projects is provided by shared costs with other organizations, Municipal State Aid and special assessments.

Park Improvement Fund – used to account for the financing of land acquisition and development for park purposes. Revenues are provided by park dedication fees, a school district contribution, rent and a property tax levy.

Pavement Management Fund – used to account for the financing of street rehabilitation. Revenues are provided by a franchise fee and transfers from sanitary sewer utility funds.

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	Police and Fire Pensions	Permanent Improvement Revolving	Park Improvement	Pavement Management	Interfund Eliminations	Total
Assets						
Cash and investments	\$ 1,231,490	\$ 2,592,881	\$ 3,594,943	\$ 766,334	\$ -	\$ 8,185,648
Due from other governments	-	22,351	-	-	-	22,351
Accounts receivable	-	7,492	-	1,189,309	-	1,196,801
Special assessments receivable - delinquent	-	4,714	-	-	-	4,714
Special assessments receivable - deferred	-	647,945	-	-	-	647,945
Due from other funds	-	-	-	1,900,472	-	1,900,472
Pledges receivable - current	-	-	156,660	-	-	156,660
Pledges receivable - noncurrent	-	-	750,000	-	-	750,000
Total assets	\$ 1,231,490	\$ 3,275,383	\$ 4,501,603	\$ 3,856,115	\$ -	\$ 12,864,591
Liabilities						
Accounts payable	\$ -	\$ -	\$ 55,239	\$ 84,069	\$ -	\$ 139,308
Due to other governments	-	-	-	774	-	774
Contracts payable	-	-	-	372,207	-	372,207
Deposits payable	-	-	350	-	-	350
Unearned revenue	-	-	7,368	-	-	7,368
Total liabilities	-	-	62,957	457,050	-	520,007
Deferred inflows of resources						
Unavailable revenue	-	650,549	906,660	-	-	1,557,209
Fund balances						
Restricted	1,231,490	-	-	-	-	1,231,490
Assigned	-	2,624,834	3,531,986	3,399,065	-	9,555,885
Total fund balances	1,231,490	2,624,834	3,531,986	3,399,065	-	10,787,375
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,231,490	\$ 3,275,383	\$ 4,501,603	\$ 3,856,115	\$ -	\$ 12,864,591

	Police and Fire Pensions	Permanent Improvement Revolving	Park Improvement	Pavement Management	Interfund Eliminations	Total
Revenues						
Property taxes	\$ -	\$ -	\$ 860,000	\$ -	\$ -	\$ 860,000
Franchise taxes	-	-	-	4,759,363	-	4,759,363
Intergovernmental	-	-	144,702	-	-	144,702
Charges for services	-	-	81,738	-	-	81,738
Special assessments	-	116,644	-	-	-	116,644
Interest income (loss)	(17,187)	(34,437)	(31,358)	(41,555)	-	(124,537)
Miscellaneous	50	1,288	1,472,071	-	-	1,473,409
Total revenues	(17,137)	83,495	2,527,153	4,717,808	-	7,311,319
Expenditures						
Current						
Public safety	1,770	503,883	-	-	-	505,653
Operations	-	-	-	3,245,705	-	3,245,705
Parks and recreation	-	-	97,044	-	-	97,044
Capital outlay						
Parks and recreation	-	-	1,350,201	-	-	1,350,201
Total expenditures	1,770	503,883	1,447,245	3,245,705	-	5,198,603
Revenues over (under) expenditures	(18,907)	(420,388)	1,079,908	1,472,103	-	2,112,716
Other financing sources (uses)						
Transfers out	-	(50,933)	-	-	-	(50,933)
Total other financing sources (uses)	-	(50,933)	-	-	-	(50,933)
Net change in fund balances	(18,907)	(471,321)	1,079,908	1,472,103	-	2,061,783
Fund balances - January 1	1,250,397	3,096,155	2,452,078	1,926,962	-	8,725,592
Fund balances - December 31	\$ 1,231,490	\$ 2,624,834	\$ 3,531,986	\$ 3,399,065	\$ -	\$ 10,787,375

FUNDS INCLUDED IN DEBT SERVICE FUND

2000 General Obligation Bond Reserve
Hoigaard's 2010 A & B TIF Notes
2010C General Obligation Refunding Bond
2010C General Obligation Bond Reserve
2012A Taxable General Obligation HIA Bond
2014A General Obligation Bond
2016A General Obligation Bond
2017A General Obligation Bond
2018A General Obligation Bond
2019A General Obligation Bond
2019B General Obligation Bond
2019C Taxable General Obligation HIA Refunding Bond
2020A General Obligation Bond
2021A General Obligation Bond
2022B Bridgewalk HIA Bond

CITY OF ST. LOUIS PARK, MINNESOTA
 COMBINING BALANCE SHEET
 DEBT SERVICE FUND
 December 31, 2022

	2000 General Obligation Bond Reserve	Hoigaard's 2010 A & B TIF Notes	2010C General Obligation Refunding Bond	2010C General Obligation Bond Reserve	2012A Taxable General Obligation HIA Bond	2014A General Obligation Bond	2016A General Obligation Bond
Assets							
Cash and investments	\$ 121,105	\$ -	\$ 113,169	\$ 481,548	\$ -	\$ 624,998	\$ 1,452,216
Accounts receivable	-	-	10,133	3,666	-	-	-
Loans receivable - current	-	-	50,000	-	-	-	-
Loans receivable - noncurrent	-	-	1,295,000	-	-	-	-
Total assets	\$ 121,105	\$ -	\$ 1,468,302	\$ 485,214	\$ -	\$ 624,998	\$ 1,452,216
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	345	-	-
Deposits payable	-	-	-	464,228	-	-	-
Total liabilities	-	-	-	464,228	345	-	-
Deferred inflows of resources							
Unavailable revenue	-	-	1,345,000	-	-	-	-
Fund balances							
Restricted	121,105	-	123,302	20,986	-	624,998	1,452,216
Unassigned	-	-	-	-	(345)	-	-
Total fund balance	121,105	-	123,302	20,986	(345)	624,998	1,452,216
Total liabilities, deferred inflows of resources, and fund balances	\$ 121,105	\$ -	\$ 1,468,302	\$ 485,214	\$ -	\$ 624,998	\$ 1,452,216

2017A General Obligation Bond	2018A General Obligation Bond	2019A General Obligation Bond	2019B General Obligation Bond	2019C Taxable General Obligation HIA Refunding Bond	2020A General Obligation Bond	2021A General Obligation Bond	2022B Bridgewalk HIA Bond	Total
\$ 407,087	\$ 265,774	\$ 1,615,139	\$ 992,562	\$ -	\$ 698,731	\$ 240,129	\$ -	\$ 7,012,458
-	-	-	-	-	-	-	-	13,799
-	-	-	-	-	-	-	-	50,000
-	-	-	-	-	-	-	-	1,295,000
<u>\$ 407,087</u>	<u>\$ 265,774</u>	<u>\$ 1,615,139</u>	<u>\$ 992,562</u>	<u>\$ -</u>	<u>\$ 698,731</u>	<u>\$ 240,129</u>	<u>\$ -</u>	<u>\$ 8,371,257</u>
\$ -	\$ -	\$ -	\$ 4,500	\$ -	\$ 4,500	\$ -	\$ -	\$ 9,000
-	-	-	-	345	-	-	146,746	147,436
-	-	-	-	-	-	-	-	464,228
-	-	-	4,500	345	4,500	-	146,746	620,664
-	-	-	-	-	-	-	-	1,345,000
407,087	265,774	1,615,139	988,062	-	694,231	240,129	-	6,553,029
-	-	-	-	(345)	-	-	(146,746)	(147,436)
<u>407,087</u>	<u>265,774</u>	<u>1,615,139</u>	<u>988,062</u>	<u>(345)</u>	<u>694,231</u>	<u>240,129</u>	<u>(146,746)</u>	<u>6,405,593</u>
<u>\$ 407,087</u>	<u>\$ 265,774</u>	<u>\$ 1,615,139</u>	<u>\$ 992,562</u>	<u>\$ -</u>	<u>\$ 698,731</u>	<u>\$ 240,129</u>	<u>\$ -</u>	<u>\$ 8,371,257</u>

CITY OF ST. LOUIS PARK, MINNESOTA
 COMBINING SCHEDULE OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 DEBT SERVICE FUND
 For The Year Ended December 31, 2022

	2000 General Obligation Bond Reserve	2008B General Obligation Tax Increment Bond	Hoigaard's 2010 A & B TIF Notes	2010C General Obligation Refunding Bond	2010C General Obligation Bond Reserve	2012A Taxable General Obligation HIA Bond	2014A General Obligation Bond	2016A General Obligation Bond
Revenues								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 475,000	\$ 1,231,322
Intergovernmental	-	-	-	-	-	-	-	-
Interest income (loss)	1,763	-	-	1,268	6,790	-	(7,722)	(17,684)
Miscellaneous	-	-	-	180,755	-	-	-	-
Total revenues	1,763	-	-	182,023	6,790	-	467,278	1,213,638
Expenditures								
Social and economic development								
Developer assistance	-	-	390,200	-	-	-	-	-
Debt service								
Principal	-	510,000	-	45,000	-	60,000	510,000	1,045,000
Interest and other	-	62,388	-	64,135	-	28,498	48,712	115,987
Bond issuance costs	-	-	-	48,514	-	-	-	-
Total expenditures	-	572,388	390,200	157,649	-	88,498	558,712	1,160,987
Revenues over (under) expenditures	1,763	(572,388)	(390,200)	24,374	6,790	(88,498)	(91,434)	52,651
Other financing sources (uses)								
Transfers in	-	572,388	390,193	1,763	-	87,242	-	-
Transfers out	(1,763)	-	-	-	-	-	-	-
Refunding bonds issued	-	-	-	1,345,000	-	-	-	-
Premium on bonds issued	-	-	-	16,635	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	(1,345,000)	-	-	-	-
Total other financing sources (uses)	(1,763)	572,388	390,193	18,398	-	87,242	-	-
Net change in fund balances	-	-	(7)	42,772	6,790	(1,256)	(91,434)	52,651
Fund balances - January 1	121,105	-	7	80,530	14,196	911	716,432	1,399,565
Fund balances - December 31	\$ 121,105	\$ -	\$ -	\$ 123,302	\$ 20,986	\$ (345)	\$ 624,998	\$ 1,452,216

2017A General Obligation Bond	2018A General Obligation Bond	2019A General Obligation Bond	2019B General Obligation Bond	2019C Taxable General Obligation HIA Refunding Bond	2020A General Obligation Bond	2021A General Obligation Bond	2022B Bridgewalk HIA Bond	Interfund Eliminations	Total
\$ 413,739	\$ 254,835	\$ 1,063,054	\$ 600,366	\$ -	\$ 856,958	\$ 352,766	\$ -	\$ -	\$ 5,248,040
-	-	416,250	-	-	-	-	-	-	416,250
(4,753)	(3,131)	(17,108)	(12,200)	-	(7,536)	(2,305)	-	-	(62,618)
-	-	-	-	-	-	-	-	-	180,755
<u>408,986</u>	<u>251,704</u>	<u>1,462,196</u>	<u>588,166</u>	<u>-</u>	<u>849,422</u>	<u>350,461</u>	<u>-</u>	<u>-</u>	<u>5,782,427</u>
-	-	-	-	-	-	-	-	-	390,200
325,000	185,000	740,000	515,000	260,000	-	-	-	-	4,195,000
69,423	56,854	678,886	292,240	33,855	316,337	286,850	-	-	2,054,165
-	-	-	-	-	-	-	146,746	-	195,260
<u>394,423</u>	<u>241,854</u>	<u>1,418,886</u>	<u>807,240</u>	<u>293,855</u>	<u>316,337</u>	<u>286,850</u>	<u>146,746</u>	<u>-</u>	<u>6,834,625</u>
14,563	9,850	43,310	(219,074)	(293,855)	533,085	63,611	(146,746)	-	(1,052,198)
-	-	-	-	272,959	-	-	-	(1,763)	1,322,782
-	-	-	-	-	-	-	-	1,763	-
-	-	-	-	-	-	-	-	-	1,345,000
-	-	-	-	-	-	-	-	-	16,635
-	-	-	-	-	-	-	-	-	(1,345,000)
-	-	-	-	272,959	-	-	-	-	1,339,417
14,563	9,850	43,310	(219,074)	(20,896)	533,085	63,611	(146,746)	-	287,219
<u>392,524</u>	<u>255,924</u>	<u>1,571,829</u>	<u>1,207,136</u>	<u>20,551</u>	<u>161,146</u>	<u>176,518</u>	<u>-</u>	<u>-</u>	<u>6,118,374</u>
<u>\$ 407,087</u>	<u>\$ 265,774</u>	<u>\$ 1,615,139</u>	<u>\$ 988,062</u>	<u>\$ (345)</u>	<u>\$ 694,231</u>	<u>\$ 240,129</u>	<u>\$ (146,746)</u>	<u>\$ -</u>	<u>\$ 6,405,593</u>

