

# PRELIMINARY OFFICIAL STATEMENT DATED APRIL 30, 2026

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

The City will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

**New Issue**

**Rating Application Made: S&P Global Ratings**

## CITY OF BROOKLYN PARK, MINNESOTA (Hennepin County)

### \$47,880,000\* GENERAL OBLIGATION BONDS, SERIES 2026A

**PROPOSAL OPENING:** May 11, 2026, 10:00 A.M., C.T.

**CONSIDERATION:** May 11, 2026, 6:00 P.M., C.T.

**PURPOSE/AUTHORITY/SECURITY:** The \$47,880,000\* General Obligation Bonds, Series 2026A (the "Bonds") are being issued pursuant to Minnesota Statutes, Chapter 475, as amended, including Section 475.521, and Minnesota Statutes, Sections 471.15 through 471.1911, as amended, and pursuant to an affirmative vote of the City electors on November 6, 2018, by the City of Brooklyn Park, Minnesota (the "City"), to finance the construction of a new fire station and the renovation of an existing community recreation facility as identified in the City's Bond Reinvestment Plan. The Bonds are general obligations of the City, for which its full faith and credit and taxing powers are pledged. Delivery is subject to receipt of an approving legal opinion of Kutak Rock LLP, Minneapolis, Minnesota.

**DATE OF BONDS:** May 28, 2026

**MATURITY:** February 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2029	\$1,540,000	2036	\$2,165,000	2043	\$2,980,000
2030	1,620,000	2037	2,275,000	2044	2,710,000
2031	1,700,000	2038	2,390,000	2045	2,835,000
2032	1,785,000	2039	2,495,000	2046	2,960,000
2033	1,870,000	2040	2,605,000	2047	3,100,000
2034	1,965,000	2041	2,725,000	2048	3,245,000
2035	2,065,000	2042	2,850,000		

**\*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:** February 1, 2027 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:** \$47,496,960.

**GOOD FAITH DEPOSIT:** A good faith deposit in the amount of \$957,600 shall be made by the winning bidder by wire transfer of funds.

**PAYING AGENT:** U.S. Bank Trust Company, National Association.

**BOND COUNSEL:** Kutak Rock LLP.

**MUNICIPAL ADVISOR:** Ehlers and Associates, Inc.

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

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.



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## 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 BROOKLYN PARK  
CITY COUNCIL**

		<u>Term Expires</u>
Hollies Winston	Mayor	January 2027
Amanda Cheng Xiong	Council Member	January 2029
Christian Eriksen	Council Member	January 2027
Nichole Klonowski	Council Member	January 2027
Tony McGarvey	Council Member	January 2029
Shelle Page	Council Member	January 2029
Maria Tran	Council Member	January 2027

**ADMINISTRATION**

Jay Stroebel, City Manager  
LaTonia Green, CFO/Finance Director  
Devin Montero, City Clerk

**PROFESSIONAL SERVICES**

Kennedy & Graven, Chartered, City Attorney, Minneapolis, Minnesota

Kutak Rock LLP, Bond Counsel, Minneapolis, Minnesota

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

# INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the City of Brooklyn Park, Minnesota (the "City") and the issuance of its \$47,880,000\* General Obligation Bonds, Series 2026A (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution authorizing the issuance and sale of the Bonds ("Award Resolution") to be adopted by the City Council on May 11, 2026.

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Minneapolis, Minnesota, (651) 697-8500, the City's municipal advisor. A copy of this Preliminary Official Statement may be downloaded from Ehlers' web site at [www.ehlers-inc.com](http://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 May 28, 2026. The Bonds will mature on February 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on February 1 and August 1 of each year, commencing February 1, 2027, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). **The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2029 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

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

The City has selected U.S. Bank Trust Company, National Association, St. Paul, Minnesota, to act as paying agent (the "Paying Agent"). 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 Minnesota Statutes, Chapter 475, as amended, including Section 475.521, and Minnesota Statutes, Sections 471.15 through 471.1911, as amended, and pursuant to an affirmative vote of the City electors on November 6, 2018, by the City, to finance the construction of a new fire station (the "Capital Improvement Plan (CIP) Portion") and various park improvement projects as identified in the City's Bond Reinvestment Plan (the "Improvement Portion").

## ESTIMATED SOURCES AND USES\*

<b>Sources</b>	<b>CIP Portion</b>	<b>Improvement Portion</b>	<b>Total Bond Issue</b>
Par Amount of Bonds	\$43,615,000	\$4,265,000	\$47,880,000
Reoffering Premium	<u>1,905,533</u>	<u>282,562</u>	<u>2,188,095</u>
<b>Total Sources</b>	<b>\$45,520,533</b>	<b>\$4,547,562</b>	<b>\$50,068,095</b>
<b>Uses</b>			
Total Underwriter's Discount (0.800%)	\$348,920	\$34,120	\$383,040
Costs of Issuance	168,521	16,479	185,000
Deposit to Construction Fund	45,000,000	4,500,000	49,500,000
Rounding Amount	<u>3,092</u>	<u>(3,037)</u>	<u>55</u>
<b>Total Uses</b>	<b>\$45,520,533</b>	<b>\$4,547,562</b>	<b>\$50,068,095</b>

\*Preliminary, subject to change.

**Breakdown of Principal Payments\*:**

<b>Payment Date</b>	<b>CIP Portion</b>	<b>Improvement Portion</b>	<b>Total Bond Issue</b>
2/01/2029	\$1,340,000	\$200,000	\$1,540,000
2/01/2030	1,410,000	210,000	1,620,000
2/01/2031	1,480,000	220,000	1,700,000
2/01/2032	1,555,000	230,000	1,785,000
2/01/2033	1,630,000	240,000	1,870,000
2/01/2034	1,710,000	255,000	1,965,000
2/01/2035	1,800,000	265,000	2,065,000
2/01/2036	1,885,000	280,000	2,165,000
2/01/2037	1,980,000	295,000	2,275,000
2/01/2038	2,080,000	310,000	2,390,000
2/01/2039	2,175,000	320,000	2,495,000
2/01/2040	2,270,000	335,000	2,605,000
2/01/2041	2,375,000	350,000	2,725,000
2/01/2042	2,480,000	370,000	2,850,000
2/01/2043	2,595,000	385,000	2,980,000
2/01/2044	2,710,000	-	2,710,000
2/01/2045	2,835,000	-	2,835,000
2/01/2046	2,960,000	-	2,960,000
2/01/2047	3,100,000	-	3,100,000
2/01/2048	<u>3,245,000</u>	-	<u>3,245,000</u>
<b>Total</b>	<b>\$43,615,000</b>	<b>\$4,265,000</b>	<b>\$47,880,000</b>

\*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. 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 "AA+"/Stable outlook by S&P Global Ratings ("S&P").

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

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

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

## **CONTINUING DISCLOSURE**

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

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

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

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

## **LEGAL OPINION**

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

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

## TAX MATTERS

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

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

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

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

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

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

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

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

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

### **Backup Withholding**

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

## **Changes in Federal and State Tax Law**

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

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

## **NOT QUALIFIED TAX-EXEMPT OBLIGATIONS**

The City will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code, relating to the ability of certain financial institutions (within the meaning of Section 265(6)(5) of the Code) to deduct from income for federal income tax purposes, 80% of the 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**

Bond Trust Services Corporation ("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, 2024 have been audited by BerganKDV, Ltd., Minneapolis, Minnesota, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Preliminary Official Statement.

## RISK FACTORS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# VALUATIONS

## OVERVIEW

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

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

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

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

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

<sup>2</sup> Applies to land and buildings. Exempt from referendum market value tax.

<sup>3</sup> Exempt from referendum market value tax.

<sup>4</sup> 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.

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

## CURRENT PROPERTY VALUATIONS

<b>2024/25 Economic Market Value<sup>1</sup></b>	<u><u>\$11,964,541,101<sup>2</sup></u></u>
<b>2025/26 Assessor's Estimated Market Value</b>	
Real Estate	\$11,255,318,300
Personal Property	<u>34,635,400</u>
Total Valuation	<u><u>\$11,289,953,700</u></u>
<b>2025/26 Net Tax Capacity</b>	
Real Estate	\$133,920,240
Personal Property	<u>670,040</u>
Net Tax Capacity	\$134,590,280
Less:	
Captured Tax Increment Tax Capacity <sup>3</sup>	(167,038)
Fiscal Disparities Contribution <sup>4</sup>	(19,139,422)
Power Line Adjustment <sup>5</sup>	<u>(2,195)</u>
Taxable Net Tax Capacity	\$115,281,625
Plus: Fiscal Disparities Distribution <sup>3</sup>	<u>20,183,492</u>
Adjusted Taxable Net Tax Capacity	<u><u>\$135,465,117</u></u>

<sup>1</sup> Most recent value available from the Minnesota Department of Revenue.

<sup>2</sup> According to the Minnesota Department of Revenue, the 2024/25 Assessor's Estimated Market Value (the "AEMV") for the City was about 93.26% 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 2024/25 Economic Market Value ("EMV") for the City of \$11,964,541,101.

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

<sup>4</sup> 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.

<sup>5</sup> Ten percent of the net tax capacity of certain high voltage transmission lines is removed when setting local tax rates. However, taxes are paid on the full value of these lines. The taxes attributable to 10% of value of these lines are used to fund a power line credit. Certain property owners receive a credit when the high voltage transmission line runs over their property.

## 2025/26 NET TAX CAPACITY BY CLASSIFICATION

	<b>2025/26 Net Tax Capacity</b>	<b>Percent of Total Net Tax Capacity</b>
Residential homestead	\$76,012,994	56.48%
Agricultural	318,618	0.24%
Commercial/industrial	47,974,480	35.64%
Public utility	181,702	0.14%
Railroad operating property	109,402	0.08%
Non-homestead residential	9,232,484	6.86%
Commercial & residential seasonal/rec.	90,560	0.07%
Personal property	670,040	0.50%
	<u>                    </u>	<u>                    </u>
Total	<u>\$134,590,280</u>	<u>100.00%</u>

## TREND OF VALUATIONS

Levy Year	Assessor's Estimated Market Value	Assessor's Taxable Market Value	Net Tax Capacity <sup>1</sup>	Adjusted Taxable Net Tax Capacity <sup>2</sup>	Percent Increase/Decrease in Estimated Market Value
2021/22	\$8,838,495,300	\$8,542,442,375	\$103,024,883	\$107,339,075	4.85%
2022/23	10,490,454,100	10,264,703,385	124,365,287	129,178,534	18.69%
2023/24	11,087,293,800	10,866,500,186	133,775,424	135,822,111	5.69%
2024/25	11,111,468,700	10,716,872,066	132,957,127	133,489,337	0.22%
2025/26	11,289,953,700	10,909,792,681	134,590,280	135,465,117	1.61%

<sup>1</sup> Net Tax Capacity is before fiscal disparities adjustments and includes tax increment and power line values.

<sup>2</sup> Adjusted Taxable Net Tax Capacity is after fiscal disparities adjustments and does not include tax increment or power line values.

**LARGEST TAXPAYING PARCELS<sup>1</sup>**

<b>Taxpayer</b>	<b>Type of Property</b>	<b>2025/26 Net Tax Capacity</b>	<b>Percent of City's Total Net Tax Capacity</b>
Target Corporation	Commercial	\$1,072,168	0.80%
BPP LLC	Industrial	888,430	0.66%
9001 Wyoming Owner LLC	Industrial	723,744	0.54%
Cretex Medical Componet	Industrial	607,522	0.45%
TMIF II Urbana Court LLC	Apartment	580,001	0.43%
Exeter 7601 Setzler LLC	Industrial	576,916	0.43%
Spyglass - 610 West LLC	Apartment	552,824	0.41%
Bcore Capstone Owner LLC	Industrial	540,056	0.40%
NWI Prairiecare Medical LP	Commercial	517,738	0.38%
Willowbrook LLC	Apartment	<u>505,610</u>	<u>0.38%</u>
<b>Total</b>		<b>\$6,565,009</b>	<b>4.88%</b>
City's Total 2025/26 Net Tax Capacity		\$134,590,280	

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

**DEBT**

**DIRECT DEBT<sup>2</sup>**

**General Obligation Debt (see schedules following)**

Total G.O. debt secured by tax abatement revenues	\$295,000
Total G.O. debt secured by taxes (includes the Bonds)*	63,665,000
Total G.O. debt secured by utility revenues	4,460,000
Total General Obligation Debt*	<u><u>\$68,420,000</u></u>

\*Preliminary, subject to change.

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

<sup>2</sup> 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 has plans to remodel the central fire station into a senior center, which will enter the planning phase in fall of 2026, although the timing of any associated borrowing is not yet determined.

## DEBT LIMIT

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

2025/26 Assessor's Estimated Market Value	\$11,289,953,700
Multiply by 3%	<u>0.03</u>
Statutory Debt Limit	\$338,698,611
Less: Long-Term Debt Outstanding Being Paid Solely from Taxes (includes the Bonds)*	<u>(63,665,000)</u>
Unused Debt Limit*	<u><u>\$275,033,611</u></u>

\*Preliminary, subject to change.

City of Brooklyn Park, Minnesota  
 Schedule of Bonded Indebtedness  
 General Obligation Debt Secured by Tax Abatement Revenues  
 (As of 05/28/2026)

Tax Abatement Bonds 1) Series 2021A								
Dated	07/15/2021							
Amount	\$1,615,000							
Maturity	02/01							
Calendar Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2026	0	4,425	0	4,425	4,425	295,000	.00%	2026
2027	295,000	4,425	295,000	4,425	299,425	0	100.00%	2027
	295,000	8,850	295,000	8,850	303,850			

1) This represents the \$1,615,000 Tax Abatement portion of the \$9,200,000 General Obligation Bonds, Series 2021A.

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City of Brooklyn Park, Minnesota  
 Schedule of Bonded Indebtedness  
 General Obligation Debt Secured by Taxes  
 (As of 05/28/2026)

Calendar Year Ending	Capital Improvement Plan Bonds Series 2014A		Cap Imp Plan & Street Recon Bonds Series 2017A		Improvement Bonds Series 2019A		Improvement Bonds 1) Series 2021A		Cap Imp Plan & Improvement Bonds Series 2026A		Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
	Dated Amount	Maturity	Dated Amount	Maturity	Dated Amount	Maturity	Dated Amount	Maturity	Dated Amount	Maturity						
2026	0	84,025	0	34,516	0	53,525	0	48,400	0	0	0	220,466	220,466	63,665,000	.00%	2026
2027	480,000	160,850	665,000	61,966	195,000	103,150	750,000	85,550	0	2,656,734	2,090,000	3,068,249	5,158,249	61,575,000	3.28%	2027
2028	490,000	146,300	680,000	47,250	205,000	95,150	770,000	62,750	0	2,261,050	2,145,000	2,612,500	4,757,500	59,430,000	6.65%	2028
2029	505,000	130,744	250,000	35,850	215,000	87,825	795,000	39,275	1,540,000	2,222,550	3,305,000	2,516,244	5,821,244	56,125,000	11.84%	2029
2030	520,000	114,088	255,000	28,275	220,000	81,300	820,000	23,250	1,620,000	2,143,550	3,435,000	2,390,463	5,825,463	52,690,000	17.24%	2030
2031	540,000	96,188	265,000	20,475	225,000	74,625	830,000	14,585	1,700,000	2,060,550	3,680,000	2,266,423	5,826,423	49,130,000	22.83%	2031
2032	555,000	77,025	270,000	12,450	235,000	67,725	835,000	5,010	1,785,000	1,973,425	3,680,000	2,135,635	5,815,635	45,450,000	28.61%	2032
2033	575,000	56,531	280,000	4,200	240,000	60,600	250,000	53,250	1,870,000	1,882,050	2,965,000	2,003,381	4,968,381	42,485,000	33.27%	2033
2034	600,000	34,500	250,000	53,250	250,000	53,250	255,000	45,675	1,965,000	1,786,175	2,815,000	1,873,925	4,688,925	39,670,000	37.69%	2034
2035	620,000	11,625	265,000	37,875	265,000	37,875	270,000	29,850	2,065,000	1,685,425	2,940,000	1,742,725	4,682,725	36,730,000	42.31%	2035
2036			270,000	29,850	270,000	29,850	280,000	21,600	2,165,000	1,579,675	2,430,000	1,617,550	4,047,550	34,300,000	46.12%	2036
2037			285,000	13,125	285,000	13,125	295,000	4,425	2,275,000	1,468,675	2,545,000	1,498,525	4,043,525	31,755,000	50.12%	2037
2038			295,000	4,425	295,000	4,425	295,000	4,425	2,390,000	1,358,025	2,670,000	1,379,625	4,049,625	29,085,000	54.32%	2038
2039									2,495,000	1,248,113	2,780,000	1,261,238	4,041,238	26,305,000	58.68%	2039
2040									2,605,000	1,133,363	2,900,000	1,137,788	4,037,788	23,405,000	63.24%	2040
2041									2,725,000	1,013,438	2,725,000	1,013,438	3,738,438	20,680,000	67.52%	2041
2042									2,850,000	888,000	2,850,000	888,000	3,738,000	17,830,000	71.99%	2042
2043									2,980,000	756,825	2,980,000	756,825	3,736,825	14,850,000	76.67%	2043
2044									2,710,000	628,123	2,710,000	628,123	3,338,123	12,140,000	80.93%	2044
2045									2,835,000	501,974	2,835,000	501,974	3,336,974	9,305,000	85.38%	2045
2046									2,960,000	368,658	2,960,000	368,658	3,328,658	6,345,000	90.03%	2046
2047									3,100,000	226,988	3,100,000	226,988	3,326,988	3,245,000	94.90%	2047
2048									3,245,000	77,069	3,245,000	77,069	3,322,069	0	100.00%	2048
	4,885,000	911,875	2,665,000	244,981	3,435,000	829,700	4,800,000	278,820	47,880,000	29,920,431	63,665,000	32,185,808	95,850,808			

\* Preliminary, subject to change.

1) This represents the \$7,585,000 Improvement portion of the \$9,200,000 General Obligation Bonds, Series 2021A.

City of Brooklyn Park, Minnesota  
 Schedule of Bonded Indebtedness  
 General Obligation Debt Secured by Utility Revenues  
 (As of 05/28/2026)

Refunding Bonds Series 2018A								
<b>Dated Amount</b>	05/31/2018 \$11,540,000							
<b>Maturity</b>	02/01							
Calendar Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2026	0	72,200	0	72,200	72,200	4,460,000	.00%	2026
2027	1,060,000	123,200	1,060,000	123,200	1,183,200	3,400,000	23.77%	2027
2028	1,100,000	85,500	1,100,000	85,500	1,185,500	2,300,000	48.43%	2028
2029	1,135,000	51,975	1,135,000	51,975	1,186,975	1,165,000	73.88%	2029
2030	1,165,000	17,475	1,165,000	17,475	1,182,475	0	100.00%	2030
	4,460,000	350,350	4,460,000	350,350	4,810,350			

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**OVERLAPPING DEBT<sup>1</sup>**

<b>Taxing District</b>	<b>2025/26 Adjusted Taxable Net Tax Capacity</b>	<b>% In City</b>	<b>Total G.O. Debt<sup>2</sup></b>	<b>City's Proportionate Share</b>
Hennepin County	\$2,885,601,120	4.6945%	\$1,222,750,000 <sup>3</sup>	\$57,401,999 <sup>4</sup>
I.S.D. No. 11 (Anoka-Hennepin Schools)	427,593,850	6.1240%	215,860,000 <sup>4</sup>	13,219,266 <sup>4</sup>
I.S.D. No. 279 (Osseo Area Schools)	311,792,688	33.0835%	396,880,000 <sup>4</sup>	131,301,795 <sup>4</sup>
I.S.D. No. 281 (Robbinsdale Area Schools)	166,937,919	3.6703%	176,750,000 <sup>5</sup>	6,487,255
Metropolitan Council	6,503,726,905	2.0829%	186,870,000	3,892,315
Three Rivers Park District	2,121,317,192	6.3859%	53,165,000	<u>3,395,064</u>
City's Share of Total Overlapping Debt				<u>\$215,697,694</u>

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<sup>1</sup> 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.

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

<sup>3</sup> 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.

<sup>4</sup> 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.

<sup>5</sup> 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**

	<b>G.O. Debt</b>	<b>Debt/Economic Market Value \$11,964,541,101</b>	<b>Debt/ Per Capita 84,753<sup>1</sup></b>
Direct G.O. Debt Secured By:			
Tax Abatement Revenues	\$295,000		
Taxes*	63,665,000		
Utility Revenues	4,460,000		
Total General Obligation Debt*	\$68,420,000		
Less: G.O. Debt Paid Entirely from Revenues <sup>2</sup>	(4,460,000)		
Tax Supported General Obligation Debt*	\$63,960,000	0.53%	\$754.66
City's Share of Total Overlapping Debt	\$215,697,694	1.80%	\$2,545.02
Total*	\$279,657,694	2.34%	\$3,299.68

\*Preliminary, subject to change.

**TAX LEVIES, COLLECTIONS AND RATES**

**TAX LEVIES AND COLLECTIONS**

Tax Year	Net Tax Levy <sup>3</sup>	Total Collected Following Year	Collected to Date	% Collected
2021/22	\$53,729,419	\$53,494,750	\$53,707,381	99.96%
2022/23	57,547,028	56,956,940	57,486,405	99.89%
2023/24	64,381,991	64,027,784	64,234,504	99.77%
2024/25	70,063,581	69,688,675	69,688,675	99.46%
2025/26	74,281,887	In process of collection		

Property taxes are collected in two installments in Minnesota--the first by May 15 and the second by October 15.<sup>4</sup> 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.

<sup>1</sup> Estimated 2024 population.

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

<sup>3</sup> This reflects the Final Levy Certification of the City after all adjustments have been made.

<sup>4</sup> Second half tax payments on agricultural property are due on November 15th of each year.

## TAX CAPACITY RATES<sup>1</sup>

	2021/22	2022/23	2023/24	2024/25	2025/26
Hennepin County	38.535%	34.542%	34.681%	37.081%	39.242%
City of Brooklyn Park	48.338%	43.148%	47.337%	53.196%	54.074%
I.S.D. No. 11 (Anoka-Hennepin Schools)	16.341%	13.671%	13.592%	13.598%	13.028%
I.S.D. No. 279 (Osseo Area Schools)	21.933%	19.640%	23.002%	23.640%	24.472%
I.S.D. No. 281 (Robbinsdale Area Schools)	26.507%	24.092%	24.209%	25.379%	25.206%
Hennepin County HRA	0.771%	0.663%	0.624%	0.797%	0.768%
Hennepin County RRA	1.329%	1.119%	1.153%	1.205%	1.177%
Metropolitan Council	0.659%	0.576%	0.614%	0.567%	0.598%
Metropolitan Mosquito	0.377%	0.331%	0.312%	0.328%	0.333%
Metropolitan Transit	1.204%	1.066%	0.927%	1.134%	0.987%
Park Museum	0.722%	0.647%	0.694%	0.744%	0.731%
Three Rivers Park District	2.787%	2.473%	2.399%	2.471%	2.529%
<i>Referendum Market Value Rates:</i>					
City of Brooklyn Park	0.02276%	0.01173%	0.01111%	0.01117%	0.01094%
I.S.D. No. 11 (Anoka-Hennepin Schools)	0.22763%	0.21184%	0.20707%	0.19635%	0.18441%
I.S.D. No. 279 (Osseo Area Schools)	0.21478%	0.25595%	0.25276%	0.24216%	0.24481%
I.S.D. No. 281 (Robbinsdale Area Schools)	0.21608%	0.21763%	0.22058%	0.21036%	0.20744%

**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 1954. 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, City Clerk, and Finance Director are responsible for administrative details and financial records.

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<sup>1</sup> 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 429 full-time, 36 part-time, and 373 seasonal employees. All full-time and certain part-time employees of the City are covered by defined benefit pension plans administered by the Public Employee Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF) which are cost-sharing multiple-employer retirement plans. PERA members belong to either the Coordinated Plan or the Basic Plan. Coordinated members are covered by Social Security. See the Notes to Financial Statements in Appendix A for a detailed description of the Plans.

### **Recognized and Certified Bargaining Units**

<b>Bargaining Unit</b>	<b>Expiration Date of Current Contract</b>
IUOE Local 49	December 31, 2027
Brooklyn Park Police Federation	December 31, 2025
LELS Non-licensed	December 31, 2025
Police Supervisors LELS Local 429	December 31, 2027
IAFF Firefighters	December 31, 2025
Police Inspectors LELS Local 470	December 31, 2025

### **Status of Contracts**

Contracts which expired on December 31, 2025 are currently in negotiations.

## **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 \$10,665,423 as of January 1, 2025. 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, as amended, authorizes municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code. A municipality is defined in United States Code, title 11, section 101, as amended through December 31, 1996, but limited to a county, statutory or home rule charter city, or town; or a housing and redevelopment authority, economic development authority, or rural development financing authority established under Chapter 469, a home rule charter or special law.

### FUNDS ON HAND (as of April 13, 2026)

<b>Fund</b>	<b>Total Cash and Investments</b>
General	\$12,735,624
Special Revenue	1,095,345
Debt Service	1,013,468
Capital Projects	55,420,424
Enterprise Funds	57,018,980
Internal Service Fund	14,101,534
EDA	16,384,700
EDA Special Revenue	1,248,580
TIF	11,166,020
	<hr/>
Total Funds on Hand	<u><u>\$170,184,675</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:

	<b>2022</b> <b>Audited</b>	<b>2023</b> <b>Audited</b>	<b>2024</b> <b>Audited</b>
<b>Public Utilities</b>			
Total Operating Revenues	\$20,236,125	\$22,473,045	\$21,851,746
Less: Operating Expenses	<u>(18,151,556)</u>	<u>(20,146,070)</u>	<u>(20,714,183)</u>
Operating Income	\$2,084,569	\$2,326,975	\$1,137,563
Plus: Depreciation	<u>3,452,959</u>	<u>3,452,010</u>	<u>3,388,597</u>
Revenues Available for Debt Service	<u><u>\$5,537,528</u></u>	<u><u>\$5,778,985</u></u>	<u><u>\$4,526,160</u></u>
<b>Storm Sewer Utility</b>			
Total Operating Revenues	\$2,671,053	\$2,724,133	\$3,293,988
Less: Operating Expenses	<u>(1,964,412)</u>	<u>(1,931,891)</u>	<u>(2,215,586)</u>
Operating Income	\$706,641	\$792,242	\$1,078,402
Plus: Depreciation	<u>870,044</u>	<u>861,464</u>	<u>866,112</u>
Revenues Available for Debt Service	<u><u>\$1,576,685</u></u>	<u><u>\$1,653,706</u></u>	<u><u>\$1,944,514</u></u>

**SUMMARY GENERAL FUND INFORMATION**

The following are summaries of the revenues, expenditures and fund balances for the City's General Fund. These summaries are not purported to be the complete audited financial statements of the City, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the City. Copies of the complete statements are available upon request. Appendix A includes the 2024 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2020 Audited	2021 Audited	2022 Audited	2023 Audited	2024 Audited
<b>Revenues</b>					
General property taxes	\$44,294,306	\$44,396,657	\$47,320,376	\$51,497,687	\$58,225,486
Special assessments	107,890	77,666	59,921	74,556	85,295
Licenses and permits	2,546,596	4,058,305	3,097,292	3,444,861	3,446,929
Fine and forfeitures	257,435	251,937	241,623	225,289	300,976
Intergovernmental revenue	1,794,791	1,725,199	1,565,442	1,780,600	2,053,676
Donations	3,389	6,057	4,744	8,694	7,054
Charges for services	1,523,420	2,516,277	2,438,166	2,986,991	3,249,757
Interest on assessments	4,621	0	1,002,893	0	0
Investment income	821,144	924,349	0	895,676	1,243,558
Net change in fair value of investments	560,252	(930,254)	(3,140,765)	619,176	260,482
Lease income	5,390	5,970	5,170	5,750	9,147
Other revenue	1,076,496	1,054,863	1,039,248	820,158	1,336,065
<b>Total Revenues</b>	<b>\$52,995,730</b>	<b>\$54,087,026</b>	<b>\$53,634,110</b>	<b>\$62,359,438</b>	<b>\$70,218,425</b>
<b>Expenditures</b>					
Current:					
General government	\$5,376,694	\$5,846,293	\$6,388,995	\$6,909,751	\$7,810,915
Community development	1,497,212	1,568,557	1,799,376	1,906,162	2,000,725
Public safety	31,191,945	32,762,218	33,557,184	36,702,998	40,090,487
Public works	3,927,020	4,281,563	4,511,624	4,938,715	5,257,982
Recreation and parks	7,154,877	8,189,640	8,534,065	8,901,992	9,871,804
Capital outlay	0	0	1,630,302	20,721	41,446
Debt service	0	0	269,804	351,612	324,557
<b>Total Expenditures</b>	<b>\$49,147,748</b>	<b>\$52,648,271</b>	<b>\$56,691,350</b>	<b>\$59,731,951</b>	<b>\$65,397,916</b>
<b>Excess of revenues over (under) expenditures</b>	<b>\$3,847,982</b>	<b>\$1,438,755</b>	<b>(\$3,057,240)</b>	<b>\$2,627,487</b>	<b>\$4,820,509</b>
<b>Other Financing Sources (Uses)</b>					
Proceeds from sale of capital assets	\$3,127	\$0	\$0	\$469	\$8,246
Lease issuance	0	0	1,583,263	0	0
Transfers in	420,350	440,566	637,856	2,741,109	567,480
Transfers (out)	(148,600)	(133,669)	(161,956)	(2,287,293)	(31,736)
<b>Total Other Financing Sources (Uses)</b>	<b>274,877</b>	<b>306,897</b>	<b>2,059,163</b>	<b>454,285</b>	<b>543,990</b>
<b>Net changes in Fund Balances</b>	<b>\$4,122,859</b>	<b>\$1,745,652</b>	<b>(\$998,077)</b>	<b>\$3,081,772</b>	<b>\$5,364,499</b>
General Fund Balance January 1	\$21,920,620	\$26,043,479	\$27,789,131	\$26,791,054	\$29,872,826
Prior Period Adjustment	0	0	0	0	0
General Fund Balance December 31	\$26,043,479	\$27,789,131	\$26,791,054	\$29,872,826	\$35,237,325
<b>DETAILS OF DECEMBER 31 FUND BALANCE</b>					
Nonspendable	\$87,313	\$100,907	\$57,917	\$50,929	\$73,704
Unassigned	25,956,166	27,688,224	26,733,137	29,821,897	35,163,621
<b>Total</b>	<b>\$26,043,479</b>	<b>\$27,789,131</b>	<b>\$26,791,054</b>	<b>\$29,872,826</b>	<b>\$35,237,325</b>

**GENERAL FUND BUDGET SUMMARY**

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31		
	2025 Adopted Budget	2025 Unaudited	2026 Adopted Budget <sup>1</sup>
Revenues			
General property taxes	\$64,130,917	\$62,352,401	\$66,996,864
Special assessments	79,300	39,827	47,800
Licenses and permits	3,204,939	3,359,956	3,356,507
Fine and forfeitures	281,500	320,076	292,600
Intergovernmental revenue	1,600,572	2,242,361	1,888,072
Donations	3,000	10,464	11,000
Refunds and reimbursements	10,610	21,736	10,610
Charges for services	2,795,451	4,135,495	3,895,765
Investment income	384,515	1,017,560	589,616
Net change in fair value of investments	134,757	894,086	439,829
Lease income	6,000	1,800	0
Other revenue	1,095,544	1,351,264	1,298,639
<b>Total Revenues</b>	<b>\$73,727,105</b>	<b>\$75,747,027</b>	<b>\$78,827,302</b>
Expenditures			
Current:			
General government	\$9,014,460	\$8,290,155	\$10,545,374
Community development	5,135,686	5,218,319	5,882,191
Public safety	41,473,523	42,637,953	45,060,357
Public works	10,045,204	9,961,262	10,034,319
Recreation and parks	6,462,530	6,279,900	7,456,061
Capital outlay	155,600	156,903	0
<b>Total Expenditures</b>	<b>\$72,287,003</b>	<b>\$72,544,492</b>	<b>\$78,978,302</b>
<b>Excess of revenues over (under) expenditures</b>	<b>\$1,440,102</b>	<b>\$3,202,535</b>	<b>(\$151,000)</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	\$565,261	\$1,231,184	\$658,170
Transfers (out)	(1,014,064)	(1,039,694)	(1,571,971)
<b>Total Other Financing Sources (Uses)</b>	<b>(448,803)</b>	<b>191,491</b>	<b>(913,801)</b>
<b>Net changes in Fund Balances</b>	<b>\$991,299</b>	<b>\$3,394,025</b>	<b>(\$1,064,801)</b>

<sup>1</sup> The 2026 budget was adopted on December 8, 2025.

## GENERAL INFORMATION

### LOCATION

The City, with a 2020 U.S. Census population of 86,478 and a 2024 population estimate of 84,753, and comprising an area of 27 square miles, is located approximately 28 miles northwest of St. Paul, Minnesota.