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FUNDS INCLUDED IN REDEVELOPMENT DISTRICT FUND

Duke West End TIF
Eliot Park TIF
Ellipse TIF District
Victoria Ponds
Park Center Housing
CSM TIF District
Mill City TIF District
Park Commons TIF District
Edgewood TIF District
Elmwood Village
Wolfe Lake TIF District
Aquila Commons
Highway 7 Business Center
Hard Coat TIF District
Shoreham TIF District
4900 Excelsior Blvd TIF District
Elmwood Apartments TIF District
Bridgewater Bank TIF District
Wooddale Station TIF District
Spending Plan
Wayzata Blvd TIF District
Parkway Residual TIF District
Riseon 7 TIF District

CITY OF ST. LOUIS PARK, MINNESOTA
 COMBINING BALANCE SHEET
 REDEVELOPMENT DISTRICT FUND
 December 31, 2022

	Duke West End TIF	Eliot Park TIF	Ellipse TIF District	Victoria Ponds	Park Center Housing
Assets					
Cash and investments	\$ 1,236,051	\$ -	\$ -	\$ -	\$ 1,443
Taxes receivable - unremitted	548,087	(13,814)	-	-	-
Due from other funds	-	-	-	-	-
Loans receivable - noncurrent	-	-	-	-	794,470
Total assets	\$ 1,784,138	\$ (13,814)	\$ -	\$ -	\$ 795,913
Liabilities					
Accounts payable	\$ 666	\$ 336	\$ 77	\$ -	\$ 77
Due to other governments	7,084	1,200	1,868	-	909
Due to other funds	1,732	286	934	1,732	-
Interfund loan payable	-	-	-	-	-
Total liabilities	9,482	1,822	2,879	1,732	986
Deferred inflows of resources					
Unavailable revenue	-	-	-	-	151,464
Fund balances					
Restricted	1,774,656	-	-	-	643,463
Unassigned	-	(15,636)	(2,879)	(1,732)	-
Total fund balances	1,774,656	(15,636)	(2,879)	(1,732)	643,463
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,784,138	\$ (13,814)	\$ -	\$ -	\$ 795,913

CSM TIF District	Mill City TIF District	Park Commons TIF District	Edgewood TIF District	Elmwood Village	Wolfe Lake TIF District	Aquila Commons	Highway 7 Business Center
\$ 45,084	\$ 293,667	\$ 1,351,055	\$ -	\$ -	\$ 584	\$ 1,790	\$ 112,038
4,465	-	23,571	-	4,681	-	-	-
-	-	-	-	5,169,833	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 49,549</u>	<u>\$ 293,667</u>	<u>\$ 1,374,626</u>	<u>\$ -</u>	<u>\$ 5,174,514</u>	<u>\$ 584</u>	<u>\$ 1,790</u>	<u>\$ 112,038</u>
\$ 941	\$ 941	\$ 666	\$ -	\$ 77	\$ 77	\$ 77	\$ 666
2,065	1,704	11,176	-	9,125	898	1,717	839
-	-	-	-	-	-	-	-
-	-	-	-	2,039,943	-	-	-
<u>3,006</u>	<u>2,645</u>	<u>11,842</u>	<u>-</u>	<u>2,049,145</u>	<u>975</u>	<u>1,794</u>	<u>1,505</u>
-	-	-	-	-	-	-	-
46,543	291,022	1,362,784	-	3,125,369	-	-	110,533
-	-	-	-	-	(391)	(4)	-
46,543	291,022	1,362,784	-	3,125,369	(391)	(4)	110,533
<u>\$ 49,549</u>	<u>\$ 293,667</u>	<u>\$ 1,374,626</u>	<u>\$ -</u>	<u>\$ 5,174,514</u>	<u>\$ 584</u>	<u>\$ 1,790</u>	<u>\$ 112,038</u>

CITY OF ST. LOUIS PARK, MINNESOTA
 COMBINING BALANCE SHEET
 REDEVELOPMENT DISTRICT FUND
 December 31, 2022

	Hard Coat TIF District	Shoreham TIF District	4900 Excelsior Blvd TIF District	Elmwood Apartments TIF District	Bridgewater Bank TIF District
Assets					
Cash and investments	\$ 1,664	\$ -	\$ 374,291	\$ 113,947	\$ 214,074
Taxes receivable - unremitted	-	-	-	-	-
Due from other funds	-	-	-	-	-
Loans receivable - noncurrent	-	-	-	-	-
Total assets	\$ 1,664	\$ -	\$ 374,291	\$ 113,947	\$ 214,074
Liabilities					
Accounts payable	\$ 2,210	\$ 77	\$ 666	\$ 666	\$ 77
Due to other governments	-	1,590	1,868	956	977
Due to other funds	-	656	-	-	-
Interfund loan payable	-	-	-	-	934,207
Total liabilities	2,210	2,323	2,534	1,622	935,261
Deferred inflows of resources					
Unavailable revenue	-	-	-	-	-
Fund balances					
Restricted	-	-	371,757	112,325	-
Unassigned	(546)	(2,323)	-	-	(721,187)
Total fund balances	(546)	(2,323)	371,757	112,325	(721,187)
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,664	\$ -	\$ 374,291	\$ 113,947	\$ 214,074

Wooddale Station TIF District	Spending Plan	Wayzata Blvd TIF District	Parkway Residual TIF District	Rise on 7 TIF District	Interfund Eliminations	Total
\$ 649,901	\$ 1,554,653	\$ -	\$ 158,237	\$ -	\$ -	\$ 6,108,479
243,364	-	-	-	-	-	810,354
-	-	-	-	-	-	5,169,833
-	-	-	-	-	-	794,470
<u>\$ 893,265</u>	<u>\$ 1,554,653</u>	<u>\$ -</u>	<u>\$ 158,237</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,883,136</u>
\$ 4,854	\$ 1,039	\$ -	\$ -	\$ -	\$ -	\$ 14,190
1,508	-	-	871	-	-	46,355
-	-	428	-	1,876	-	7,644
-	-	-	-	1,800,000	-	4,774,150
<u>6,362</u>	<u>1,039</u>	<u>428</u>	<u>871</u>	<u>1,801,876</u>	<u>-</u>	<u>4,842,339</u>
-	-	-	-	-	-	151,464
886,903	1,553,614	-	157,366	-	-	10,436,335
-	-	(428)	-	(1,801,876)	-	(2,547,002)
<u>886,903</u>	<u>1,553,614</u>	<u>(428)</u>	<u>157,366</u>	<u>(1,801,876)</u>	<u>-</u>	<u>7,889,333</u>
<u>\$ 893,265</u>	<u>\$ 1,554,653</u>	<u>\$ -</u>	<u>\$ 158,237</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,883,136</u>

CITY OF ST. LOUIS PARK, MINNESOTA
 COMBINING SCHEDULE OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 REDEVELOPMENT DISTRICT FUND
 For The Year Ended December 31, 2022

	Duke West End TIF	Eliot Park TIF	Ellipse TIF District	Victoria Ponds	Park Center Housing
Revenues					
Tax increments	\$ 3,379,956	\$ 459,136	\$ 700,758	\$ -	\$ 189,844
Interest income (loss)	(15,301)	(2,481)	(4,394)	(790)	(964)
Miscellaneous	-	-	-	-	-
Total revenues	3,364,655	456,655	696,364	(790)	188,880
Expenditures					
Current					
Social and economic development	2,232,658	358,606	460,195	100	4,013
Debt service					
Interest and other	4,779	-	-	-	-
Total expenditures	2,237,437	358,606	460,195	100	4,013
Revenues over (under) expenditures	1,127,218	98,049	236,169	(890)	184,867
Other financing (uses)					
Transfers in	-	-	-	-	-
Transfers out	(718,588)	(135,627)	(353,562)	(133,179)	(184,410)
Total other financing sources (uses)	(718,588)	(135,627)	(353,562)	(133,179)	(184,410)
Net change in fund balances	408,630	(37,578)	(117,393)	(134,069)	457
Fund balances - January 1	1,366,026	21,942	114,514	132,337	643,006
Fund balances - December 31	\$ 1,774,656	\$ (15,636)	\$ (2,879)	\$ (1,732)	\$ 643,463

CSM TIF District	Mill City TIF District	Park Commons TIF District	Edgewood TIF District	Elmwood Village	Wolfe Lake TIF District	Aquila Commons	Highway 7 Business Center
\$ 491,098 (1,972) -	\$ 612,457 (2,691) -	\$ 2,984,458 (12,480) -	\$ - - -	\$ 2,156,231 (68,309) -	\$ 180,117 (1,352) -	\$ 176,567 (1,226) -	\$ 148,862 (815) 15,643
489,126	609,766	2,971,978	-	2,087,922	178,765	175,341	163,690
548,705	584,481	2,909,878	10,473	20,604	121,111	4,822	147,027
-	-	-	-	78,459	-	-	-
548,705	584,481	2,909,878	10,473	99,063	121,111	4,822	147,027
(59,579)	25,285	62,100	(10,473)	1,988,859	57,654	170,519	16,663
-	-	-	-	-	-	-	-
(249,120)	(149,686)	(450,000)	-	(390,193)	(119,287)	(170,523)	-
(249,120)	(149,686)	(450,000)	-	(390,193)	(119,287)	(170,523)	-
(308,699)	(124,401)	(387,900)	(10,473)	1,598,666	(61,633)	(4)	16,663
355,242	415,423	1,750,684	10,473	1,526,703	61,242	-	93,870
\$ 46,543	\$ 291,022	\$ 1,362,784	\$ -	\$ 3,125,369	\$ (391)	\$ (4)	\$ 110,533

CITY OF ST. LOUIS PARK, MINNESOTA
 COMBINING SCHEDULE OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 REDEVELOPMENT DISTRICT FUND
 For The Year Ended December 31, 2022

	Hard Coat TIF District	Shoreham TIF District	4900 Excelsior Blvd TIF District	Elmwood Apartments TIF District	Bridgewater Bank TIF District
Revenues					
Tax increments	\$ 28,896	\$ 521,123	\$ 704,062	\$ 215,071	\$ 219,139
Interest income (loss)	(332)	(4,575)	(4,256)	(172)	(2,554)
Miscellaneous	-	-	-	-	-
Total revenues	28,564	516,548	699,806	214,899	216,585
Expenditures					
Current					
Social and economic development	52,921	242,602	669,071	309,855	4,081
Debt service					
Interest and other	104	-	-	-	15,643
Total expenditures	53,025	242,602	669,071	309,855	19,724
Revenues over (under) expenditures	(24,461)	273,946	30,735	(94,956)	196,861
Other financing (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	(542,960)	(136,658)	-	-
Total other financing sources (uses)	-	(542,960)	(136,658)	-	-
Net change in fund balances	(24,461)	(269,014)	(105,923)	(94,956)	196,861
Fund balances - January 1	23,915	266,691	477,680	207,281	(918,048)
Fund balances - December 31	\$ (546)	\$ (2,323)	\$ 371,757	\$ 112,325	\$ (721,187)

Wooddale Station TIF District	Spending Plan	Wayzata Blvd TIF District	Parkway Residual TIF District	Rise on 7 TIF District	Interfund Eliminations	Total
\$ 813,454 (12,462) -	\$ - - -	\$ 41,633 (325) -	\$ 162,149 (1,911) -	\$ - - -	\$ - - -	\$ 14,185,011 (139,362) 15,643
800,992	-	41,308	160,238	-	-	14,061,292
9,914	1,039	41,736	2,872	1,801,876	-	10,538,640
-	-	-	-	-	-	98,985
9,914	1,039	41,736	2,872	1,801,876	-	10,637,625
791,078	(1,039)	(428)	157,366	(1,801,876)	-	3,423,667
-	1,554,653	-	-	-	(1,554,653)	-
-	-	-	-	-	1,554,653	(2,179,140)
-	1,554,653	-	-	-	-	(2,179,140)
791,078	1,553,614	(428)	157,366	(1,801,876)	-	1,244,527
95,825	-	-	-	-	-	6,644,806
<u>\$886,903</u>	<u>\$1,553,614</u>	<u>(\$428)</u>	<u>\$157,366</u>	<u>(\$1,801,876)</u>	<u>\$ -</u>	<u>\$7,889,333</u>

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FUNDS INCLUDED IN STREETS CAPITAL PROJECTS FUND

Streets Capital Project
Sidewalks and Trails
W36th St / Wooddale Rehab
SWLRT at Beltline
2023 MSA Street Project
2024 MSA Street Project

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	Streets Capital Projects	Sidewalks and Trails	2023 MSA Street Project	W36th St / Wooddale Rehab	SWLRT at Beltline	2024 MSA Street Project	Total
Assets							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 29,283	\$ -	\$ 29,283
Due from other governments	652,002	-	-	-	-	-	652,002
Total assets	\$ 652,002	\$ -	\$ -	\$ -	\$ 29,283	\$ -	\$ 681,285
Liabilities							
Accounts payable	\$ 18,862	\$ 40,969	\$ 12,448	\$ 8,019	\$ -	\$ 12,100	\$ 92,398
Due to other governments	-	300	-	517	-	-	817
Contracts payable	170,110	147,334	-	333,273	-	-	650,717
Due to other funds	1,493,087	129,941	130,439	5,467,877	-	147,005	7,368,349
Total liabilities	1,682,059	318,544	142,887	5,809,686	-	159,105	8,112,281
Deferred inflows of resources							
Unavailable revenue	652,002	-	-	-	-	-	652,002
Fund balances							
Assigned	-	-	-	-	29,283	-	29,283
Unassigned	(1,682,059)	(318,544)	(142,887)	(5,809,686)	-	(159,105)	(8,112,281)
Total fund balances	(1,682,059)	(318,544)	(142,887)	(5,809,686)	29,283	(159,105)	(8,082,998)
Total liabilities, deferred inflows of resources, and fund balances	\$ 652,002	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 681,285

CITY OF ST. LOUIS PARK, MINNESOTA
 COMBINING SCHEDULE OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 STREETS CAPITAL PROJECTS FUND
 For The Year Ended December 31, 2022

Statement 27

	Streets Capital Projects	Sidewalks and Trails	2023 MSA Street Project	W36th St / Wooddale Rehab	SWLRT at Beltline	2024 MSA Street Project	Total
Revenues							
Intergovernmental	\$ 1,526,864	\$ 268	\$ -	\$ -	\$ 129,190	\$ -	\$ 1,656,322
Interest income (loss)	-	11,164	-	-	(515)	-	10,649
Miscellaneous	9,202	-	-	-	-	-	9,202
Total revenues	1,536,066	11,432	-	-	128,675	-	1,676,173
Expenditures							
Current							
Operations	846,366	723,335	142,887	5,809,686	42,667	159,105	7,724,046
Capital outlay							
Operations	297,162	240,132	-	-	-	-	537,294
Total expenditures	1,143,528	963,467	142,887	5,809,686	42,667	159,105	8,261,340
Net change in fund balances	392,538	(952,035)	(142,887)	(5,809,686)	86,008	(159,105)	(6,585,167)
Fund balances - January 1	(2,074,597)	633,491	-	-	(56,725)	-	(1,497,831)
Fund balances - December 31	\$ (1,682,059)	\$ (318,544)	\$ (142,887)	\$ (5,809,686)	\$ 29,283	\$ (159,105)	\$ (8,082,998)

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, 2022

Statement 28

	2022		Actual Amounts	Variance with Final Budget
	Budgeted Amounts			
	Original	Final		
Revenues				
Franchise taxes	\$ 739,000	\$ 739,000	\$ 709,677	(\$29,323)
Interest income (loss)	20,000	20,000	(27,806)	(47,806)
Miscellaneous	500	500	219	(281)
Total revenues	759,500	759,500	682,090	-77,410
Expenditures				
Current				
Public information				
Personal services	353,180	353,180	344,338	(8,842)
Supplies	3,600	3,600	-	(3,600)
Other services and charges	125,922	125,922	41,878	(84,044)
Capital outlay				
Public information	93,200	93,200	-	(93,200)
Total expenditures	575,902	575,902	386,216	(189,686)
Revenues over (under) expenditures	183,598	183,598	295,874	112,276
Other financing sources (uses)				
Transfers out	(89,000)	(89,000)	-	89,000
Total other financing sources (uses)	(89,000)	(89,000)	-	89,000
Net change in fund balances	\$ 94,598	\$ 94,598	295,874	\$ 201,276
Fund balances - January 1			1,833,245	
Fund balances - December 31			\$ 2,129,119	

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, 2022

Statement 29

	2022		Actual Amounts	Variance with Final Budget
	Budgeted Amounts			
	Original	Final		
Revenues				
Intergovernmental	\$ 165,000	\$ 165,000	\$ 30,000	\$ (135,000)
Interest income (loss)	-	-	(299)	(299)
Total revenues	<u>165,000</u>	<u>165,000</u>	<u>29,701</u>	<u>(135,299)</u>
Expenditures				
Current				
Housing maintenance				
Other services and charges	<u>165,000</u>	<u>165,000</u>	<u>30,000</u>	<u>(135,000)</u>
Total expenditures	<u>165,000</u>	<u>165,000</u>	<u>30,000</u>	<u>(135,000)</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (299)</u>	<u>\$ (299)</u>
Fund balances - January 1			<u>462,341</u>	
Fund balances - December 31			<u>\$ 462,042</u>	

CITY OF ST. LOUIS PARK, MINNESOTA
SPECIAL SERVICES DISTRICTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For The Year Ended December 31, 2022

Statement 30

	2022		Actual Amounts	Variance with Final Budget
	Budgeted Amounts			
	Original	Final		
Revenues				
Charges for services	\$ 27,949	\$ 27,949	\$ 27,949	\$ -
Special assessments	223,772	223,772	222,993	(779)
Interest income (loss)	-	-	(2,847)	(2,847)
Miscellaneous	1,933	1,933	2,208	275
Total revenues	253,654	253,654	250,303	(3,351)
Expenditures				
Current				
Personal services	2,800	2,800	870	(1,930)
Supplies	26,663	26,663	214	(26,449)
Other services and charges	263,258	263,258	195,678	(67,580)
Total expenditures	292,721	292,721	196,762	(95,959)
Revenues over (under) expenditures	\$ (39,067)	\$ (39,067)	\$ 53,541	\$ 92,608
Fund balances - January 1			161,898	
Fund balances - December 31			\$ 215,439	

CITY OF ST. LOUIS PARK, MINNESOTA
AFFORDABLE HOUSING TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For The Year Ended December 31, 2022

Statement 31

	2022		Actual Amounts	Variance with Final Budget
	Budgeted Amounts			
	Original	Final		
Revenues				
Property taxes	\$ 1,517,799	\$ 1,517,799	\$ 1,506,396	(\$11,403)
Interest income (loss)	15,000	15,000	(50,590)	(65,590)
Total revenues	1,532,799	1,532,799	1,455,806	(76,993)
Expenditures				
Current				
Other services and charges	1,650,000	1,650,000	503	(1,649,497)
Total expenditures	1,650,000	1,650,000	503	(1,649,497)
Revenues over (under) expenditures	(117,201)	(117,201)	1,455,303	1,572,504
Other financing sources (uses)				
Transfers in	-	-	1,216,559	1,216,559
Transfers out	(397,133)	(397,133)	(397,133)	-
Total other financing sources (uses)	(397,133)	(397,133)	819,426	1,216,559
Net change in fund balances	\$ (514,334)	\$ (514,334)	\$ 2,274,729	\$ 2,789,063
Fund balances - January 1			4,123,796	
Fund balances - December 31			\$ 6,398,525	

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, 2022

Statement 32

	2022		Actual Amounts	Variance with Final Budget
	Budgeted Amounts			
	Original	Final		
Revenues				
Interest income (loss)	\$ -	\$ -	\$ (5,838)	\$ (5,838)
Total revenues	-	-	(5,838)	(5,838)
Expenditures				
Current				
Social and economic development				
Other services and charges	391,000	391,000	77,120	(313,880)
Total expenditures	391,000	391,000	77,120	(313,880)
Revenues over (under) expenditures	(391,000)	(391,000)	(82,958)	308,042
Other financing sources (uses)				
Transfers in	300,000	300,000	300,000	-
Total other financing sources (uses)	300,000	300,000	300,000	-
Net change in fund balances	\$ (91,000)	\$ (91,000)	\$ 217,042	\$ 308,042
Fund balances - January 1			500,945	
Fund balances - December 31			\$ 717,987	

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INTERNAL SERVICE FUNDS

The City has three 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	Insurance	Vehicles & Equipment	Municipal Buildings	Technology	Total
Assets						
Current assets						
Cash and investments	\$ 236,023	\$ 2,294,989	\$ 856,050	\$ 533,404	\$ 2,066,632	\$ 5,987,098
Due from other governments	-	-	-	1,306	1,306	2,612
Accounts receivable	-	-	-	2,200	276	2,476
Prepaid items	201,767	-	-	-	87,092	288,859
Total current assets	437,790	2,294,989	856,050	536,910	2,155,306	6,281,045
Noncurrent assets						
Capital assets, at cost						
Land	-	-	-	-	818,094	818,094
Building and structures	-	-	-	9,481,724	38,598	9,520,322
Improvements other than buildings	-	-	49,248	2,255,521	313,087	2,617,856
Infrastructure	-	-	-	622,563	691,238	1,313,801
Machinery, furniture and equipment	-	-	6,443,724	324,567	3,334,790	10,103,081
Fleet	-	-	9,504,834	-	914,193	10,419,027
Construction in progress	-	-	121,011	-	10,000	131,011
Total capital assets, at cost	-	-	16,118,817	12,684,375	6,120,000	34,923,192
Less: accumulated depreciation	-	-	(9,964,977)	(3,737,412)	(3,740,591)	(17,442,980)
Total capital assets, net of accumulated depreciation	-	-	6,153,840	8,946,963	2,379,409	17,480,212
Right to use leased assets, at cost						
Machinery, furniture and equipment	-	-	-	-	56,372	56,372
Fleet	-	-	146,364	-	-	146,364
Total right to use leased assets, at cost	-	-	146,364	-	56,372	202,736
Less: accumulated amortization	-	-	(37,212)	-	(26,245)	(63,457)
Total right to use leased assets, net of accumulated amortization	-	-	109,152	-	30,127	139,279
Total noncurrent assets	-	-	6,262,992	8,946,963	2,409,536	17,619,491
Total assets	437,790	2,294,989	7,119,042	9,483,873	4,564,842	23,900,536
Deferred outflows of resources						
Related to pensions	29,451,341	-	-	-	-	29,451,341
Related to OPEB	1,436,161	-	-	-	-	1,436,161
Total deferred outflows of resources	30,887,502	-	-	-	-	30,887,502
Liabilities						
Current liabilities						
Accounts payable	41,425	603,181	157,608	20,465	33,686	856,365
Accrued flex spending	18,613	-	-	-	-	18,613
Due to other governments	-	-	-	-	81,159	81,159
Compensated absences payable - current	2,823,293	-	-	-	-	2,823,293
Leases liability - current	-	-	29,742	-	24,991	54,733
Other postemployment benefits payable - current	214,438	-	-	-	-	214,438
Total current liabilities	3,097,769	603,181	187,350	20,465	139,836	4,048,601
Noncurrent liabilities						
Compensated absences payable	1,381,598	-	-	-	-	1,381,598
Lease liability	-	-	80,457	-	5,672	86,129
Other postemployment benefits payable	5,901,499	-	-	-	-	5,901,499
Net pension liability	52,395,071	-	-	-	-	52,395,071
Total noncurrent liabilities	59,678,168	-	80,457	-	5,672	59,764,297
Total liabilities	62,775,937	603,181	267,807	20,465	145,508	63,812,898
Deferred inflows of resources						
Related to pensions	648,802	-	-	-	-	648,802
Related to OPEB	94,762	-	-	-	-	94,762
Total deferred inflows of resources	743,564	-	-	-	-	743,564
Net position						
Net investment in capital assets	-	-	6,152,793	8,946,963	2,378,873	17,478,629
Unrestricted	(32,194,209)	1,691,808	698,442	516,445	2,040,461	(27,247,053)
Total net position	\$ (32,194,209)	\$ 1,691,808	\$ 6,851,235	\$ 9,463,408	\$ 4,419,334	\$ (9,768,424)