### LARGER EMPLOYERS

Larger employers in the City include the following:

<b>Firm</b>	<b>Type of Business/Product</b>	<b>Estimated No. of Employees</b>
Target North Campus	Target corporate campus	3,000
The City	Municipal government and services	838
CAT Paving	Paving products and equipment	660
North Hennepin Community College	Community college	413
Walmart Supercenter	Grocery and retail	400
Enpointe	Marketing and printing solutions	375
Medtronic	Cardiac surgery medical equipment	365
Cirtec Medical	Medical equipment manufacturer	350
Olympus	Surgical energy products	250
HyVee	Grocery and retail	200

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

**BUILDING PERMITS** (as of April 13, 2026)

	2022	2023	2024	2025	2026
<u>New Single Family Homes</u>					
No. of building permits	16	3	2	7	1
Valuation	\$4,542,890	\$561,730	\$665,549	\$4,331,853	\$1,012,807
<u>New Multiple Family Buildings</u>					
No. of building permits	0	2	1	2	0
Valuation	\$0	\$64,436,720	\$48,947,833	\$49,291,401	\$0
<u>New Commercial/Industrial</u>					
No. of building permits	154	158	164	191	51
Valuation	\$73,879,798	\$50,129,106	\$66,602,729	\$49,701,998	\$41,756,072
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	5,337	5,209	5,251	5,318	1,190
Valuation	\$168,605,866	\$240,127,182	\$178,840,549	\$192,378,221	\$70,268,595

Source: The City.

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

2010 U.S. Census population	75,781
2020 U.S. Census population	86,478
Percent of Change 2010 - 2020	14.12%
2024 Metropolitan Council Population Estimate	84,753

**Income and Age Statistics**

	<b>The City</b>	<b>Hennepin County</b>	<b>State of Minnesota</b>	<b>United States</b>
2024 per capita income	\$38,978	\$59,401	\$48,237	\$44,673
2024 median household income	\$89,891	\$97,653	\$89,062	\$80,734
2024 median family income	\$108,860	\$134,878	\$113,993	\$99,999
2024 median gross rent	\$1,325	\$1,487	\$1,280	\$1,413
2024 median value owner occupied units	\$336,200	\$392,900	\$329,300	\$332,700
2024 median age	35.2 yrs.	37.6 yrs.	38.8 yrs.	38.9 yrs.

	<b>State of Minnesota</b>	<b>United States</b>
City % of 2024 per capita income	80.81%	87.25%
City % of 2024 median family income	95.50%	108.86%

**Housing Statistics**

	<b><u>The City</u></b>		
	<b>2020</b>	<b>2024</b>	<b>Percent of Change</b>
All Housing Units	28,749	28,785	0.13%

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

**EMPLOYMENT/UNEMPLOYMENT DATA**

Rates are not compiled for individual communities within counties.

<b>Year</b>	<b><u>Average Employment</u></b>		<b><u>Average Unemployment</u></b>	
	<b>Hennepin County</b>	<b>Hennepin County</b>	<b>State of Minnesota</b>	
2022	692,966	2.2%	2.5%	
2023	696,639	2.5%	2.8%	
2024	696,890	2.9%	3.1%	
2025	699,971	3.6%	3.9%	
2026, February	680,662	4.4%	5.3%	

**Source:** Minnesota Department of Employment and Economic Development.

**FINANCIAL STATEMENTS**

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

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

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# Brooklyn Park

Unique. United. Undiscovered.



## Annual Comprehensive Financial Report

City of Brooklyn Park, Minnesota  
for the year ended December 31, 2024

**ANNUAL**  
**COMPREHENSIVE FINANCIAL REPORT**  
**OF THE**

**CITY OF BROOKLYN PARK,  
MINNESOTA**

**DRAFT**

For the Year Ended

December 31, 2024

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

Prepared by

**THE FINANCE DEPARTMENT**

**City of Brooklyn Park  
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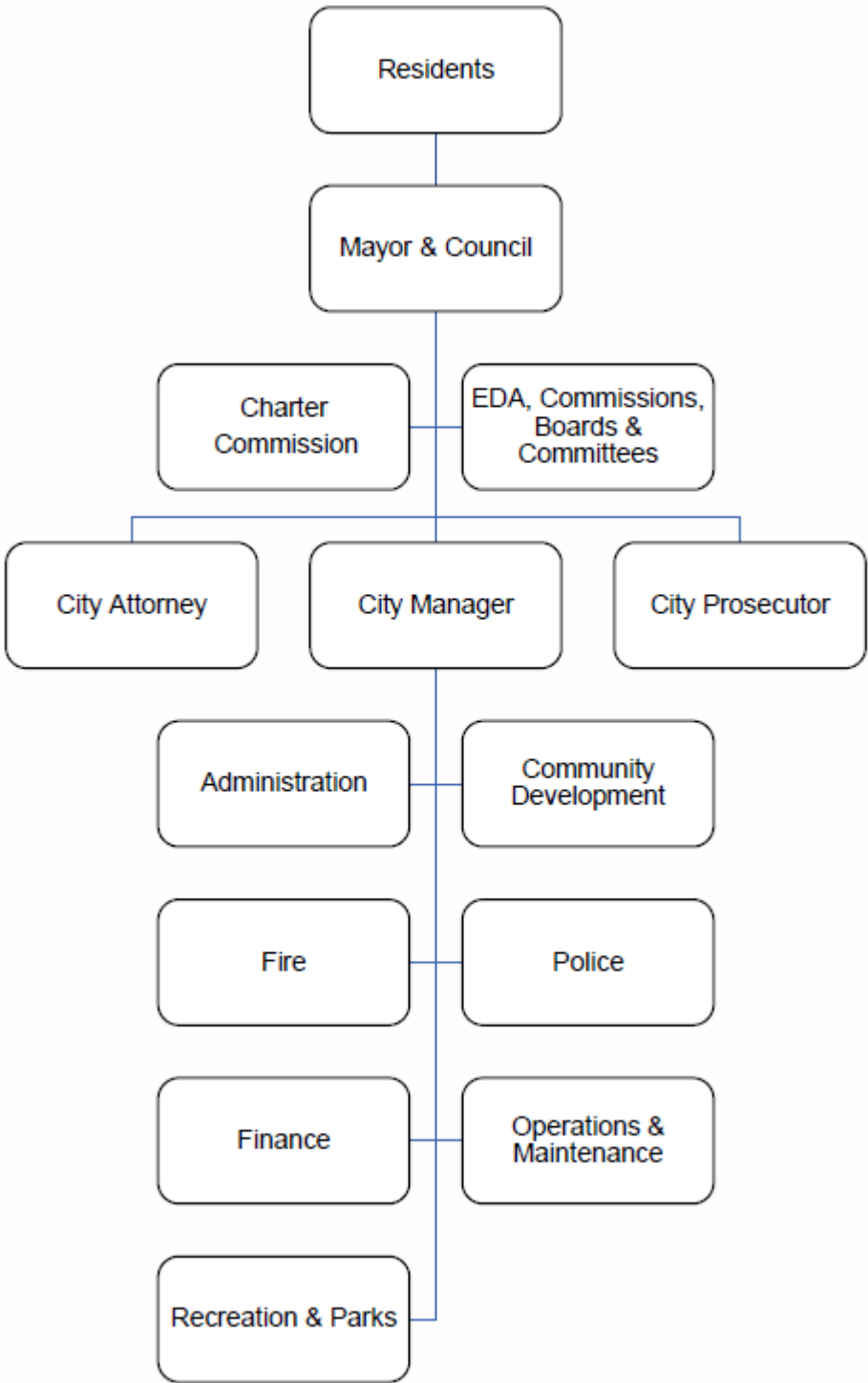
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**City of Brooklyn Park  
Elected Officials and Administration  
December 31, 2024**

Elected Officials	Position	Term Expires
Hollies Winston	Mayor	December 31, 2026
Amanda Cheng Xiong	Council Member (East District)	December 31, 2028
Christian Eriksen	Council Member (East District)	December 31, 2026
Shelle Page	Council Member (Central District)	December 31, 2028
Nichole Klonowski	Council Member (Central District)	December 31, 2026
Tony McGarvey	Council Member (West District)	December 31, 2028
Maria Tran	Council Member (West District)	December 31, 2026
Administration	Position	
Jay Stroebel	City Manager	Appointed

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City of Brooklyn Park  
Organizational Chart  
December 31, 2024





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5200 85<sup>th</sup> Ave N., Brooklyn Park, MN 55443-4300 Phone 763-424-8000 Fax 763-493-8391

July 24, 2025

To the Honorable Mayor, Members of the City Council, and Residents of the City of Brooklyn Park:

The Annual Comprehensive Financial Report of the City of Brooklyn Park, Minnesota (the City) for the fiscal year ended December 31, 2024, is hereby submitted.

This report has been prepared by the Finance Department, and the responsibility for the accuracy of the data, as well as the completeness and fairness of the presentation, including all disclosures, supporting schedules, and statistical tables, rest with the city. The report adheres to Generally Accepted Accounting Principles (GAAP), as established by the Governmental Accounting Standards Board and meets the requirements of the State Auditors' office.

The City's management assumes full responsibility for the completeness and reliability of the information contained in the report. This assurance is based on a comprehensive framework of internal control standards established to support the accuracy of financial reporting. While internal controls are designed to ensure reliability, the cost of such controls should not exceed their anticipated benefits. Therefore, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. We believe the data presented is accurate in all material respects, that it fairly reflects the financial position and operational results of the City's various funds, and that all necessary disclosures are included to enable the reader to gain a thorough understanding of the City's financial status.

The City of Brooklyn Park's financial statements have been audited by BerganKDV, an independent auditing firm. The purpose of the audit was to provide reasonable assurance that the financial statements of the City of Brooklyn Park for the fiscal year ended December 31, 2024, are free from material misstatements. This independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used, and evaluating the overall financial statement presentation. Based on the audit, the independent auditor issued an unmodified opinion, indicating that the City of Brooklyn Park's financial statements for the year ended December 31, 2024, are fairly presented in conformity with GAAP. The independent auditor's report can be found as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements, in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is intended to complement MD&A and should be read in conjunction with it. The MD&A for the City of Brooklyn Park can be found immediately following the independent auditor report.

## **Profile of the City**

The City of Brooklyn Park is a second-tier suburb of Minneapolis, located in northeast Hennepin County. The city is bordered by Maple Grove, Osseo, Champlin, Brooklyn Center, Crystal, and New Hope, with the Mississippi River forming a natural boundary along the entire eastern edge of the city. Situated approximately 12 miles from downtown Minneapolis and 21 miles from the Minneapolis/St. Paul International Airport, Brooklyn Park covers an area of about 27 square miles. The 2020 Census count of 86,478 (<https://www.census.gov>) represents a 14.1 percent increase over the 2010 Census count of 75,781. Brooklyn Park is the fourth largest city in the Minneapolis-St. Paul metropolitan area and the sixth largest city in the State of Minnesota. The City is empowered to levy property tax on both real and personal properties located within its boundaries.

Since its incorporation in 1969, Brooklyn Park has operated under a Council-Manager form of government. Legislative and policy-making authority rests with a City Council, consisting of the Mayor and six other members. The City Council is responsible for passing ordinances, adopting the budget, appointing committees, and hiring both the City Manager and the City Attorney. The City Manager is responsible for implementing the policies and ordinances of the City Council, managing the City's daily operations, and appointing department heads. Council members serve staggered four-year terms, with three members elected every two years. The Mayor is also elected to a four-year term, serving at-large, while the six Council members are elected by district.

The city provides a full range of municipal services, including police and fire protection, street and infrastructure maintenance, and recreational programs. Some development services are delivered through the legally separate Economic Development Authority (EDA), which functions as an integral department of the City and is therefore included in the City's financial statements.

## **Financial Planning and Budgeting**

The City of Brooklyn Park's annual budget serves as the cornerstone of its financial planning and control. The City adopts an annual budget for all operating funds, including the General Fund, Special Revenue Funds, General Debt Service Funds, Capital Project Funds, Enterprise Funds, and Internal Service Funds, and is required to adopt an annual levy under Minnesota State Statutes. The City Council has the discretion to authorize a two-year budget cycle when deemed strategic and beneficial for the City. In such cases, the second year of the biennium undergoes an amendment process that is less intensive than the full-budget cycle.

State statutes require the Council to review and adopt a preliminary budget and maximum tax levy in September (preliminary amended budget for the second year of the biennium). The Council is required to hold a public hearing on the budget and a final budget must be adopted no later than December 28. The budget is prepared by fund, department, division, and program, and department heads are permitted to make limited transfers of appropriations within their departments. A budget-to-actual comparison is provided in this report for the General Fund within the Basic Financial Statements Section.

## **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 Brooklyn Park operates.

## **Local Economy**

The City of Brooklyn Park is the fourth largest community in the Twin Cities metropolitan area. We are able to draw on the resources of the overreaching metropolitan area including jobs for residents, employees for businesses, and culture and entertainment for community members.

The City of Brooklyn Park has consistently maintained a strong financial position, with stable revenue streams from property taxes, commercial development, and other sources. This financial stability has enabled the city to continue investing in vital infrastructure improvements. Current projects include the rehabilitation and replacement of key public facilities, such as fire stations, playgrounds, tennis, basketball, and pickleball courts, as well as parking lots. These investments are critical to ensuring the city's long-term growth and quality of life for residents.

However, like many other municipalities, Brooklyn Park faces ongoing challenges in balancing its budget due to rising costs associated with public services, infrastructure maintenance, and development. Inflation has further exacerbated these pressures, impacting the cost of everything from construction materials to everyday consumer goods, putting strain on financial planning and operations.

In addition to inflationary pressures, the city continues to experience supply chain disruptions. These disruptions have led to delays in acquiring materials and resources, at times affecting the city's operational efficiency and ability to complete projects on schedule. Despite these challenges, Brooklyn Park remains committed to fiscal responsibility and strategic planning to meet the needs of its growing community.

## **Other Pressures**

Other factors that are impacting our current and future budgets include wage pressure, emerald ash borer, and PFAS (Per- and polyfluoroalkyl substances) in our water supply. We have observed significant market pressure on wages in the public sector, especially in our public safety positions. Additionally, the removal of the Governor's salary cap has started putting pressure on wages for our organizational leadership positions. The spread of Emerald Ash Borer has occurred much faster than anticipated leading to the need for additional staffing and resources to remove and treat ash trees on public property. A recent concern that is impacting communities across the country that use ground water for their municipal water supply is the presence of PFAS in these underground aquifers. If needed, the cost of treating our water supply based on updated health standards will be significant.

## **Future Development**

Brooklyn Park's proximity to both downtown Minneapolis and St. Paul as well as its location nearby major transportation corridors such as trunk Highway 610, have aided in the continued development of business and housing in the city. The connection of Interstate 94 and Highway 610 provides improved access for businesses which has spurred significant development along the 610 corridor, including several million square feet of industrial/jobs projects.

## **Biotech District**

In May 2024, Minnesota Legislature approved a Biotechnology Innovation District in the City of Brooklyn Park. The Biotech Innovation District will further help the city become a hub of regional growth and economic success.

The district is estimated to generate 10,000 new jobs and 3,000 additional housing units, playing a crucial role in addressing workforce disparities that disproportionately impact Black, Indigenous, and People of Color (BIPOC) in Brooklyn Park throughout the region.

With more than 700 developable acres of land, Brooklyn Park has the capacity to support medical device and pharmaceutical manufacturing and other biotech industry companies into a vibrant mixed-use development district.

The district will be nestled in the heart of Medical Alley, north of Hwy 610 and on either side of Hwy 169. Planned stops for the METRO Blue Line Extension light rail transit project will expand access to and through the district.

### **METRO Blue Line Light Rail Transit (LRT)**

Metro Transit and Hennepin County led the planned METRO Blue Line LRT project, which is anticipated to commence construction in 2027 and begin operations in 2030, bringing five stations to Brooklyn Park and connecting residents to downtown Minneapolis and the MSP airport.

In Summer 2022, progress was made towards selecting a new route after more than 18 months of robust community engagement. Project staff held hundreds of community meetings, virtual open houses, and had thousands of face-to-face community interactions. Feedback received during community engagement guided decision making through the route selection process.

In Fall 2022, the environmental review process was started to understand the potential social, economic, and environmental impacts and benefits that may occur because of the design, construction, and operation of the Blue Line Extension route options. Environmental work, along with ongoing public feedback and agency coordination, will compare options, drive the design process, and guide project decisions so they avoid, minimize, or mitigate potential impacts of the modified route.

In Summer 2024, the Supplemental Draft Environmental Impact Statement was published for this project, at which time the city adopted a response letter urging a study be completed to ensure East-West connections for bus routes to serve the community. Staff are continuing anti-displacement conversations, outreach to the community and refinement to the station designs in anticipation of this project to ensure the maximum benefit to the community.

In Fall 2025, Municipal Consent was granted by all corridor communities.

### **Local Affordable Housing Aid (LAHA)**

The MN Legislature passed a housing bill with \$1 billion in new funding for various housing programs. The Legislature appropriated state funds for the programs and established a metro wide sales tax for housing needs, including a portion of this tax as local housing aid for metropolitan cities. The new law establishes a 0.25% metropolitan regional sales tax, with a portion of the proceeds allocated to metropolitan cities over 10,000 in population. Brooklyn Park received a distribution of aid in the amount of \$464,000 in 2024, with future annual amounts anticipated to be close to \$1 million. This aid can be used for emergency rental assistance, financial support to nonprofit affordable housing providers, and projects for the construction, acquisition, rehabilitation, demolition or removal of existing structures, construction financing, permanent financing, interest rate reduction, refinancing, and gap financing of housing. This aid is only for affordable housing assistance to households at 115 percent of the area median income for homeownership projects, and 80 percent of the area median income for rental housing projects. Brooklyn Park has created a Local Housing Trust Fund to be able to maximize its use of state LHA funding.

### **Oxbow Commons & Former Noble Park & Ride Site**

The EDA has released a Request for Qualifications for the former Park & Ride site located at 4201 95<sup>th</sup> Avenue N and the Oxbow Commons sites, a name referring to a collection of four EDA-owned sites at the intersection of Oak Grove Parkway and Regent Ave. The EDA has entered in exclusive negotiations with Bader Companies and Gramercy Development for the Oxbow Commons Sites and with Kraus Anderson for

the Former Noble Park & Ride Site. No project approvals have yet occurred, but the EDA will spend the next year negotiating potential development deals.

In 2018, the EDA purchased the old Metro Transit Park and Ride site for \$1,255,800 to ensure its use as an asset for the community. The 6.85-acre parcel located at Noble Parkway and Highway 610 is a prime redevelopment site with great connectivity, visibility, and embedded in a strong residential area with commercial uses and a nearby school. The property is currently designated as Institutional in the Comprehensive Plan and zoned as Public Institution. The Comprehensive Plan will need to be amended, and the zoning designation changed to guide the property in a manner consistent with the development goals.

The EDA acquired all four of the parcels in the Oxbow Commons development in 2014. Three were purchased in May 2014 through Hennepin County's auction of tax forfeiture property. The purchase of the fourth parcel (PID 0911921210006) in August 2014 completed the project area. The total acquisition cost of the four parcels was \$1,084,900. All four of these properties were rezoned and re-guided in the Comprehensive Plan as part of the Hwy 610 corridor study completed in 2023. Two of these parcels, Oxbow 1 and 2, are zoned as High Density Residential; Oxbow 3 and 4 are designated as Mixed Use.

### **Northwest Growth Area Plan**

In March of 2023, the Brooklyn Park City Council adopted an interim ordinance establishing a development moratorium in the northwest portion of the city. The purpose of the moratorium was to conduct a study to consider the types of developments and land uses that would maximize the City's tax base. This study resulted in changes to the City's Comprehensive Plan and Zoning Ordinance, with the creation of the Mixed-Use land use designation and corresponding zoning district. Within the Mixed-Use zoning district, the city adopted a minimum floor area ratio of 0.75, requiring higher density development to achieve the goals set by the moratorium.

While a substantial proportion of recent development in Brooklyn Park has been light industrial office/warehouse buildings, very little land guided for that type of development remains available. This type of development generally contributes more to the City's tax base than retail and other commercial uses, but less than high-density housing. It also tends to be a light user of city services. For the remaining Business Park land, the goal is to ensure that the land is being developed as efficiently as possible.

The 610 Moratorium ultimately led to the commencement of the Northwest Growth Area Plan, an effort to ensure that future development met the design and tax base vision of the community. This 700-acre site is one of the three (3) largest development sites in the Minneapolis Saint Paul Region. This site also includes a planned 245-acre BioTech Innovation District. Throughout 2024 and 2025, the City has hosted two (2) series of Open Houses and Online Engagement studying three (3) different development scenarios. The City is now focusing on a single preferred development scenario and is scheduled to complete the planning process by the end of 2025. Efforts will then focus on implementation of the BioTech Innovation District over the next several years.

## **Recent Development and Updates**

### **NorthPark Business Park**

NorthPark is a 200-acre business park that is now substantially complete, bringing hundreds of thousands of square feet of industrial space and job growth to the community. The remaining portion is being planned as a corner anchored retail center to support the broader business park.

### **Prairie Seeds Academy**

Prairie Seeds Academy is an existing Public Charter School with a significant expansion underway. The expansion will be complete in time for the 2025-2026 academic year.

### **Zanewood Teen Center**

The City approved a major expansion to the Zanewood Recreation Center known as the Zanewood Teen Center or 'The Wood'. This youth-based center will include space for our BrookLynk Workforce Development Program.

### **Takeda Expansion**

Takeda is a major manufacturer and employer for Brooklyn Park and one of our major BioTech Companies. Takeda is about to commence a major expansion to keep up with their production demand.

### **Brooklyn Park Small Business Center (SBC)**

In 2024, Brooklyn Park opened the SBC, located at 7970 Brooklyn Blvd within Northwind Plaza. The SBC is designed as a coworking and incubator space that fosters collaboration and growth in a space that provides a full suite of services at a competitive price. The center is a space for small businesses and entrepreneurs to locate, access resources, and grow in an affordable, culturally inclusive, and supportive environment. The small business center is approximately 25,000 square feet and provides shared office space, conferencing, printing, network access and audio-visual capabilities for meetings. The SBC includes space for a range of business types including retail space, private offices, dedicated desks and shared spaces.

### **Workforce Development**

BrookLynk, the City's workforce development division continues to develop the future workforce in the region, having served over 3,000 youth through work readiness training, summer internships, career pathways, and coordinated partnerships with local businesses across sectors and industries. BrookLynk also provides workplace development services, including supervisor training, talent recruitment and hiring support to assist with retaining the workforce of the future. BrookLynk also partners with local small businesses and has developed a business and entrepreneurship career pathway by delivering a Youth Entrepreneurship Program (YEP), that includes weekly workshops, shark tank and summer internships for youth interested in entrepreneurship as a career pathway.

### **Wayfinding**

In 2022, the EDA collaborated with the Recreation and Parks department to complete a plan to add monument, trail, and vehicular signage that will help guide people to places and introduce them to great destinations in the community. Additionally, the branding initiative and park system plan combined with the city's opportunity to leverage light rail transit (LRT) investment call for the development of a comprehensive citywide wayfinding system plan that links key community destinations, local and regional trails, and the LRT. Once completed, the Wayfinding project will include kiosks at key locations and directional signage with maps as well as existing small-branded city signs, gateway monument signs, and park and city facility identification signage. The installation of the wayfinding project was broken into three phases. Phases one and two are now complete. Phase three will be discussed for future years.

## **Housing Initiatives**

### **Housing Financial Resources**

The EDA administers several housing reinvestment programs that provide financial resources to first time homebuyers, single-family and townhome homeowners in the community. With about \$1 million in annual funding, this program supports first-time homebuyers as well as requests for home renovations.

### **Huntington Place—834 units**

The EDA continued to invest in Huntington Place in recent years, providing almost \$4 million in funding for improvements to the property. Additionally, in response to community concerns, the EDA spent a significant portion of several of their meetings listening to community members and evaluating options for improved operations, which resulted in amendments to the agreement to focus on unit improvements for existing residents. Aeon received \$3 million in County funding for improvements as well as a \$4 million award of federal dollars. Enhanced resident engagement and outreach efforts have resulted in reduced crime and higher resident satisfaction. Aeon is trying to sell the building but hopes to retain it as affordable housing.

Huntington Place’s owner, Aeon, is in the process of selling the Property. While the exact sale date is not yet known, it is anticipated to be completed in 2025. The City’s previous efforts ensure a level of affordability is maintained for the property, minimizing displacement of existing residents.

### **Tessman Ridge (6800 85th Ave)**

The EDA worked with North Hennepin Community College (NHCC) and Minnesota State Colleges and Universities to issue a request for qualifications (RFQ) and selected Duffy Development Company for a mixed income apartment development. The project received Low Income Housing Tax Credits (LIHTC), and the land use application was approved by the City Council. This 71-unit building with a mix of 1, 2, 3, and 4-bedroom units at various affordability levels was completed in 2024.

### **Decatur Landing**

This project includes two phases of workforce housing consisting of 350 units (175 in each phase) which are a mix of 1-bedroom, 2-bedroom, and 3-bedroom apartment homes. This project proposes to use income averaging and have an average affordability to families making 60% of the area median income. Five percent (5%) of the homes, or a total of 18 units, will be restricted to families making no greater than 30% AMI. The total unit mix is 77% 2-bedroom units and above with units of each size at both 30% and 60% AMI. This project has approved development agreements with the EDA for both Phases I and II and is financing the developments with an allocation of tax-exempt bonds from Minnesota Management and Budget. Construction on the first building is nearing completion, and construction on the second building began in spring 2024.

### **Sandgrass Pointe**

This project is located at 5800 69<sup>th</sup> Avenue. It is a townhouse and apartment development with 44 affordable units. This project is anticipated to begin construction in 2025.

### **The Brook Apartments**

This project, located adjacent to the Six Ten Zane development, is a 192-unit apartment complex with 5% affordable units at 30% of the area median income (AMI). This project did not receive any City financial assistance. Construction of this project began in 2025.

## **Partnerships**

### **Minnesota Investment Fund (MIF) and Job Creation Fund (JCF)**

MIF and JCF are programs run through the State of Minnesota’s Department of Employment and Economic Development (DEED) with the goal of retaining and creating high wage jobs in Minnesota. Brooklyn Park businesses regularly utilize these funds to help fund expansions, relocations, and equipment purchases. Most recently, the State of Minnesota officially awarded Brooklyn Park JCF/MIF awards to Walgreens Inc. and Biomerics, LLC.

Several companies having taken advantage of the MIF and JCF funds, including:

Company	Year
Perbix (Now Tesla)	2015
Takeda	2015
Olympus	2015
Design Ready Controls	2015
Metro Mold and Design	2015
Wurth Adams	2016
Star	2017
Biomerics	2017
NAPCO	2018
MKG	2019
Cirtec	2020
JunoPacific	2021
Switchback Medical	2021
Clear Edge Filtration	2021
Walgreens	2022
Rotation Engineering	2024

## **Long-Term Financial Planning**

The City of Brooklyn Park prepares a five-year Capital Improvement Plan and a five-year Capital Equipment Plan, both of which are updated annually. These plans are accessible on the City’s website at [www.brooklynpark.org](http://www.brooklynpark.org). Additionally, the City develops a comprehensive financial plan that includes an annual budget process with a five-year rolling budget. This approach allows the city to focus on long-term trends and maintain a structurally balanced budget that effectively meets the service needs of its citizens.

## **Certificate of Achievement**

The Government Finance Officers Association (GFOA) awarded the City of Brooklyn Park a Certificate of Achievement for Excellence in Financial Reporting for its Annual Comprehensive Financial Report for the fiscal year ending December 31, 2023. This marks the 44<sup>th</sup> consecutive year that the city has received this prestigious award.

To earn a Certificate of Achievement, the City must publish an annual report that is both easily readable and well-organized, meeting the standards of GAAP and applicable legal requirements.

The Certificate of Achievement is valid for one year only. We believe that the current annual report continues to meet the Program’s requirements, and we are submitting it to the GFOA for consideration for another certificate.

## **Acknowledgements**

The preparation of this report could not have been accomplished without the efficient and dedicated services of many people throughout the organization. Special recognition goes to current Financial Services Division staff (Stefanie Dunfee, Chris Kuecker, Kristine Keyes, Mike Flaherty, Tina Amell, Felicia Jappah, Cheryl Keene, and Molly Lopez) for their diligent work in preparing this report.

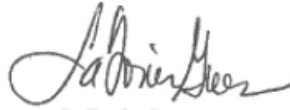
We recognize and appreciate the thorough, professional, and timely manner in which BerganKDV, our independent auditor, conducted the audit.

Finally, we acknowledge the Mayor and City Council Members for their consistent support for maintaining the highest standards of professionalism in all aspects of financial management.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Jay Stroebel", with a long horizontal flourish extending to the left.

Jay Stroebel  
City Manager

A handwritten signature in blue ink, appearing to read "LaTonia Green", with a long horizontal flourish extending to the left.

LaTonia Green  
Finance Director

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City of Brooklyn Park  
Certificate of Achievement for Excellence in Financial Reporting



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Brooklyn Park  
Minnesota**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2023

*Christopher P. Morill*

Executive Director/CEO

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## Independent Auditor's Report

Honorable Mayor and Members  
of the City Council  
City of Brooklyn Park  
Brooklyn Park, Minnesota

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brooklyn Park, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Brooklyn Park's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements 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 Brooklyn Park, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 City of Brooklyn Park 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**

The City of Brooklyn Park's 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 Brooklyn Park's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS and *Government 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 Brooklyn Park'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 Brooklyn Park's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, which follows this report letter, and Required Supplementary 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 GASB, 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 Brooklyn Park's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the Annual Comprehensive Financial 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 July 24, 2025, on our consideration of the City of Brooklyn Park'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 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 Brooklyn Park's internal control over financial reporting and compliance.

*BerganKDV, Ltd.*

Minneapolis, Minnesota  
July 24, 2025

DRAFT

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## City of Brooklyn Park, Minnesota Management's Discussion and Analysis

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As management of the City of Brooklyn Park (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3-11 of this report.

### **Financial Highlights**

- The overall net position of the City increased by \$25,214,984. This change is comprised of an increase in the net position of governmental activities of \$22,861,700 and an increase in the net position of business-type activities of \$2,353,284.
- The net position of the City equaled \$502.7 million at the end of 2024. Of this amount, \$152 million is unrestricted and may be used to meet the City's ongoing obligations to its citizens and creditors. This represents an increase of just over \$13 million or (9.9%) from 2023.
- As of December 31, 2024, unassigned fund balance within the General Fund was just under \$35.2 million or 54% of total general fund expenditures.

### **Overview of the Financial Statements**

The discussion and analysis are intended to serve as an introduction to the City of Brooklyn Park's basic financial statements. The City of Brooklyn Park's basic financial statements are comprised of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

This report also contains other supplementary information in addition to the basic financial statements themselves.

### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide a broad overview of the City's finances, in a manner similar to a private-sector business. The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities. The Statement of Net Position presents information on all the City's assets, deferred outflows, liabilities and deferred inflows, with the difference reported as its net position. Over time, increases or decreases in the 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 City's net position changed during the most recent fiscal year. All changes in the 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 this 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).

**City of Brooklyn Park, Minnesota  
Management's Discussion and Analysis**

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**Government-Wide Financial Statements (Continued)**

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (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 works, recreation and parks, community development and interest on long-term debt. The business-type activities of the City include public utilities (water, sanitary sewer, recycling), storm sewer utility, street and signal light utility, recreation (golf course and golf clubhouse) and the park dome.

The government-wide financial statements include not only the City of Brooklyn Park itself (known as the *primary government*), but also a legally separate Economic Development Authority. The Economic Development Authority, although legally separate, functions for all practical purposes as a department of the City of Brooklyn Park, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be viewed on pages 45-47 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 of Brooklyn Park, 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 three categories:

- Governmental funds
- Proprietary funds
- Fiduciary 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 available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financial requirements.

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 City's near-term financial decisions.

Both the governmental fund balance sheet and governmental fund statement of revenues, expenses, and change in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Brooklyn Park maintains 8 individual major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenses, and changes in fund balances for the General Fund, Coronavirus Local Fiscal Recovery, General Debt Service, Special Assessment Construction, Open Space Land Acquisition and Development, Economic Development Authority, Tax Increment Financing and Project Deposits, all of which are major funds. Data from the other governmental funds are combined into a single, aggregated presentation, labeled "Total Nonmajor Funds".

**City of Brooklyn Park, Minnesota  
Management's Discussion and Analysis**

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**Fund Financial Statements (Continued)**

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 of Brooklyn Park adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided to demonstrate compliance with this budget. The governmental fund financial statements can be found on pages 48-56 of this report.

*Proprietary Funds* - The City of Brooklyn Park 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 of Brooklyn Park uses enterprise funds to account for its water, sanitary sewer, recycling, storm sewer, street/signal light, golf course and clubhouse and recreation dome functions. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of Brooklyn Park's various functions. The City of Brooklyn Park uses internal service funds to account for its central services (buildings and fleet of vehicles), information technology systems, loss control function and all benefits for employees. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the Government-wide financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund statements provide separate information for public utilities and storm sewer utility which are major funds. Data from the other proprietary funds are in two presentations, labeled "total nonmajor funds" and "total enterprise funds", each the aggregate of the utility and recreation funds respectively. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 57-60 of this report.