	Employee Benefits	Insurance	Vehicles & Equipment	Municipal Buildings	Technology	Interfund Eliminations	Total
Operating revenues							
Charges for services	\$ 3,066,711	\$ -	\$ 1,453,204	\$ -	\$ -	\$ -	\$ 4,519,915
Other	243,957	97,073	-	3,995	5,650	-	350,675
Total operating revenues	3,310,668	97,073	1,453,204	3,995	5,650	-	4,870,590
Operating expenses							
Personal services	6,858,934	343,481	-	-	-	-	7,202,415
Supplies	-	-	1,275	-	735,150	-	736,425
Professional services	66,765	-	3,026	-	176,198	-	245,989
Insurance deductibles and uninsured losses	-	982,117	-	-	-	-	982,117
Depreciation	-	-	1,285,132	406,100	381,460	-	2,072,692
Other	21,421	8,938	159,248	110,709	722,789	-	1,023,105
Total operating expenses	6,947,120	1,334,536	1,448,681	516,809	2,015,597	-	12,262,743
Operating income (loss)	(3,636,452)	(1,237,463)	4,523	(512,814)	(2,009,947)	-	(7,392,153)
Nonoperating revenues (expenses)							
Interest income (loss)	(616)	2,885	(13,299)	57	(27,796)	-	(38,769)
Property taxes	150,000	-	-	250,000	1,325,240	-	1,725,240
Intergovernmental revenue	435,897	-	-	9,082	11,503	-	456,482
Gain (loss) on disposal of capital assets	-	-	54,838	-	-	-	54,838
Interest expense	-	-	(3,984)	-	(124)	-	(4,108)
Total nonoperating revenues (expenses)	585,281	2,885	37,555	259,139	1,308,823	-	2,193,683
Income (loss) before transfers	(3,051,171)	(1,234,578)	42,078	(253,675)	(701,124)	-	(5,198,470)
Transfers in	488,000	2,249,512	6,809,157	9,717,083	147,416	(16,526,240)	2,884,928
Transfers out	-	-	-	-	(16,526,240)	16,526,240	-
Change in net position	(2,563,171)	1,014,934	6,851,235	9,463,408	(17,079,948)	-	(2,313,542)
Net position - January 1	(29,631,038)	676,874	-	-	21,499,282	-	(7,454,882)
Net position - December 31	\$ (32,194,209)	\$ 1,691,808	\$ 6,851,235	\$ 9,463,408	\$ 4,419,334	\$ -	\$ (9,768,424)

	Employee Benefits	Insurance	Vehicles & Equipment	Municipal Buildings	Technology	Total
Cash flows from operating activities						
Receipts from interfund services provided	\$ 3,066,711	\$ -	\$ 1,453,204	\$ -	\$ -	\$ 4,519,915
Other operating cash receipts	244,567	111,380	-	1,795	5,650	363,392
Payments to suppliers	(119,071)	(304,487)	(5,941)	(90,244)	(1,636,774)	(2,156,517)
Payments to employees	(4,454,455)	(343,481)	-	-	-	(4,797,936)
Net cash flows provided (used) by operating activities	(1,262,248)	(536,588)	1,447,263	(88,449)	(1,631,124)	(2,071,146)
Cash flows from noncapital financing activities						
Transfers in	488,000	749,512	-	-	-	1,237,512
Property taxes	150,000	-	-	250,000	1,780,511	2,180,511
Intergovernmental receipts	435,897	-	-	7,776	12,810	456,483
Net cash flows provided (used) by noncapital financing activities	1,073,897	749,512	-	257,776	1,793,321	3,874,506
Cash flows from capital and related financing activities						
Transfers in	-	1,500,000	-	500,000	147,416	2,147,416
Transfers out	-	-	-	-	(500,000)	(500,000)
Acquisition of capital assets	-	-	(649,634)	(135,980)	(92,615)	(878,229)
Proceeds from disposal of capital assets	-	42,351	111,867	-	-	154,218
Principal paid on lease liability	-	-	(36,163)	-	(28,014)	(64,177)
Interest paid on lease liability	-	-	(3,984)	-	(124)	(4,108)
Net cash flows provided (used) by and related financing activities	-	1,542,351	(577,914)	364,020	(473,337)	855,120
Cash flows from investing activities						
Investment income	(616)	2,885	(13,299)	57	(27,796)	(38,769)
Net increase in cash and cash equivalents	(188,967)	1,758,160	856,050	533,404	(338,936)	2,619,711
Cash and cash equivalents - January 1	424,990	536,829	-	-	2,405,568	3,367,387
Cash and cash equivalents - December 31	\$ 236,023	\$ 2,294,989	\$ 856,050	\$ 533,404	\$ 2,066,632	\$ 5,987,098

	Employee Benefits	Insurance	Vehicles & Equipment	Municipal Buildings	Capital Replacement	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ (3,636,452)	\$ (1,237,463)	\$ 4,523	\$ (512,814)	\$ (2,009,947)	\$ (7,392,153)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities						
Depreciation	-	-	1,285,132	406,100	381,460	2,072,692
(Increase) decrease in assets/deferred outflows						
Accounts receivable	610	14,307	-	(2,200)	-	12,717
Prepaid items	(7,262)	99,224	-	-	(30,283)	61,679
Deferred outflows of resources	(10,464,154)	-	-	-	-	(10,464,154)
Increase (decrease) in liabilities/deferred inflows						
Accounts payable	(23,623)	587,344	157,608	20,465	(19,510)	722,284
Accrued flex spending	6,838	-	-	-	-	6,838
Due to other governments	-	-	-	-	47,156	47,156
Compensated absences payable	(80,972)	-	-	-	-	(80,972)
Other postemployment benefits	364,596	-	-	-	-	364,596
Net pension liability	36,288,553	-	-	-	-	36,288,553
Deferred inflows of resources	(23,710,382)	-	-	-	-	(23,710,382)
Net cash provided (used) by operating activities	<u>\$ (1,262,248)</u>	<u>\$ (536,588)</u>	<u>\$ 1,447,263</u>	<u>\$ (88,449)</u>	<u>\$ (1,631,124)</u>	<u>\$ (2,071,146)</u>
Noncash capital and related financing activities						
Capital assets acquired via lease	\$ -	\$ -	\$ 146,364	\$ -	\$ 56,372	\$ 202,736
Transfer of capital assets between funds	\$ -	\$ -	\$ 6,809,157	\$ 9,217,083	\$ (16,026,240)	\$ -

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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>Page</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.	170
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property tax.	182
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.	188
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.	195
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.	198

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual 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			
	2013	2014	2015	2016
Governmental activities				
Net investment in capital assets	\$ 96,480,493	\$ 94,891,625	\$ 96,286,131	\$ 96,458,787
Restricted	13,560,965	10,971,995	10,608,709	10,658,889
Unrestricted	<u>45,688,600</u>	<u>49,971,778</u>	<u>31,667,135</u>	<u>31,751,796</u>
Total governmental activities net position	<u>\$ 155,730,058</u>	<u>\$ 155,835,398</u>	<u>\$ 138,561,975</u>	<u>\$ 138,869,472</u>
Business-type activities				
Net investment in capital assets	\$ 19,127,309	\$ 22,818,382	\$ 22,753,326	\$ 23,030,284
Unrestricted	<u>11,540,303</u>	<u>4,783,696</u>	<u>4,620,302</u>	<u>5,849,650</u>
Total business-type activities net position	<u>\$ 30,667,612</u>	<u>\$ 27,602,078</u>	<u>\$ 27,373,628</u>	<u>\$ 28,879,934</u>
Total primary government				
Net investment in capital assets	\$ 115,607,802	\$ 117,710,007	\$ 119,039,457	\$ 119,489,071
Restricted	13,560,965	10,971,995	10,608,709	10,658,889
Unrestricted	<u>57,228,903</u>	<u>54,755,474</u>	<u>36,287,437</u>	<u>37,601,446</u>
Total primary government	<u>\$ 186,397,670</u>	<u>\$ 183,437,476</u>	<u>\$ 165,935,603</u>	<u>\$ 167,749,406</u>

Note:

GASB 65 was implemented in 2013. Net position was restated for 2012 to reflect the expenses of bond issuance costs in the year of issuance. Net position for years prior to 2012 was not restated.

GASB 68 was implemented in 2015. Net position was restated for 2014 to reflect the reporting of net pension liability and pension related deferred outflows of resources. Net position for years prior to 2014 was not restated.

Table 1

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 103,279,857	\$ 107,090,668	\$ 102,644,391	\$ 103,325,878	\$ 86,983,523	\$ 81,133,330
11,439,977	13,200,855	22,391,884	15,556,085	24,710,300	27,223,707
26,888,688	23,914,099	11,937,764	24,180,714	35,856,005	40,861,576
<u>\$ 141,608,522</u>	<u>\$ 144,205,622</u>	<u>\$ 136,974,039</u>	<u>\$ 143,062,677</u>	<u>\$ 147,549,828</u>	<u>\$ 149,218,613</u>
\$ 25,716,982	\$ 25,992,377	\$ 27,805,955	\$ 30,198,068	\$ 30,830,919	\$ 32,352,244
4,979,057	6,163,907	6,426,698	8,071,994	12,031,336	17,010,155
<u>\$ 30,696,039</u>	<u>\$ 32,156,284</u>	<u>\$ 34,232,653</u>	<u>\$ 38,270,062</u>	<u>\$ 42,862,255</u>	<u>\$ 49,362,399</u>
\$ 128,996,839	\$ 133,083,045	\$ 130,450,346	\$ 133,523,946	\$ 117,814,442	\$ 113,485,574
11,439,977	13,200,855	22,391,884	15,556,085	24,710,300	27,223,707
31,867,745	30,078,006	18,364,462	32,252,708	47,887,341	57,871,731
<u>\$ 172,304,561</u>	<u>\$ 176,361,906</u>	<u>\$ 171,206,692</u>	<u>\$ 181,332,739</u>	<u>\$ 190,412,083</u>	<u>\$ 198,581,012</u>

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

	Fiscal Year			
	2013	2014	2015	2016
Expenses				
Governmental activities				
General government	\$ 10,085,905	\$ 9,161,922	\$ 10,712,749	\$ 11,182,348
Public safety	13,365,297	13,954,604	15,336,854	20,091,787
Public information	466,043	507,928	3,057,509	549,940
Parks and recreation	-	-	-	-
Operations	-	-	-	-
Operations and recreation	13,487,238	13,318,552	9,996,885	13,352,637
Engineering	16,046,665	21,045,392	10,185,956	5,091,818
Housing and rehabilitation	1,774,657	909,051	707,661	528,467
Housing maintenance	141,250	130,534	84,505	144,204
Social and economic development	9,040,280	8,058,914	8,872,479	8,826,281
Interest on long-term debt	1,295,298	1,185,975	1,233,107	1,620,489
Total governmental activities expenses	<u>65,702,633</u>	<u>68,272,872</u>	<u>60,187,705</u>	<u>61,387,971</u>
Business-type activities				
Water	5,747,116	4,609,579	4,684,190	4,773,624
Sewer	5,272,646	4,885,748	5,333,887	6,002,088
Solid Waste	3,614,118	2,813,587	2,917,214	3,256,804
Storm Water	1,390,235	1,422,645	1,400,975	1,514,761
Total business-type activities expenses	<u>16,024,115</u>	<u>13,731,559</u>	<u>14,336,266</u>	<u>15,547,277</u>
Total expenses	<u>\$ 81,726,748</u>	<u>\$ 82,004,431</u>	<u>\$ 74,523,971</u>	<u>\$ 76,935,248</u>
Program revenues				
Governmental activities				
Charges for services				
General government	\$ 1,024,253	\$ 1,142,294	\$ 1,185,881	\$ 1,184,122
Public safety	3,109,813	3,477,244	4,237,819	4,354,793
Public information	-	-	10,000	-
Culture and recreation	-	-	-	-
Operations and recreation	2,035,715	2,089,052	2,344,863	2,122,730
Engineering	1,032	318,873	144,151	97,688
Housing and rehabilitation	8,606	7,537	6,315	7,607
Housing maintenance	-	241	-	-
Social and economic development	250,015	224,252	256,557	259,910
Interest on long-term debt	-	-	-	-
Operating grants and contributions	2,709,644	2,024,171	3,586,440	2,512,011
Capital grants and contributions	11,881,109	12,066,132	3,178,294	3,960,739
Total governmental activities program revenue	<u>21,020,187</u>	<u>21,349,796</u>	<u>14,950,320</u>	<u>14,499,600</u>
Business-type activities				
Charges for services				
Water	5,037,067	5,188,065	5,766,601	5,674,239
Sewer	5,822,085	5,841,377	6,112,024	6,663,731
Solid Waste	2,912,415	3,179,732	3,189,566	2,905,899
Storm Water	2,054,915	2,246,201	2,472,134	2,642,860
Operating grants and contributions	135,642	127,742	128,610	181,525
Capital grants and contributions	-	-	-	799,894
Total business-type activities program revenue	<u>15,962,124</u>	<u>16,583,117</u>	<u>17,668,935</u>	<u>18,868,148</u>
Total program revenues	<u>\$ 36,982,311</u>	<u>\$ 37,932,913</u>	<u>\$ 32,619,255</u>	<u>\$ 33,367,748</u>

Table 2
Page 1 of 2

							Fiscal Year						
		2017		2018		2019		2020		2021		2022	
\$	10,648,181	\$	11,051,775	\$	12,022,082	\$	12,065,668	\$	11,981,562	\$	14,543,794		
	17,870,131		17,621,109		18,868,900		18,283,411		18,168,010		23,014,115		
	647,316		642,350		594,521		924,428		496,229		1,832,219		
	-		-		7,463,862		6,454,814		6,782,740		8,419,354		
	-		-		20,692,741		18,700,327		21,980,357		19,750,249		
	13,448,470		15,146,290		-		-		-		-		
	7,859,907		7,491,753		-		-		-		-		
	480,911		530,192		1,001,834		1,085,356		780,257		5,473,490		
	72,244		19,768		89,828		709,009		-		-		
	10,987,654		12,549,378		16,536,420		11,642,624		11,246,159		14,493,892		
	1,511,329		1,456,241		2,139,962		1,818,341		1,991,765		2,103,528		
	<u>63,526,143</u>		<u>66,508,856</u>		<u>79,410,150</u>		<u>71,683,978</u>		<u>73,427,079</u>		<u>89,630,641</u>		
	4,786,816		5,445,760		5,922,733		5,545,411		5,743,764		6,261,586		
	6,227,919		6,083,196		6,387,860		6,020,350		6,828,464		6,176,756		
	3,390,874		3,463,412		3,527,810		3,666,565		3,681,072		3,788,443		
	1,611,785		2,372,829		2,179,955		2,206,992		2,331,779		2,190,790		
	16,017,394		17,365,197		18,018,358		17,534,121		18,585,079		18,417,575		
\$	<u>79,543,537</u>	\$	<u>83,874,053</u>	\$	<u>97,428,508</u>	\$	<u>89,218,099</u>	\$	<u>92,012,158</u>	\$	<u>108,048,216</u>		
\$	1,143,220	\$	1,214,710	\$	1,231,454	\$	-	\$	1,266,925	\$	1,323,472		
	3,962,306		4,049,914		5,212,202		6,353,145		4,719,500		6,756,712		
	-		-		-		-		-		-		
	-		576		-		89,008		-		-		
	2,308,221		2,516,191		2,566,014		1,703,896		2,982,628		4,002,198		
	134,508		136,648		156,330		-		-		-		
	4,514		633,932		3,467		-		750		2,676		
	-		-		-		-		-		-		
	255,109		213,944		216,989		330,072		213,828		239,886		
	-		-		-		-		-		-		
	3,670,054		2,666,090		3,360,346		6,426,976		2,886,299		3,247,517		
	5,205,879		3,526,377		2,693,816		3,646,262		3,996,798		8,958,110		
	<u>16,683,811</u>		<u>14,958,382</u>		<u>15,440,618</u>		<u>18,549,359</u>		<u>16,066,728</u>		<u>24,530,571</u>		
	6,089,295		6,469,268		6,908,538		7,989,679		8,535,668		9,156,315		
	7,261,014		7,360,679		7,634,597		8,059,428		8,528,207		8,971,596		
	3,237,506		3,348,948		3,538,931		3,782,579		4,267,345		4,540,176		
	2,816,349		2,887,425		3,059,282		3,158,072		3,322,640		3,541,917		
	159,376		174,250		196,100		196,223		212,446		206,308		
	279,801		429,928		556,508		299,018		430,010		829,382		
	<u>19,843,341</u>		<u>20,670,498</u>		<u>21,893,956</u>		<u>23,484,999</u>		<u>25,296,316</u>		<u>27,245,694</u>		
\$	<u>36,527,152</u>	\$	<u>35,628,880</u>	\$	<u>37,334,574</u>	\$	<u>42,034,358</u>	\$	<u>41,363,044</u>	\$	<u>51,776,265</u>		

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

	Fiscal Year			
	2013	2014	2015	2016
Net (expenses) revenues				
Governmental activities	\$ (44,682,446)	\$ (46,923,076)	\$ (45,237,385)	\$ (46,888,371)
Business-type activities	(61,991)	2,851,558	3,332,669	3,320,871
Total primary government	<u>\$ (44,744,437)</u>	<u>\$ (44,071,518)</u>	<u>\$ (41,904,716)</u>	<u>\$ (43,567,500)</u>
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes				
Property taxes	\$ 26,963,176	\$ 27,398,157	\$ 28,209,567	\$ 30,185,703
Tax increment	6,647,729	7,380,995	6,763,951	7,733,689
Franchise taxes	2,211,569	2,268,213	2,915,732	3,079,399
Lodging taxes	-	-	-	-
Grants and contributions not restricted to specific programs	45,266	504,035	557,671	584,639
Unrestricted investment earnings	138,899	407,753	221,408	388,647
Gain on sale of capital assets	69,237	464,629	577,248	142,713
Miscellaneous	2,199,629	2,609,539	2,985,997	3,201,122
Transfers	1,761,927	5,995,095	3,620,449	1,879,956
Total governmental activities general revenues	<u>40,037,432</u>	<u>47,028,416</u>	<u>45,852,023</u>	<u>47,195,868</u>
Business-type activities				
Unrestricted investment earnings	(3,348)	78,003	59,330	65,391
Miscellaneous	-	-	-	-
Transfers	(1,761,927)	(5,995,095)	(3,620,449)	(1,879,956)
Total business-type activities general revenues	<u>(1,765,275)</u>	<u>(5,917,092)</u>	<u>(3,561,119)</u>	<u>(1,814,565)</u>
Total primary government	<u>\$ 38,272,157</u>	<u>\$ 41,111,324</u>	<u>\$ 42,290,904</u>	<u>\$ 45,381,303</u>
Change in net position				
Governmental activities	\$ (4,645,014)	\$ 105,340	\$ 614,638	\$ 307,497
Business-type activities	(1,827,266)	(3,065,534)	(228,450)	1,506,306
Total primary government	<u>\$ (6,472,280)</u>	<u>\$ (2,960,194)</u>	<u>\$ 386,188</u>	<u>\$ 1,813,803</u>

Note:

GASB 68 was implemented in 2015. Pension expense for years prior to 2015 was not restated.

		Fiscal Year							
		2017	2018	2019	2020	2021	2022		
\$	(46,842,332)	\$	(51,550,474)	\$	(63,969,532)	\$	(57,360,351)	\$	(65,100,070)
	3,825,947		3,305,301		3,875,598		6,711,237		8,828,119
<u>\$</u>	<u>(43,016,385)</u>	<u>\$</u>	<u>(48,245,173)</u>	<u>\$</u>	<u>(60,093,934)</u>	<u>\$</u>	<u>(50,649,114)</u>	<u>\$</u>	<u>(56,271,951)</u>
\$	31,582,993	\$	33,449,668	\$	34,566,143	\$	36,651,274	\$	37,841,783
	8,961,792		10,266,075		11,027,616		12,081,105		12,875,438
	3,763,394		3,804,678		1,074,002		4,569,901		5,122,147
	-		1,021,855		4,212,728		339,055		543,133
	590,978		618,645		319,322		331,454		587,658
	408,945		739,130		1,669,916		1,232,923		(215,865)
	106,204		1,751,339		178,509		56,625		149,946
	2,091,334		491,591		1,619,458		1,858,081		2,289,514
	2,075,742		2,004,593		2,070,255		2,102,839		2,196,105
	<u>49,581,382</u>		<u>54,147,574</u>		<u>56,737,949</u>		<u>59,223,257</u>		<u>61,389,859</u>
	65,900		159,537		271,026		172,777		(45,939)
	-		-		-		-		-
	<u>(2,075,742)</u>		<u>(2,004,593)</u>		<u>(2,070,255)</u>		<u>(2,102,839)</u>		<u>(2,196,105)</u>
	<u>(2,009,842)</u>		<u>(1,845,056)</u>		<u>(1,799,229)</u>		<u>(1,930,062)</u>		<u>(2,242,044)</u>
<u>\$</u>	<u>47,571,540</u>	<u>\$</u>	<u>52,302,518</u>	<u>\$</u>	<u>54,938,720</u>	<u>\$</u>	<u>57,293,195</u>	<u>\$</u>	<u>59,147,815</u>
\$	2,739,050	\$	2,597,100	\$	(7,231,583)	\$	6,088,638	\$	4,029,508
	1,816,105		1,460,245		2,076,369		4,020,816		4,469,193
<u>\$</u>	<u>4,555,155</u>	<u>\$</u>	<u>4,057,345</u>	<u>\$</u>	<u>(5,155,214)</u>	<u>\$</u>	<u>10,109,454</u>	<u>\$</u>	<u>8,498,701</u>
									<u>8,168,929</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 Tax	Franchise Tax	Total
2013	33,610,905	2,211,569	35,822,474
2014	34,779,152	2,268,213	37,047,365
2015	34,973,518	2,915,732	37,889,250
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	47,520,421
2019	45,593,759	4,212,728	49,806,487
2020	48,732,379	4,569,901	53,302,280
2021	50,717,221	5,122,147	55,839,368
2022	55,244,115	5,469,040	60,713,155