*Fiduciary Funds* - are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on page 61-62 of this report.

*Notes to Basic Financial Statements* - 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 can be found starting on pages 63-107 of this report.

*Supplementary Information* - includes the combining and individual fund statements referred to earlier in connection with non-major governmental funds, internal service funds, and fiduciary funds. These combining and individual statements are presented immediately following the notes to the basic financial statements. Combining statements and additional statements can be found on pages 110-171 of this report.

**City of Brooklyn Park, Minnesota  
Management's Discussion and Analysis**

**Change in Net Position**

As noted earlier, the net position may serve over time as a useful indicator of the City's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by just under \$502.7 million on December 31, 2024.

	2024	2023	Variance	Percent Change
Cash and investments	\$ 192,572,154	\$ 181,465,058	\$ 11,107,096	6.1%
Current and other assets	67,362,698	65,673,676	1,689,022	2.6%
Capital assets (net)	346,559,624	338,263,193	8,296,431	2.5%
Total assets	<u>606,494,476</u>	<u>585,401,927</u>	<u>21,092,549</u>	<u>3.6%</u>
Deferred outflows of resources	<u>34,734,898</u>	<u>42,777,854</u>	<u>(8,042,956)</u>	<u>-18.8%</u>
Total assets and deferred outflows of resources	<u>641,229,374</u>	<u>628,179,781</u>	<u>13,049,593</u>	<u>2.1%</u>
Current and other liabilities	18,022,511	20,347,285	(2,324,774)	-11.4%
Noncurrent liabilities - Due in more than one year	69,136,594	82,166,636	(13,030,042)	-15.9%
Total liabilities	<u>87,159,105</u>	<u>102,513,921</u>	<u>(15,354,816)</u>	<u>-15.0%</u>
Deferred inflows of resources	<u>51,374,668</u>	<u>52,460,196</u>	<u>(1,085,528)</u>	<u>-2.1%</u>
Total liabilities and deferred inflows of resources	<u>138,533,773</u>	<u>154,974,117</u>	<u>(16,440,344)</u>	<u>-10.6%</u>
<b>Net Position</b>				
Net investment in capital assets	316,172,707	304,027,172	12,145,535	4.0%
Restricted	34,522,060	30,891,876	3,630,184	11.8%
Unrestricted	<u>152,000,834</u>	<u>138,286,616</u>	<u>13,714,218</u>	<u>9.9%</u>
Total net position	<u>\$ 502,695,601</u>	<u>\$ 473,205,664</u>	<u>\$ 29,489,937</u>	<u>6.2%</u>

The net position is divided into three areas: net investment in capital assets, restricted, and unrestricted.

**Net Investment in Capital Assets**

This area within net position represents the City's investment in capital assets (land, buildings, infrastructure {streets, parks, utilities}, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these assets to provide services to citizens; consequently, these assets are not available for future spending. For 2024, these assets represent 62.9% of the total net position. GASB Statement No. 34 requires the City to report infrastructure assets used in governmental activities placed in service since 1980.

**Restricted**

This portion of the net position represents resources that are subject to external restrictions on how they may be used. On December 31, 2024, 6.9% of the total net position is restricted.

**Unrestricted**

The unrestricted portion of net position represents resources that are available to meet the City's short and long-term obligations. Unrestricted net position represents 30.2% of the total net position as of December 31, 2024.

**City of Brooklyn Park, Minnesota  
Management's Discussion and Analysis**

**Statement of Activities**

The total net position of the City increased by \$25.2 million or 5.3% from 2023. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$502.7 million on December 31, 2024. Activities are divided into governmental and business-type.

**Governmental Activities**

Brooklyn Park, Minnesota  
Net Position  
December 31, 2024 and 2023

	Governmental Activities			Percent Change
	2024	2023	Variance	
Cash and investments	\$ 142,539,920	\$ 134,316,359	\$ 8,223,561	6.1%
Current and other assets	55,451,762	54,582,693	869,069	1.6%
Capital assets (net)	225,843,880	215,098,653	10,745,227	5.0%
Total assets	423,835,562	403,997,705	19,837,857	4.9%
Deferred outflows of resources	34,486,367	42,301,354	(7,814,987)	-18.5%
Total assets and deferred outflows of resources	458,321,929	446,299,059	12,022,870	2.7%
Current and other liabilities	15,509,315	17,858,996	(2,349,681)	-13.2%
Noncurrent liabilities - Due in more than one year	61,961,794	73,371,458	(11,409,664)	-15.6%
Total liabilities	77,471,109	91,230,454	(13,759,345)	-15.1%
Deferred inflows of resources	50,507,319	51,861,757	(1,354,438)	-2.6%
Total liabilities and deferred inflows of resources	127,978,428	143,092,211	(15,113,783)	-10.6%
<b>Net Position</b>				
Net investment in capital assets	202,322,231	188,681,980	13,640,251	7.2%
Restricted	34,522,060	30,891,876	3,630,184	11.8%
Unrestricted	93,499,210	83,632,992	9,866,218	11.8%
Total net position	\$ 330,343,501	\$ 303,206,848	\$ 27,136,653	8.9%

The net position related to governmental activities increased by \$22.9 million, or 7.4%, during the year because of the following:

- Overall, the net investment in capital assets increased by just over \$13.6 million. This is a combination of fixed asset changes, which is net of depreciation and offset by principal payments of debt. There were significant amounts of grant-funded capital additions and no new debt in 2024.
- Required actuarial adjustments in the deferred outflows of resources related to the cost-sharing pension plan as well as the other postemployment benefits compared to 2023.

**City of Brooklyn Park, Minnesota  
Management's Discussion and Analysis**

**Governmental Activities (Continued)**

- Noncurrent liabilities defined as being due in more than one year, decreased (15.6)% or just over (\$11.4) million primarily due to the decrease in the net pension liability.
- Restricted net position increased 11.8% or just over \$3.6 million mainly due to increases in grant activity of the various funds in 2024.

**Governmental Activities- Revenue Analysis**

**Brooklyn Park, Minnesota  
Changes in Net Position  
December 31, 2024**

	<u>Governmental Activities</u>			Percent Change
	<u>2024</u>	<u>2023</u>	<u>Variance</u>	
<b>Revenues</b>				
Program revenues				
Charges for services	\$ 8,497,611	\$ 8,117,120	\$ 380,491	4.7%
Operating grants and contributions	7,177,198	11,436,697	(4,259,499)	-37.2%
Capital grants and contributions	4,933,649	5,412,227	(478,578)	-8.8%
General revenues				
Property taxes	64,822,198	57,066,788	7,755,410	13.6%
Franchise fees	5,402,678	7,142,879	(1,740,201)	-24.4%
Tax increments	1,358,599	1,512,248	(153,649)	-10.2%
Grants and contributions	4,886,750	4,194,147	692,603	16.5%
Unrestricted investment earnings	5,527,626	5,885,001	(357,375)	6.1%
Other revenue	6,250,740	5,011,561	1,239,179	24.7%
Gain on disposal of assets	482,509	281,179	201,330	71.6%
Total revenues	<u>109,339,558</u>	<u>106,059,847</u>	<u>3,279,711</u>	<u>3.1%</u>
<b>Expenses</b>				
Governmental activities				
General government	9,150,996	7,795,881	1,355,115	17.4%
Public safety	43,813,838	44,474,642	(660,804)	-1.5%
Public works	10,590,995	11,580,003	(989,008)	-8.5%
Recreation and parks	14,290,924	12,082,036	2,208,888	18.3%
Community development	11,610,793	13,936,596	(2,325,803)	-16.7%
Debt service	720,692	1,094,692	(374,000)	-34.2%
Total expenses	<u>90,178,238</u>	<u>90,963,850</u>	<u>(785,612)</u>	<u>-0.9%</u>
Change in net position before transfers	19,161,320	15,095,997	4,065,323	26.9%
Transfers	3,700,380	10,229,540	(6,529,160)	-63.8%
Change in net position	<u>22,861,700</u>	<u>25,325,537</u>	<u>(2,463,837)</u>	<u>-9.7%</u>
Net position - beginning	303,206,848	277,881,311	25,325,537	9.1%
Prior period adjustment (see Note 14)	4,274,953	-	4,274,953	100.0%
Net position - ending	<u>\$ 330,343,501</u>	<u>\$ 303,206,848</u>	<u>\$ 27,136,653</u>	<u>8.9%</u>

**City of Brooklyn Park, Minnesota  
Management's Discussion and Analysis**

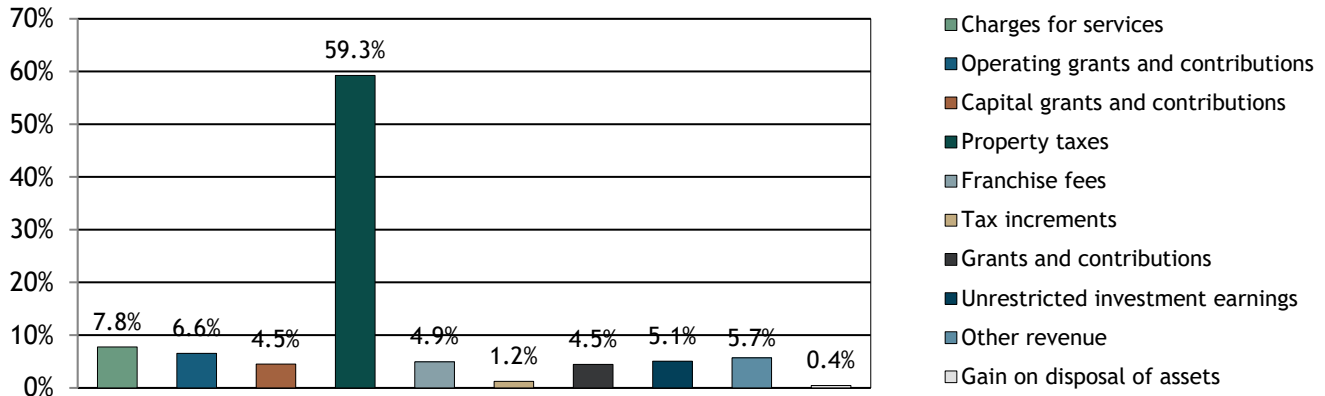
**Governmental Activities- Revenue Analysis (Continued)**

Revenues for governmental activities totaled just over \$109.3 million in 2024 as compared to just under \$106.1 million in 2023, which is a 3.1% increase. The key elements of this change are as follows:

- Program revenues decreased \$4.4 million from 2023 mainly due to an aggregate decrease of \$4.3 million in operating and capital grant contributions mainly in the public safety, public works and community development activity.
- Property taxes increased by just over \$7.7 million, or 13.6%, from 2023. This was a net result of factors including City Council approved levy and an increase in fiscal disparities.
- Franchise fees decreased by just over \$1.7 million, or 24.4%, for greater completion of street projects paid for by franchise fees in 2023.
- Unrestricted investment earnings decreased \$357,375, or 6.1%, from 2023 due to the changes in market value for investments not being as significant in 2024 as driven by related market conditions.

The graph below depicts a percentage breakdown of revenues excluding net transfers in:

**Revenues by Source**



**Governmental Revenues - Program Analysis**

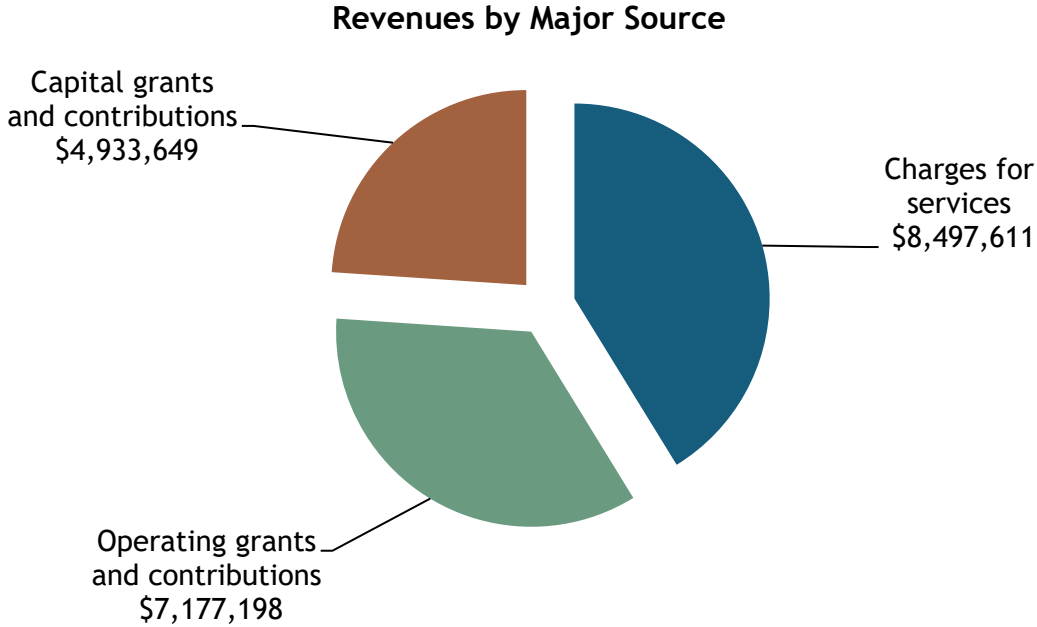
Program revenues, which represent just over \$20.6 million, or 18.8%, of total governmental activity revenue of just over \$109.3 million for 2024, are those funds that are received through charges for services or grants and contributions.

**City of Brooklyn Park, Minnesota  
Management's Discussion and Analysis**

**Governmental Activities- Revenue Analysis (Continued)**

**Governmental Revenues - Program Analysis (Continued)**

The chart below depicts a breakdown of program revenues by major source for the year ended December 31, 2024:



Brooklyn Park, Minnesota  
Program Revenues  
Governmental Activities  
For the Years Ended December 31, 2024 and 2023

Functions/Programs	Program Revenues				Variance	Percent Change
	2024	Percent of Total	2023	Percent of Total		
General government	\$ 1,074,184	5.2%	\$ 844,770	3.4%	\$ 229,414	27.2%
Public safety	8,808,235	42.7%	11,661,674	46.7%	(2,853,439)	-24.5%
Public works	6,379,895	31.0%	6,250,820	25.0%	129,075	2.1%
Recreation and parks	2,711,941	13.2%	2,893,987	11.6%	(182,046)	-6.3%
Community development	1,634,203	7.9%	3,314,793	13.3%	(1,680,590)	-50.7%
<b>Total</b>	<b>\$ 20,608,458</b>	<b>100.0%</b>	<b>\$ 24,966,044</b>	<b>100.0%</b>	<b>\$ (4,357,586)</b>	<b>-17.5%</b>

**City of Brooklyn Park, Minnesota  
Management's Discussion and Analysis**

**Governmental Activities- Revenue Analysis (Continued)**

**Governmental Revenues - Program Analysis (Continued)**

Total program revenues decreased by just under \$4.4 million or 17.5%. Primary drivers of the changes are described below:

- Public safety had an overall decrease of \$2.9 million or 24.5%. This decrease relates to prior year funding for the MN Public Safety Aid Revenue, extent of ARPA funding used in 2023 versus 2024, and the timing of the SAFER grant use.
- Community development had an overall decrease of just under \$1.7 million, or 50.7%, from greater grants received from HUD community and Met Council MN Livable Communities fund in 2023.

**Government Activities - Expenditure Analysis**

The expenditures for governmental activities in 2024 totaled just under \$90.2 million, which was a 0.9% decrease from 2023.

Brooklyn Park, Minnesota  
Program Expenditures  
Governmental Activities  
For the Years Ended December 31, 2024 and 2023

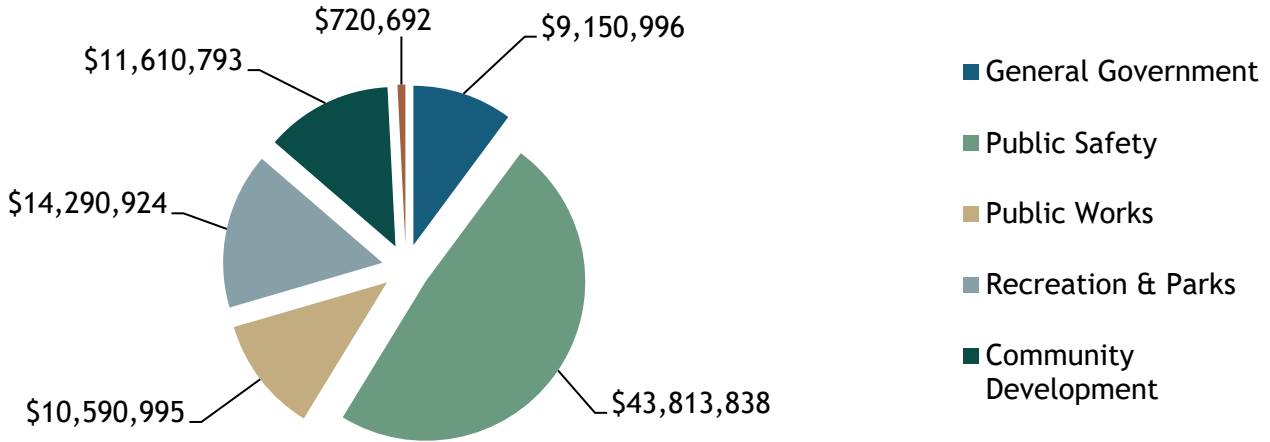
Functions/Programs	Program Expenditures				Variance	Percent Change
	2024	Percent of Total	2023	Percent of Total		
General government	\$ 9,150,996	10.1%	\$ 7,795,881	8.6%	\$ 1,355,115	17.4%
Public safety	43,813,838	48.6%	44,474,642	48.9%	(660,804)	-1.5%
Public works	10,590,995	11.7%	11,580,003	12.7%	(989,008)	-8.5%
Recreation and parks	14,290,924	15.8%	12,082,036	13.3%	2,208,888	18.3%
Community development	11,610,793	12.9%	13,936,596	15.3%	(2,325,803)	-16.7%
Interest on long-term debt	720,692	0.8%	1,094,692	1.2%	(374,000)	-34.2%
<b>Total</b>	<b>\$ 90,178,238</b>	<b>100.0%</b>	<b>\$ 90,963,850</b>	<b>100.0%</b>	<b>\$ (785,612)</b>	<b>-0.9%</b>

**City of Brooklyn Park, Minnesota  
Management's Discussion and Analysis**

**Governmental Activities- Expenditure Analysis (Continued)**

The chart below depicts a breakdown of expenditures by government function:

**Expenditure by Function**



Expenses net of revenue for governmental activities on December 31, 2024, was just under (\$70) million.

Brooklyn Park, Minnesota  
Expense and Program Revenues  
Governmental Activities  
For the Year Ended December 31, 2024

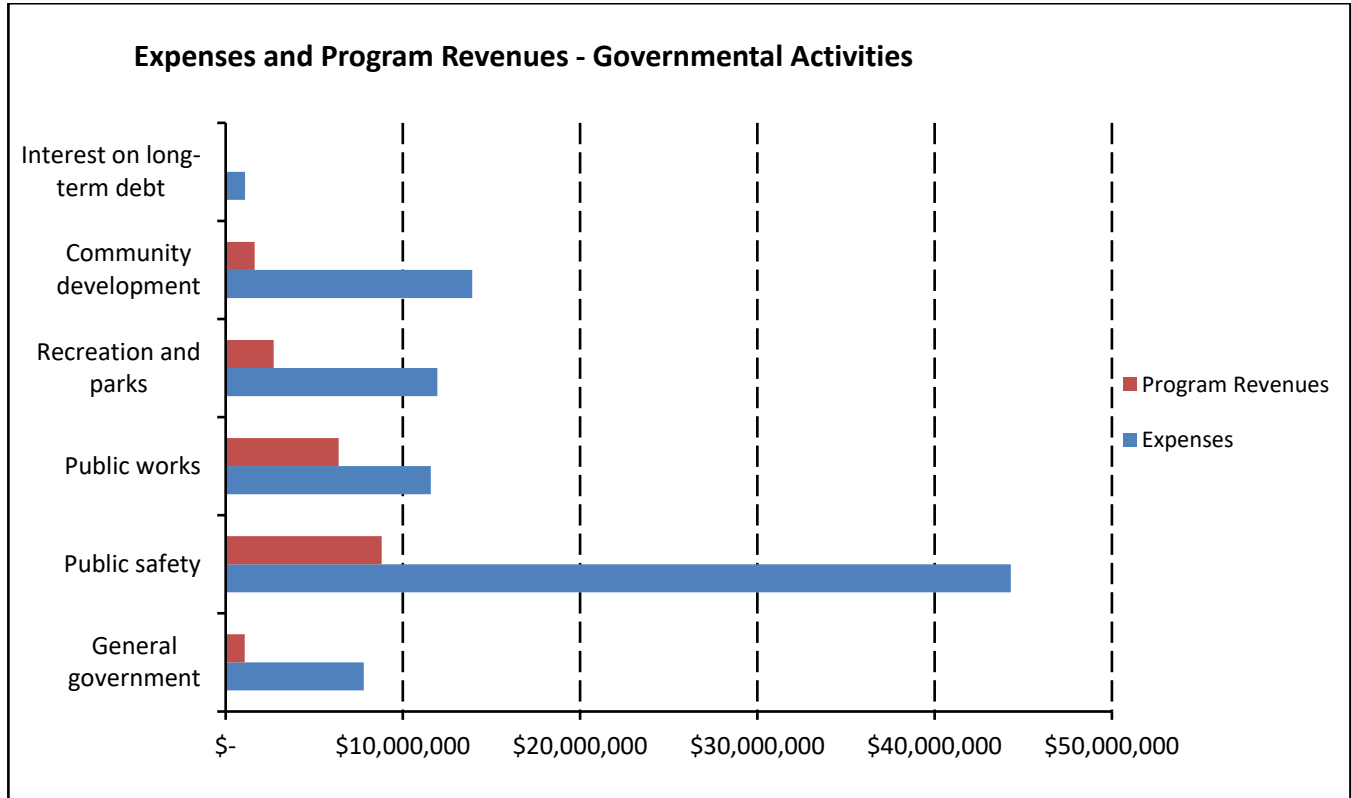
Functions/Programs	Expenses	Percent of Total	Program Revenues	Percent of Total	Net (Expenses) Revenue	Percent of Total
General government	\$ 9,150,996	10.1%	\$ 1,074,184	5.2%	\$ (8,076,812)	11.6%
Public safety	43,813,838	48.6%	8,808,235	42.7%	(35,005,603)	50.3%
Public works	10,590,995	11.7%	6,379,895	31.0%	(4,211,100)	6.1%
Recreation and parks	14,290,924	15.8%	2,711,941	13.2%	(11,578,983)	16.6%
Community development	11,610,793	12.9%	1,634,203	7.9%	(9,976,590)	14.3%
Interest on long-term debt	720,692	0.8%	-	0.0%	(720,692)	1.0%
<b>Total</b>	<b>\$ 90,178,238</b>	<b>100.0%</b>	<b>\$ 20,608,458</b>	<b>100.0%</b>	<b>\$ (69,569,780)</b>	<b>100.0%</b>

The City's public safety function net of revenue is 50.3% of the total followed by recreation and parks at 16.6% and community development at 14.3%. All other functions including public works, general government and interest on long-term debt total 18.7% of expenditure net of revenue.

City of Brooklyn Park, Minnesota  
Management's Discussion and Analysis

**Governmental Activities- Expenditure Analysis (Continued)**

The chart below depicts the gap between program revenues versus expenditure within governmental activities.



**City of Brooklyn Park, Minnesota  
Management's Discussion and Analysis**

**Business-Type Activities**

Brooklyn Park, Minnesota  
Net Position  
December 31, 2024 and 2023

	<u>Business-Type Activities</u>			Percent Change
	2024	2023	Variance	
Cash and investments	\$ 50,032,234	\$ 47,148,699	\$ 2,883,535	6.1%
Current and other assets	11,910,936	11,090,983	819,953	7.4%
Capital assets (net)	120,715,744	123,164,540	(2,448,796)	-2.0%
Total assets	<u>182,658,914</u>	<u>181,404,222</u>	<u>1,254,692</u>	<u>0.7%</u>
Deferred outflows of resources	248,531	476,500	(227,969)	-47.8%
Total assets and deferred outflows of resources	<u>182,907,445</u>	<u>181,880,722</u>	<u>1,026,723</u>	<u>0.6%</u>
Current and other liabilities	2,513,196	2,488,289	24,907	1.0%
Noncurrent liabilities - Due in more than one year	7,174,800	8,795,178	(1,620,378)	-18.4%
Total liabilities	<u>9,687,996</u>	<u>11,283,467</u>	<u>(1,595,471)</u>	<u>-14.1%</u>
Deferred inflows of resources	867,349	598,439	268,910	44.9%
Total liabilities and deferred inflows of resources	<u>10,555,345</u>	<u>11,881,906</u>	<u>(1,326,561)</u>	<u>-11.2%</u>
<b>Net Position</b>				
Net investment in capital assets	113,850,476	115,345,192	(1,494,716)	-1.3%
Unrestricted	58,501,624	54,653,624	3,848,000	7.0%
Total net position	<u>\$ 172,352,100</u>	<u>\$ 169,998,816</u>	<u>\$ 2,353,284</u>	<u>1.4%</u>

The net position of business-type activities represents the change in net income of all enterprise funds shown in the fund financial statements. The total change in net position from 2023 was an increase of just under \$2.4 million or 1.4%.

- An increase of \$2.9 million in cash and investments, or 6.1%, from 2023 is based on operations and because of less transfers out to the Special Assessment Construction Fund for the utility share of street projects.
- The increase of \$819,953, or 7.4%, from 2023 in current and other assets is mainly due to an increase in utility billing receivables and special assessments for the delinquent water certification process.
- The decrease of just over \$1.6 million or (18.4%) from 2023 in noncurrent liabilities is a result of decreases in bonded debt payable and the net pension liability.

**City of Brooklyn Park, Minnesota  
Management's Discussion and Analysis**

**Business-Type Activities (Continued)**

Brooklyn Park, Minnesota  
Changes in Net Position  
For the Years Ended December 31, 2024 and 2023

	<u>Business-Type Activities</u>		Variance	Percent Change
	<u>2024</u>	<u>2023</u>		
<b>Revenues</b>				
Program revenues				
Charges for services	\$ 29,712,370	\$ 29,711,040	\$ 1,330	0.0%
Operating grants and contributions	399,397	159,075	240,322	151.1%
General revenues				
Unrestricted investment earnings	1,697,603	2,761,829	(1,064,226)	-38.5%
Other revenue	910,026	638,998	271,028	100.0%
Gain on disposal of assets	21,985	57,742	(35,757)	-61.9%
Total revenues	<u>32,741,381</u>	<u>33,328,684</u>	<u>(587,303)</u>	<u>-1.8%</u>
<b>Expenses</b>				
Business-type activities				
Public utilities	20,918,583	20,318,704	599,879	3.0%
Storm sewer utility	2,193,347	1,887,957	305,390	16.2%
Street and signal light utility	690,501	1,094,251	(403,750)	-36.9%
Recreation	2,630,419	2,661,499	(31,080)	-1.2%
Park dome	254,867	205,777	49,090	23.9%
Total expenses	<u>26,687,717</u>	<u>26,168,188</u>	<u>519,529</u>	<u>2.0%</u>
Change in net position before transfers	6,053,664	7,160,496	(1,106,832)	-15.5%
Transfers	(3,700,380)	(10,229,540)	6,529,160	-63.8%
Change in net position	<u>2,353,284</u>	<u>(3,069,044)</u>	<u>5,422,328</u>	<u>-176.7%</u>
Net position - beginning	<u>169,998,816</u>	<u>173,067,860</u>	<u>(3,069,044)</u>	<u>-1.8%</u>
Net position - ending	<u>\$ 172,352,100</u>	<u>\$ 169,998,816</u>	<u>\$ 2,353,284</u>	<u>1.4%</u>

**Business-Type Activities - Revenue Analysis**

Revenues totaled \$32.7 million in 2024 as compared with \$33.3 million in 2023. Key elements of this change are as follows:

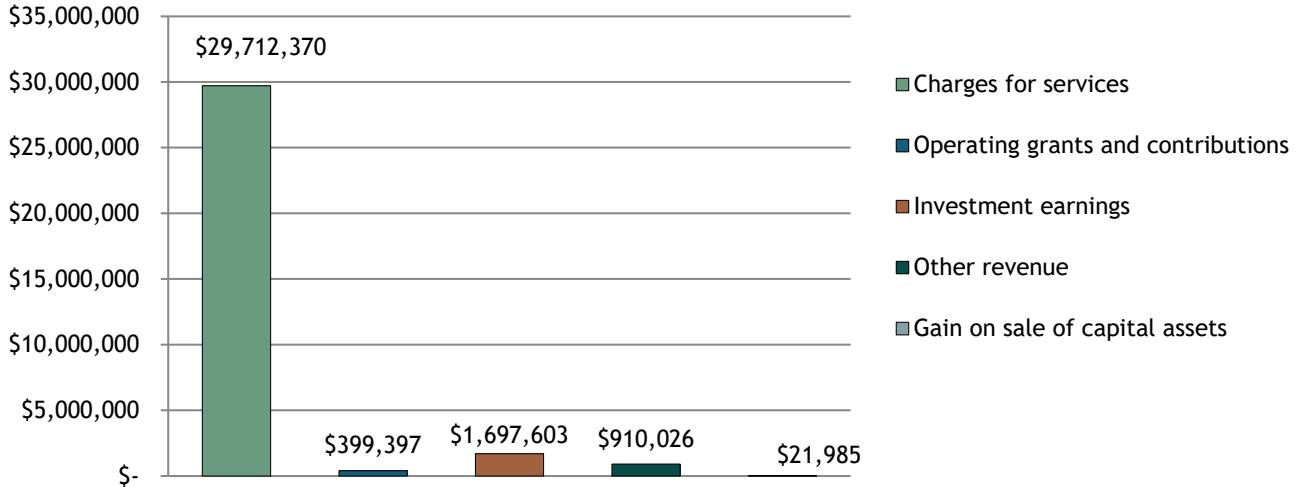
- Unrestricted investment earnings decreased \$1.1 million from 2023 due to greater positive changes in market value for investments related to timing of favorable market condition changes in 2023.

**City of Brooklyn Park, Minnesota  
Management's Discussion and Analysis**

**Business-Type Activities Revenue Analysis (Continued)**

The following charts depict the revenues by source before transfers:

**Revenues by Source**



**Business-Type Activities - Expenses Analysis**

Overall expenses for 2024 increased just under \$520,000, or 2%, from 2023 activity. The primary factor was an increase in public utility expense of \$599,879, or 3%, over 2023 mainly due to inflationary increases.

Non-operating transfer activities decreased (\$6.5) million because of the larger transfer out made for the special assessment construction fund close out of street reconstruction projects in 2023.

**Brooklyn Park, Minnesota  
Expenses and Program Revenues  
Business-Type Activities  
For the Year Ended December 31, 2024**

Funds	Expenses	Percent of Total	Program Revenues	Percent of Total	Net (Expense) Revenue	Percent of Total
Public utilities	\$ 20,918,583	78.4%	\$ 22,161,312	73.6%	\$ 1,242,729	36.3%
Storm sewer utility	2,193,347	8.2%	2,977,069	9.9%	783,722	22.9%
Street and signal light utility	690,501	2.6%	1,814,569	6.0%	1,124,068	32.8%
Recreation	2,630,419	9.9%	2,747,799	9.1%	117,380	3.4%
Park dome	254,867	1.0%	411,018	1.4%	156,151	4.6%
<b>Total</b>	<b>\$ 26,687,717</b>	<b>100.0%</b>	<b>\$ 30,111,767</b>	<b>100.0%</b>	<b>\$ 3,424,050</b>	<b>100.0%</b>

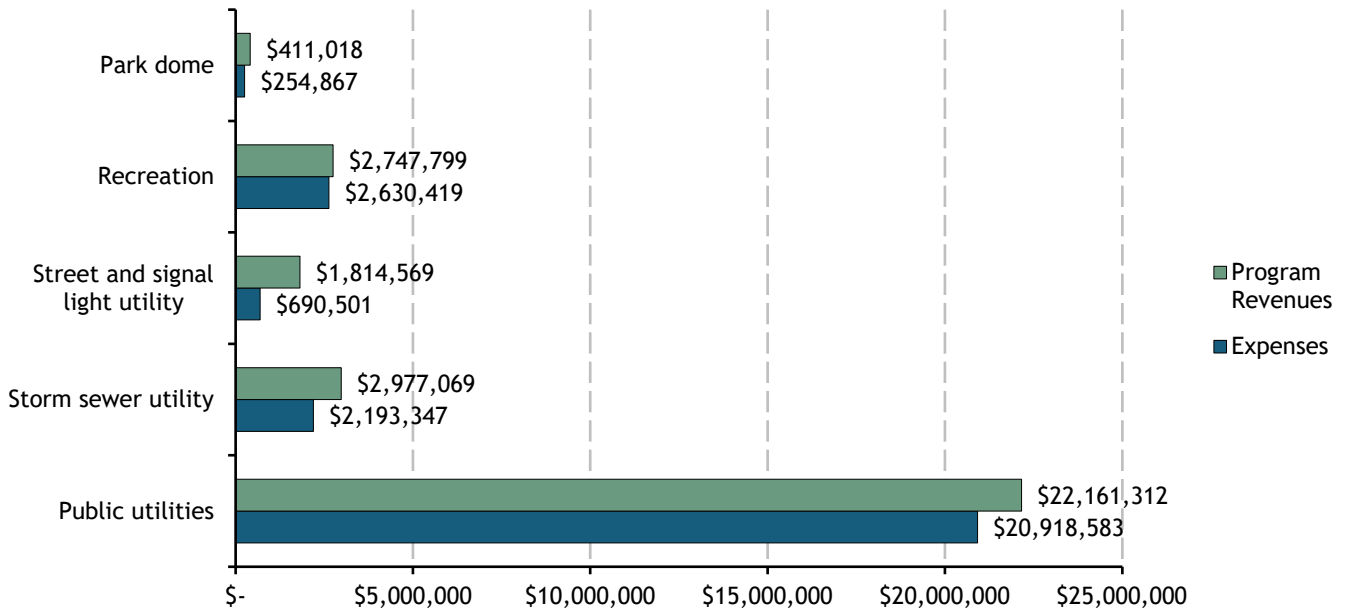
Net revenue over expenses for 2024 was just over \$3.4 million as compared to \$3.7 million in 2023. The public utilities have the highest percent of this total at 36.3%.