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			
	2013	2014	2015	2016
General fund				
Nonspendable	\$ 256,251	\$ 397,873	\$ 566,574	\$ 330,483
Restricted	498,922	492,223	464,469	413,787
Assigned	691,171	696,293	758,084	936,663
Unassigned	14,342,422	14,576,348	15,242,009	16,193,763
Total General fund	\$ 15,788,766	\$ 16,162,737	\$ 17,031,136	\$ 17,874,696
All other governmental funds				
Nonspendable	\$ -	\$ -	\$ -	\$ 23,563
Restricted	15,102,011	12,663,957	12,457,701	10,057,843
Committed	467,682	483,590	481,009	466,287
Assigned	33,481,454	38,701,128	39,567,878	41,068,221
Unassigned	(7,020,483)	(8,819,377)	(6,551,326)	(5,187,339)
Total all other governmental funds	\$ 42,030,664	\$ 43,029,298	\$ 45,955,262	\$ 46,428,575

Table 4

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 292,821	\$ 258,932	\$ 340,247	\$ 362,022	\$ 517,589	\$ 324,139
392,004	272,840	126,683	82,986	94,311	87,357
1,050,569	1,025,207	1,602,523	992,938	1,275,140	1,304,322
<u>17,054,520</u>	<u>17,697,405</u>	<u>18,762,374</u>	<u>25,386,153</u>	<u>21,928,316</u>	<u>23,945,846</u>
<u>\$ 18,789,914</u>	<u>\$ 19,254,384</u>	<u>\$ 20,831,827</u>	<u>\$ 26,824,099</u>	<u>\$ 23,815,356</u>	<u>\$ 25,661,664</u>
\$ 6,500	\$ 19,700	\$ 6,799	\$ -	\$ 9,500	\$ 3,100
11,725,590	12,196,553	28,145,222	18,877,118	23,013,971	25,561,608
696,235	1,064,284	913,497	812,078	1,535,938	2,118,897
33,609,392	33,843,896	31,598,020	30,398,365	33,433,213	35,172,356
<u>(3,628,247)</u>	<u>(7,382,436)</u>	<u>(7,310,832)</u>	<u>(5,887,231)</u>	<u>(4,954,407)</u>	<u>(10,883,317)</u>
<u>\$ 42,409,470</u>	<u>\$ 39,741,997</u>	<u>\$ 53,352,706</u>	<u>\$ 44,200,330</u>	<u>\$ 53,038,215</u>	<u>\$ 51,972,644</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			
	2013	2014	2015	2016
Revenues				
Taxes	\$ 25,658,762	\$ 24,361,524	\$ 26,598,373	\$ 27,734,546
Tax increments	6,647,729	7,380,995	6,763,951	7,733,689
Abatement of property taxes	-	-	-	-
Lodging tax	-	-	-	-
Franchise taxes	2,211,569	2,268,213	2,915,732	3,079,399
Licenses and permits	3,069,090	3,413,683	4,312,702	4,320,078
Intergovernmental	13,887,247	13,216,055	6,017,025	4,345,482
Charges for services	3,052,789	3,476,264	3,608,933	3,406,964
Fines and forfeits	311,882	369,546	263,951	299,808
Special assessments	1,505,568	1,268,539	1,238,873	1,192,628
Investment earnings	123,306	386,263	199,747	362,196
Miscellaneous	2,216,820	2,577,300	3,051,946	3,230,390
Total revenues	58,684,762	58,718,382	54,971,233	55,705,180
Expenditures				
General government	7,162,588	7,376,380	7,813,046	8,188,193
Public safety	12,435,341	13,239,729	14,025,463	14,669,251
Parks and recreation	-	-	-	-
Operations and recreation	10,083,541	10,450,789	9,710,604	9,688,872
Operations	-	-	-	-
Engineering	15,998,842	21,013,383	10,068,447	480,162
Public information	408,683	462,341	561,252	477,721
Housing and rehabilitation	1,715,540	875,225	538,411	482,313
Housing maintenance	141,250	130,534	84,505	144,204
Social and economic development	8,910,821	7,928,905	8,872,479	8,673,638
Miscellaneous	-	-	-	-
Debt service				
Principal	3,275,000	1,970,000	1,612,827	1,681,876
Interest	1,298,016	1,138,100	1,210,971	1,446,371
Other charges	3,895	54,433	2,640	2,717
Bond issuance costs	-	-	-	111,922
Capital outlay	2,089,798	2,271,988	3,486,864	19,894,828
Total expenditures	63,523,315	66,911,807	57,987,509	65,942,068
Revenues over (under) expenditures	(4,838,553)	(8,193,425)	(3,016,276)	(10,236,888)
Other financing sources (uses)				
Transfers in	10,472,534	19,317,129	13,296,241	8,148,651
Transfers out	(9,531,189)	(15,241,005)	(9,462,850)	(6,994,545)
Refunding bonds issued	-	-	-	-
Bonds issued	-	5,070,000	-	10,000,000
Proceeds from long term debt	-	-	2,200,000	-
Premium on bonds issued	-	98,040	-	396,655
Payments to refunded bond escrow agent	-	-	-	-
Proceeds from sale of capital assets	8,590	321,866	777,248	3,000
Total other financing sources (uses)	949,935	9,566,030	6,810,639	11,553,761
Net change in fund balances	\$ (3,888,618)	\$ 1,372,605	\$ 3,794,363	\$ 1,316,873
Debt service as a percentage of noncapital expenditures	7.44%	4.81%	5.18%	6.02%

Table 5

		Fiscal Year									
		2017	2018	2019	2020	2021	2022				
\$	28,941,646	\$	31,853,551	\$	32,598,016	\$	34,531,332	\$	36,198,206	\$	39,294,300
	8,961,792		10,266,075		11,368,332		12,081,105		12,875,438		14,185,011
	-		-		(340,716)		112,630		(257,203)		-
	-		1,021,855		4,212,728		339,055		543,133		905,461
	3,763,394		3,804,678		1,074,002		4,569,901		5,122,147		5,469,040
	3,985,517		4,001,645		5,264,659		5,294,314		4,997,981		7,282,483
	8,228,158		5,240,175		5,383,495		6,904,307		6,868,059		6,561,710
	3,529,125		3,708,327		3,847,458		3,055,615		4,034,686		4,849,157
	293,236		282,146		274,339		126,192		150,964		175,090
	1,169,859		1,150,577		1,183,508		1,127,497		1,322,729		1,316,841
	369,203		677,131		1,616,635		1,176,200		(238,771)		(849,382)
	2,218,712		1,529,337		1,701,458		1,901,751		2,348,898		3,052,915
	<u>61,460,642</u>		<u>63,535,497</u>		<u>68,183,914</u>		<u>71,219,899</u>		<u>73,966,267</u>		<u>82,242,626</u>
	8,142,675		9,075,636		9,372,448		9,490,394		9,458,536		9,365,669
	15,824,577		17,050,302		17,651,051		17,806,753		19,290,081		20,750,758
	-		-		6,571,735		6,454,814		6,813,935		8,079,262
	10,665,329		11,031,544		-		-		-		-
	-		-		14,448,732		17,097,698		21,366,729		16,876,505
	7,754,421		4,449,897		-		-		-		-
	495,256		567,653		477,150		875,890		452,420		388,391
	453,940		512,029		796,010		1,060,588		776,654		5,424,459
	57,370		12,040		60,315		709,009		-		30,000
	10,857,645		10,479,359		15,396,270		11,513,051		11,110,229		14,307,230
	-		-		26,282		517,651		482,494		585,774
	3,650,297		2,055,000		2,990,000		11,915,000		3,495,000		4,195,000
	1,493,780		1,462,325		1,468,620		2,138,151		1,907,737		2,153,150
	-		-		-		-		-		-
	40,419		33,060		309,945		124,200		157,707		195,260
	10,159,659		14,388,878		16,857,464		8,140,774		6,339,203		3,502,579
	<u>69,595,368</u>		<u>71,117,723</u>		<u>86,426,022</u>		<u>87,843,973</u>		<u>81,650,725</u>		<u>85,854,037</u>
	<u>(8,134,726)</u>		<u>(7,582,226)</u>		<u>(18,242,108)</u>		<u>(16,624,074)</u>		<u>(7,684,458)</u>		<u>(3,611,411)</u>
	5,586,488		7,282,081		3,919,120		7,537,016		10,843,129		5,443,812
	(4,182,613)		(5,608,462)		(2,299,247)		(5,573,129)		(10,260,254)		(6,097,836)
	-		-		-		-		-		1,345,000
	3,430,000		2,020,000		32,005,001		10,505,000		12,385,000		4,900,000
	-		-		-		-		-		-
	196,964		5,659		1,965,386		938,458		529,431		36,282
	-		-		(2,160,000)		-		-		(1,345,000)
	-		1,679,945		-		56,625		16,294		109,890
	<u>5,030,839</u>		<u>5,379,223</u>		<u>33,430,260</u>		<u>13,463,970</u>		<u>13,513,600</u>		<u>4,392,148</u>
\$	<u>(3,103,887)</u>	\$	<u>(2,203,003)</u>	\$	<u>15,188,152</u>	\$	<u>(3,160,104)</u>	\$	<u>5,829,142</u>	\$	<u>780,737</u>
	<u>8.61%</u>		<u>5.6%</u>		<u>6.0%</u>		<u>17.6%</u>		<u>7.4%</u>		<u>7.7%</u>

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			
	2013	2014	2015	2016
Population	46,362	47,411	47,502	48,354
Real Property				
Total assessed/tax capacity value	\$ 61,348,576	\$ 62,068,742	\$ 65,599,841	\$ 71,118,692
Less tax increment districts - Area-wide allocation (net)	(5,587,609) <u>(2,940,678)</u>	(6,130,653) <u>(3,670,487)</u>	(5,894,025) <u>(3,879,478)</u>	(6,798,025) <u>(3,168,815)</u>
Net assessed/tax capacity value	<u>\$ 52,820,289</u>	<u>\$ 52,267,602</u>	<u>\$ 55,826,338</u>	<u>\$ 61,151,852</u>
Estimated market value	<u>\$ 5,103,186,900</u>	<u>\$ 5,123,316,900</u>	<u>\$ 5,435,136,500</u>	<u>\$ 5,841,548,800</u>
Personal Property				
Assessed/tax capacity value	<u>\$ 559,718</u>	<u>\$ 576,427</u>	<u>\$ 607,025</u>	<u>\$ 614,793</u>
Estimated market value	<u>\$ 28,487,900</u>	<u>\$ 29,320,000</u>	<u>\$ 30,852,400</u>	<u>\$ 31,212,200</u>
Total Real and Personal Property				
Assessed/tax capacity value	<u>\$ 53,380,007</u>	<u>\$ 52,844,029</u>	<u>\$ 56,433,363</u>	<u>\$ 61,766,645</u>
Estimated market value	<u>\$ 5,131,674,800</u>	<u>\$ 5,152,636,900</u>	<u>\$ 5,465,988,900</u>	<u>\$ 5,872,761,000</u>
Tax Capacity Rate	46.6%	48.6%	47.8%	46.2%