**City of Brooklyn Park, Minnesota  
Management's Discussion and Analysis**

**Business-Type Activities - Expense Analysis (Continued)**

The chart below depicts the gap between program revenues versus expense within Business-type activities by fund.

**Expenses and Program Revenues - Business -Type Activities**



**Fund Financial Statements Analysis**

As noted earlier, the City of Brooklyn Park uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

**Governmental Funds**

The focus of the City's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financial requirements. In particular, the City's unassigned, assigned, and committed fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

**Fund Balances**

On December 31, 2024, the City's governmental funds reported combined ending fund balances of just over \$142.5 million, an increase of just under \$8.2 million from 2023. Approximately 24%, or just over \$33.8 million, of this total constitutes unassigned fund balance, which is available for spending at the government's discretion. During 2011, the City Council adopted a Fund Balance Policy as part of its implementation of GASB Statement No. 54. This statement re-defined the fund balance categories and those are reflected below (Please see Note 1 on pages 72-73 for more information on fund balance categories). Based on the policy and actions from 2011, the City Council has committed 49.2% or just over \$70.1 million of the overall fund balance for the following purposes:

**City of Brooklyn Park, Minnesota  
Management's Discussion and Analysis**

**Governmental Funds (Continued)**

**Fund Balances (Continued)**

**Committed Fund Balance  
For the Year December 31, 2024**

Economic Development Authority	\$ 16,348,333
- community development programs	40,893,017
Special Assessment Construction-transportation improvements	11,841,006
Capital Projects*	1,027,189
Park Improvements	<u>1,027,189</u>
Total Committed Fund Balances	<u><u>\$ 70,109,545</u></u>

\*non-major funds

**Major Fund Analysis**

**General Fund**

The General Fund ended 2024 with a net change in fund balance of \$5.4 million compared with (\$998,077) in 2023. Comparisons of revenue and expenses between 2024 and 2023 are as follows:

General Fund - Revenues	2024		2023		Variance	Percent Change
	Amount	Percent of Total	Amount	Percent of Total		
General property taxes	\$ 58,225,486	82.9%	\$ 51,497,687	82.6%	\$ 6,727,799	13.1%
Special assessments	85,295	0.1%	74,556	0.1%	10,739	14.4%
Licenses and permits	3,446,929	4.9%	3,444,861	5.5%	2,068	0.1%
Intergovernmental	2,053,676	2.9%	1,780,600	2.9%	273,076	15.3%
Contributions and donations	7,054	0.0%	8,694	0.0%	(1,640)	-18.9%
Charges for services	3,249,757	4.6%	2,986,991	4.8%	262,766	8.8%
Fines and forfeitures	300,976	0.4%	225,289	0.4%	75,687	33.6%
Investment income	1,243,558	1.8%	895,676	1.4%	347,882	38.8%
Net change in fair value of investments	260,482	0.4%	619,176	1.0%	(358,694)	-57.9%
Lease income	9,147	0.0%	5,750	0.0%	3,397	59.1%
Other revenue	1,336,065	1.9%	820,158	1.3%	515,907	62.9%
Total revenues	<u><u>\$ 70,218,425</u></u>	<u>100.0%</u>	<u><u>\$ 62,359,438</u></u>	<u>100.0%</u>	<u><u>\$ 7,858,987</u></u>	<u>12.6%</u>

Overall revenue in the General Fund increased \$7.9 million, or 12.6%, over 2023. The primary drivers of this change are as follows:

- General property taxes increased by \$6.7 million, or 13%, in 2024. This is due to a combination of City Council approved tax levy, fiscal disparities, and current collections.
- There was an increase in investment income of \$347,882, or 38.8%, from 2023 based on investment performance and extent of funds invested for the fund.

**City of Brooklyn Park, Minnesota  
Management's Discussion and Analysis**

**Major Fund Analysis - General Fund (Continued)**

General Fund - Expenditures	2024		2023		Variance	Percent Change
	Amount	Percent of Total	Amount	Percent of Total		
General government	\$ 7,810,915	11.9%	\$ 6,909,751	11.6%	\$ 901,164	13.0%
Public safety	40,090,487	61.3%	36,702,998	61.4%	3,387,489	9.2%
Public works	5,257,982	8.0%	4,938,715	8.3%	319,267	6.5%
Recreation and parks	9,871,804	15.1%	8,901,992	14.9%	969,812	10.9%
Community development	2,000,725	3.1%	1,906,162	3.2%	94,563	5.0%
Debt service	324,557	0.5%	351,612	0.6%	(27,055)	-7.7%
Capital outlay	41,446	0.1%	20,721	0.0%	20,725	100.0%
<b>Total expenditures</b>	<b>\$ 65,397,916</b>	<b>100.0%</b>	<b>\$ 59,731,951</b>	<b>100.0%</b>	<b>\$ 5,665,965</b>	<b>9.5%</b>

Overall, the expenditures within the General Fund increased just under \$5.7 million, or 9.5%, over 2023. The highlights of this change are as follows:

- General Government increased \$901k, or 13%, in 2024. The increase was mainly due to an aggregate of an increase in personnel salary and benefit costs as a result of a compensation study.
- Public Safety increased just under \$3.4 million, or 9.2%, from 2023 expenditures primarily due to the increase in personnel and benefit costs from contract increases.
- Recreation and parks increased \$970k, or 10.9%, from 2023 due to an increase in personnel and benefit costs due to the compensation study.

**Coronavirus Local Fiscal Recovery Fund**

The United States Department of Treasury allocated just over \$11.5 million to the City of federal stimulus funding from the Coronavirus State and Local Fiscal Recovery Fund under Section 603(b) of the Social Security Act, as amended by section 9901 of the American Rescue Plan Act (ARPA). The City was delivered \$5.5 million of the funding in 2022 and the remaining \$5 million in 2023. In 2022, \$3 million was recognized as revenue and in 2023 over \$4 million was recognized as revenue. The remaining \$3 million was allocated as revenue in 2024. The activities and programs under the ARPA funding must be committed by December 31, 2024, and the period of performance will expire December 31, 2026.

The authorized uses for the ARPA funds are as follows:

- 1) To respond to the COVID-19 public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality.
- 2) To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers.
- 3) For the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency.
- 4) To make necessary investments in water, sewer or broadband infrastructure.

**City of Brooklyn Park, Minnesota  
Management's Discussion and Analysis**

**Major Fund Analysis (Continued)**

**General Debt Service Fund**

The General Debt Service Fund saw a decrease in fund balance of (\$993,916) due to expenditures exceeding revenues and other financing sources directly related to debt service requirement.

General Debt Service Fund	2024		2023		Variance	Percent Change
	Amount	Percent of Total	Amount	Percent of Total		
<b>Revenues</b>						
General property taxes	\$ 2,212,204	98.6%	\$ 2,207,868	96.5%	\$ 4,336	0.2%
Investment income	(93)	0.0%	(1,704)	-0.1%	1,611	-94.5%
Net change in fair value of investments	31,542	0.0%	81,653	0.1%	(50,111)	-61.4%
<b>Total revenues</b>	<b>\$ 2,243,653</b>	<b>98.6%</b>	<b>\$ 2,287,817</b>	<b>96.6%</b>	<b>\$ (44,164)</b>	<b>-1.9%</b>
<b>Expenditures</b>						
Debt service - principal	\$ 2,590,000	24.4%	\$ 3,225,000	78.2%	(635,000)	-19.7%
Debt service - interest and other charges	647,569	6.1%	726,442	17.6%	(78,873)	-10.9%
<b>Total expenditures</b>	<b>\$ 3,237,569</b>	<b>30.5%</b>	<b>\$ 3,951,442</b>	<b>95.8%</b>	<b>\$ (713,873)</b>	<b>-18.1%</b>

**Special Assessment Construction Capital Project Fund**

Special Assessment Construction Capital Project Fund is committed for funding the City's transportation improvement program and other certain public improvements. The funding is derived mainly from special assessments related to roadway and street infrastructure that is not needed for debt payments. The net change in fund balance was just over \$7.3 million in 2024 compared to \$10.1 million in 2023. This fund balance change decrease was due to less transfers from other funds for the close-out reconciliation of construction in progress street reconstruction projects compared to 2023.

State aid and other grant awards related to maintenance and construction of the City's state aid designated roadways are also included in revenue highlighted in the following schedule:

Special Assessment Construction Capital Project Fund	2024		2023		Variance	Percent Change
	Amount	Percent of Total	Amount	Percent of Total		
<b>Revenues</b>						
Special assessments	\$ 735,798	8.4%	\$ 1,244,884	28.0%	\$ (509,086)	-40.9%
Intergovernmental revenue	6,247,260	71.3%	1,811,875	40.8%	4,435,385	244.8%
Refunds and reimbursements	31,000	0.4%	-	0.0%	31,000	100.0%
Interest on assessments	23,288	0.3%	14,596	0.3%	8,692	59.6%
Investment income	1,434,934	16.4%	795,813	17.9%	639,121	80.3%
Net change in fair value of investments	293,993	3.4%	528,843	11.9%	(234,850)	-44.4%
Other revenue	-	0.0%	44,654	1.0%	(44,654)	100.0%
<b>Total revenues</b>	<b>\$ 8,766,273</b>	<b>100.0%</b>	<b>\$ 4,440,665</b>	<b>100.0%</b>	<b>\$ 4,325,608</b>	<b>97.4%</b>
<b>Expenditures</b>						
Public works	\$ 450,430	4.2%	\$ 243,816	5.9%	206,614	84.7%
Capital outlay	10,163,815	95.8%	3,878,718	94.1%	6,285,097	162.0%
<b>Total expenditures</b>	<b>\$ 10,614,245</b>	<b>100.0%</b>	<b>\$ 4,122,534</b>	<b>100.0%</b>	<b>\$ 6,491,711</b>	<b>157.5%</b>

**City of Brooklyn Park, Minnesota  
Management's Discussion and Analysis**

**Major Fund Analysis (Continued)**

**Open Space Land Acquisition and Development Fund**

This fund accounts for state, local and federal developer contributions that are expended for the acquisition, development, and redevelopment of parkland also accounting for the City's cell tower lease revenues. The net change in fund balance was (\$1.5 million) in 2024 compared (\$565k) in 2023.

Open Space Land Acquisition and Development	2024		2023		Variance	Percent Change
	Amount	Percent of Total	Amount	Percent of Total		
Revenues						
Licenses and permits	\$ 39,080	5.5%	\$ 593,760	91.4%	\$ (554,680)	-93.4%
Interest on assessments	-	0.0%	15,775	2.4%	(15,775)	100.0%
Charges for services	360	0.1%	1,800	0.3%	(1,440)	-80.0%
Investment income	66,754	9.4%	88,855	13.7%	(22,101)	-24.9%
Net change in fair value of investments	7,021	1.0%	(374,897)	-57.7%	381,918	-101.9%
Lease income	598,999	84.1%	324,572	49.9%	274,427	84.6%
<b>Total revenues</b>	<b>\$ 712,214</b>	<b>100.0%</b>	<b>\$ 649,865</b>	<b>100.0%</b>	<b>\$ 62,349</b>	<b>9.6%</b>
Expenditures						
Recreation and parks	\$ -	0.0%	\$ 1,138,996	64.9%	\$ (1,138,996)	-100.0%
Capital outlay- recreation and parks	2,204,054	100.0%	617,356	35.1%	1,586,698	257.0%
<b>Total expenditures</b>	<b>\$ 2,204,054</b>	<b>100.0%</b>	<b>\$ 1,756,352</b>	<b>100.0%</b>	<b>\$ 447,702</b>	<b>25.5%</b>

Revenues increased overall by just over \$62k from 2023 mainly due to the aggregate increases in lease revenues and the increase in the market condition change in net fair value of investments, more than offsetting the decrease in permits revenue. Expenditures increased by \$448k due to an increase in contract expenditures and capital outlay compared to 2023.

**City of Brooklyn Park, Minnesota  
Management's Discussion and Analysis**

**Major Fund Analysis - (Continued)**

**Economic Development Authority (EDA) Capital Project Fund**

The Economic Development Authority (EDA) Capital Project Fund serves as the main development fund for the Brooklyn Park EDA. At the end of 2024, the net change in fund balance was just under (\$1.7) million as compared with a (\$1.7) million in 2023.

Economic Development Authority	2024		2023		Variance	Percent Change
	Amount	Percent of Total	Amount	Percent of Total		
<b>Revenues</b>						
General property taxes	\$ 3,237,837	53.1%	\$ 3,006,539	37.5%	\$ 231,298	7.7%
Special assessments	221,665	3.6%	164,647	2.1%	57,018	34.6%
Intergovernmental revenues	550,127	9.0%	2,552,477	31.8%	(2,002,350)	-78.4%
Refunds and reimbursements	13,000	0.2%	8,690	0.1%	4,310	49.6%
Charges for services	300	0.0%	-	0.0%	300	100.0%
Investment income	455,550	7.5%	592,787	7.4%	(137,237)	-23.2%
Net change in fair value of investments	113,144	1.9%	361,045	4.5%	(247,901)	-68.7%
Lease income	968,718	15.9%	955,000	11.9%	13,718	1.4%
Other revenue	537,615	8.8%	375,941	4.7%	161,674	43.0%
<b>Total revenues</b>	<b>\$ 6,097,956</b>	<b>100.0%</b>	<b>\$ 8,017,126</b>	<b>100.0%</b>	<b>\$ (1,919,170)</b>	<b>-23.9%</b>
<b>Expenditures</b>						
Community development	\$ 6,909,959	95.3%	\$ 7,944,188	96.5%	\$ (1,034,229)	-13.0%
Community development - capital outlay	113,528	1.6%	49,137	0.6%	64,391	131.0%
Debt service - interest	230,769	3.2%	241,245	2.9%	(10,476)	-4.3%
<b>Total expenditures</b>	<b>\$ 7,254,256</b>	<b>100.0%</b>	<b>\$ 8,234,570</b>	<b>100.0%</b>	<b>\$ (980,314)</b>	<b>-11.9%</b>

Overall, the revenues for 2024 decreased \$1.9 million, or 23.9%, from 2023. In 2023, community development had additional grants received from HUD community and Met Council MN Livable Communities fund. Expenditures decreased just over \$980k, or 11.9%, in relation to less grant funding in 2024.

**City of Brooklyn Park, Minnesota  
Management's Discussion and Analysis**

**Major Fund Analysis - (Continued)**

**Tax Increment Financing Capital Project Fund**

The Tax Increment Financing (TIF) Capital Project Fund accounts for the activity associated with the City's TIF development districts. The net change in fund balance in 2024 for this fund is \$1.5 million compared with (\$19,358) in 2023.

Tax Increment Financing	2024		2023		Variance	Percent Change
	Amount	Percent of Total	Amount	Percent of Total		
<b>Revenues</b>						
Tax increments	\$ 1,358,599	64.3%	\$ 1,512,248	66.7%	\$ (153,649)	-10.2%
Investment income	563,648	26.7%	413,009	18.2%	150,639	36.5%
Net change in fair value of investments	116,033	5.5%	202,282	8.9%	(86,249)	-42.6%
Other revenue	74,204	3.5%	140,907	6.2%	(66,703)	-47.3%
<b>Total revenues</b>	<b>\$ 2,112,484</b>	<b>100.0%</b>	<b>\$ 2,268,446</b>	<b>100.0%</b>	<b>\$ (155,962)</b>	<b>-6.9%</b>
<b>Expenditures</b>						
Community development	\$ 512,270	83.9%	\$ 122,472	3.7%	\$ 389,798	318.3%
Community development - capital outlay	11,350	1.9%	2,988,549	91.4%	(2,977,199)	-99.6%
Debt service - interest and other charges	86,744	14.2%	157,667	4.8%	(70,923)	-45.0%
<b>Total expenditures</b>	<b>\$ 610,364</b>	<b>100.0%</b>	<b>\$ 3,268,688</b>	<b>100.0%</b>	<b>\$ (2,658,324)</b>	<b>-81.3%</b>

Overall, the revenues decreased \$156k from 2023 while total expenditures decreased (\$2.7 million) based on less capital outlay activity in 2024 with the timing of TIF projects.

**Nonmajor Funds**

The report contains aggregate information on the following non-major government activity funds. Information can be found for each of the nonmajor funds in the supplementary information section of this report.

- Special revenue funds including grant and donation funds, Police Forfeit Property fund, Ice Arena, Brookland Golf Course, Revolving Loan fund, Brooklynk, Small Business Center and Special TIF Spending Plan fund. Aggregate net change in fund balance is (\$2.0 million) for 2024.
- Capital Projects Funds including Municipal Buildings and Additions fund, Franchise Fee fund, Huntington Pointe Development Fund and Heritage Infrastructure Fund. The combined net change in fund balances for the nonmajor capital project funds is just over (\$1.1 million) for 2024.

**Proprietary Funds**

Proprietary Funds include Enterprise Funds that are reported as business-type activities and Internal Service Funds.

**Enterprise Funds**

Overall, the 2024 change in net position of the enterprise funds was an increase of just over \$2.4 million. The total net position on December 31, 2024, is just under \$172 million compared to just over \$169 million on December 31, 2023.

**City of Brooklyn Park, Minnesota  
Management's Discussion and Analysis**

**Enterprise Funds (Continued)**

The major and nonmajor operating income (loss) is as follows:

Enterprise Funds	2024	2023	Variance	Percent Change
Operating Revenues				
Public Utilities	\$ 21,851,746	\$ 22,473,045	\$ (621,299)	-2.8%
Storm Sewer Utility	3,293,988	2,724,133	569,855	20.9%
Nonmajor Funds	5,476,662	5,141,850	334,812	6.5%
Total operating revenues	<u>30,622,396</u>	<u>30,339,028</u>	<u>283,368</u>	<u>0.9%</u>
Operating Expense				
Public Utilities	\$ 20,714,183	\$ 20,146,070	\$ 568,113	2.8%
Storm Sewer Utility	2,215,586	1,931,891	283,695	14.7%
Nonmajor Funds	3,528,246	3,944,648	(416,402)	-10.6%
Total operating expense	<u>26,458,015</u>	<u>26,022,609</u>	<u>435,406</u>	<u>1.7%</u>
Operating Income (Loss)				
Public Utilities	\$ 1,137,563	\$ 2,326,975	\$ (1,189,412)	-51.1%
Storm Sewer Utility	1,078,402	792,242	286,160	36.1%
Nonmajor Funds	1,948,416	1,197,202	751,214	62.7%
Total operating income (loss)	<u>\$ 4,164,381</u>	<u>\$ 4,316,419</u>	<u>\$ (152,038)</u>	<u>-3.5%</u>

Results related to individual enterprise operations are discussed below:

**Public Utilities Fund**

The Public Utilities Fund includes the combination of the water utility, sanitary sewer utility, and recycling utility. The overall Public Utilities Fund net operating income decreased \$1.2 million from 2023.

Overall, total operating revenues for the Public Utilities Fund decreased \$621k, or 2.8%, in 2024 mainly due to a decrease in the amount of water usage given the 2024 summer was not as dry as that of 2023. A rate study was completed in 2015, and subsequent rates were applied in 2017 and held flat for one year and then increased annually through 2021. A sanitary sewer rate study was completed in 2018, and approved rate increases were applied in 2020 with yearly increases approved through 2023.

The operating expenses increased just over \$568k from 2023 as a result increases in contractual service charges for sewer disposal costs.

Non-operating net activities was just under (\$930k) mainly due to the market condition change in net fair value of investment of \$967k and net transfers of (\$2.4) million.

**Storm Sewer Utility**

The Storm Sewer Utility Fund net operating income increased \$286k due to increase in revenues of \$570k with increases in rates outweighing an increase in operating expenses of \$284k due to supplies and contractual services.

**City of Brooklyn Park, Minnesota  
Management's Discussion and Analysis**

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**Nonmajor Funds**

The nonmajor funds include the street and signal light utility fund, recreation which includes the golf course and clubhouse, and the park dome. An aggregate change in net position was \$2.1 million in 2024 and net position on December 31, 2024 was just over \$24.5 million.

Net operating income for 2024 was \$1.9 million compared to \$1.2 million for 2023. This change is driven by an increase in revenues of \$335k and a decrease of \$416k in operating expenses from 2023.

**Capital Assets**

GASB Statement No. 34 requires the City to record all its capital assets including infrastructure. Infrastructure includes roads, bridges, signals, and similar assets used by the citizens. The City's infrastructure assets are being recorded at historical or estimated historical costs in the government-wide financial statements.

Major capital asset transactions/events government wide during the current fiscal year included:

- \$2.7 million for buildings
- \$3.9 million for land improvements
- \$3.4 million for machinery and equipment
- \$5.7 million for infrastructure
- \$6.7 million in Construction in Progress, mainly for infrastructure and building improvement projects that were in progress at year-end.

Additional information on the City's capital assets can be found in Note 5 of the Notes to the Basic Financial Statements in this report.

**Debt Administration**

Each of the City's debt issues are discussed in detail in Note 7 of the Notes to the Basic Financial Statements. Total General Obligation Bonds and Refunding Bonds for governmental activities decreased from \$24,065,000 in 2023 to \$21,475,000 in 2024 as principal payments were made and no new debt was issued. Total General Obligation Refunding Bonds for business-type activities decreased from \$7,325,000 in 2023 to \$6,420,000 in 2024 with scheduled bond principal payments. There was no change noted in 2024 for the City's credit rating of AA+.

**Economic Factors and Next Year's Budget**

The following were some factors considered when setting the fiscal 2025 Budget:

- Fiscal stewardship - making budget decisions acknowledging both the short and long-term impacts.
- Tax/service level balance - minimize service level impacts while keeping the tax levy as low as possible.
- Strategic investments - consider additional investments when they help achieve the City's goals and provide a significant return to the community.
- Budget outcomes - seek to make connection between resources and results.
- Impact of State Legislature changes to local aid programs and the addition of levy limits.
- Changes to the tax base due to conditions in the commercial and housing markets.
- Constant cost and supply chain pressures.

**City of Brooklyn Park, Minnesota  
Management's Discussion and Analysis**

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**Economic Factors and Next Year's Budget (Continued)**

Additionally, the following actions were taken regarding the 2025 Budget:

The overall 2025 City budget was a 7.66 percent increase in the levy. Some of the noteworthy items from the 2025 budget include:

- Cost increases due to inflation and supply chain disruptions.
- Increases in workers compensation expense due to post-traumatic stress disorder claims.
- Maintaining expected levels of reinvestment in the City's capital improvement and capital equipment plans.
- Job classification study of staff positions to stay competitive in job market.
- Loss of local government aid (LGA).
- Gradual build-up of fund balance to cover expenses paid currently by police mental health funding and fire SAFER grant funding to reduce drastic increases in future years once respective funding ends.

**Requests for Information**

This financial report is designated to provide a general overview of the City of Brooklyn Park's finances for all those with an interest in government finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Brooklyn Park, LaTonia Green, Finance Director, 5200 85<sup>th</sup> Ave. N. Brooklyn Park, MN 55443. This report is also available on the City's website: <http://www.brooklynpark.org>.

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**BASIC FINANCIAL STATEMENTS**

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City of Brooklyn Park  
Statement of Net Position  
December 31, 2024

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
<b>Current assets</b>			
Cash and investments (including cash equivalents)	\$ 142,232,920	\$ 50,032,234	\$ 192,265,154
Cash with fiscal agent	307,000	-	307,000
Accrued interest	978,390	249,657	1,228,047
Accounts receivable	879,464	7,801,518	8,680,982
Delinquent taxes receivable	1,110,443	-	1,110,443
Special assessments receivable	5,286,187	2,116,453	7,402,640
Due from other governments	7,295,159	119,898	7,415,057
Internal balances	(553,784)	553,784	-
Inventory	71,063	397,066	468,129
Prepaid items	1,102,029	640,786	1,742,815
Total current assets	158,708,871	61,911,396	220,620,267
<b>Noncurrent assets</b>			
Property held for resale	15,099,624	-	15,099,624
Lease receivable	12,834,051	-	12,834,051
Notes receivable	11,349,136	31,774	11,380,910
Capital assets not being depreciated	84,166,279	10,140,875	94,307,154
Capital assets net of accumulated depreciation/amortization	141,677,601	110,574,869	252,252,470
Total noncurrent assets	265,126,691	120,747,518	385,874,209
Total assets	423,835,562	182,658,914	606,494,476
<b>Deferred Outflows of Resources</b>			
Pension-related deferred outflows of resources	29,364,833	248,531	29,613,364
OPEB-related deferred outflows of resources	5,121,534	-	5,121,534
Total deferred outflows of resources	34,486,367	248,531	34,734,898
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	3,667,015	819,594	4,486,609
Accrued wages payable	2,337,153	170,496	2,507,649
Contracts payable	285,062	18,110	303,172
Customer and contractor deposits	3,968,588	305,060	4,273,648
Accrued interest payable	250,445	101,000	351,445
Due to other governmental units	18,757	19,760	38,517
Unearned revenue	744,967	117,158	862,125
Compensated absences payable, due within one year	432,170	-	432,170
Lease liability, due within one year	315,578	-	315,578
Notes from direct borrowings, due within one year	-	7,018	7,018
Bonds payable, due within one year	2,665,000	955,000	3,620,000
Total OPEB liability, due within one year	824,580	-	824,580
Total current liabilities	15,509,315	2,513,196	18,022,511
<b>Noncurrent liabilities</b>			
Compensated absences payable, due in more than one year	5,741,691	-	5,741,691
Lease liability, due in more than one year	439,779	-	439,779
Notes from direct borrowings, due in more than one year	-	7,055	7,055
Bonds payable, due in more than one year	19,816,230	5,878,085	25,694,315
Total OPEB liability, due in more than one year	10,169,824	-	10,169,824
Net pension liability, due in more than one year	25,794,270	1,289,660	27,083,930
Total noncurrent liabilities	61,961,794	7,174,800	69,136,594
Total liabilities	77,471,109	9,687,996	87,159,105
<b>Deferred Inflows of Resources</b>			
Deferred inflows related to lease receivable	12,020,033	-	12,020,033
Pension-related deferred inflows of resources	36,752,422	867,349	37,619,771
OPEB-related deferred inflows of resources	1,734,864	-	1,734,864
Total deferred inflows of resources	50,507,319	867,349	51,374,668
<b>Net Position</b>			
Net investment in capital assets	202,322,231	113,850,476	316,172,707
<b>Restricted for</b>			
Debt service	4,225,322	-	4,225,322
Community and economic development	25,666,426	-	25,666,426
Public safety	411,698	-	411,698
Grant purposes	2,372,601	-	2,372,601
Donor-imposed restrictions	1,846,013	-	1,846,013
Unrestricted	93,499,210	58,501,624	152,000,834
Total net position	\$ 330,343,501	\$ 172,352,100	\$ 502,695,601

See notes to basic financial statements.

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**City of Brooklyn Park  
Statement of Activities  
Year Ended December 31, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental activities</b>							
General government	\$ 9,150,996	\$ 1,053,484	\$ 20,700	\$ -	\$ (8,076,812)	\$ -	\$ (8,076,812)
Public safety	43,813,838	3,984,850	4,823,385	-	(35,005,603)	-	(35,005,603)
Public works	10,590,995	520,234	1,030,226	4,829,435	(4,211,100)	-	(4,211,100)
Recreation and parks	14,290,924	2,419,496	292,445	-	(11,578,983)	-	(11,578,983)
Community development	11,610,793	519,547	1,010,442	104,214	(9,976,590)	-	(9,976,590)
Interest on long-term debt	720,692	-	-	-	(720,692)	-	(720,692)
<b>Total governmental activities</b>	<b>90,178,238</b>	<b>8,497,611</b>	<b>7,177,198</b>	<b>4,933,649</b>	<b>(69,569,780)</b>	<b>-</b>	<b>(69,569,780)</b>
<b>Business-type activities</b>							
Public utilities	20,918,583	21,761,915	399,397	-	-	1,242,729	1,242,729
Storm sewer utility	2,193,347	2,977,069	-	-	-	783,722	783,722
Street and signal light utility	690,501	1,814,569	-	-	-	1,124,068	1,124,068
Recreation	2,630,419	2,747,799	-	-	-	117,380	117,380
Park Dome	254,867	411,018	-	-	-	156,151	156,151
<b>Total business-type activities</b>	<b>26,687,717</b>	<b>29,712,370</b>	<b>399,397</b>	<b>-</b>	<b>-</b>	<b>3,424,050</b>	<b>3,424,050</b>
<b>Total</b>	<b>\$ 116,865,955</b>	<b>\$ 38,209,981</b>	<b>\$ 7,576,595</b>	<b>\$ 4,933,649</b>	<b>(69,569,780)</b>	<b>3,424,050</b>	<b>(66,145,730)</b>
General revenues							
Property taxes					64,822,198	-	64,822,198
Franchise fees					5,402,678	-	5,402,678
Tax increments					1,358,599	-	1,358,599
Grants and contributions					4,886,750	-	4,886,750
Unrestricted investment earnings					5,527,626	1,697,603	7,225,229
Other general revenue					6,250,740	910,026	7,160,766
Gain on sale of capital assets					482,509	21,985	504,494
Transfers					3,700,380	(3,700,380)	-
<b>Total general revenues and transfers</b>					<b>92,431,480</b>	<b>(1,070,766)</b>	<b>91,360,714</b>
Change in net position					22,861,700	2,353,284	25,214,984
Net position - beginning, as previously stated					303,206,848	169,998,816	473,205,664
Prior period adjustment (see Note 14)					4,274,953	-	4,274,953
Net position - beginning, as restated					307,481,801	169,998,816	477,480,617
Net position - ending					<b>\$ 330,343,501</b>	<b>\$ 172,352,100</b>	<b>\$ 502,695,601</b>

See notes to basic financial statements.

**City of Brooklyn Park**  
**Balance Sheet - Governmental Funds**  
**December 31, 2024**

	General Fund	Coronavirus Local Fiscal Recovery	General Debt Service	Special Assessment Construction
<b>Assets</b>				
Cash and investments	\$ 36,487,996	\$ 857,143	\$ 4,440,422	\$ 41,255,002
Investments with escrow agent	-	-	-	-
Taxes receivable	1,077,600	-	-	-
Special assessments receivable	147,700	-	13,627	3,786,288
Accounts receivable	581,682	-	-	11,433
Lease receivable	-	-	-	-
Accrued interest	179,663	-	21,754	202,777
Due from other funds	1,157,833	-	-	-
Due from other governments	48,886	-	-	5,436,820
Inventories	1,264	-	-	-
Prepaid items	72,440	-	-	-
Property held for resale	-	-	-	-
Notes receivable, net	-	-	-	-
	<u>\$ 39,755,064</u>	<u>\$ 857,143</u>	<u>\$ 4,475,803</u>	<u>\$ 50,692,320</u>
<b>Liabilities</b>				
Accounts payable	\$ 626,378	\$ 277,015	\$ -	\$ 316,074
Accrued wages payable	1,956,446	30,872	-	-
Contracts payable	-	-	-	249,452
Deposits payable	380,270	-	-	-
Due to other funds	-	-	-	-
Due to other governments	18,405	-	-	-
Unearned revenue	13,852	549,256	-	-
Total liabilities	<u>2,995,351</u>	<u>857,143</u>	<u>-</u>	<u>565,526</u>
<b>Deferred Inflows of Resources</b>				
Deferred inflow related to lease receivable	-	-	-	-
Unavailable revenue - property taxes	954,702	-	-	-
Unavailable revenue - special assessments	147,700	-	13,627	3,786,288
Unavailable revenue - notes receivable	-	-	-	-
Unavailable revenue - other	419,986	-	-	5,447,489
Total deferred inflows of resources	<u>1,522,388</u>	<u>-</u>	<u>13,627</u>	<u>9,233,777</u>
<b>Fund Balances</b>				
Nonspendable	73,704	-	-	-
Restricted	-	-	4,462,176	-
Committed	-	-	-	40,893,017
Assigned	-	-	-	-
Unassigned	35,163,621	-	-	-
Total fund balances	<u>35,237,325</u>	<u>-</u>	<u>4,462,176</u>	<u>40,893,017</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 39,755,064</u>	<u>\$ 857,143</u>	<u>\$ 4,475,803</u>	<u>\$ 50,692,320</u>

Open Space Land Acquisition and Development	Economic Development Authority	Tax Increment Financing	Project Deposits	Total Nonmajor Funds	Total Governmental Funds
\$ 488,457	\$ 15,076,085	\$ 12,093,602	\$ 3,534,076	\$ 19,647,136	\$ 133,879,919
-	260,870	-	-	46,130	307,000
-	11,217	21,626	-	-	1,110,443
-	1,338,572	-	-	-	5,286,187
35,024	178,271	7,606	242	36,633	850,891
6,234,774	6,599,277	-	-	-	12,834,051
27,374	354,130	80,032	-	75,825	941,555
-	910,936	-	-	-	2,068,769
-	-	-	-	1,806,977	7,292,683
-	-	-	-	5,160	6,424
-	1,569	-	-	-	74,009
-	3,120,868	9,079,331	-	2,899,425	15,099,624
-	10,740,957	-	-	608,179	11,349,136
<u>\$ 6,785,629</u>	<u>\$ 38,592,752</u>	<u>\$ 21,282,197</u>	<u>\$ 3,534,318</u>	<u>\$ 25,125,465</u>	<u>\$ 191,100,691</u>
\$ 83,292	\$ 964,832	\$ 76,858	\$ -	\$ 576,731	\$ 2,921,180
-	34,668	-	-	144,957	2,166,943
178	20,640	-	-	14,792	285,062
10,000	11,326	-	3,534,318	32,674	3,968,588
-	-	-	-	1,189,692	1,189,692
-	-	-	-	352	18,757
-	-	-	-	181,859	744,967
<u>93,470</u>	<u>1,031,466</u>	<u>76,858</u>	<u>3,534,318</u>	<u>2,141,057</u>	<u>11,295,189</u>
5,664,970	6,355,063	-	-	-	12,020,033
-	11,217	21,626	-	-	987,545
-	1,338,571	-	-	-	5,286,186
-	10,740,957	-	-	608,179	11,349,136
-	581	-	-	1,769,042	7,637,098
<u>5,664,970</u>	<u>18,446,389</u>	<u>21,626</u>	<u>-</u>	<u>2,377,221</u>	<u>37,279,998</u>
-	1,569	-	-	5,160	80,433
-	2,764,995	21,183,713	-	6,133,115	34,543,999
1,027,189	16,348,333	-	-	11,841,006	70,109,545
-	-	-	-	3,946,552	3,946,552
-	-	-	-	(1,318,646)	33,844,975
<u>1,027,189</u>	<u>19,114,897</u>	<u>21,183,713</u>	<u>-</u>	<u>20,607,187</u>	<u>142,525,504</u>
<u>\$ 6,785,629</u>	<u>\$ 38,592,752</u>	<u>\$ 21,282,197</u>	<u>\$ 3,534,318</u>	<u>\$ 25,125,465</u>	<u>\$ 191,100,691</u>

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**City of Brooklyn Park**  
**Reconciliation of the Balance Sheet - Governmental Funds to**  
**the Statement of Net Position - Governmental Activities**  
**December 31, 2024**

Total fund balances - governmental funds		\$ 142,525,504
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.		210,144,527
Other long-term assets are not available to pay for current-period expenditures and therefore, are not available to the funds.		25,259,965
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Long-term liabilities at year-end consist of:		
Bond principal payable	\$ (22,481,230)	
Lease liability	(743,643)	
Accrued interest payable	<u>(250,391)</u>	(23,475,264)
Governmental funds do not report long-term amounts relating to pensions and OPEB. Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to pensions that are not recognized in the governmental funds.		
Deferred inflows of resources related to pensions	(36,118,325)	
Deferred outflows of resources related to pensions	29,183,138	
Net pension liability	<u>(24,851,432)</u>	(31,786,619)
An internal service fund is used by management to charge the costs of all vacation, holiday and sick pay, insurance, fleet and building maintenance, and information technology systems to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.		
Net position of internal service funds	8,229,172	
Less: Internal payable representing charges in excess of cost to business-type activities	<u>(553,784)</u>	<u>7,675,388</u>
Total net position - governmental activities		<u>\$ 330,343,501</u>

**City of Brooklyn Park**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Governmental Funds**  
**Year Ended December 31, 2024**

	General Fund	Coronavirus Local Fiscal Recovery	General Debt Service	Special Assessment Construction
<b>Revenues</b>				
Property taxes	\$ 58,225,486	\$ -	\$ 2,212,204	\$ -
Franchise fees	-	-	-	-
Tax increments	-	-	-	-
Special assessments	85,295	-	-	735,798
Licenses and permits	3,446,929	-	-	-
Intergovernmental	2,053,676	3,264,572	-	6,247,260
Contributions and donations	7,054	-	-	-
Refunds and reimbursements	-	-	-	31,000
Interest on assessments	-	-	-	23,288
Charges for services	3,249,757	-	-	-
Fine and forfeitures	300,976	-	-	-
Investment income	1,243,558	-	(93)	1,434,934
Net change in fair value of investments	260,482	-	31,542	293,993
Lease income	9,147	-	-	-
Other revenue	1,336,065	-	-	-
Total revenues	<u>70,218,425</u>	<u>3,264,572</u>	<u>2,243,653</u>	<u>8,766,273</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	7,810,915	507,203	-	-
Public safety	40,090,487	716,331	-	-
Public works	5,257,982	-	-	450,430
Recreation and parks	9,871,804	117,134	-	-
Community development	2,000,725	592,024	-	-
<b>Debt service</b>				
Principal	300,320	-	2,590,000	-
Interest and other charges	24,237	-	647,569	-
<b>Capital outlay</b>				
Public safety	41,446	227,430	-	-
Public works	-	-	-	10,163,815
Recreation and parks	-	-	-	-
Community development	-	-	-	-
Total expenditures	<u>65,397,916</u>	<u>2,160,122</u>	<u>3,237,569</u>	<u>10,614,245</u>
Excess of revenues over (under) expenditures	4,820,509	1,104,450	(993,916)	(1,847,972)
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital asset	8,246	-	-	-
Transfers in	567,480	30,000	1,168,836	9,308,523
Transfers out	(31,736)	(1,134,450)	-	(202,155)
Total other financing sources (uses)	<u>543,990</u>	<u>(1,104,450)</u>	<u>1,168,836</u>	<u>9,106,368</u>
Net change in fund balances	5,364,499	-	174,920	7,258,396
<b>Fund Balances</b>				
Beginning of year, as previously stated	29,872,826	-	4,287,256	33,634,621
Prior period adjustment (see Note 14)	-	-	-	-
Beginning of year, as restated	<u>29,872,826</u>	<u>-</u>	<u>4,287,256</u>	<u>33,634,621</u>
End of year	<u>\$ 35,237,325</u>	<u>\$ -</u>	<u>\$ 4,462,176</u>	<u>\$ 40,893,017</u>

Open Space Land Acquisition and Development	Economic Development Authority	Tax Increment Financing	Project Deposits	Total Nonmajor Funds	Total Governmental Funds
\$ -	\$ 3,237,837	\$ -	\$ -	\$ 935,961	\$ 64,611,488
-	-	-	-	5,402,678	5,402,678
-	-	1,358,599	-	-	1,358,599
-	221,665	-	-	-	1,042,758
39,080	-	-	-	-	3,486,009
-	550,127	-	-	2,652,812	14,768,447
-	-	-	-	58,609	65,663
-	13,000	-	-	338	44,338
-	-	-	-	-	23,288
360	300	-	-	1,153,332	4,403,749
-	-	-	-	1,701	302,677
66,754	455,550	563,648	-	401,542	4,165,893
7,021	113,144	116,033	-	109,933	932,148
598,999	968,718	-	-	-	1,576,864
-	537,615	74,204	-	3,948	1,951,832
<u>712,214</u>	<u>6,097,956</u>	<u>2,112,484</u>	<u>-</u>	<u>10,720,854</u>	<u>104,136,431</u>
-	-	-	-	43,819	8,361,937
-	-	-	-	1,972,416	42,779,234
-	-	-	-	243,887	5,952,299
-	-	-	-	1,543,620	11,532,558
-	6,909,959	512,270	-	1,883,021	11,897,999
-	-	-	-	-	2,890,320
-	230,769	86,744	-	-	989,319
-	-	-	-	8,010	276,886
-	-	-	-	614,555	10,778,370
2,204,054	-	-	-	533,678	2,737,732
-	113,528	11,350	-	38,712	163,590
<u>2,204,054</u>	<u>7,254,256</u>	<u>610,364</u>	<u>-</u>	<u>6,881,718</u>	<u>98,360,244</u>
(1,491,840)	(1,156,300)	1,502,120	-	3,839,136	5,776,187
4,648	-	-	-	-	12,894
245,000	82,833	-	-	1,305,110	12,707,782
(114,206)	(608,787)	-	-	(8,220,033)	(10,311,367)
<u>135,442</u>	<u>(525,954)</u>	<u>-</u>	<u>-</u>	<u>(6,914,923)</u>	<u>2,409,309</u>
(1,356,398)	(1,682,254)	1,502,120	-	(3,075,787)	8,185,496
2,383,587	21,297,151	19,181,593	-	23,682,974	134,340,008
-	(500,000)	500,000	-	-	-
<u>2,383,587</u>	<u>20,797,151</u>	<u>19,681,593</u>	<u>-</u>	<u>23,682,974</u>	<u>134,340,008</u>
<u>\$ 1,027,189</u>	<u>\$ 19,114,897</u>	<u>\$ 21,183,713</u>	<u>\$ -</u>	<u>\$ 20,607,187</u>	<u>\$ 142,525,504</u>

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**City of Brooklyn Park**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances - Governmental Activities**  
**the Statement of Activities - Governmental Funds**  
**Year Ended December 31, 2024**

Net change in fund balances - governmental funds \$ 8,185,496

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities the cost of those assets is allocated over the estimated useful lives as depreciation expense.

Capital outlays	\$ 13,573,544	
Depreciation expense	(9,182,102)	
		4,391,442

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 3,638,666

The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the 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 reported the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts were

Lease principal payments		300,320
Bond principal payments		2,590,000

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Amortization of bond premium	131,668	
Accrued interest payable	137,624	
		269,292

Pension expenditures on the governmental funds are measured by current year employer contributions. Pension expenses on the statements of activities are measured by change in net pension liability and related inflows and outflows of resources. 1,708,977

Internal service funds are used by management to charge the cost of all vacation, holiday, and sick pay, insurance, fleet, and building maintenance and management information systems to individual funds. The net expense of certain activities of the Internal Service Funds is reported with governmental activities.

Change in net position of the internal service funds		1,777,507
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Change in net position - governmental activities \$ 22,861,700

**City of Brooklyn Park**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances -**  
**Budget and Actual - General Fund**  
**Year Ended December 31, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 58,296,114	\$ 58,296,114	\$ 58,225,486	\$ (70,628)
Special assessments	79,300	79,300	85,295	5,995
Licenses and permits	3,147,461	3,147,461	3,446,929	299,468
Intergovernmental	1,648,152	1,648,152	2,053,676	405,524
Charges for services	2,329,388	2,329,388	3,249,757	920,369
Fine and forfeitures	261,500	261,500	300,976	39,476
Contributions and donations	3,000	3,000	7,054	4,054
Investment income	987,651	987,651	1,243,558	255,907
Net increase in fair value of investments	134,757	134,757	260,482	125,725
Lease income	5,880	5,880	9,147	3,267
Other	1,106,154	1,106,154	1,336,065	229,911
Total revenues	<u>67,999,357</u>	<u>67,999,357</u>	<u>70,218,425</u>	<u>2,219,068</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	9,768,779	9,768,779	7,810,915	(1,957,864)
Public safety	40,819,332	40,819,332	40,090,487	(728,845)
Public works	5,168,209	5,168,209	5,257,982	89,773
Recreation and parks	10,442,348	10,442,348	9,871,804	(570,544)
Community development	2,105,572	2,105,572	2,000,725	(104,847)
<b>Debt service</b>				
Principal	-	-	300,320	300,320
Interest and other charges	-	-	24,237	24,237
<b>Capital outlay</b>				
Public safety	45,000	45,000	41,446	(3,554)
Total expenditures	<u>68,349,240</u>	<u>68,349,240</u>	<u>65,397,916</u>	<u>(2,951,324)</u>
Excess of revenues over (under) expenditures	(349,883)	(349,883)	4,820,509	5,170,392
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital asset	-	-	8,246	8,246
Transfers in	571,901	571,901	567,480	(4,421)
Transfers out	(222,018)	(222,018)	(31,736)	190,282
Total other financing sources (uses)	<u>349,883</u>	<u>349,883</u>	<u>543,990</u>	<u>194,107</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>5,364,499</u>	<u>\$ 5,364,499</u>
<b>Fund Balance</b>				
Beginning of year			<u>29,872,826</u>	
End of year			<u>\$ 35,237,325</u>	

City of Brooklyn Park  
Statement of Net Position - Proprietary Funds  
December 31, 2024

	Business-Type Activities				Governmental
	Public Utilities	Storm Sewer Utility	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
<b>Assets</b>					
<b>Current assets</b>					
Cash and investments (including cash equivalents)	\$ 35,495,709	\$ 4,101,049	\$ 10,435,476	\$ 50,032,234	\$ 8,353,001
Special assessment receivable	1,790,548	189,308	136,597	2,116,453	-
Accounts receivable	6,378,270	856,988	566,260	7,801,518	28,573
Accrued interest	178,632	20,092	50,933	249,657	36,835
Due from other governments	88,380	-	31,518	119,898	2,476
Inventories	303,487	-	93,579	397,066	64,639
Prepaid expenses	639,511	-	1,275	640,786	1,028,020
<b>Total current assets</b>	<b>44,874,537</b>	<b>5,167,437</b>	<b>11,315,638</b>	<b>61,357,612</b>	<b>9,513,544</b>
<b>Noncurrent assets</b>					
Notes receivable	31,774	-	-	31,774	-
<b>Capital assets</b>					
Equipment lease asset	-	-	-	-	300,308
Property and equipment	174,632,444	42,606,361	29,276,674	246,515,479	37,322,068
Construction in progress	582,922	-	-	582,922	2,817,968
<b>Total capital assets</b>	<b>175,215,366</b>	<b>42,606,361</b>	<b>29,276,674</b>	<b>247,098,401</b>	<b>40,440,344</b>
Less accumulated depreciation	(85,219,161)	(25,805,952)	(15,357,544)	(126,382,657)	(24,740,991)
<b>Net capital assets</b>	<b>89,996,205</b>	<b>16,800,409</b>	<b>13,919,130</b>	<b>120,715,744</b>	<b>15,699,353</b>
<b>Total noncurrent assets</b>	<b>90,027,979</b>	<b>16,800,409</b>	<b>13,919,130</b>	<b>120,747,518</b>	<b>15,699,353</b>
<b>Total assets</b>	<b>134,902,516</b>	<b>21,967,846</b>	<b>25,234,768</b>	<b>182,105,130</b>	<b>25,212,897</b>
<b>Deferred Outflows of Resources</b>					
Pension-related deferred outflows	152,276	35,729	60,526	248,531	181,695
OPEB-related deferred outflows	-	-	-	-	5,121,534
<b>Total deferred outflows of resources</b>	<b>152,276</b>	<b>35,729</b>	<b>60,526</b>	<b>248,531</b>	<b>5,303,229</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 135,054,792</b>	<b>\$ 22,003,575</b>	<b>\$ 25,295,294</b>	<b>\$ 182,353,661</b>	<b>\$ 30,516,126</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Accounts payable	\$ 721,731	\$ 4,609	\$ 93,254	\$ 819,594	\$ 745,835
Accrued wages payable	102,106	20,137	48,253	170,496	170,210
Contracts payable	18,110	-	-	18,110	-
Deposits payable	305,060	-	-	305,060	-
Accrued interest payable	101,000	-	-	101,000	54
Lease payable	-	-	-	-	11,714
Due to other governments	17,851	-	1,909	19,760	-
Due to other funds	-	-	-	-	879,077
Notes from direct borrowings, due within one year	7,018	-	-	7,018	-
Bonds payable, due within one year	955,000	-	-	955,000	-
Compensated absences payable, due within one year	-	-	-	-	432,170
Total OPEB liability, due within one year	-	-	-	-	824,580
Unearned revenue	-	-	117,158	117,158	-
<b>Total current liabilities</b>	<b>2,227,876</b>	<b>24,746</b>	<b>260,574</b>	<b>2,513,196</b>	<b>3,063,640</b>
<b>Noncurrent liabilities</b>					
Compensated absences payable, due in more than one year	-	-	-	-	5,741,691
Notes from direct borrowings, due in more than one year	7,055	-	-	7,055	-
Bonds payable, due in more than one year	5,878,085	-	-	5,878,085	-
Net pension liability, due in more than one year	790,177	185,404	314,079	1,289,660	942,838
<b>Total OPEB liability, due in more than one year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,169,824</b>
<b>Total noncurrent liabilities</b>	<b>6,675,317</b>	<b>185,404</b>	<b>314,079</b>	<b>7,174,800</b>	<b>16,854,353</b>
<b>Total liabilities</b>	<b>8,903,193</b>	<b>210,150</b>	<b>574,653</b>	<b>9,687,996</b>	<b>19,917,993</b>
<b>Deferred Inflows of Resources</b>					
Pension-related deferred inflows	531,426	124,692	211,231	867,349	634,097
OPEB-related deferred inflows	-	-	-	-	1,734,864
<b>Total deferred inflows of resources</b>	<b>531,426</b>	<b>124,692</b>	<b>211,231</b>	<b>867,349</b>	<b>2,368,961</b>
<b>Net Position</b>					
Net investment in capital assets	83,130,937	16,800,409	13,919,130	113,850,476	15,687,639
Unrestricted	42,489,236	4,868,324	10,590,280	57,947,840	(7,458,467)
<b>Total net position</b>	<b>\$ 125,620,173</b>	<b>\$ 21,668,733</b>	<b>24,509,410</b>	<b>171,798,316</b>	<b>\$ 8,229,172</b>
Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds				553,784	
<b>Total Net Position - Business-Type Activities</b>				<b>\$ 172,352,100</b>	

**City of Brooklyn Park**  
**Statement of Revenues, Expenses, and Changes**  
**in Net Position - Proprietary Funds**  
**Year Ended December 31, 2024**

	Business-Type Activities	
	Public Utilities	Storm Sewer Utility
<b>Operating Revenues</b>		
Utility charges	\$ 21,758,570	\$ 2,977,069
Sewer	3,345	-
Golf course	-	-
Other	89,831	316,919
Total operating revenues	<u>21,851,746</u>	<u>3,293,988</u>
<b>Operating Expenses</b>		
Personal services	2,489,521	644,496
Other charges	9,234,367	197,655
Supplies	1,125,611	98,573
Contractual services	2,787,707	51,263
Internal service charges	535,624	205,022
General fund charges	1,152,756	152,465
Amortization	-	-
Depreciation	3,388,597	866,112
Other	-	-
Equipment	-	-
Total operating expenses	<u>20,714,183</u>	<u>2,215,586</u>
Operating income (loss)	1,137,563	1,078,402
<b>Nonoperating Revenues (Expenses)</b>		
Investment income	966,547	79,264
Interest expense	(246,376)	-
Bond premium amortization	81,263	-
Net change in fair value of investments	258,986	29,131
Intergovernmental revenue	399,397	-
Gain on disposal of capital assets	21,922	-
Total nonoperating revenue (expenses)	<u>1,481,739</u>	<u>108,395</u>
Income before transfers	2,619,302	1,186,797
Transfers in	-	-
Transfers out	<u>(2,411,502)</u>	<u>(1,112,000)</u>
Change in net position	207,800	74,797
Net position - beginning	<u>125,412,373</u>	<u>21,593,936</u>
Net position - ending	<u>\$ 125,620,173</u>	<u>\$ 21,668,733</u>
Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds		
Change in Net Position of Business-Type Activities		

Business-Type Activities		Governmental Activities
Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
\$ 2,225,587	\$ 26,961,226	\$ -
-	3,345	-
2,747,799	2,747,799	-
503,276	910,026	15,819,240
<u>5,476,662</u>	<u>30,622,396</u>	<u>15,819,240</u>
1,384,970	4,518,987	5,454,477
344,398	9,776,420	-
402,135	1,626,319	1,149,920
383,418	3,222,388	2,439,138
204,364	945,010	4,551,300
189,598	1,494,819	51,129
-	-	45,537
619,363	4,874,072	2,355,487
-	-	52,801
-	-	55,926
<u>3,528,246</u>	<u>26,458,015</u>	<u>16,155,715</u>
1,948,416	4,164,381	(336,475)
289,830	1,335,641	224,124
-	(246,376)	(665)
-	81,263	-
73,845	361,962	51,599
-	399,397	755
63	21,985	469,615
<u>363,738</u>	<u>1,953,872</u>	<u>745,428</u>
2,312,154	6,118,253	408,953
49,622	49,622	1,309,186
(226,500)	(3,750,002)	(5,221)
2,135,276	2,417,873	1,712,918
<u>22,374,134</u>	<u>169,380,443</u>	<u>6,516,254</u>
<u>\$ 24,509,410</u>	171,798,316	<u>\$ 8,229,172</u>
	<u>(64,587)</u>	
	<u>\$ 2,353,286</u>	

**City of Brooklyn Park**  
**Statement of Cash Flows - Proprietary Funds**  
**Year Ended December 31, 2024**

	Business-Type Activities			Governmental	
	Public Utilities	Storm Sewer Utility	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
<b>Cash Flows - Operating Activities</b>					
Receipts from customers and users	\$ 20,989,602	\$ 3,173,774	\$ 5,511,259	\$ 29,674,635	\$ 16,067,218
Payments to suppliers	(14,380,560)	(497,660)	(1,232,271)	(16,110,491)	(3,770,116)
Payments to employees	(2,558,640)	(623,293)	(1,388,420)	(4,570,353)	(4,540,270)
Payments for interfund services used	(535,624)	(205,022)	(204,364)	(945,010)	(4,582,941)
Net cash flows - operating activities	<u>3,514,778</u>	<u>1,847,799</u>	<u>2,686,204</u>	<u>8,048,781</u>	<u>3,173,891</u>
<b>Cash Flows - Noncapital Financing Activities</b>					
<b>Financing Activities</b>					
Transfer from other funds	-	-	49,622	49,622	1,309,186
Transfer to other funds	(2,411,502)	(1,112,000)	(226,500)	(3,750,002)	(5,221)
Payments on interfund loan	-	-	-	-	236,621
Intergovernmental	399,397	-	-	399,397	755
Net cash flows - noncapital financing activities	<u>(2,012,105)</u>	<u>(1,112,000)</u>	<u>(176,878)</u>	<u>(3,300,983)</u>	<u>1,541,341</u>
<b>Cash Flows - Capital and Related Financing Activities</b>					
Receipts on notes receivable	(4,634)	-	-	(4,634)	-
Principal paid on bonds	(905,000)	-	-	(905,000)	(40,955)
Interest paid on debt	(265,230)	-	-	(265,230)	(665)
Payments on notes payable	2,476	-	-	2,476	-
Proceeds from disposal of capital assets	21,922	-	63	21,985	469,615
Acquisition of capital assets	(1,182,144)	(301,159)	(974,990)	(2,458,293)	(4,479,856)
Net cash flows - capital and related financing activities	<u>(2,332,610)</u>	<u>(301,159)</u>	<u>(974,927)</u>	<u>(3,608,696)</u>	<u>(4,051,861)</u>
<b>Cash Flows - Investing Activities</b>					
Investment income	1,262,477	124,837	357,119	1,744,433	277,039
Net change in cash and cash equivalents	432,540	559,477	1,891,518	2,883,535	940,410
Cash and cash equivalents, January 1	35,063,169	3,541,572	8,543,958	47,148,699	7,412,591
Cash and cash equivalents, December 31	<u>\$ 35,495,709</u>	<u>\$ 4,101,049</u>	<u>\$ 10,435,476</u>	<u>\$ 50,032,234</u>	<u>\$ 8,353,001</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows - Operating Activities</b>					
Operating income (loss)	\$ 1,137,563	\$ 1,078,402	\$ 1,948,416	\$ 4,164,381	\$ (336,475)
Adjustments to reconcile operating income (loss) to net cash flows - operating activities					
Depreciation/amortization expense	3,388,597	866,112	619,363	4,874,072	2,401,024
Accounts receivable	(473,959)	(89,107)	3,162	(559,904)	5,669
Special Assessments	(301,381)	(31,107)	(21,693)	(354,181)	-
Due from other governments	(86,804)	-	42,658	(44,146)	210,668
Prepaid items	6,234	-	1,925	8,159	(195,614)
Inventory	26,646	-	(3,312)	23,334	(16,963)
Accounts payable	352,589	2,296	87,455	442,340	246,065
Due to other governmental units	(467,088)	-	1,210	(465,878)	(61,948)
Salaries payable	24,240	515	12,049	36,804	(90,083)
Unearned revenue	-	-	10,470	10,470	-
Deposits payable	1,500	-	-	1,500	-
OPEB related activity	-	-	-	-	703,217
Pension related activity	(93,359)	20,688	(15,499)	(88,170)	(34,281)
Compensated absences payable	-	-	-	-	342,612
Total adjustments	<u>2,377,215</u>	<u>769,397</u>	<u>737,788</u>	<u>3,884,400</u>	<u>3,510,366</u>
Net cash flows - operating activities	<u>\$ 3,514,778</u>	<u>\$ 1,847,799</u>	<u>\$ 2,686,204</u>	<u>\$ 8,048,781</u>	<u>\$ 3,173,891</u>
<b>Noncash Capital and Related Financing Activities</b>					
Amortization of bond premiums	\$ (81,263)	\$ -	\$ -	\$ (81,263)	\$ -

See notes to basic financial statements.

City of Brooklyn Park  
Statement of Fiduciary Net Position  
December 31, 2024

	<u>Total Custodial Funds</u>
<b>Assets</b>	
Current	
Cash and investments (including cash equivalents)	\$ 742,651
Accrued interest	1,691
Accounts receivable	3
Due from other governments	<u>89,932</u>
Total assets	<u><u>\$ 834,277</u></u>
<b>Liabilities</b>	
Accounts payable	\$ 6,742
Customer and contractor deposits	104,168
Due to other governments	335,084
Salaries and benefits payable	<u>30,157</u>
Total liabilities	<u><u>\$ 476,151</u></u>
<b>Net Position</b>	
Restricted	<u><u>\$ 358,126</u></u>

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City of Brooklyn Park  
Statement of Changes in Fiduciary Net Position  
Year Ended December 31, 2024

	Total Custodial Funds
<b>Additions</b>	
Licenses revenue	\$ 17,470,123
Unclaimed property	12,734
Intergovernmental	864,411
Interest	9,681
Net increase in fair value of investments	2,451
Other	44,429
Total additions	18,403,829
<b>Deductions</b>	
Payments to State of Minnesota	17,482,857
Personal services	746,336
Supplies and equipment	37,190
Contractual services	66,990
Other	9,829
Total deductions	18,343,202
Change in net position	60,627
<b>Net Position</b>	
Beginning of year	297,499
End of year	\$ 358,126

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**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Brooklyn Park (the City) operates under the "Home Rule Charter" form of government pursuant to applicable Minnesota Laws and Statutes. The charter prescribes a Manager-Council form of organization. The governing body consists of a mayor and a six-member City Council. The City Council is elected by voters from the geographic district they represent, and the Mayor is elected at large by voters of the City. The City Council and Mayor serve four-year staggered terms. The more significant of the City's accounting policies are described below:

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 61, *The Reporting Entity*, the financial statements present the City and its component units. The City includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate from such. Component units are legally separate organizations for which elected officials of the City are financially accountable and are included within the basic financial statements of the City because of the significance of their operational or financial relationships with the City.

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of services performed or provided by the organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City.

As a result of applying the component unit definition criteria above, certain organizations have been defined in accordance with GASB Statement No. 61 and are presented in this report as Blended Component Units (which are reported as if they were a part of the City) or Related and Jointly Governed Organizations (in which the relationship of the City with the entity is disclosed).

**1. Blended Component Units**

The Economic Development Authority (EDA), which is governed by a seven-member board consisting of the City Council, is reported as a blended component unit. Although it is a legally separate entity from the City, it is reported as if it were a part of the City as the governing body of the EDA is substantively the same as the governing body of the City. City management has operational responsibility over the EDA and operates the EDA in the same manner as City activities. This represents the only financial statements prepared for the EDA.

**2. Joint Ventures**

During 1990, the City entered into a joint and cooperative agreement with six other surrounding cities to create an organization to provide for the impoundment of animals. The organization, named Pets under Police Security (PUPS), constructed an animal impound facility with capital costs totaling approximately \$681,000. The governing board of PUPS is made up of one member from each of the participating cities of Brooklyn Center, Brooklyn Park, Champlin, New Hope, Maple Grove, and Plymouth. Financial information regarding the Joint Venture is available from the City of Maple Grove, Minnesota. See Note 12 for additional financial disclosure information.

**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 non-fiduciary activities of the primary government and its component units. 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 charges for sales and/or services and fees.

**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-Wide and Fund Financial Statements (Continued)**

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Aggregated information for the remaining nonmajor funds is reported in a single column in the fund financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City does not allocate indirect expenses. 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 segment, 2) operating grants and contributions restricted to meeting the operational requirements of a particular function, and 3) capital grants and contributions restricted to meeting the capital requirements of a particular function, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, charges between the City's enterprise funds and other functions (i.e., interfund services provided and used) are not eliminated, as that would distort the direct costs and program revenues reported in those functions. Depreciation expense is included in the direct expenses of each function. Interest on long-term debt is considered an indirect expense and is reported separately under governmental activities on the Statement of Activities.

**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. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

For this purpose, the City considers revenues to be available if they are collected within 60 days after year-end. Major revenues susceptible to accrual include property taxes, special assessments, intergovernmental revenues, charges for services, and investment earnings. Major revenues not susceptible to accrual include licenses, permits, fees, and miscellaneous revenues. Such revenues are recorded only as received because they are not measurable until collected. Issuance of bonds and proceeds from sale of property and equipment are reported as other financing sources. Federal revenue is recorded in the year in which the related expenditure is made.

**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

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.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 enterprise funds and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and the internal service 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 non-operating revenues and expenses.

The Custodial Funds are presented in the fiduciary fund financial statements. Since, by definition, these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the City, these funds are not incorporated into the government-wide statements. This fund uses the economic resources measurement focus and the accrual basis of accounting.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**Description of Funds:**

The government reports the following major governmental funds:

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

Coronavirus Local Fiscal Recovery - This is a special revenue fund that accounts for American Rescue Plan Act funding.

General Debt Service - This debt service fund accounts for the issuance of all debt (mainly bonds) with the exception of tax increment debt and also accounts for the on-going debt service of the issued debt.

Special Assessment Construction - This is a capital project fund that accounts for the construction costs of certain public improvements such as residential streets, sidewalks, water and sewer mains, storm sewers or streetlights which are to be paid for wholly or in part from special assessments levied against benefited property owners. All improvements related to water and sewer mains, storm sewers or streetlights are the result of new development in which those improvements are then contributed to the Public Utilities, Storm Sewer Utility or Street/Signal Light Utility Enterprise Funds.

Open Space Land Acquisition and Development - This is a capital project fund that accounts for the land acquisition and development activities.

**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

**Description of Funds: (Continued)**

The government reports the following major governmental funds: (Continued)

Economic Development Authority - This is a capital project fund that accounts for the operations of the City's Economic Development Authority (EDA). The EDA was established by the City Council as a separate entity to promote economic development and redevelopment within the City, such as incurring expenditures for improvement projects with tax increment districts and purchasing of land for a higher and better use.

Tax Increment Financing District - This is a capital project fund that accounts for the redevelopment activities located within all of the City's tax increment financing districts.

Project Deposits - This is a capital project fund that accounts for deposits held by the City to assist with project performance.

The government reports the following major proprietary funds:

Public Utilities - This fund accounts for all financial resources relating to the City's operations of its water distribution system, sanitary sewer system, and for the collection of recyclable materials throughout the City. Services are on a user charge basis to all owners of property located within the City.

Storm Sewer Utility - This fund accounts for all financial resources relating to the City's operations of its storm water collection system. Services are on a user charge basis to all owners of property located within the City.

Non-Major Proprietary Funds:

Street/Signal Light Utility - This fund accounts for all financial resources relating to the City's operations of its street and signal light system. Services are on a user charge basis to all owners of property located within the City.

Recreation - This fund accounts for all financial resources relating to the operations of the City's main golf course Edinburgh, USA, an 18-hole championship golf course with clubhouse operations.

Park Dome - This fund accounts for all financial resources relating to the operations of the City's Park Dome, a year-round sports recreation facility. The dome's turf field can be split in half and used as soccer, football, lacrosse, and softball fields.

Additionally, the City also reports the following fund-types:

Internal Service Funds - These funds account for services that are provided to other departments within the City on a cost-reimbursement basis.