Table 6

Fiscal Year					
2017	2018	2019	2020	2021	2022
48,747	49,039	48,677	49,834	50,010	48,827
\$ 77,324,247	\$ 81,272,437	\$ 88,023,090	\$ 95,317,915	\$ 101,379,851	\$ 105,817,137
(8,211,886)	(8,746,231)	(10,129,650)	(10,875,524)	(11,817,305)	(12,614,033)
(4,255,021)	(4,787,086)	(4,741,344)	(5,233,557)	(5,628,072)	(6,248,597)
<u>\$ 64,857,340</u>	<u>\$ 67,739,120</u>	<u>\$ 73,152,096</u>	<u>\$ 79,208,834</u>	<u>\$ 83,934,474</u>	<u>\$ 86,954,507</u>
<u>\$ 6,306,324,900</u>	<u>\$ 6,637,473,500</u>	<u>\$ 7,205,288,500</u>	<u>\$ 7,731,035,100</u>	<u>\$ 8,164,996,400</u>	<u>\$ 8,539,554,600</u>
<u>\$ 650,504</u>	<u>\$ 710,227</u>	<u>\$ 747,358</u>	<u>\$ 739,713</u>	<u>\$ 777,794</u>	<u>\$ 302,259</u>
<u>\$ 33,056,300</u>	<u>\$ 36,048,400</u>	<u>\$ 37,926,900</u>	<u>\$ 37,525,400</u>	<u>\$ 39,320,700</u>	<u>\$ 15,556,200</u>
<u>\$ 65,507,844</u>	<u>\$ 68,469,347</u>	<u>\$ 73,899,454</u>	<u>\$ 79,948,547</u>	<u>\$ 84,712,268</u>	<u>\$ 87,256,766</u>
<u>\$ 6,339,381,200</u>	<u>\$ 6,673,521,900</u>	<u>\$ 7,243,215,400</u>	<u>\$ 7,768,560,500</u>	<u>\$ 8,204,317,100</u>	<u>\$ 8,555,110,800</u>
46.2%	46.4%	44.7%	43.4%	42.9%	44.7%

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

City of St. Louis Park	Fiscal Year			
	2013	2014	2015	2016
Operating Rate	42.902	45.868	45.234	43.744
Debt Service Rate	3.650	2.702	2.520	2.451
Total City Direct Rates	46.552	48.570	47.754	46.195
Overlapping Rates				
County				
Operating Rate	49.461	49.959	46.398	45.356
School District				
Operating Rate	13.976	16.741	15.642	14.887
Debt Service Rate	15.754	15.617	14.698	13.627
Other Taxing Districts				
St. Louis Park HRA Levy	1.676	1.808	1.679	1.634
Metro Mosquito Control	0.556	0.563	0.507	0.483
Metro Council	0.997	1.069	0.976	0.925
Metro Transit Debt	1.689	1.703	1.523	1.491
Hennepin County HRA	0.478	0.514	0.471	0.439
Hennepin Parks	4.054	4.169	3.789	3.601
Park Museum	0.754	0.766	0.702	0.712
HC Regional Railroad Authority	1.561	1.777	1.817	1.879
Referendum Market Value Based Rate	-	-	-	-
Watershed	1.769	1.806	1.738	1.724
Total Overlapping Rates	92.725	96.492	89.940	86.758
Total Direct and Overlapping Rates	139.277	145.062	137.694	132.953

Table 7

Fiscal Year					
2017	2018	2019	2020	2021	2022
42.933	41.759	40.090	38.656	37.652	38.647
3.267	4.624	4.616	4.742	5.203	6.034
46.200	46.383	44.706	43.398	42.855	44.681
44.087	42.808	41.861	41.084	38.210	38.535
id					
12.364	14.506	13.578	13.946	14.273	15.594
13.247	14.529	13.444	13.244	12.205	11.189
1.661	1.718	1.667	1.668	1.699	1.743
0.475	0.456	0.427	0.412	0.381	0.377
0.883	0.844	0.659	0.616	0.631	0.659
1.463	1.383	1.456	1.433	1.256	1.204
0.497	0.457	0.535	0.801	0.722	0.771
3.365	3.161	2.961	2.859	2.793	2.787
0.711	0.710	0.705	0.710	0.707	0.722
1.925	1.962	1.807	1.388	1.323	1.329
-	-	-	-	-	-
1.738	1.694	1.569	1.493	1.422	1.368
82.416	84.228	80.669	79.654	75.622	76.278
128.616	130.611	125.375	123.052	118.477	120.959

CITY OF ST. LOUIS PARK, MINNESOTA
 STATISTICAL SECTION (UNAUDITED)
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND NINE YEARS AGO

Table 8

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
BOF II MN West End Office Park, LLC	\$ 120,000,000	1	1.29 %			
10330 029 24 32 0023LLC	114,904,000	2	1.24			
Parl Nocollet Real Estate	92,527,300	3	0.99			
MSP West End LLC	80,350,000	4	0.86			
Gateway Knollwood, LLC	74,650,000	5	0.80			
Excelsior & Grand Apts LLC	101,160,000	6	1.09	54,080,000	4	1.05
Thomson Reuters Prop TX Ser	52,333,000	7	0.56			
BOF III MN West End Off, LLC	47,300,000	8	0.51			
MFREVF III-Ellipse LLC	54,105,000	9	0.58			
Middleton Park Investors, LLC	33,779,000	10	0.36			
Interchange Investors (formerly WHIOP Real Estate)				\$ 95,690,000	1	1.86
G & I VII 1600 & Moneygram LLC				76,000,000	2	1.48
Duke-Weeks Realty (formerly MEPC American Properties)				75,657,000	3	1.47
PNMC Holdings				46,645,700	5	0.91
MLCFC 2006				43,000,000	6	0.84
Camerata LLC				36,300,000	7	0.71
36 Park LLC				32,640,000	8	0.64
Ellipse On Excelsior LLC				32,300,000	9	0.63
WTC No 459 Corp				30,450,000	10	0.59
Total	\$ 771,108,300		8.28 %	\$ 468,682,700		9.13 %
Total taxable assessed value	\$ 9,303,789,024			\$ 5,131,674,800		

Source: City Assessor's Office

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
2013	25,613,874	25,379,070	99.08	25,611,682	99.99
2014	26,527,267	26,129,048	98.50	26,515,779	99.96
2015	27,938,615	27,590,682	98.75	27,906,854	99.89
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	34,342,947	99.94
2020	36,103,499	35,746,281	99.01	36,071,063	99.91
2021	37,772,505	37,266,514	98.66	37,653,823	99.69
2022	39,023,549	37,124,572	95.13	38,873,547	99.62

CITY OF ST. LOUIS PARK, MINNESOTA
 STATISTICAL SECTION (UNAUDITED)
 RATIOS OF OUTSTANDING DEBT BY TYPE
 LAST TEN FISCAL YEARS

Table 10

Fiscal Year	Governmental Activities					Business Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Tax Increment Bonds	Lease Liabilities (2)	Notes Payable	Net Unamortized Premiums/ (Discounts)	Revenue Bonds	Net Unamortized Premiums/ (Discounts)			
2013	\$ 20,185,000	\$ 4,870,000	\$ -	\$ -	\$ (128,384)	\$ 12,785,000	\$ 35,022	\$ 37,746,638	2.06	814.17
2014	23,609,091	4,520,700	33,075	-	(25,209)	16,826,503	126,503	45,090,663	2.39	951.06
2015	22,445,000	4,175,000	24,975	2,122,173	(28,920)	13,510,000	106,990	42,355,218	2.26	891.65
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	33,430,000	3,410,000	165,931	-	497,335	14,070,000	375,930	51,949,196	2.53	1,065.69
2018	33,810,000	2,995,000	180,382	-	445,293	19,475,000	677,443	57,583,118	2.67	1,174.23
2019	61,100,000	2,560,000	121,005	-	2,393,817	24,900,000	1,853,981	92,928,803	3.95	1,909.09
2020	60,150,000	2,100,000	81,699	-	3,082,422	27,870,000	2,194,446	95,478,567	3.87	1,915.93
2021	69,525,000	1,615,000	103,026	-	3,363,842	26,005,000	1,977,066	102,588,934	2.40	1,265.95
2022	65,840,000	1,105,000	140,862	-	3,078,042	23,510,000	1,759,686	95,433,590	2.76	1,348.43

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic Statistics on page 171 for personal income and population data.

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

CITY OF ST. LOUIS PARK, MINNESOTA
 STATISTICAL SECTION (UNAUDITED)
 RATIOS OF GENERAL BONDED DEBT OUTSTANDING
 LAST TEN FISCAL YEARS

Table 11

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Restricted for Debt Service Funds</u>	<u>Net Unamortized Premiums/ (Discounts)</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property (1)</u>	<u>Per Capita (2)</u>
2013	\$ 20,185,000	\$ (3,703,071)	\$ (119,339)	\$ 16,362,590	0.32	352.93
2014	23,625,000	(3,152,137)	(16,954)	20,440,000	0.40	431.12
2015	22,445,000	(3,092,198)	(20,758)	19,332,044	0.35	406.97
2016	31,230,000	(3,146,018)	355,124	28,439,106	0.48	588.14
2017	33,430,000	(3,325,205)	503,370	30,608,165	0.48	627.90
2018	33,810,000	(4,727,310)	450,186	29,532,876	0.44	602.23
2019	61,100,000	(13,942,465)	2,327,029	49,484,564	0.69	1,019.52
2020	60,150,000	(4,923,698)	3,082,423	58,308,725	0.75	1,170.06
2021	69,525,000	(5,296,548)	3,363,842	67,592,294	0.82	1,280.59
2022	65,840,000	(6,553,029)	3,078,042	62,365,013	0.81	1,305.71

Sources: 2022A POS - Column M (pg29)

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Governmental Unit	Debt Outstanding (1)	Percentage Applicable (2)	Share of Overlapping Debt
Overlapping Debt			
Hennepin County	\$ 1,018,886,023	3.63 %	\$ 36,985,563
St. Louis Park Independent School District	248,845,568	99.36	247,252,956
Hopkins Independent School District	151,301,118	3.07	4,644,944
Edina Independent School District	174,385,000	0.06	104,631
Hennepin County Suburban Park District	47,650,901	5.04	2,401,605
Hennepin Regional RR Authority	85,464,798	3.63	3,102,372
Metropolitan Council	<u>83,059,397</u>	<u>1.98</u>	<u>1,644,576</u>
Subtotal of Overlapping Debt	1,809,592,805		296,136,647
Direct Debt			
City of St. Louis Park	<u>61,851,976</u>	<u>100.00</u>	\$ 61,851,976
Total of Direct and Overlapping Debt	<u><u>\$ 1,871,444,781</u></u>		<u><u>\$ 357,988,623</u></u>

Source: Hennepin County, Minnesota

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 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.

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

	2013	2014	2015	2016
Debt Limit	\$ 153,950,244	\$ 154,579,107	\$ 163,979,667	\$ 176,182,830
Total Net Debt Applicable to Limit	<u>13,726,638</u>	<u>18,053,460</u>	<u>17,063,045</u>	<u>23,934,703</u>
Legal Debt Margin	<u>\$ 140,223,606</u>	<u>\$ 136,525,647</u>	<u>\$ 146,916,622</u>	<u>\$ 152,248,127</u>
Total Net Debt Applicable to the Limit as a percentage of Debt Limit	8.92%	11.68%	10.41%	13.59%
Legal Debt Margin Calculation for Fiscal Year				
Estimated Taxable Market Value	<u>\$ 5,131,674,800</u>	<u>\$ 5,152,636,900</u>	<u>\$ 5,465,988,900</u>	<u>\$ 5,872,761,000</u>
Debt Limit (3% of taxable market value)	<u>\$ 153,950,244</u>	<u>\$ 154,579,107</u>	<u>\$ 163,979,667</u>	<u>\$ 176,182,830</u>
Debt applicable to limit				
Total Bonded Debt	\$ 37,746,638	\$ 45,090,663	\$ 42,355,218	\$ 45,550,000
Less:				
G.O. Revenue Bonds	(12,785,000)	(16,826,503)	(13,510,000)	(10,515,000)
G.O. Improvement Bonds	(6,365,000)	(5,690,000)	(5,485,000)	(5,270,000)
G.O. Tax Increment Bonds	(4,870,000)	(4,520,700)	(4,175,000)	(3,805,000)
Notes payable	-	-	(2,122,173)	(2,025,297)
Total Net Debt Applicable to Limit:	<u>13,726,638</u>	<u>18,053,460</u>	<u>17,063,045</u>	<u>23,934,703</u>
Legal Debt Margin:	<u>\$ 140,223,606</u>	<u>\$ 136,525,647</u>	<u>\$ 146,916,622</u>	<u>\$ 152,248,127</u>

Note: 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.