**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

**Description of Funds: (Continued)**

**Internal Services Funds (Continued)**

Central Services - This fund accounts for the costs to operate and maintain the City's vehicle fleet and government buildings.

Information and Technology Services - This fund accounts for the cost to provide technology services to all City departments.

Loss Control - This fund accounts for the City's insurance policy activity including premiums and claims in addition to employee wellness program costs.

Benefit Accrual - This fund maintains the benefit accrual for all employees and pays for those benefits when they are used.

Custodial Funds - These funds are custodial in nature. The City maintains the Custodial funds, which are listed below.

Deputy Registrar - This fund accounts for the collection of license fees for motor vehicles, watercraft, snowmobiles, etc. that are to be remitted to other governmental agencies.

Unclaimed Property - This fund accounts for unclaimed property for which the owner has not taken some action that would indicate that person's ownership over a certain period of time. These resources must be remitted to the state within a certain period of time.

Brooklyn Bridge Alliance - This fund accounts for the operational activity of the Brooklyn Bridge Alliance (BBA) which is held at the City in a custodial capacity.

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity**

**1. Deposits and Investments**

The City's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash balances from all funds are combined and invested to the extent available in accordance with applicable *Minnesota Statutes*. Earnings from such investments are allocated to the respective funds based on the average annual cash balance of each fund. Investments are stated at fair value, which is determined based on fair value measurements as indicated in Note 3.

**2. Interfund Receivables / Payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity  
(Continued)**

**2. Interfund Receivables / Payables (Continued)**

Any residual outstanding balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in the fund financial statements, are offset by a fund balance commitment or restriction account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**3. Property Taxes**

Property tax levies are set by the City Council in December of each year and are certified to Hennepin County for collection in the following year. In Minnesota, counties act as collection agents for all property taxes. The County spreads all levies over assessable property. Such taxes become a lien on January 1. Revenues are accrued and recognized in the year collectible, net of delinquencies. Real property taxes may be paid by taxpayers in two equal installments, on May 15 and October 15. The County provides tax settlements to cities and other local governments three times a year, on or about January 20, July 2, and December 2.

Taxes that remain unpaid at December 31 are classified as delinquent taxes receivable and are fully offset by deferred inflows unavailable revenues in the governmental funds, because they are not available to finance current expenditures. No allowance for uncollectible taxes has been provided because such amounts are not expected to be material.

**4. Special Assessments Receivable**

Special assessments are levied against the benefited properties for the assessable costs of special assessment improvement projects in accordance with *Minnesota Statutes*. The City usually adopts the assessment rolls when the individual projects are complete or substantially complete. The County handles collection of annual installments (including interest) in the same manner as property taxes. Property owners are allowed to prepay total future installments without interest or prepayment penalties. Revenues are unavailable in the governmental fund financial statements to the extent they are not currently collectible.

**5. Internal Balances**

Internal Service Fund activity is allocated between governmental activities and business-type activities based on services provided by various departments. Internal Balances represent the portion of the Internal Service Fund that is closed to the Business Type Activities during the year.

**6. Inventories and Prepaid Items**

Inventories are valued at cost using the first-in/first-out (FIFO) method and consists of expendable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity  
(Continued)**

**7. Property Held for Resale**

Property is acquired largely by the Economic Development Authority (EDA) for redevelopment purposes. Property held for resale is reported as an asset at the lower of cost or net realizable value in the government-wide and fund financial statements (EDA, Tax Increment Financing and Huntington Pointe Development, Capital Project Funds and Community Development Block Grant Special Revenue Fund). Any costs incurred that are above the properties net realizable value are reported as expenditures of the period.

**8. Capital Assets**

Capital assets, which include property, plant, equipment, infrastructure assets (i.e., roads, bridges, sidewalks, and similar items) and intangible assets such as easements and computer software, are recorded as expenditures in the City's governmental fund financial statements, which use the modified accrual basis of accounting. Capital assets are recorded as assets within the City's government-wide statements and proprietary fund statements, which use the full accrual basis of accounting. Infrastructure assets have been capitalized retroactively to 1980 and are reflected within the government-wide financial statements.

The City defines capital assets as assets with an estimated useful life in excess of two years and initial, individual cost of more than \$10,000 for equipment and \$25,000 for improvements to buildings, land, and infrastructure (e.g., roads, bridges, sidewalks, and similar items). All capital assets are recorded at historical cost or estimated historical cost if actual cost was not available. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets life are not capitalized. The capital assets of the City are depreciated or amortized using the straight-line method over the following estimated useful lives:

Classification	Years
Land Improvements - depreciable	5 - 30
Buildings	20 - 50
Building Service Systems	15 - 20
Machinery and Equipment - Light	5 - 10
Machinery and Equipment - Heavy	15 - 25
Streets and Public Infrastructure	25 - 30
Utility Disribution Systems - Main Lines	50

**9. Lease Receivable**

The City is a lessor for numerous noncancellable leases. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity  
(Continued)**

**9. Lease Receivable (Continued)**

At the commencement of a lease, the City measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date.

Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term in a systematic and rational manner.

Key estimates and judgments include how the City determines (1) the discount rate, (2) lease term, (3) lease receipts, and (4) amortization.

The City determines the discount rate for leases based on the DebtBook's calculations. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

**10. Right-to-Use Lease Assets/Lease Liabilities**

The City recorded right-to-use lease assets as a result of implementing GASB Statement No. 87, Leases. The right-to-use lease assets are initially measured at an amount equal to the initial measurement of the lease liability plus any payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease.

Key estimates and judgments related to leases include (1) the discount rate, (2) lease term, (3) lease payments, and (4) amortization.

The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City determines its estimated borrowing rate based on DebtBook's calculations. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a re-measurement of the leases and will remeasure the right-to-use lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liability.

**11. Deferred Outflows of Resources**

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period. The City will not recognize the related outflow until a future event occurs.

**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity  
(Continued)**

**12. Deferred Inflows of Resources**

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.

**13. Compensated Absences**

The City compensates employees upon termination for all unused vacation pay up to 240 hours and for half of unused sick leave, up to a limit of 720 hours. Vacation and sick leave earnings are accrued in all funds when incurred with the corresponding liability recorded in the Benefit Accrual Internal Service Fund where it is paid when used. The liability is reported within the governmental activities portion of the government-wide statement of net position.

**14. Postemployment Benefits Other Than Pensions (OPEB)**

For purposes of measuring the total OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, the City recognizes payments when due and payable in accordance with the benefit terms. The City's benefit payments include an implicit rate subsidy.

**15. 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, if material, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**16. Pensions**

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

**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity  
(Continued)**

**17. Net Position**

Net position represents the difference between assets, deferred outflows of resources and deferred inflows of resources and liabilities in the government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

**18. 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. Classifications of fund balance that will be used are as follows:

- **Nonspendable Fund Balances** - These are resources that cannot be spent because they are either not readily convertible to cash or are legally or contractually required to be maintained intact. Examples include money held in escrow, prepaid amounts, land held for resale, and long-term loans or notes receivable.
- **Restricted Fund Balances** - These are resources whose spending is constrained externally by creditors or by laws and regulations of another government. Examples include grants, intergovernmental revenues, and resources in debt service funds that include a legally enforceable requirement that those resources be spent only for specific purposes.
- **Committed Fund Balances** - These are resources that can only be used for specific purposes established by the City Council. Establishment of these specific purposes must be done by a resolution adopted by the City Council and may only be changed or removed by a resolution adopted by the City Council.
- **Assigned Fund Balances** - These are resources that the City intends to be used for specific purposes but are neither restricted nor committed. Assigned fund balances are established by a motion of the City Council. The City Council may also delegate this authority to the City Manager, who may act upon recommendation of the Finance Director.
- **Unassigned Fund Balances** - These resources represent the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. The City will strive to maintain a minimum unassigned fund balance in its General Fund of 35-50% of the subsequent year's budgeted expenditures.

**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity  
(Continued)**

**18. Fund Balance Classifications (Continued)**

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**19. Use of Estimates**

To prepare the financial statements in conformity with accounting principles generally accepted with GASB, management must make estimates and assumptions. These estimates and assumptions may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during those estimates.

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

Budgets are adopted by Council Resolution on a basis consistent with generally accepted accounting principles (GAAP) in the United States of America. Annual appropriated budgets are adopted for the General Fund. Formal budgetary integration is employed as a management control device for this fund.

Budgeted amounts reported in the combined financial statements represent the amounts originally adopted or as amended by the City Council. All budgetary amendments and transfers require approval by the City Council.

Encumbrance accounting is employed in governmental funds. Unencumbered appropriations lapse at the end of the year.

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

- The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1 at the first regular meeting in September. The operating budgets include proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- The budgets are legally enacted through the passage of resolutions in December.

**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**A. Budgetary Information (Continued)**

- The City Council may authorize transfers of budgeted amounts between funds, amend the budget by a majority vote if additional revenues to cover the new appropriations have been identified, or amend the budget using fund reserves by a vote of five members.
- The City budgets by fund and the legal level of control of the budget is by department. The City Charter charges the City Manager with the duty to enforce the budget. In practice, the City Manager exercises control by delegating authority to individual department directors who are accountable to the Manager for their departments' annual expenditures. Transfers between funds require the City Council's approval.
- Budgeted amounts are as originally adopted or as amended by the City Council. Budgeted expenditure appropriations lapse at year-end.
- Formal budgetary integration is employed as a management control device during the year for the General Fund. Formal budgetary integration is not employed for debt service funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions. Budgetary control for capital project funds is accomplished through the use of project controls. Special revenue funds do not have legally adopted budgets.

**B. Deficit Fund Balance**

The following funds had deficit fund balance, which has been classified as unassigned/unrestricted as of December 31, 2024:

Ice Arena	\$ 293,551
BrookLynk	527,124
Small Business Center	497,971
Benefit Accrual Internal Service Fund	14,441,330

The deficit for the Ice Arena, BrookLynk, and Small Business Center are related to an operational deficit occurring for the operations. The City is looking for ways to eliminate the remaining deficits over the next few years.

The deficit for the Benefit Accrual Internal Service Fund represents the amount that the City is currently underfunded related to its long-term liabilities for compensated absences and other post-employment benefits. This fund has adequate resources to meet any short-term funding needs and the deficit will continue to be monitored. In its 2025 budget, the City allocated resources to mitigate some of the deficit's growth.

**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 3 - DEPOSITS AND INVESTMENTS**

**A. Components of Cash and Investments**

Cash and investments at year-end consist of the following:

Deposits	\$ (105,234)
Investments	193,105,104
Investments with Escrow Agent	307,000
Cash on Hand	7,935
Total	\$ 193,314,805

Cash and investments are presented in the financial statements as follows:

Cash and Investments - Statement of Net Position	\$ 192,265,154
Investments with escrow agent	307,000
Cash - Statement of Fiduciary Net Position	742,651
Total	\$ 193,314,805

**B. Deposits**

Cash and investments at year-end consist of the following:

In accordance with applicable *Minnesota Statutes*, the City maintains deposits at depository banks, which have been authorized by the City Council and include checking accounts and certificates of deposits. The following is considered the most significant risk associated with deposits:

**Custodial Credit Risk:** This is the risk that in the event of a bank failure, the City's deposits may be lost. *Minnesota Statutes* require that all deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The fair value of collateral pledged must equal at least 110% of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. governmental agencies; general obligations rated "A" or better; revenue obligations rated "AA" or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. *Minnesota Statutes* require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The City has no additional deposit policies addressing custodial credit risk.

At December 31, 2024, all deposits were fully covered by federal depository insurance, surety bonds, or by collateral held by the City's agent in the City's name.

**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

Investment Type	Rating	Fair Value	Investment Maturities			
			Less than One Year	1-2 Years	2-5 Years	5+ Years
Pooled Investments						
Money market	NR	\$ 51,980,390	\$ 51,980,390	\$ -	\$ -	\$ -
Certificates of deposit	NR	9,100,230	4,600,124	1,203,210	1,846,285	1,450,611
Commercial paper	NR	1,446,305	1,446,305	-	-	-
Municipal bonds	A-	78,318,639	17,444,895	16,937,246	27,176,728	16,759,770
US Treasury securities	AAA	6,900,320	998,510	-	3,963,410	1,938,400
Other gov't backed securities	AAA	42,923,094	3,526,108	7,940,968	14,558,455	16,897,563
4M	NR	50,212	50,212	-	-	-
4M Plus	NR	2,385,914	2,385,914	-	-	-
Total		\$ 193,105,104	\$ 82,432,458	\$ 26,081,424	\$ 47,544,878	\$ 37,046,344

Investments with Escrow Agent: \$307,000 is being held by a third party related to an agreement with the Brooklyn Park Economic Development Authority (BPEDA) for property management.

**Custodial Credit Risk:** This is the risk that in the event of a failure of the counterparty to any investment transaction (typically a broker-dealer) the City would not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The City addresses this risk within its investment policy and limits its exposure by holding the majority of investments in a trust account with a major bank's corporate trust department. Under this scenario, investments are delivered to the City's Trust Account and then payment is released to the broker-dealer.

**Credit Risk:** This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. *Minnesota Statutes* limit the City's investments to direct obligations or obligations guaranteed by the United States or its agencies; shares of investment companies registered under the Federal Investment Company Act of 1940 that receive the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of thirteen months or less; general obligations rated "A" or better; revenue obligations rated "AA" or better; general obligations of the Minnesota Housing Finance Agency rated "A" or better; bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System; commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less; Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, and with the credit quality in the one of the top two highest categories; repurchase or reverse purchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities brokers-dealers. The City's investment policies address credit risk through statutory regulations as mentioned above and through the diversifying of the City's investment portfolio.

**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

**Concentration Risk:** This is the risk associated with investing a significant portion of the City's investment (considered 5% or more) in the securities of a single issuer, excluding U.S. explicitly guaranteed investments (such as Treasuries), investment pools, and mutual funds. The City's investment policy states that no more than 50% of the City's total investment portfolio will be invested in a single security type or with a single financial institution. No more than 5% of the overall portfolio may be invested in the securities of a single issuer, except for securities of the U.S. Government and its agencies or an external investment pool. At December 31, 2024, the money market investment with First American Government composed 25% of the total investments.

**Interest Rate Risk:** This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The City's investment policy allows for a majority of the City's reserve funds to be invested in securities maturing in five years or less, with no more than 10% of the City's reserve funds being invested in securities maturing ten years or more.

**Fair Value Measurements:** The City uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. The City follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements.

In accordance with this standard, the City has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 - Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities. The inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets.

Level 2 - Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data. Investment values are obtained from the City's broker statements, which are based on inputs from the pricing services used by brokers.

Level 3 - Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use in pricing the asset.

**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

City investments are measured as follows:

	Fair Value Measurement Using			
	12/31/2024	Level 1	Level 2	Level 3
Investments by Fair Value Level				
Money market	\$ 51,980,390	\$ 51,980,390	\$ -	\$ -
Certificates of deposit	9,100,230	-	9,100,230	-
Commercial paper	1,446,305	-	1,446,305	-
Municipal bonds	78,318,639	-	78,318,639	-
US Treasury securities	6,900,320	-	6,900,320	-
Other gov't backed securities	42,923,094	-	42,923,094	-
Total investments by fair value level	<u>\$ 190,668,978</u>	<u>\$ 51,980,390</u>	<u>\$ 138,688,588</u>	<u>\$ -</u>
Investments measured at amortized cost				
Money market funds	<u>\$ 2,436,126</u>			
Total investments	<u>\$ 193,105,104</u>			

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 reported at amortized cost. The 4M Fund does not restrict or limit withdrawals made by the City.

**NOTE 4 - NOTES RECEIVABLE AND LEASE RECEIVABLE**

**A. Economic Development Authority - Notes Receivable**

The Brooklyn Park Economic Development Authority (EDA) periodically issues notes to qualified entities for the purpose of redevelopment and aiding with the rehabilitation of properties throughout the City. These notes and related interest receivable totaled \$10,740,957. The remaining \$1,901,413 is reported in the Tax Increment Financing fund with an allowance of \$1,901,413 which has been established for amounts not deemed collectible at December 31, 2024.

**B. Other Funds - Notes Receivable**

The Revolving Loan Special Revenue Fund has \$193,289 in notes receivable related to a grant for Metro Mold & Design, Biomerics, LLC, and STAR from the Minnesota Investment Fund through the State of Minnesota Department of Employment and Economic Development - Business and Community Development Division.

The TIF Special Spending Fund has \$414,890 in notes receivable related to the Duffy Development Project.

**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 4 - NOTES RECEIVABLE AND LEASE RECEIVABLE (CONTINUED)**

**B. Other Funds - Notes Receivable (Continued)**

The Water Access Charge (WAC) notes receivable is related to a payment deferral program that will minimize the impact of the payment of the WAC fees for new or expanding businesses within the city of Brooklyn Park. This program is in conjunction with the Metropolitan Council's Sewer Access Charge (SAC) Deferral Program adopted in 2013. The Metropolitan Council's program allows for the deferment of SAC fees for small businesses that receive a SAC determination of 10 SAC units or less prior to SAC credits being applied. The outstanding notes receivable is \$31,774.

**C. Lease Receivable**

The City owns and rents out space at the Northwind Plaza, there are multiple active leases expiring between January 1, 2022, and August 31, 2053. Rent is due monthly for all leases and monthly rent ranged between \$1,047 and \$17,917 in 2023 depending on the tenant's space. Total rent income earned from these leases was \$506,402 for the year ended December 31, 2024.

The City has multiple leasing agreements relating to space on and around the City's Water Towers and Site Leases. Lessees include CenturyLink QC, AT&T, T-Mobile Central LLC, VoiceStreams Minneapolis, Inc, Sprint Spectrum, LP, TC Assets, LLC, and Verizon. All leases expire sporadically between April 30, 2025, and December 31, 2050. Expiration dates noted include automatic 5-year renewals of leases that are only terminatable by the Lessee. Total rent income earned from these leases was \$431,115 for the year ended December 31, 2024.

The net present value of future lease payments has been recorded as a lease receivable and a deferred inflow of resources, discounted between 0.24% and 1.75% discount rates depending on the lease. Lease receivable at December 31, 2024, was \$12,834,051 and deferred inflow was \$12,020,033. The revenue will be recognized in future years.

**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

**NOTE 5 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2024, was as follows:

	Beginning Balance	Adjustment	Increases	Decreases	Ending Balance
Governmental activities					
Capital assets not being depreciated					
Land	\$ 72,908,104	\$ -	\$ 402,711	\$ -	\$ 73,310,815
Land improvements	1,196,998	-	-	-	1,196,998
Construction in progress	3,405,202	-	6,753,182	(499,918)	9,658,466
Total capital assets not being depreciated	<u>77,510,304</u>	<u>-</u>	<u>7,155,893</u>	<u>(499,918)</u>	<u>84,166,279</u>
Other capital assets					
Buildings	83,460,742	2,004,987	235,894	-	85,701,623
Land improvements	20,495,043	1,773,976	1,736,300	-	24,005,319
Furniture and fixtures	7,101,602	-	226,854	-	7,328,456
Machinery and equipment	35,917,022	951,300	3,472,492	(1,179,448)	39,161,366
Infrastructure	176,419,881	-	4,836,290	-	181,256,171
Equipment lease asset	1,931,438	-	-	-	1,931,438
Total other capital assets at historical costs	<u>325,325,728</u>	<u>4,730,263</u>	<u>10,507,830</u>	<u>(1,179,448)</u>	<u>339,384,373</u>
Total governmental capital assets	402,836,032	4,730,263	17,663,723	(1,679,366)	423,550,652
Less accumulated depreciation for					
Buildings	(45,159,541)	43,627	(2,418,995)	-	(47,534,909)
Land improvements	(10,671,939)	(13,619)	(1,355,715)	-	(12,041,273)
Furniture and fixtures	(6,824,107)	-	(91,709)	-	(6,915,816)
Machinery and equipment	(23,965,093)	434,880	(2,558,460)	1,159,996	(24,928,677)
Infrastructure	(100,466,846)	-	(4,805,456)	-	(105,272,302)
Less accumulated amortization for					
Equipment lease asset	(649,853)	-	(363,942)	-	(1,013,795)
Total accumulated depreciation and amortization	<u>(187,737,379)</u>	<u>464,888</u>	<u>(11,594,277)</u>	<u>1,159,996</u>	<u>(197,706,772)</u>
Total other capital assets, net	<u>137,588,349</u>	<u>5,195,151</u>	<u>(1,086,447)</u>	<u>(19,452)</u>	<u>141,677,601</u>
Governmental activities capital position, net	<u>\$ 215,098,653</u>	<u>\$ 5,195,151</u>	<u>\$ 6,069,446</u>	<u>\$ (519,370)</u>	<u>\$ 225,843,880</u>

**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

**NOTE 5 - CAPITAL ASSETS (CONTINUED)**

Capital asset activity for the year ended December 31, 2024, was as follows:

	Beginning Balance	Adjustment	Increases	Decreases	Ending Balance
Business-type activities					
Capital assets not being depreciated					
Land	\$ 4,190,949	\$ -	\$ -	\$ -	\$ 4,190,949
Land improvements	5,367,004	-	-	-	5,367,004
Construction in progress	140,825	-	704,763	(262,666)	582,922
Total capital assets not being depreciated	<u>9,698,778</u>	<u>-</u>	<u>704,763</u>	<u>(262,666)</u>	<u>10,140,875</u>
Capital assets being depreciated					
Buildings	64,652,933	-	506,260	-	65,159,193
Land improvements	4,964,997	-	362,088	-	5,327,085
Furniture and fixtures	79,879	-	-	-	79,879
Machinery and equipment	8,127,491	48,479	212,635	(96,352)	8,292,253
Infrastructure	157,252,543	-	846,573	-	158,099,116
Total capital assets being depreciated	<u>235,077,843</u>	<u>48,479</u>	<u>1,927,556</u>	<u>(96,352)</u>	<u>236,957,526</u>
Total business-type capital assets	244,776,621	48,479	2,632,319	(359,018)	247,098,401
Less accumulated depreciation for					
Buildings	(43,493,385)	-	(1,530,242)	-	(45,023,627)
Land improvements	(3,046,719)	-	(279,024)	-	(3,325,743)
Furniture and fixtures	(79,878)	-	-	-	(79,878)
Machinery and equipment	(5,906,824)	18,689	(387,618)	87,807	(6,187,946)
Infrastructure	(69,088,275)	-	(2,677,188)	-	(71,765,463)
Total accumulated depreciation	<u>(121,615,081)</u>	<u>18,689</u>	<u>(4,874,072)</u>	<u>87,807</u>	<u>(126,382,657)</u>
Total capital assets being depreciated, net	<u>113,462,762</u>	<u>67,168</u>	<u>(2,946,516)</u>	<u>(8,545)</u>	<u>110,574,869</u>
Business-type activities capital assets, net	<u>\$ 123,161,540</u>	<u>\$ 67,168</u>	<u>\$ (2,241,753)</u>	<u>\$ (271,211)</u>	<u>\$ 120,715,744</u>

**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 5 - CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to the various functions of the City as follows:

Governmental activities	
General Government	\$ 1,080,027
Community Development	197,953
Public Safety	1,088,837
Public Works- includes infrastructure	7,385,708
Parks and Recreation	<u>1,841,752</u>
Total depreciation/amortization expense	
- governmental activities	<u>\$ 11,594,277</u>
Business-type activities	
Public Utilities	\$ 3,388,597
Storm Sewer Utility	866,112
Street and Signal Light Utility	207,249
Recreation	<u>412,114</u>
Total depreciation expense - business-type activities	<u>\$ 4,874,072</u>

**NOTE 6 - RISK MANAGEMENT (LOSS CONTROL)**

The City is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. In order to protect against these risks of loss, the City purchases commercial insurance through the League of Minnesota Cities Insurance Trust, a public entity risk pool. This pool currently operates common risk management and insurance programs for municipal entities. The City pays an annual premium to the League for its insurance coverage. The League of Minnesota Cities Insurance Trust is self-sustaining through commercial companies for excess claims. The City is covered through the pool for any claim incurred but unreported, however, retains risk for the deductible portion of its insurance policies.

The Loss Control Fund was established to account for deductibles and other costs associated with risk-of-loss that the City is unable to insure for because of restrictions or exclusions on the policies. It has also been established to fund any potential liability that may be assessed to it by the League of Minnesota Cities Insurance Trust program. The fund is accounted for as an internal service fund where assets are set aside for risk management, insurance, administration, and claims settlement.

Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities will include an amount for claims that have been incurred but not reported. The Loss Control Fund collects a service charge from user funds and departments and pays insurance premiums and claims. Charges for services during 2024 were \$3,970,833. In 2024, there were \$518,468 in claims paid. In 2023, there was \$692,612 in claims paid and in 2022, there was \$536,934 in claims paid.

**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

**NOTE 6 - RISK MANAGEMENT (LOSS CONTROL) (CONTINUED)**

The City's workers compensation insurance policy is retrospectively rated. With this type of policy, final premiums are determined after loss experience workers compensation rates and salaries for the year are known. The City also purchases faithful performance bonds for employees in key positions.

During the year ended December 31, 2024, there were no significant changes in insurance coverage from the prior year. Settled claims have not exceeded the City's commercial coverage in any of the past three years.

**NOTE 7 - LONG-TERM DEBT**

The City's long-term debt issues and transactions were as follows:

**A. General Obligation Bonds**

The City periodically issues bonds in accordance with *Minnesota Statutes* and backed by its full faith, credit, and taxing powers.

**2021 General Obligation Bonds, Series 2021A**

In 2021, The City issued \$9,200,000 in General Obligation Bonds. Of this amount, \$7,585,000 was issued to finance the park building and shelter kitchen additions, park redevelopment projects, Hometown Ballfield, trails, wayfinding and lighting, Eidem Farm interpretive signage, as well as for projects set forth in the City's Bond Reinvestment Plan.

**2019 Park Referendum Bonds, Series 2019A**

In 2019, The City issued \$4,470,000 to finance various projects as authorized by referendum in the City's Bond Reinvestment Plan including synthetic turf fields, lighting, and a dome facility at Park Center High School. The final bond payment will be in 2040.

**2017 General Obligation Bonds, Series 2017A**

In 2017, the City issued \$7,320,000 in General Obligation Capital Improvement Plan Bonds to fund improvements to Building D, and Street Reconstruction projects. The bonds were issued for a period of fifteen years at a net interest cost of 2.18%. The final bond payment will be in 2033.

**2016 General Obligation Bonds, Series 2016A**

In 2016, the City issued \$7,860,000 in General Obligation Bonds to fund street improvements identified in the City's Street Reconstruction Plan 2016-2020 and to redeem the outstanding balances, in advance of their maturity, of the Series 2005B, 2005C, 2005D and 2005E bonds. The refunded bonds were redeemed on 7/27/2016. The 2016A bonds were issued for a period of nine years at a net interest cost of 1.2335%.

**2014 General Obligation Capital Improvement Plan Bonds, Series 2014A**

In 2014, the City issued \$9,490,000 in General Obligation Capital Improvement Plan Bonds to fund improvements to the City's Police Headquarters. The bonds were issued for a period of twenty years at a net interest cost of 2.98%. The final bond payment will be in 2035.

**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

**B. Refunding Issues**

**2021 General Obligation Bonds, Series 2021A**

In 2021, The City issued \$9,200,000 in General Obligation Bonds. Of this amount, \$1,615,000 was issued to redeem the 2022 through 2028 maturities of the Series 2010A City/EDA Bonds. These bonds mature on February 1, 2027.

**2018 General Obligation Refunding Bonds, Series 2018A**

In 2018 the Water Revenue Bond/Build America Bonds (\$18,000,000) were refunded in the amount of \$11,540,000 for the expansion of the City's Water Treatment Plant. These bonds redeemed the outstanding balances, in advance of their maturity, the Series 2009A Bonds. These bonds mature on February 1, 2030.

**C. Other Long-Term Liabilities**

The City also has long-term liabilities related to compensated absences and other post-employment benefits. These liabilities are accounted for within the Benefit Accrual Internal Service Fund. The liabilities are liquidated by either the governmental fund in which the employee is assigned or within the Benefit Accrual Internal Service Fund. The Benefit Accrual Internal Service Fund currently contains an unfunded deficit balance of \$14,441,330.

**D. Summaries of Long-Term Liabilities**

*Governmental Activities*

Issue	Interest Rates	Issue Date	Final Maturity	Original Issue	Balance End of Year
<b>General Obligation Bonds</b>					
2014A Capital Improvement Bonds	2.00%-3.75%	2014	2035	\$ 9,490,000	\$ 5,805,000
2016A Street Reconstruction	1.50%-1.625%	2016	2026	7,860,000	845,000
2017A General Obligation	2.125%-3.00%	2017	2033	7,320,000	3,930,000
2019A General Obligation	3.00%-4.00%	2019	2040	4,470,000	3,810,000
2021A General Obligation	1.2%-3.00%	2021	2032	7,585,000	6,235,000
Total General Obligation Bonds					20,625,000
<b>General Obligation Refunding Bonds</b>					
2021A General Obligation 2010A Refunding	3.00%	2021	2027	690,000	365,000
2021A General Obligation 2010A HRA Refunding	3.00%	2021	2027	925,000	485,000
Total General Obligation Refunding Bonds					850,000
Governmental Activities Premium/Discount (net)					1,006,230
Lease Liability					755,357
Compensated Absences					6,173,861
Other Postemployment Benefits					10,994,404
Net Pension Liability					25,794,270
Total governmental activities					\$ 66,199,122

**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

**D. Summaries of Long-Term Liabilities (Continued)**

*Governmental Activities (Continued)*

Changes in long-term liabilities during 2024 for debt serviced through governmental activities are as follows:

	Beginning Balance	Additions	Retirements and Other Reductions	Ending Balance	Due Within One Year
<b>General Obligation Bonds</b>					
2014 General Obligation Capital Improvement	\$ 6,250,000	\$ -	\$ 445,000	\$ 5,805,000	\$ 455,000
2016 General Obligation Street Reconstruction Bonds	1,255,000	-	410,000	845,000	420,000
2017A General Obligation	4,540,000	-	610,000	3,930,000	625,000
2019A General Obligation Bonds	3,985,000	-	175,000	3,810,000	185,000
2021A General Obligation Bonds	6,920,000	-	685,000	6,235,000	705,000
Total General Obligation Bonds	<u>22,950,000</u>	<u>-</u>	<u>2,325,000</u>	<u>20,625,000</u>	<u>2,390,000</u>
<b>General Obligation Refunding Bonds</b>					
2021A General Obligation Bonds-2010A Refunding	480,000	-	115,000	365,000	120,000
2021A General Obligation Bonds-2010A EDA Refunding	635,000	-	150,000	485,000	155,000
Total Obligation Refunding Bonds	<u>1,115,000</u>	<u>-</u>	<u>265,000</u>	<u>850,000</u>	<u>275,000</u>
Governmental Activities Premium/Discount (net)	1,137,899	-	131,669	1,006,230	-
Lease Liability	1,096,632	-	341,275	755,357	315,578
Compensated Absences	5,831,249	868,754	526,142	6,173,861	432,170
Other Postemployment Benefits	9,169,798	1,824,606	-	10,994,404	646,641
Net Pension Liability	<u>36,056,984</u>	<u>-</u>	<u>10,262,714</u>	<u>25,794,270</u>	<u>-</u>
Total change in long-term liabilities	<u>\$ 77,357,562</u>	<u>\$ 2,693,360</u>	<u>\$ 13,851,800</u>	<u>\$ 66,199,122</u>	<u>\$ 4,059,389</u>

***Business-Type Activities***

Issue	Interest Rates	Issue Date	Final Maturity	Original Issue	Balance End of Year
<b>General Obligation Bonds</b>					
2018A General Obligation Refunding Bonds	2.125-3.00%	2018	2030	\$ 11,540,000	\$ 6,420,000
General Obligation Premium / Discount (net)				941,291	413,085
<b>Notes from Direct Borrowings</b>					
SAC Loan Met Council	2.25%	2015	2027	90,951	14,073
Net Pension Liability					<u>1,289,660</u>
Total business-type activities					<u>\$ 8,136,818</u>

**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

**D. Summaries of Long-Term Liabilities (Continued)**

*Business-Type Activities (Continued)*

	Beginning Balance	Additions	Retirements and Other Reductions	Ending Balance	Due Within One Year
General Obligation Bonds					
2018A General Obligation Refunding Bonds	\$ 7,325,000	\$ -	\$ 905,000	\$ 6,420,000	\$ 955,000
General Obligation Premium / Discount	494,348	-	81,263	413,085	-
Notes from direct borrowings					
SAC Loan Met Council	11,597	7,952	5,476	14,073	7,018
Net Pension Liability	1,874,709	-	585,049	1,289,660	-
Total long-term liabilities	<u>\$ 9,705,654</u>	<u>\$ 7,952</u>	<u>\$ 1,576,788</u>	<u>\$ 8,136,818</u>	<u>\$ 962,018</u>
Year Ending December 31,	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2025	\$ 2,665,000	\$ 563,757	\$ 962,018	\$ 218,760	\$ 4,409,535
2026	2,730,000	488,179	1,007,183	169,650	4,395,012
2027	2,385,000	415,941	1,061,590	123,200	3,985,731
2028	2,145,000	351,450	1,101,624	85,500	3,683,574
2029	1,765,000	293,694	1,136,658	51,975	3,247,327
2030-2034	7,515,000	824,076	1,165,000	17,475	9,521,551
2035-2039	1,975,000	159,750	-	-	2,134,750
2040	295,000	4,425	-	-	299,425
Total	<u>\$ 21,475,000</u>	<u>\$ 3,101,272</u>	<u>\$ 6,434,073</u>	<u>\$ 666,560</u>	<u>\$ 31,676,905</u>

**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

**D. Summaries of Long-Term Liabilities (Continued)**

*Business-Type Activities (Continued)*

Year Ending December 31,	Lease Liability Governmental Activities		
	Principal	Interest	Total
2025	\$ 315,578	\$ 17,399	\$ 332,977
2026	305,476	10,330	315,806
2027	134,303	3,177	137,480
Total	<u>\$ 755,357</u>	<u>\$ 30,906</u>	<u>\$ 786,263</u>

**E. Limited Pay-As-You-Go Notes**

The Brooklyn Park Economic Development Authority (EDA) has issued Limited Revenue Pay-as-you-go Notes for the purpose of financing various tax increment and tax abatement projects. These notes are not general obligations of the EDA as they are payable only to the extent of future tax increments received.

**F. Conduit Debt Obligations**

On occasion, the City has issued Housing Revenue Bonds (HRBs) and Industrial Revenue Bonds (IRBs) to provide financial assistance to private sector entities for the acquisition, rehabilitation, or construction of existing rental projects and industrial and commercial 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 loan agreements. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

The bonds and interest are payable solely out of the loan agreement proceeds, certain fees, revenues, and other amounts derived from the loans and certain reserve funds. The bonds do not constitute any indebtedness, liability, general or moral obligation, or pledge of the faith or loan of credit of the City, State of Minnesota, or any political subdivision of either thereof.

**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

**F. Conduit Debt Obligations (Continued)**

As of December 31, 2024, the City had the following Housing Revenue Bonds and Industrial Revenue Bonds outstanding:

Issue	Issue Date	Maturity Date	Outstanding 12/31/2024
Amended and Restated Healthcare Facilities Revenue Note (Oxbow Lake Care Center, LLC Project) Series 2011A	6/9/2015	1/15/2038	\$ 6,561,177
Amended and Restated Healthcare Facilities Revenue Note (Oxbow Lake Care Center, LLC Project) Series 2011B	6/9/2015	1/15/2038	2,179,750
Senior Housing Revenue Refunding Note Series 2015A (Oxbow Lake Care Center, LLC Project)	6/9/2015	7/15/2035	6,045,880
Senior Housing Revenue Refunding Note Series 2015B (Oxbow Lake Care Center, LLC Project)	6/9/2015	7/15/2035	4,679,549
Athlos Leadership Academy Charter School Lease Revenue Bonds 2015B	12/29/2015	7/1/2018	22,430,000
Multifamily Housing Revenue Refunding Bonds, Series 1999C (Brooks Landing)	6/24/1999	7/1/2029	395,000
Multi family Housing Revenue Note, Series 2016A (Park Haven Apartments Project)	5/11/2016	3/1/2033	9,620,848
Senior Housing Revenue Bonds, Series 2019A (Hampton Senior Care of Brooklyn Park)	6/26/2019	6/1/2049	7,425,000
Homeward Bound Revenue Note Series 2022A	10/14/2022	12/31/2048	3,601,977
Real Estate Equities - Decatur Landing Phase I 2023 A	12/14/2023	1/1/2042	33,000,000
Real Estate Equities - Decatur Landing Phase I 2023 B	12/14/2023	12/14/2026	50,001
Real Estate Equities - Decatur Landing Phase I 2024 A	5/20/2024	6/25/2042	32,545,000
Charter School Lease Revenue Refunding Bonds, Series 2024A (Prairie Seeds Academy)	12/4/2024	6/15/2064	<u>28,070,000</u>
Total			<u>\$ 156,604,182</u>

**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

**NOTE 8 - INTERFUND TRANSACTIONS**

**A. Due To / From Other Funds**

As of December 31, 2024, the following interfund receivables / payables existed to offset negative cash balances at year-end:

Receivable Fund	Payable Fund	
		\$ 278,756
General Fund	Nonmajor Governmental Funds	879,077
General Fund	Internal Service Funds	910,936
Economic Development Authority Fund	Nonmajor Governmental Funds	
		<u>\$ 2,068,769</u>
Total		

**B. Interfund Transfers**

During 2024, the following interfund transfers took place:

Transfer from Fund	Transfer to Fund	Amount	Purpose
Nonmajor Governmental Funds	Economic Development Authority	\$ 10,300	Manager expense reimbursement from Brooklyn
Economic Development Authority	Nonmajor Governmental Funds	100,000	Career Pathways
Economic Development Authority	General Fund	50,000	EDA Funding for REDI Manager and Community Engagement
Economic Development Authority	General Fund	51,500	EDA Lawn Maintenance to O & M - 3% increase per year
Economic Development Authority	Nonmajor Governmental Funds	250,000	Small Business Center funding from EDA
Economic Development Authority	Economic Development Authority	72,533	Transfer final fund balance to EDA General Fund
Economic Development Authority	Nonmajor Governmental Funds	25,110	Reclass portion of loan per resolution 2024-01
Nonmajor Governmental Funds	General Debt Service	454,867	G.O. Bonds - Series 2016A (F.F.)
Nonmajor Governmental Funds	General Debt Service	438,969	G.O. Bonds - Series 2017A (F.F.) - Street Reconstruction Portion
Nonmajor Governmental Funds	General Debt Service	120,000	Transfer from Ice Arena 270 for McKinstry bond
Nonmajor Governmental Funds	Nonmajor Governmental Funds	120,000	Transfer from Heritage fund for 2021A Series Bond
Nonmajor Governmental Funds	General Debt Service	155,000	G.O. Bond Series 2021A (refunded 2010A, Lease Rev McKinstry Bond)
Public Utilities	General Fund	26,225	Transfer for engineering services
Public Utilities	General Fund	3,277	Transfer for engineering services
Open Space Land Acquisition and Development	General Fund	14,206	Transfer for engineering services
Special Assessment Construction	General Fund	202,155	Transfer for engineering services
Nonmajor Governmental Funds	General Fund	175,038	Transfer for engineering services
Nonmajor Governmental Funds	Nonmajor Governmental Funds	295,000	CIP1001 - City Hall: Rehabilitation/Renovation
Nonmajor Governmental Funds	Nonmajor Governmental Funds	280,000	CIP1005 - Police Facilities Rehabilitation
Nonmajor Governmental Funds	Nonmajor Governmental Funds	50,000	CIP1010 - Fire Stations Rehabilitation
Nonmajor Governmental Funds	Nonmajor Governmental Funds	25,000	CIP1031 - ADA Improvements
Nonmajor Governmental Funds	Nonmajor Governmental Funds	20,000	CEP7123 - Water Heaters, Boilers, Mechanical Equip.
Nonmajor Governmental Funds	Open Space Land Acquisition and Development	30,000	CIP2002 - Park Buildings/Shelters and Amenities
Nonmajor Governmental Funds	Nonmajor Governmental Funds	25,000	CIP2032 - Brookland Golf Park
Economic Development Authority	Nonmajor Business-type Activities	49,622	CIP2035 - Edinburgh USA Clubhouse
Nonmajor Governmental Funds	Nonmajor Governmental Funds	115,000	CIP2040 - Community Activity Center
Nonmajor Governmental Funds	Special Assessment Construction	2,900,000	CIP4001 - Street Resurfacing Program
Storm Sewer Utility	Special Assessment Construction	200,000	CIP4002 - MSA Street Rehabilitations
Public Utilities	Special Assessment Construction	600,000	CIP4002 - MSA Street Rehabilitations
Nonmajor Governmental Funds	Special Assessment Construction	2,850,000	CIP4003 - Local Street Reconstruction Program
Storm Sewer Utility	Special Assessment Construction	850,000	CIP4003 - Local Street Reconstruction Program
Nonmajor Business-type Activities	Special Assessment Construction	110,000	CIP4003 - Local Street Reconstruction Program
Public Utilities	Special Assessment Construction	1,690,000	CIP4003 - Local Street Reconstruction Program
Economic Development Authority	Special Assessment Construction	8,523	CIP4042 - TH 169 / 101st Ave - ROW Conveyance
Open Space Land Acquisition and Development	Special Assessment Construction	100,000	CIP4044 - 63rd Ave Tr: W. Broadway to Mendelssohn Ave
Storm Sewer Utility	Internal Service Funds	62,000	CEP5726 - Utility Dump w/Plow
Public Utilities	Internal Service Funds	60,000	CEP5801 - Cargo Vans
Coronavirus Local Fiscal Recovery Fund	Internal Service Funds	1,122,157	Reallocation of ARPA Funds
General Fund	Internal Service Funds	31,736	Equipment and licenses
Coronavirus Local Fiscal Recovery Fund	Internal Service Funds	12,293	Equipment and licenses
Economic Development Authority	Internal Service Funds	1,499	Equipment and licenses
Nonmajor Governmental Funds	Internal Service Funds	12,780	Equipment and licenses
Nonmajor Business-type Activities	Internal Service Funds	1,500	Equipment and licenses
Internal Service Funds	Internal Service Funds	5,221	Equipment and licenses
Public Utilities	General Fund	20,000	Transfer for recycling truck
Public Utilities	General Fund	12,000	Increase the charge for recycling truck to cover replacements
Nonmajor Business-type Activities	Open Space Land Acquisition and Development	115,000	Budgeted repayment
Nonmajor Governmental Funds	General Fund	13,079	Brooklyn reimbursement
Nonmajor Governmental Funds	Open Space Land Acquisition and Development	100,000	Transfer from CDBG per agreement
Nonmajor Governmental Funds	Coronavirus Local Fiscal Recovery Fund	30,000	Transfer from CDBG per agreement
		<u>\$ 14,066,590</u>	
Total Transfers			

**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 8 - INTERFUND TRANSACTIONS (CONTINUED)**

**C. Advances to Other Funds**

Advances represent interfund borrowings between funds that are of a long-term (more than one-year) nature. Advances as of December 31, 2024, are as follows:

Receivable Fund	Payable Fund	Amount
Tax Increment Financing	Tax Increment Financing	\$ 345,420
Economic Development Authority Fund	Economic Development Authority Fund	6,822,629
Total		<u>\$ 7,168,049</u>

Advances above are within the Tax Increment Financing fund and Economic Development Authority fund and are eliminated for presentation in the basic financial statements. The details on advances are listed below.

In 2001, the EDA authorized advances from the 1996 Loan fund (nonmajor Capital Project Fund) of up to \$13,846,602 to Tax Increment Financing District No. 20 to fund redevelopment activities and cover on-going tax increment revenue deficits within the District. Any advances were to be paid back over a ten-year period at an interest rate of 6.75%. In 2006, the EDA approved extending this payback period on the advance to match the duration of the District. The balance is \$345,420 at December 31, 2024.

The EDA General fund advance for \$6,822,629 is for the EDA Northwind Plaza.

**NOTE 9 - PENSION PLANS**

The City participates in various pension plans. Total pension expense for the year ended December 31, 2024, was \$4,361,523. The components of pension expense are noted in the following plan summaries.

The General Fund, Public Utilities Fund, Storm Sewer Utility Fund, and Street and Signal Light Utility Fund typically liquidate the liability related to pensions.

**Public Employees' Retirement Association**

**A. Plan Description**

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

**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 9 - PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**A. Plan Description (Continued)**

General Employees Retirement Plan

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

Public Employees Police and Fire Plan

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

**B. Benefits Provided**

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

General Employees Plan Benefits

General Employees Pan requires three years of service to vest. Benefits are based on a member's highest average salary for any 5 successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Plan members. Members hired prior to July 1, 1989, receive the higher of Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2% of the highest average salary for each of the first 10 years of service and 1.7% for each additional year. Under the Level formula, General Plan members receive 1.7% of the highest average salary for all years of service. For members hired prior to July 1, 1989, a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of .25% for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or a age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 9 - PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**B. Benefits Provided (Continued)**

**General Employees Plan Benefits (Continued)**

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. The 2024 annual increase was 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. 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.

**Police and Fire Plan Benefits**

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

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

**C. Contributions**

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

**General Employees Fund Contributions**

General Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2024, and the City was required to contribute 7.5% for Coordinated Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2024, were \$1,870,734. The City's contributions were equal to the required contributions as set by state statute.

Police and Fire Plan members were required to contribute 11.8% of their annual covered salary in fiscal year 2024, and the City was required to contribute 17.7% for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the year ended December 31, 2024, were \$3,412,474. The City's contributions were equal to the required contributions as set by state statute.

**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 9 - PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**D. Pension Costs**

General Employees Fund Pension Costs

At December 31, 2024, the City reported a liability of \$10,498,189 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the State's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$271,462.

The net pension liability was measured as of June 30, 2024, 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, 2023, through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.2840% at the end of the measurement period and 0.2845% for the beginning of the period.

City's proportionate share of the net pension liability	\$ 10,498,189
State of Minnesota's proportionate share of the net pension liability associated with the City	271,462
Total	\$ 10,769,651

For the year ended December 31, 2024, the City recognized pension expense of \$952,893 for its proportionate share of General Employees Plan's pension expense. Included in the amount, the City recognized \$7,278 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

During the plan year ended June 30, 2024, the State of Minnesota contributed \$170.1 million to the General Employees Fund. The State of Minnesota is not included as a non-employer contributing entity in the General Employees Plan pension allocation schedule for the \$170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The City recognized \$483,034 for the year ended December 31, 2024 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 General Employees Fund.

**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 9 - PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**D. Pension Costs (Continued)**

General Employees Fund Pension Costs (Continued)

At December 31, 2024, the City reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources, related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 988,063	\$ -
Changes in actuarial assumptions	51,638	3,978,799
Net difference between projected and actual investment earnings	-	2,996,100
Changes in proportion	48,043	85,566
Contributions paid to PERA subsequent to the measurement date	935,637	-
Total	\$ 2,023,381	\$ 7,060,465

The \$935,637 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, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expense Amount
2025	\$ (3,275,830)
2026	(597,964)
2027	(1,294,308)
2028	(804,619)
Total	\$ (5,972,721)

**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 9 - PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**D. Pension Costs (Continued)**

**Police and Fire Fund Pension Costs**

At December 31, 2024, the City reported a liability of \$16,585,740 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2023, through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 1.2607% at the end of the measurement period and 1.2753% for the beginning of the period.

The State of Minnesota contributed \$37.4 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2024. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation, additional one-time direct state aid contribution of \$19.4 million, and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. Additionally, the \$9 million direct state aid was paid on October 1, 2024. Thereafter, by October 1 of each year, the State will pay \$9 million to the Police and Fire Fund 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's proportionate share of the net pension liability associated with the City totaled \$632,242.

City's proportionate share of the net pension liability	\$ 16,585,740
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>632,242</u>
Total	<u><u>\$ 17,217,982</u></u>

For the year ended December 31, 2024, the City recognized pension expense of \$3,408,630 for its proportionate share of the Police and Fire Plan's pension expense. Included in this amount, the City recognized \$61,395 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$9 million to the Police and Fire Fund.

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 \$28.4 million in supplemental state aid because this contribution was not considered to meet the definition of a special funding situation. The City recognized \$113,461 for the year ended December 31, 2024, as revenue and an offsetting reduction of the net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 9 - PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**D. Pension Costs (Continued)**

**Police and Fire Fund Pension Costs (Continued)**

At December 31, 2024, the City reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 6,396,100	\$ -
Changes in actuarial assumptions	17,203,751	24,703,504
Net difference between projected and actual investment earnings	-	5,360,267
Changes in proportion	2,284,165	495,535
Contributions paid to PERA subsequent to the measurement date	1,706,237	-
Total	\$ 27,590,253	\$ 30,559,306

The \$1,706,237 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, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expense Amount
2025	\$ (741,664)
2026	3,980,016
2027	(2,238,940)
2028	(6,014,842)
2029	340,140
Total	\$ (4,675,290)

**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 9 - PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**E. Long-Term Expected Return on Investment**

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by 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	0.75
Private markets	25.0	5.90
Total	100.0 %	

**F. Actuarial Methods and Assumptions**

The total pension liability in the June 30, 2024, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 7.0%. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates considered reasonable by the actuary. An investment return of 7.0% is within that range.

Inflation is assumed to be 2.25% for the General Employees Plan and 2.25% for the Police and Fire Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan and 1% for the Police and Fire Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service and 6.0% per year thereafter. In the Police and Fire Plan, salary growth assumptions range from 11.75% after one year of service to 3.0% after 24 years of service.

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

**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 9 - PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**F. Actuarial Methods and Assumptions (Continued)**

Actuarial assumptions for the General Employees Plan are reviewed every four years. The General Employees Plan was last reviewed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023, actuarial valuation. The Police and Fire Plan was reviewed in 2024. PERA anticipates the experience study will be approved by the Legislative Commission on Pensions and Retirement and become effective with the July 1, 2025 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2024:

**General Employees Fund**

**Changes in Actuarial Assumptions**

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

**Changes in Plan Provisions**

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

**Police and Fire Fund**

**Changes in Plan Provisions**

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

**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 9 - PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**G. Discount Rate**

The discount rate used to measure the total pension liability in 2024 was 7.0%. 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 positions of the General Employees and Police and Fire Plans were 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.

**H. Pension Liability Sensitivity**

The following presents the City's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
City's proportionate share of the General Employees Fund net pension liability	\$ 22,929,739	\$ 10,498,189	\$ 272,109
	1% Decrease in Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
City's proportionate share of the Police and Fire Fund net pension liability	\$ 39,195,347	\$ 16,575,740	\$ (1,981,476)

**I. Pension Plan Fiduciary Net Position**

Detailed information about each pension plan's fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org).

**Public Employees Defined Contribution Plan (Defined Contribution Plan)**

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

**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 10 - POST EMPLOYMENT HEALTH CARE PLAN**

**A. Plan Description**

The City's single employer defined benefit OPEB plan provides OPEB for the individuals noted below. The City's OPEB plan is administered by the City. The City does not administer a trust and therefore does not issue a separate report.

**B. Benefits Provided**

At retirement, employees of the City receiving a retirement or disability benefit, or eligible to receive a benefit, from a Minnesota public pension plan may continue to participate in the City's group insurance plan. Eligible participants and their dependents are allowed access to the health plans.

Participants meeting additional requirements below are eligible for a direct subsidy of the premium paid by the City:

Group	Eligibility	Premium Paid by City
Police and Fire	Age 55 with 10 years of service OR age 60 with 20 years of service	The City contributes a percentage of the single health premium based on the participant's hire date until member age 65.
	Disabled in the line of duty	The City contributes 100% of the single health premium until member age 65.
Non-police and Fire	Age 55 with 10 years of service OR age 60 with 20 years of service OR Rule of 90 with 10 years of service (Tier 1 retirement only)	The City contributes a percentage of the single health premium based on the participant's hire date until member age 65.

**C. Contributions**

All post-employment benefits are based on *Minnesota Statutes* and contractual employee groups, as noted in the plan description.

**D. Members**

As of January 1, 2024, the following were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	45
Active plan members	<u>412</u>
Total	<u><u>457</u></u>

**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 10 - POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)**

**E. Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of January 1, 2024, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Key Methods and Assumptions Used in Valuation of Total OPEB Liability

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Investment rate of return	3.70%, net of investment expense
Salary increases	2.50%, including inflation
Inflation	2.50%
Healthcare cost trend increases	6.50% as of January 1, 2024 grading to 5.00% over 6 years and then to 4.00% over the next 48 years
Mortality assumption	Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2021 Generational Improvement Scale

The actuarial assumptions used in the January 1, 2024, valuation was based on the results of an actuarial experience study for the period January 1, 2024 through December 31, 2024.

**F. Total OPEB Liability**

The City's total OPEB liability of \$10,994,404 was measured as of January 1, 2024, and was determined by an actuarial valuation as of January 1, 2024.

**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 10 - POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)**

**F. Total OPEB Liability (Continued)**

Changes in the total OPEB liability are as follows:

	<u>Total OPEB Liability</u>
Balances at January 1, 2024	<u>\$ 9,169,798</u>
Changes for the year	
Service cost	326,516
Interest	367,515
Differences between expected and actual economic experience	1,238,954
Changes of assumptions	514,589
Benefit payments	<u>(622,968)</u>
Net changes	<u>1,824,606</u>
Balances at December 31, 2024	<u><u>\$ 10,994,404</u></u>

*Assumption Changes*

For the fiscal year ending December 31, 2024:

- The health care trend rates were updated.
- The discount rate was changed from 4.00% to 3.70%

**G. OPEB Liability Sensitivity**

The following presents the City's total OPEB liability calculated using the discount rate of 3.70% as well as the liability measured using 1% lower and 1% higher than the current discount rate.

Total OPEB Liability/ (Asset)		
1% Decrease in Discount Rate (2.70%)	Current Discount Rate (3.70%)	1% Increase in Discount Rate (4.70%)
\$ 12,035,386	\$ 10,994,404	\$ 10,080,313

**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

**NOTE 10 - POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)**

**G. OPEB Liability Sensitivity (Continued)**

The following 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 and 1% higher than the current healthcare cost trend rates.

Total OPEB Liability/ (Asset)		
1% Decrease in Trend Rate (5.50% Decreasing to 4.0% then 3.0%)	Current Trend Rate (6.50% Decreasing to 5.0% then 4.0%)	1% Increase in Trend Rate (7.50% Decreasing to 6.0% then 5.0%)
\$ 9,962,502	\$ 10,994,404	\$ 12,186,891

**H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2024, the City recognized OPEB expense of \$1,313,918. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources as shown below.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability gains/losses	\$ 3,230,378	\$ 451,320
Changes in actuarial assumptions	1,280,454	1,283,544
Contributions made subsequent to the measurement date	610,702	-
Total	\$ 5,121,534	\$ 1,734,864

**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 10 - POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)**

**H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

The \$610,702 reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources will be recognized in OPEB expense as follows:

Year Ending December 31,	Total
2025	\$ 619,887
2026	619,888
2027	663,802
2028	318,771
2029	318,767
Thereafter	234,854
Total	\$ 2,775,969

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**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 11 - FUND BALANCES**

**A. Classifications**

A summary of governmental fund balance classifications at December 31, 2024, is as follows:

	General Fund	General Debt Service	Special Assessment Construction	Open Space Land Acquisition and Development	Economic Development Authority	Tax Increment Financing	Nonmajor Governmental Funds	Total
<b>Fund balances</b>								
<b>Nonspendable</b>								
Inventory	\$ 1,264	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,160	\$ 6,424
Prepaid items	72,440	-	-	-	1,569	-	-	74,009
Total nonspendable	73,704	-	-	-	1,569	-	5,160	80,433
<b>Restricted</b>								
Debt service	-	4,462,176	-	-	-	-	-	4,462,176
Grants	-	-	-	-	-	-	4,402,528	4,402,528
General Government	-	-	-	-	-	-	511,069	511,069
Public Safety	-	-	-	-	-	-	520,783	520,783
Recreation Programs	-	-	-	-	-	-	225,886	225,886
Community Development	-	-	-	-	2,764,995	-	472,849	3,237,844
Tax Increment Financing	-	-	-	-	-	21,183,713	-	21,183,713
Total restricted	-	4,462,176	-	-	2,764,995	21,183,713	6,133,115	34,543,999
<b>Committed</b>								
Capital Projects	-	-	-	-	-	-	4,941,850	4,941,850
Community Development	-	-	-	-	16,348,333	-	-	16,348,333
Park Improvements	-	-	-	1,027,189	-	-	-	1,027,189
Transportation Improvements	-	-	40,893,017	-	-	-	6,899,156	47,792,173
Total committed	-	-	40,893,017	1,027,189	16,348,333	-	11,841,006	70,109,545
<b>Assigned</b>								
Community Development	-	-	-	-	-	-	2,481,681	2,481,681
Capital Equipment / Improvements	-	-	-	-	-	-	1,464,871	1,464,871
Total assigned	-	-	-	-	-	-	3,946,552	3,946,552
<b>Unassigned</b>								
	35,163,621	-	-	-	-	-	(1,318,646)	33,844,975
Total fund balances	\$ 35,237,325	\$ 4,462,176	\$ 40,893,017	\$ 1,027,189	\$ 19,114,897	\$ 21,183,713	\$ 20,607,187	\$ 142,525,504

**NOTE 12 - JOINT VENTURE DISCLOSURES - PETS UNDER POLICE SECURITY (PUPS)**

Annual operational and capital costs of PUPS are to be charged annually to each of its members in direct proportion to the number of animals impounded from each member's jurisdiction. The City's share of these operating costs is included in the General Fund. The City's share of operating revenues for 2024 was \$109,872, which is 30.6% of operations revenues for PUPS. The City is responsible for providing staffing, accounting, and reporting for the impound facility. Complete financial information for PUPS can be obtained from the City's finance department.

**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 12 - JOINT VENTURE DISCLOSURES - PETS UNDER POLICE SECURITY (PUPS) (CONTINUED)**

Summary financial information as of and for the fiscal year ended December 31, 2024, is as follows:

	Operations	Capital	Total
Total assets	\$ 62,275	\$ 112,926	\$ 175,201
Total liabilities	\$ 16,004	\$ 24,283	\$ 40,287
Total PUPS equity	46,271	88,643	134,914
Total liabilities and equity	\$ 62,275	\$ 112,926	\$ 175,201
Total revenues	\$ 360,554	\$ 51,822	\$ 412,376
Total expenditures	360,687	24,283	384,970
Total increase (decrease) in PUPS equity	\$ (133)	\$ 27,539	\$ 27,406

**NOTE 13 - TAX ABATEMENTS**

The City enters into property tax abatement agreements through the use of tax increment financing districts with local businesses under various *Minnesota Statutes*. Under these statutes the City annually abates taxes collected above the districts' base tax capacity which is established during adoption of the tax increment district. These agreements are established to foster economic development and redevelopment through creating jobs, removing blight, and providing affordable housing. The City uses *Minnesota Statutes* §§ 469.090 to 469.1081 and 469.178 (The Tax Increment Act) to create these districts.

For the fiscal year ended December 31, 2024, the City has one agreement established under *Minnesota Statutes* § 469.090 to 469.1081 which resulted in property taxes totaling \$135,720 being abated.

- District No. 26 Scannel: A pay as you go note to offset the high cost of structural soil remediation on one parcel of land to allow the construction of a warehouse and related office building. The abatement amount was \$135,720.

**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 13 - TAX ABATEMENTS (CONTINUED)**

For the fiscal year ended December 31, 2024, the City has two agreements established under *Minnesota Statutes* §§ 469.1812 to 469.1815, which resulted in property taxes totaling \$766,588 being abated. These abatements are for an agreement with Target Corporation to undertake an expansion of its Corporate Campus and construct or cause to be constructed new mixed-use facilities with the development district, and Doran for the agreement of building apartments for multi-family housing will serve to expand housing options for residents, will attract nearby industrial development, will enhance the community's tax base, are in the vital and best interests of the City and the health, safety, morals, and welfare of its residents. Under the Target Corporation agreement, the estimated abatement could equal or exceed \$20,000,000. In addition, the City waives any planned, pending or levied assessment against the development property as of the agreement date in the amount of approximately \$2,400,000 for truck water, storm, and sanitary sewer improvements. The business subsidy is a pro-rata subsidy that is being provided in proportion to and in exchange for each qualified job created.

**NOTE 14 - PRIOR PERIOD ADJUSTMENTS**

For the year ended December 31, 2024, a prior period adjustment was required to adjust beginning fund balances for the Economic Development Authority Fund and Tax Increment Financing Fund to correct a prior year misstated allocation of expenditures. Beginning fund balance was adjusted on the Statement of Activities to correct an understatement of capital assets for Governmental Activities.

	Reporting Units Affected by Restatements of Beginning Balances		
	Economic Development Authority	Tax Increment Financing	Governmental Activities
12/31/2023, as previously reported	\$ 21,297,151	\$ 19,181,593	\$ 303,206,848
Error correction	(500,000)	500,000	4,274,953
12/31/2023, as restated	\$ 20,797,151	\$ 19,681,593	\$ 307,481,801

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REQUIRED SUPPLEMENTARY INFORMATION

**City of Brooklyn Park**  
**Schedule of Changes in Total OPEB Liability**  
**and Related Ratios**

	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021
<b>Total OPEB Liability</b>				
Service cost	\$ 326,516	\$ 213,562	\$ 287,834	\$ 275,168
Interest	367,515	218,648	176,179	235,682
Differences between expected and actual experience	1,238,954	-	2,185,332	-
Changes of assumptions	514,589	(1,628,249)	239,536	806,394
Benefit payments	(622,968)	(702,536)	(679,843)	(615,046)
Net change in total OPEB liability	<u>1,824,606</u>	<u>(1,898,575)</u>	<u>2,209,038</u>	<u>702,198</u>
Beginning of year	<u>9,169,798</u>	<u>11,068,373</u>	<u>8,859,335</u>	<u>8,157,137</u>
End of year	<u>\$ 10,994,404</u>	<u>\$ 9,169,798</u>	<u>\$ 11,068,373</u>	<u>\$ 8,859,335</u>
Covered-employee payroll	\$ 38,995,514	\$ 33,939,127	\$ 32,950,609	\$ 32,751,704
Total OPEB liability as a percentage of covered-employee payroll	28.2%	27.0%	33.6%	27.0%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

Note: There are no assets accumulated in a trust for the OPEB Plan.

December 31, 2020	December 31, 2019	December 31, 2018
\$ 233,783	\$ 311,163	\$ 270,368
322,772	217,633	237,390
(1,579,624)	2,378,683	-
998,681	(190,051)	216,289
(564,375)	(470,767)	(370,302)
<u>(588,763)</u>	<u>2,246,661</u>	<u>353,745</u>
<u>8,745,900</u>	<u>6,499,239</u>	<u>6,145,494</u>
<u>\$ 8,157,137</u>	<u>\$ 8,745,900</u>	<u>\$ 6,499,239</u>
\$ 31,797,771	\$ 30,809,712	\$ 27,966,081
25.7%	28.4%	23.2%

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**City of Brooklyn Park**  
**Schedule of City's Proportionate Share**  
**of Net Pension Liability**  
**General Employees Retirement Fund**  
**Last Ten Years**

For Fiscal Year Ended June 30,	City's Proportionate Share (Percentage) of the Net Pension Liability (Asset)	City's Proportionate Share (Amount) of the Net Pension Liability (Asset)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with the City	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.2840%	\$ 10,498,189	\$ 271,462	\$ 10,769,651	\$ 24,033,947	43.68%	89.08%
2023	0.2845%	15,908,921	438,490	16,347,411	22,624,480	70.32%	83.10%
2022	0.2861%	22,659,214	99,232	22,758,446	21,425,827	105.76%	76.67%
2021	0.2816%	12,025,582	367,237	12,392,819	20,275,813	59.31%	87.00%
2020	0.2822%	16,919,180	521,724	17,440,904	20,123,373	84.08%	79.06%
2019	0.2788%	15,414,227	479,146	15,893,373	19,656,953	78.42%	80.23%
2018	0.2818%	15,633,109	512,893	16,146,002	18,942,142	82.53%	79.53%
2017	0.3120%	19,917,874	250,472	20,168,346	20,101,533	89.04%	75.90%
2016	0.2702%	21,938,900	-	21,938,900	16,765,827	130.85%	68.91%
2015	0.2835%	14,692,441	-	14,692,441	16,664,784	88.16%	78.19%

**Schedule of City's Proportionate Share**  
**of Net Pension Liability**  
**Public Employees Police and Fire Retirement Fund**  
**Last Ten Years**

For Fiscal Year Ended June 30,	City's Proportion of the Net Pension Liability (Asset)	City's Proportionate Share of the Net Pension Liability (Asset)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with the City	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	1.2607%	\$ 16,585,740	\$ 632,242	\$ 17,217,982	\$ 17,457,266	95.01%	90.17%
2023	1.2753%	22,022,773	887,046	22,909,819	16,746,695	131.51%	86.47%
2022	1.2017%	52,293,237	443,127	52,736,364	14,597,712	358.23%	70.53%
2021	1.1631%	8,873,221	403,625	9,276,846	13,745,870	64.55%	93.66%
2020	1.2145%	16,008,410	377,126	16,385,536	13,414,994	119.33%	87.19%
2019	1.2480%	13,286,220	N/A	13,286,220	13,153,534	101.01%	89.26%
2018	1.1561%	12,322,835	N/A	12,322,835	12,181,437	101.16%	88.84%
2017	1.2330%	16,646,967	N/A	16,646,967	12,655,420	131.54%	85.43%
2016	1.1140%	45,549,525	N/A	45,549,525	10,932,126	416.66%	63.88%
2015	1.1260%	12,793,995	N/A	12,793,995	10,311,601	124.07%	86.61%

See notes to required supplementary information.