Source:
 2022A Bond Book - Pg 166 "Debt Limit"
 2022A Bond Book - Pg 168 "Debt Ratios"

Table 13

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 190,181,436	\$ 200,205,657	\$ 216,158,655	\$ 233,056,815	\$ 246,129,513	\$ 256,653,324
28,375,000	28,975,000	56,450,000	55,790,000	65,525,000	62,205,000
<u>\$ 161,806,436</u>	<u>\$ 171,230,657</u>	<u>\$ 159,708,655</u>	<u>\$ 177,266,815</u>	<u>\$ 180,604,513</u>	<u>\$ 194,448,324</u>
14.92%	14.47%	26.12%	23.94%	26.62%	24.24%
<u>\$ 6,339,381,200</u>	<u>\$ 6,673,521,900</u>	<u>\$ 7,205,288,500</u>	<u>\$ 7,768,560,500</u>	<u>\$ 8,204,317,100</u>	<u>\$ 8,555,110,800</u>
<u>\$ 190,181,436</u>	<u>\$ 200,205,657</u>	<u>\$ 216,158,655</u>	<u>\$ 233,056,815</u>	<u>\$ 246,129,513</u>	<u>\$ 256,653,324</u>
\$ 50,910,000	\$ 56,280,000	\$ 88,560,000	\$ 90,120,000	\$ 97,145,000	\$ 90,455,000
(14,070,000)	(19,475,000)	(24,900,000)	(27,870,000)	(26,005,000)	(23,510,000)
(5,055,000)	(4,835,000)	(4,650,000)	(4,360,000)	(4,000,000)	(3,635,000)
(3,410,000)	(2,995,000)	(2,560,000)	(2,100,000)	(1,615,000)	(1,105,000)
-	-	-	-	-	-
28,375,000	28,975,000	56,450,000	55,790,000	65,525,000	62,205,000
<u>\$ 161,806,436</u>	<u>\$ 171,230,657</u>	<u>\$ 159,708,655</u>	<u>\$ 177,266,815</u>	<u>\$ 180,604,513</u>	<u>\$ 194,448,324</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					Coverage
	Gross Revenue ²	Less: Operating Expenses ³	Net Revenue Available	Debt Service		
				Principal	Interest	
2012	\$ 13,079,123	\$ (8,387,329)	\$ 4,691,794	\$ 1,405,000	\$ 375,218	2.64
2013	12,659,936	(10,417,099)	2,242,837	985,000	324,393	1.71
2014	13,277,524	(10,514,981)	2,762,543	1,015,000	352,614	2.02
2015	14,379,975	(9,041,931)	5,338,044	1,045,000 ⁴	381,359	3.74
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

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements.

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)
2013	46,362	1,828,193	39,433	35.4	4,545	4.4
2014	47,411	1,884,398	39,746	35.4	4,590	2.6
2015	47,502	1,876,424	39,502	35.5	4,590	2.3
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

Source: (1) Federal Census Bureau data
 (2) St. Louis Park School District
 (3) Minnesota Department of Employment and Economic Development

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CITY OF ST. LOUIS PARK, MINNESOTA
 STATISTICAL SECTION (UNAUDITED)
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO

Table 16

Employer	Fiscal Year			Fiscal Year		
	2022			2013		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Park Nicollet Health Services and Methodist Hospita	4,650	1	12.7 %	5,799	1	21.5 %
Wells Fargo Mortgage	1,300	2	3.5			
St. Louis Park Public Schools (I.S.D. No. 283)	980	3	2.7	671	2	2.5
Japs-Olson Company	600	4	1.6	600	3	2.2
Sholom Home West	420	5	1.1	552	4	2.0
Target (formerly Super Target)	405	6	1.1	435	5	1.6
MoneyGram International	400	7	1.1	554	6	2.1
St. Louis Park, City of	338	8	0.9	429	7	1.6
Center for Diagnostic Imaging	375	9	1.0			
HealthPartners	350	10	1.0			
Golden Living Center				277	8	1.0
Epicor Software Corporation				275	9	1.0
Lifetime Fitness				250	10	0.9
Total	<u>9,818</u>		<u>26.70 %</u>	<u>9,842</u>		<u>36.40 %</u>
Total City employment			36,679			26,982

Source:
 Official Statement from 2021 A Bonds

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

Function	Fiscal Year			
	2013	2014	2015	2016
General government	88.8	88.4	89.4	91.6
Public safety				
Police				
Officers	52.0	53.0	55.0	55.0
Civilians	34.0	35.0	35.0	35.0
Fire				
Firefighters and officers	24.0	24.0	25.0	26.0
Operations and recreation and Engineering	35.0	34.0	35.0	35.0
Water	10.9	11.2	11.5	11.4
Sewer	4.9	5.5	6.0	6.0
Solid Waste	3.3	4.7	5.8	5.8
Storm Water	4.8	6.2	6.7	6.7
Total Employees	257.7	262.0	269.4	272.5

Source: St. Louis Park Human Resources Department

Table 17

Fiscal Year						
2017	2018	2019	2020	2021	2022	
97.9	91.8	93.9	128.0	126.8	129.0	
57.0	57.0	57.0	58.0	58.0	58.0	
35.0	35.0	36.0	15.0	15.0	16.0	
28.0	28.0	28.0	28.0	30.0	30.0	
28.1	35.0	36.0	37.0	37.0	38.0	
12.5	14.6	12.2	9.7	9.0	18.0	
6.4	5.1	6.1	6.0	7.0	-	
5.3	4.9	5.6	3.0	3.0	3.0	
7.1	6.2	6.8	4.0	4.0	1.0	
<u>277.3</u>	<u>277.6</u>	<u>281.6</u>	<u>288.7</u>	<u>289.8</u>	<u>293.0</u>	

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Medical calls	3,296	2,391	3,756	3,623	3,705	4,375	4,479	3,559	3,683	3,947
Traffic stops	6,674	6,907	6,692	6,939	7,401	6,267	3,956	3,352	3,429	2,700
Other	25,014	27,752	29,299	31,462	31,052	31,882	37,399	43,757	44,508	40,164
Fire										
Inspections/medical/all other calls	3,360	4,747	5,118	6,130	5,513	6,308	5,712	5,032	5,301	5,648
Fire calls - residential/structural	66	116	135	53	202	297	95	87	130	44
Fire calls - other	48	91	115	41	85	68	50	40	198	76
Cable TV										
Hours of new programming	549.5	311	400	400	368	362	377	249	377	382
Inspections										
Permits	10,254	11,111	9,684	10,099	11,246	10,106	10,619	11,215	12,180	11,305
Inspections	26,902	32,543	23,031	23,372	28,484	25,187	21,419	23,090	26,928	26,091
Culture and recreation										
Aquatic park attendance	52,557	51,894	68,355	72,439	65,665	71,977	65,000	26,762	39,963	28,649
Hours of ice time	4,701	4,773	4,626	4,125	6,000	6,400	6,900	4,460	5,718	6,650
Water										
Gallons of water production (billions)	2.2	2.09	2.01	1.78	1.79	1.91	1.83	1.77	1.90	1.96
Average watermain breaks per year	27	40	41	20	11	38	33	33	29	28
Public Works										
Snowplowing hours	6,449	3,752	2,284	3,781	2,859	5,466	4,334	2,546	3,275	4,483

Source: St. Louis Park Departments

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

Table 19

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function										
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	26	25	28	28	29	29	29	29	29	35
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Vehicles	13	13	10	14	15	15	15	15	15	15
Fire hydrants	1,699	1,699	1,699	1,772	1,773	1,774	1,774	1,774	1,774	1,774
Culture and recreation										
Parks	57	57	52	53	53	53	53	53	53	53
Trails	10	10	10	22	22	22	22	22	22	22
Streets										
Lane miles of streets	311	311	311	311	311	311	311	311	311	417
Miles of streets	155	155	155	155	155	155	155	155	155	149
Water										
Wells	11	11	10	10	10	10	10	10	10	9
Water treatment plants	6	6	6	6	6	6	6	6	6	6
Miles of watermain	160	160	160	175	175	175	175	175	178	159
Sanitary Sewer										
Lift stations	23	23	23	23	23	23	23	23	23	23
Miles of sewermain	147	147	147	143	143	143	143	143	144	137
Storm Sewer										
Lift stations	10	10	10	10	11	11	11	11	11	12
Ponds and lakes	52	52	52	52	52	52	52	52	51	99
Catch basins	3,731	3,731	3,731	3,885	3,885	3,940	3,940	3,940	4,143	4,129

Source: St. Louis Park Departments

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FORM OF LEGAL OPINION

(See following pages)



Fifth Street Towers
150 South Fifth Street, Suite 700
Minneapolis, MN 55402
(612) 337-9300 telephone
(612) 337-9310 fax
kennedy-graven.com
Affirmative Action, Equal Opportunity Employer

§ _____
City of St. Louis Park, Minnesota
General Obligation Bonds
Series 2024A

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 2024A (the “Bonds”), originally dated June 25, 2024, 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 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 of the recipient for federal income tax purposes and, to the same extent, 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 federal alternative minimum tax, or the computation of the Minnesota alternative minimum tax imposed on individuals, trusts and estates. However, such interest is included in determining the annual adjusted financial statement income (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the “Code”)) of applicable corporations (as defined in Section 59(k) of the Code) for purposes of computing the alternative minimum tax imposed on such applicable corporations and is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. The opinion set forth in this paragraph is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or 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 taxable net income for Minnesota income tax purposes retroactively to the date of issuance of the Bonds. 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 June ___, 2024 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 2024A

CONTINUING DISCLOSURE CERTIFICATE

June __, 2024

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 2024A (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 2024A, 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 June __, 2024, 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, 2023, 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

**\$3,265,000* GENERAL OBLIGATION BONDS, SERIES 2024A
CITY OF ST. LOUIS PARK, MINNESOTA**

Proposals for the purchase of \$3,265,000* General Obligation Bonds, Series 2024A (the "Bonds") of the City of St. Louis Park, Minnesota (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the City, until 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via bondsale@ehlers-inc.com or **PARITY**, in the manner described below, until 10:00 A.M. Central Time, on June 3, 2024, 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 6:30 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 and Minnesota Statutes, Chapter 475, as amended, by the City, to finance the 2024 street rehabilitation, Living Streets, and Connect the Park projects. The Bonds will be general obligations of the City, for which its full faith, credit and taxing powers are pledged.

DATES AND MATURITIES

The Bonds will be dated June 25, 2024, 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>
2026	\$220,000	2031	\$150,000	2036	\$180,000
2027	305,000	2032	155,000	2037	185,000
2028	310,000	2033	160,000	2038	195,000
2029	320,000	2034	170,000	2039	200,000
2030	330,000	2035	175,000	2040	210,000

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, 2025, 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 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2026 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.)** 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, Roseville, 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, 2035 shall be subject to optional redemption prior to maturity on February 1, 2034 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 June 25, 2024, 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 OPINION

An opinion as to the validity of the Bonds and the exemption from taxation of the interest thereon will be furnished by Kennedy & Graven, Chartered, 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.

SUBMISSION OF PROPOSALS

Proposals must not be for less than \$3,225,820 plus accrued interest on the principal sum of \$3,265,000 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 10:00 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 \$65,300 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, the form of 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 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, 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")

June 3, 2024

RE: \$3,265,000* General Obligation Bonds, Series 2024A (the "Bonds")
DATED: June 25, 2024

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 \$3,225,820) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____ % due	2026	_____ % due	2031	_____ % due	2036
_____ % due	2027	_____ % due	2032	_____ % due	2037
_____ % due	2028	_____ % due	2033	_____ % due	2038
_____ % due	2029	_____ % due	2034	_____ % due	2039
_____ % due	2030	_____ % due	2035	_____ % due	2040

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 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2026 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.) 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 \$65,300 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 June 25, 2024.

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 June 25, 2024 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 June 3, 2024.

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