**City of Brooklyn Park  
Schedule of City Contributions -  
General Employees Retirement Fund  
Last Ten Years**

Fiscal Year Ending December 31,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 1,870,734	\$ 1,870,734	\$ -	\$ 24,943,120	7.50%
2023	1,747,138	1,747,138	-	23,295,173	7.50%
2022	1,620,923	1,620,923	-	21,612,307	7.50%
2021	1,546,934	1,546,934	-	20,625,787	7.50%
2020	1,529,802	1,529,802	-	20,397,360	7.50%
2019	1,479,973	1,479,973	-	19,732,973	7.50%
2018	1,420,788	1,420,788	-	18,943,840	7.50%
2017	1,434,201	1,434,201	-	19,122,680	7.50%
2016	1,393,148	1,393,148	-	18,575,307	7.50%
2015	1,265,888	1,265,888	-	16,878,507	7.50%

**Schedule of City Contributions -  
Public Employees Police and Fire Retirement Fund  
Last Ten Years**

Fiscal Year Ending December 31,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 3,412,474	\$ 3,412,474	\$ -	\$ 19,279,514	17.70%
2023	3,066,779	3,066,779	-	17,326,435	17.70%
2022	2,757,889	2,757,889	-	15,581,294	17.70%
2021	2,570,483	2,570,483	-	14,522,503	17.70%
2020	2,488,464	2,488,464	-	14,059,119	17.70%
2019	2,181,941	2,181,941	-	12,872,808	16.95%
2018	1,973,907	1,973,907	-	12,184,611	16.20%
2017	1,980,583	1,980,583	-	12,225,821	16.20%
2016	1,935,016	1,935,016	-	11,944,543	16.20%
2015	1,798,623	1,798,623	-	11,102,611	16.20%

**City of Brooklyn Park  
Notes to Required Supplementary Information**

**General Employees Fund**

**2024 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

**2023 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

**2022 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2021 Changes**

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.5% to 6.5% for financial reporting purposes.
- The mortality improvement scale was changed from scale MP-2019 to scale MP-2020.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2020 Changes**

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.5% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.0%.

**City of Brooklyn Park  
Notes to Required Supplementary Information**

**General Employees Fund (Continued)**

**2020 Changes (Continued)**

Changes in Actuarial Assumptions (Continued)

- Assumed salary increase rates were changed as recommended in the June 30, 2019, experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019, experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019, experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019, experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint and Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint and 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% thereafter. Augmentation was eliminated for privatizations occurring after June 30, 2020.

**2019 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 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 1.0% per year through 2044 and 2.5% per year thereafter to 1.25% per year.

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.

**City of Brooklyn Park  
Notes to Required Supplementary Information**

**General Employees Fund (Continued)**

**2018 Changes (Continued)**

Changes in Plan Provisions (Continued)

- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Annual increases were changed from 1.00% per year with a provision to increase to 2.50% upon attainment of 90.00% funding ratio to 50.00% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 1.50%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age. This does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

**2017 Changes**

Changes in Actuarial Assumptions

- The CSA loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15% for vested deferred member liability and 3% for non-vested deferred member liability.
- The assumed annual increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

Changes in Plan Provisions

- The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The State's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

**2016 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, the inflation was decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2015 Changes**

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2035 and 2.5% per year thereafter.

**City of Brooklyn Park  
Notes to Required Supplementary Information**

**General Employees Fund (Continued)**

**2015 Changes (Continued)**

Changes in Plan Provisions

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

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**City of Brooklyn Park  
Notes to Required Supplementary Information**

**Police and Fire Fund**

**2024 Changes**

Changes in Plan Provisions

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

**2023 Changes**

Changes in Actuarial Assumptions

- The investment return assumption was changed from 6.5% to 7.0%.
- The single discount rate changed from 5.4% to 7.0%.

Changes in Plan Provisions

- Additional one-time direct state aid contribution of 19.4 million will be contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50% vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, non-compounding benefit increase of 3.0% will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

**2022 Changes**

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from scale MP-2020 to scale MP-2021.
- The single discount rate was changed from 6.5% to 5.4%.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2021 Changes**

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.5% to 6.5% for financial reporting purposes.
- The inflation assumption was changed from 2.5% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.0%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety mortality table. The mortality improvement scale was changed from MP-2019 to MP-2020.

**City of Brooklyn Park  
Notes to Required Supplementary Information**

**Police and Fire Fund (Continued)**

**2021 Changes (Continued)**

Changes in Actuarial Assumptions (Continued)

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2020 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2019 Changes**

Changes in Actuarial Assumptions

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

Changes in 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.

Changes in Plan Provisions

- Annual increases were changed to 1.00% for all years, with no trigger.
- An end date of July 1, 2048, was added to the existing \$9.0 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100% funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80% to 11.30% of pay, effective January 1, 2019, and 11.80% of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20% to 16.95% of pay, effective January 1, 2019, and 17.70% of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.

**City of Brooklyn Park  
Notes to Required Supplementary Information**

**Police and Fire Fund (Continued)**

**2018 Changes (Continued)**

Changes in Plan Provisions (Continued)

- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

**2017 Changes**

Changes in Actuarial Assumptions

- Assumed salary increases were changed as recommended in the June 30, 2016, experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The CSA load was 30% for vested and non-vested deferred members. The CSA has been changed to 33% for vested members and 2% for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65% to 60%.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed annual increase rate was changed from 1% for all years to 1% per year through 2064 and 2.5% thereafter.
- The single discount rate was changed from 5.6% per annum to 7.5% per annum.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**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.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 5.6%.
- The single discount rate changed from 7.90% to 5.60%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**City of Brooklyn Park  
Notes to Required Supplementary Information**

**Police and Fire Fund (Continued)**

**2015 Changes**

**Changes in Actuarial Assumptions**

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2037 and 2.5% per year thereafter.

**Changes in Plan Provisions**

- The post-retirement benefit increase to be paid after attainment of the 90% funding threshold was changed, from inflation up to 2.5%, to a fixed rate of 2.5%.

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**City of Brooklyn Park  
Notes to Required Supplementary Information**

**Post Employment Health Care Plan**

**2024 Changes**

Changes in Actuarial Assumptions

- The health care trend rates were changed to better anticipate short term and long-term medical increases.
- The discount rate was changed from 4.00% to 3.70%.

**2023 Changes**

Changes in Actuarial Assumptions

- The inflation rate was changed from 2.00% to 2.50%.
- The discount rate was changed from 2.00% to 4.00%.

**2022 Changes**

Changes in Actuarial Assumptions

- The health care trend rates, mortality tables, salary increase rates, retirement rates, and withdrawal rates were updated.
- The inflation rate was changed from 2.50% to 2.00%.

**2021 Changes**

Changes in Actuarial Assumptions

- The health care trend rates were changed to better anticipate short term and long-term medical increases.
- The mortality tables were updated.
- The salary increase rates were changed from prior PERA tables to the July 1, 2018, PERA salary assumption tables for General and Police/Fire participants.
- The discount rate was changed from 2.9% to 2.0%.
- A disabled retiree load factor was applied to the claims.

**2020 Changes**

Changes in Actuarial Assumptions

- The health care trend rates were changed to better anticipate short term and long-term medical increases.
- The mortality tables were updated.
- The salary increase rates were changed from prior PERA tables to the July 1, 2018, PERA salary assumption tables for General and Police/Fire participants.
- The discount rate was changed from 3.71% to 2.90%.
- A disabled retiree load factor was applied to the claims.

**2018 Changes**

Changes in Actuarial Assumptions

- The discount rate was changed from 3.31% to 3.71%
- Four Police & Fire members were disabled in the line of duty since the 12/31/2017 valuation date and are now receiving City retiree medical benefits. This change increased the Total OPEB Liability by approximately \$2,379,000.

**2017 Changes**

Changes in Actuarial Assumptions

- The discount rate was changed from 3.81% to 3.31%

**City of Brooklyn Park  
Notes to Required Supplementary Information**

**Post Employment Health Care Plan (Continued)**

**2017 Changes (Continued)**

**Changes in Actuarial Assumptions (Continued)**

- The actuarial cost method changed from using the Projected Unit Credit Cost method to the Entry Age Normal level percent of pay cost method due to the new GASB 75 accounting rules.
- Healthcare trend rates were reset to reflect updated cost increase expectation, including an adjustment to reflect the impact of the Affordable Care Act's Excise Tax on high-cost health insurance plans.
- Medical per capita claims costs were updated to reflect recent experience.
- Withdrawal, retirement, and mortality increase rates were updated from the rates used in the 7/1/2015 PERA Police & Fire Plan to the rates used in the 7/1/2017 valuation.
- A salary scale assumption was added to reflect the cost method changes. Rates are from the 7/1/2017 PERA General Employees Retirement Plan and 7/1/2017 PERA Police and Fire Plan Valuations
- The percent of future retirees hired after 1995 and eligible for a direct subsidy assumed to elect coverage at retirement changed from 100% to 20% to reflect recent plan experience.

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SUPPLEMENTARY INFORMATION

**City of Brooklyn Park  
Combining Balance Sheet -  
Nonmajor Governmental Funds  
December 31, 2024**

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>			
Cash and investments	\$ 6,243,478	\$ 13,403,658	\$ 19,647,136
Cash with a fiscal agent	46,130	-	46,130
Accrued interest	10,157	65,668	75,825
Accounts receivable	36,633	-	36,633
Due from other governments	1,806,977	-	1,806,977
Property held for resale	404,425	2,495,000	2,899,425
Notes receivable	608,179	-	608,179
Inventories	5,160	-	5,160
	<u>9,161,139</u>	<u>15,964,326</u>	<u>25,125,465</u>
Total assets	<u>\$ 9,161,139</u>	<u>\$ 15,964,326</u>	<u>\$ 25,125,465</u>
<b>Liabilities</b>			
Accounts payable	\$ 428,074	\$ 148,657	\$ 576,731
Contracts payable	-	14,792	14,792
Due to other funds	1,176,373	13,319	1,189,692
Due to other governments	352	-	352
Customer and contractor deposits	32,674	-	32,674
Salaries and benefits payable	144,957	-	144,957
Unearned revenue	181,859	-	181,859
	<u>1,964,289</u>	<u>176,768</u>	<u>2,141,057</u>
Total liabilities	<u>1,964,289</u>	<u>176,768</u>	<u>2,141,057</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - notes receivable	608,179	-	608,179
Unavailable revenue - other	1,769,042	-	1,769,042
	<u>2,377,221</u>	<u>-</u>	<u>2,377,221</u>
Total deferred inflows of resources	<u>2,377,221</u>	<u>-</u>	<u>2,377,221</u>
<b>Fund Balances</b>			
Nonspendable	\$ 5,160	\$ -	\$ 5,160
Restricted	6,133,115	-	6,133,115
Committed	-	11,841,006	11,841,006
Assigned	-	3,946,552	3,946,552
Unassigned	(1,318,646)	-	(1,318,646)
	<u>4,819,629</u>	<u>15,787,558</u>	<u>20,607,187</u>
Total fund balances	<u>4,819,629</u>	<u>15,787,558</u>	<u>20,607,187</u>
	<u>\$ 9,161,139</u>	<u>\$ 15,964,326</u>	<u>\$ 25,125,465</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 9,161,139</u>	<u>\$ 15,964,326</u>	<u>\$ 25,125,465</u>

**City of Brooklyn Park**  
**Combining Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances - Nonmajor Governmental Funds**  
**Year Ended December 31, 2024**

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Property taxes	\$ -	\$ 935,961	\$ 935,961
Franchise fees	-	5,402,678	5,402,678
Intergovernmental	1,745,833	906,979	2,652,812
Charges for services	1,153,332	-	1,153,332
Fine and forfeitures	1,701	-	1,701
Contributions and donations	58,609	-	58,609
Investment income	56,985	344,557	401,542
Net change in fair value of investments	14,724	95,209	109,933
Refunds and reimbursements	338	-	338
Other	3,948	-	3,948
Total revenues	<u>3,035,470</u>	<u>7,685,384</u>	<u>10,720,854</u>
<b>Expenditures</b>			
<b>Current</b>			
General government	43,819	-	43,819
Public safety	1,972,416	-	1,972,416
Public works	98,553	145,334	243,887
Recreation	1,182,403	361,217	1,543,620
Community development	1,883,021	-	1,883,021
<b>Capital outlay</b>			
Public safety	8,010	-	8,010
Public works	-	614,555	614,555
Recreation	6,000	527,678	533,678
Community development	38,712	-	38,712
Total expenditures	<u>5,232,934</u>	<u>1,648,784</u>	<u>6,881,718</u>
Excess of revenues over (under) expenditures	(2,197,464)	6,036,600	3,839,136
<b>Other Financing Sources (Uses)</b>			
Transfers in	520,110	785,000	1,305,110
Transfers out	(286,159)	(7,933,874)	(8,220,033)
Total other financing sources (uses)	<u>233,951</u>	<u>(7,148,874)</u>	<u>(6,914,923)</u>
Net change in fund balances	(1,963,513)	(1,112,274)	(3,075,787)
<b>Fund Balances</b>			
Beginning of year	<u>6,783,142</u>	<u>16,899,832</u>	<u>23,682,974</u>
End of year	<u>\$ 4,819,629</u>	<u>\$ 15,787,558</u>	<u>\$ 20,607,187</u>

**City of Brooklyn Park  
Combining Balance Sheet -  
Nonmajor Special Revenue Funds  
December 31, 2024**

	Community Dev Block Grant	Federal Stimulus Grants	Donations	Police Forfeit Property
<b>Assets</b>				
Cash and investments	\$ 952,398	\$ 290,553	\$ 836,690	\$ 442,205
Cash with a fiscal agent	-	-	-	-
Accrued interest	-	-	4,018	2,167
Accounts receivable	-	-	-	-
Due from other governments	50,000	-	-	-
Property held for resale	404,425	-	-	-
Notes receivable	-	-	-	-
Inventories	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 1,406,823</u>	<u>\$ 290,553</u>	<u>\$ 840,708</u>	<u>\$ 444,372</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Customer and contractor deposits	-	-	-	32,674
Salaries and benefits payable	-	-	1,871	-
Unearned revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>1,871</u>	<u>32,674</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - notes receivable	-	-	-	-
Unavailable revenue - other	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>				
Nonspendable	-	-	-	-
Restricted	1,406,823	290,553	838,837	411,698
Unassigned	-	-	-	-
Total fund balances	<u>1,406,823</u>	<u>290,553</u>	<u>838,837</u>	<u>411,698</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,406,823</u>	<u>\$ 290,553</u>	<u>\$ 840,708</u>	<u>\$ 444,372</u>

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Ice Arena	Brookland Golf Course	Revolving	BrookLynk	Grant Fund	Small Business Center
\$ -	\$ 17,154	\$ 323,040	\$ -	\$ 2,910,894	\$ -
-	-	-	-	-	46,130
-	84	1,583	-	-	-
16,710	-	-	-	-	19,923
-	-	7,928	327,648	1,421,401	-
-	-	-	-	-	-
-	-	193,289	-	-	-
-	5,160	-	-	-	-
<u>\$ 16,710</u>	<u>\$ 22,398</u>	<u>\$ 525,840</u>	<u>\$ 327,648</u>	<u>\$ 4,332,295</u>	<u>\$ 66,053</u>
\$ 28,064	\$ 2,354	\$ -	\$ 243,808	\$ 101,916	\$ 51,932
234,875	-	-	429,406	-	512,092
352	-	-	-	-	-
-	-	-	-	-	-
21,790	4,206	-	28,354	88,736	-
25,180	3,475	-	153,204	-	-
<u>310,261</u>	<u>10,035</u>	<u>-</u>	<u>854,772</u>	<u>190,652</u>	<u>564,024</u>
-	-	193,289	-	-	-
-	-	-	-	1,769,042	-
-	-	<u>193,289</u>	-	<u>1,769,042</u>	-
-	5,160	-	-	-	-
-	7,203	332,551	-	2,372,601	-
(293,551)	-	-	(527,124)	-	(497,971)
<u>(293,551)</u>	<u>12,363</u>	<u>332,551</u>	<u>(527,124)</u>	<u>2,372,601</u>	<u>(497,971)</u>
<u>\$ 16,710</u>	<u>\$ 22,398</u>	<u>\$ 525,840</u>	<u>\$ 327,648</u>	<u>\$ 4,332,295</u>	<u>\$ 66,053</u>

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City of Brooklyn Park  
Combining Balance Sheet -  
Nonmajor Special Revenue Funds  
December 31, 2024

(Continued)

	Special TIF Spending Plan	Local Affordable Housing Aid	Total Nonmajor Special Revenue Funds
<b>Assets</b>			
Cash and investments	\$ -	\$ 470,544	\$ 6,243,478
Cash with a fiscal agent	-	-	46,130
Accrued interest	-	2,305	10,157
Accounts receivable	-	-	36,633
Due from other governments	-	-	1,806,977
Property held for resale	-	-	404,425
Notes receivable	414,890	-	608,179
Inventories	-	-	5,160
	<u>-</u>	<u>-</u>	<u>5,160</u>
Total assets	<u>\$ 414,890</u>	<u>\$ 472,849</u>	<u>\$ 9,161,139</u>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ -	\$ 428,074
Due to other funds	-	-	1,176,373
Due to other governments	-	-	352
Customer and contractor deposits	-	-	32,674
Salaries and benefits payable	-	-	144,957
Unearned revenue	-	-	181,859
Total liabilities	<u>-</u>	<u>-</u>	<u>1,964,289</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - notes receivable	414,890	-	608,179
Unavailable revenue - other	-	-	1,769,042
Total deferred inflows of resources	<u>414,890</u>	<u>-</u>	<u>2,377,221</u>
<b>Fund Balances</b>			
Nonspendable	-	-	5,160
Restricted	-	472,849	6,133,115
Unassigned	-	-	(1,318,646)
Total fund balances	<u>-</u>	<u>-</u>	<u>4,819,629</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 414,890</u>	<u>\$ -</u>	<u>\$ 9,161,139</u>

**City of Brooklyn Park**  
**Combining Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances - Nonmajor Special Revenue Funds**  
**Year Ended December 31, 2024**

	Community Dev Block Grant	Federal Stimulus Grants	Donations	Police Forfeit Property
<b>Revenues</b>				
Intergovernmental	\$ 105,025	\$ -	\$ -	\$ -
Charges for services	-	-	2,120	-
Fine and forfeitures	-	-	-	1,701
Interest	-	-	24,623	13,998
Donations	-	-	58,609	-
Net change in fair value of investments	-	-	5,824	3,141
Refunds and reimbursements	-	-	-	338
Other revenue	-	-	-	-
Total revenues	<u>105,025</u>	<u>-</u>	<u>91,176</u>	<u>19,178</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	-	-	43,819	-
Public safety	-	-	6,814	44,314
Public works	-	-	-	-
Recreation and parks	-	-	128	-
Community development	519	-	-	-
<b>Capital outlay</b>				
Public safety	-	-	-	8,010
Recreation and parks	-	-	-	-
Community development	-	-	-	-
Total expenditures	<u>519</u>	<u>-</u>	<u>50,761</u>	<u>52,324</u>
Excess of revenues over (under) expenditures	104,506	-	40,415	(33,146)
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers out	(100,000)	-	-	(6,930)
Total other financing sources (uses)	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>(6,930)</u>
Net change in fund balances	4,506	-	40,415	(40,076)
<b>Fund Balances</b>				
Beginning of year	<u>1,402,317</u>	<u>290,553</u>	<u>798,422</u>	<u>451,774</u>
End of year	<u>\$ 1,406,823</u>	<u>\$ 290,553</u>	<u>\$ 838,837</u>	<u>\$ 411,698</u>

(Continued)

Ice Arena	Brookland Golf Course	Revolving	BrookLynk	Grant Fund	Small Business Center
\$ -	\$ -	\$ -	\$ 926,548	\$ 250,131	\$ -
652,417	301,302	-	-	-	197,493
-	-	-	-	-	-
-	1,201	11,576	-	-	-
-	-	-	-	-	-
-	122	2,295	-	-	-
-	-	-	-	-	-
-	(1)	3,949	-	-	-
<u>652,417</u>	<u>302,624</u>	<u>17,820</u>	<u>926,548</u>	<u>250,131</u>	<u>197,493</u>
-	-	-	-	-	-
-	-	-	-	1,921,288	-
-	-	-	-	98,553	-
841,719	325,859	-	-	14,697	-
-	-	4,107	1,025,003	-	853,183
-	-	-	-	-	-
-	6,000	-	-	-	-
-	-	-	-	-	38,712
<u>841,719</u>	<u>331,859</u>	<u>4,107</u>	<u>1,025,003</u>	<u>2,034,538</u>	<u>891,895</u>
(189,302)	(29,235)	13,713	(98,455)	(1,784,407)	(694,402)
120,000	25,000	-	100,000	-	250,000
<u>(120,000)</u>	<u>(850)</u>	<u>-</u>	<u>(53,379)</u>	<u>(5,000)</u>	<u>-</u>
-	24,150	-	46,621	(5,000)	250,000
(189,302)	(5,085)	13,713	(51,834)	(1,789,407)	(444,402)
(104,249)	17,448	318,838	(475,290)	4,162,008	(53,569)
<u>\$ (293,551)</u>	<u>\$ 12,363</u>	<u>\$ 332,551</u>	<u>\$ (527,124)</u>	<u>\$ 2,372,601</u>	<u>\$ (497,971)</u>

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**City of Brooklyn Park**  
**Combining Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances - Nonmajor Special Revenue Funds**  
**Year Ended December 31, 2024**

(Continued)

	Special TIF Spending Plan	Local Affordable Housing Aid	Total Nonmajor Special Revenue Funds
<b>Revenues</b>			
Intergovernmental	\$ -	\$ 464,129	\$ 1,745,833
Charges for services	-	-	1,153,332
Fine and forfeitures	-	-	1,701
Interest	-	5,587	56,985
Donations	-	-	58,609
Net change in fair value of investments	-	3,342	14,724
Refunds and reimbursements	-	-	338
Other revenue	-	-	3,948
Total revenues	-	473,058	3,035,470
<b>Expenditures</b>			
<b>Current</b>			
General government	-	-	43,819
Public safety	-	-	1,972,416
Public works	-	-	98,553
Recreation and parks	-	-	1,182,403
Community development	-	209	1,883,021
<b>Capital outlay</b>			
Public safety	-	-	8,010
Recreation and parks	-	-	6,000
Community development	-	-	38,712
Total expenditures	-	209	5,232,934
Excess of revenues over (under) expenditures	-	472,849	(2,197,464)
<b>Other Financing Sources (Uses)</b>			
Transfers in	25,110	-	520,110
Transfers out	-	-	(286,159)
Total other financing sources (uses)	25,110	-	233,951
Net change in fund balances	25,110	472,849	(1,963,513)
<b>Fund Balances</b>			
Beginning of year	(25,110)	-	6,783,142
End of year	\$ -	\$ 472,849	\$ 4,819,629

**City of Brooklyn Park  
Combining Balance Sheet -  
Nonmajor Capital Projects Funds  
December 31, 2024**

	Municipal Buildings and Additions	Franchise Fee	Huntington Pointe Development
<b>Assets</b>			
Cash and investments	\$ 1,541,505	\$ 6,865,520	\$ -
Accrued interest	7,552	33,636	-
Property held for resale	-	-	2,495,000
<b>Total assets</b>	<b>\$ 1,549,057</b>	<b>\$ 6,899,156</b>	<b>\$ 2,495,000</b>
<b>Liabilities</b>			
Accounts payable	\$ 69,394	\$ -	\$ -
Contracts payable	14,792	-	-
Due to other funds	-	-	13,319
<b>Total liabilities</b>	<b>84,186</b>	<b>-</b>	<b>13,319</b>
<b>Fund Balances</b>			
Committed	-	6,899,156	-
Assigned	1,464,871	-	2,481,681
<b>Total fund balances</b>	<b>1,464,871</b>	<b>6,899,156</b>	<b>2,481,681</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,549,057</b>	<b>\$ 6,899,156</b>	<b>\$ 2,495,000</b>

Heritage Infrastructure	Total Nonmajor Capital Projects Funds
\$ 4,996,633	\$ 13,403,658
24,480	65,668
<u>-</u>	<u>2,495,000</u>
<u>\$ 5,021,113</u>	<u>\$ 15,964,326</u>
\$ 79,263	\$ 148,657
-	14,792
-	13,319
<u>79,263</u>	<u>176,768</u>
4,941,850	11,841,006
-	3,946,552
<u>4,941,850</u>	<u>15,787,558</u>
<u>\$ 5,021,113</u>	<u>\$ 15,964,326</u>

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**City of Brooklyn Park**  
**Combining Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances - Nonmajor Capital Projects Funds**  
**Year Ended December 31, 2024**

	Municipal Buildings and Additions	Franchise Fee	Huntington Pointe Development
<b>Revenues</b>			
Property taxes	\$ -	\$ -	\$ -
Franchise fees	-	5,402,678	-
Intergovernmental	-	-	-
Interest	55,266	170,784	-
Net change in fair value of investments	10,950	48,767	-
Total revenues	<u>66,216</u>	<u>5,622,229</u>	<u>-</u>
<b>Expenditures</b>			
Current			
Public works	11,770	131,354	-
Recreation and parks	-	-	-
Capital outlay			
Public works	504,306	-	-
Recreation and parks	-	-	-
Total expenditures	<u>516,076</u>	<u>131,354</u>	<u>-</u>
Excess of revenues over (under) expenditures	(449,860)	5,490,875	-
<b>Other Financing Sources (Uses)</b>			
Transfers in	785,000	-	-
Transfers out	-	(6,818,874)	-
Total other financing sources (uses)	<u>785,000</u>	<u>(6,818,874)</u>	<u>-</u>
Net change in fund balances	335,140	(1,327,999)	-
<b>Fund Balances</b>			
Beginning of year	<u>1,129,731</u>	<u>8,227,155</u>	<u>2,481,681</u>
End of year	<u>\$ 1,464,871</u>	<u>\$ 6,899,156</u>	<u>\$ 2,481,681</u>

Heritage Infrastructure	Total Nonmajor Capital Projects
\$ 935,961	\$ 935,961
-	5,402,678
906,979	906,979
118,507	344,557
35,492	95,209
<u>1,996,939</u>	<u>7,685,384</u>
2,210	145,334
361,217	361,217
110,249	614,555
527,678	527,678
<u>1,001,354</u>	<u>1,648,784</u>
995,585	6,036,600
-	785,000
<u>(1,115,000)</u>	<u>(7,933,874)</u>
<u>(1,115,000)</u>	<u>(7,148,874)</u>
(119,415)	(1,112,274)
<u>5,061,265</u>	<u>16,899,832</u>
<u>\$ 4,941,850</u>	<u>\$ 15,787,558</u>

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**City of Brooklyn Park**  
**Combining Statement of Net Position - Internal Service Funds**  
**December 31, 2024**

	Central Services	Information Technology	Loss Control
<b>Assets</b>			
<b>Current assets</b>			
Cash and investments (including cash equivalents)	\$ 3,535,945	\$ 4,701,811	\$ 115,245
Accounts receivable	2,267	509	800
Interest receivable	11,989	24,281	565
Due from other governments	966	1,510	-
Inventories	64,639	-	-
Prepaid expenses	2,995	30,155	749,997
Total current assets	<u>3,618,801</u>	<u>4,758,266</u>	<u>866,607</u>
<b>Noncurrent assets</b>			
<b>Capital assets</b>			
Equipment lease asset	86,468	213,840	-
Property and equipment	31,650,508	5,671,560	-
Construction in progress	2,817,968	-	-
Total capital assets	<u>34,554,944</u>	<u>5,885,400</u>	<u>-</u>
Less accumulated depreciation/amortization	(19,492,429)	(5,248,562)	-
Total noncurrent assets	<u>15,062,515</u>	<u>636,838</u>	<u>-</u>
Total assets	<u>18,681,316</u>	<u>5,395,104</u>	<u>866,607</u>
<b>Deferred Outflows of Resources</b>			
Pensions	90,435	70,546	20,714
OPEB	-	-	-
Total deferred outflows of resources	<u>90,435</u>	<u>70,546</u>	<u>20,714</u>
<b>Liabilities</b>			
Accounts payable	263,022	463,450	19,363
Accrued wages	66,368	40,058	13,256
Interest payable	2	52	-
Lease liability	-	11,714	-
Due to other funds	-	-	-
Compensated absences payable, due within one year	-	-	-
Total OPEB liability, due within one year	-	-	-
Total current liabilities	<u>329,392</u>	<u>515,274</u>	<u>32,619</u>
<b>Noncurrent Liabilities</b>			
Compensated absences payable, due in more than one year	-	-	-
Net pension liability, due in more than one year	469,278	366,070	107,490
Total OPEB liability, due in more than one year	-	-	-
Total noncurrent liabilities	<u>469,278</u>	<u>366,070</u>	<u>107,490</u>
Total liabilities	<u>798,670</u>	<u>881,344</u>	<u>140,109</u>
<b>Deferred Inflows of Resources</b>			
Pensions	315,609	246,197	72,291
OPEB	-	-	-
Total deferred inflows of resources	<u>315,609</u>	<u>246,197</u>	<u>72,291</u>
<b>Net Position</b>			
Net investment in capital assets	15,062,515	625,124	-
Unrestricted	<u>2,594,957</u>	<u>3,712,985</u>	<u>674,921</u>
Total net position	<u>\$ 17,657,472</u>	<u>\$ 4,338,109</u>	<u>\$ 674,921</u>

<u>Benefit Accrual</u>	<u>Total Nonmajor Internal Service Funds</u>
\$ -	\$ 8,353,001
24,997	28,573
-	36,835
-	2,476
-	64,639
244,873	1,028,020
<u>269,870</u>	<u>9,513,544</u>
-	300,308
-	37,322,068
-	2,817,968
-	40,440,344
-	(24,740,991)
-	15,699,353
<u>269,870</u>	<u>25,212,897</u>
-	181,695
5,121,534	5,121,534
<u>5,121,534</u>	<u>5,303,229</u>
-	745,835
50,528	170,210
-	54
-	11,714
879,077	879,077
432,170	432,170
824,580	824,580
<u>2,186,355</u>	<u>3,063,640</u>
5,741,691	5,741,691
-	942,838
10,169,824	10,169,824
<u>15,911,515</u>	<u>16,854,353</u>
<u>18,097,870</u>	<u>19,917,993</u>
-	634,097
1,734,864	1,734,864
<u>1,734,864</u>	<u>2,368,961</u>
-	15,687,639
<u>(14,441,330)</u>	<u>(7,458,467)</u>
<u>\$ (14,441,330)</u>	<u>\$ 8,229,172</u>

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**City of Brooklyn Park**  
**Combining Statement of Revenues, Expenses, and Changes**  
**in Net Position - Internal Service Funds**  
**For the Year Ended December 31, 2024**

	Central Services	Information Technology	Loss Control
<b>Operating Revenues</b>			
Other	\$ 6,868,996	\$ 3,439,028	\$ 4,266,186
<b>Operating Expenses</b>			
Amortization	7,228	38,309	-
Equipment	-	55,926	-
General fund charges	51,129	-	-
Personal services	1,405,972	1,176,220	329,163
Supplies	1,018,409	130,344	1,167
Depreciation	2,240,436	115,051	-
Contractual services	473,910	1,905,492	39,766
Internal services charges	284,636	86,644	4,180,020
Other	29,017	4,767	873
Total operating expenses	<u>5,510,737</u>	<u>3,512,753</u>	<u>4,550,989</u>
Operating income (loss)	1,358,259	(73,725)	(284,803)
<b>Nonoperating Revenues (Expenses)</b>			
Investment income	61,569	130,351	20,578
Gain on sale of capital assets	469,615	-	-
Net change in fair value of investments	17,382	33,398	819
Intergovernmental revenue	-	755	-
Interest expense	-	-	-
Total nonoperating revenue (expenses)	<u>548,566</u>	<u>164,504</u>	<u>21,397</u>
Income (loss) before transfers	1,906,825	90,779	(263,406)
Transfers in	1,244,157	65,029	-
Transfers out	<u>(5,221)</u>	<u>-</u>	<u>-</u>
Change in net position	3,145,761	155,808	(263,406)
Net position - beginning	<u>14,511,711</u>	<u>4,182,301</u>	<u>938,327</u>
Net position - ending	<u>\$ 17,657,472</u>	<u>\$ 4,338,109</u>	<u>\$ 674,921</u>

Benefit Accrual	Total Nonmajor Internal Service Funds
\$ 1,245,030	\$ 15,819,240
-	45,537
-	55,926
-	51,129
2,543,122	5,454,477
-	1,149,920
-	2,355,487
19,970	2,439,138
-	4,551,300
18,144	52,801
<u>2,581,236</u>	<u>16,155,715</u>
(1,336,206)	(336,475)
11,626	224,124
-	469,615
-	51,599
-	755
(665)	(665)
<u>10,961</u>	<u>745,428</u>
(1,325,245)	408,953
-	1,309,186
-	<u>(5,221)</u>
(1,325,245)	1,712,918
<u>(13,116,085)</u>	<u>6,516,254</u>
<u>\$ (14,441,330)</u>	<u>\$ 8,229,172</u>

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**City of Brooklyn Park**  
**Statement of Cash Flows - Internal Service Funds**  
**Year Ended December 31, 2024**

	Central Services	Information Technology	Loss Control	Benefit Accrual	Totals
<b>Cash Flows - Operating Activities</b>					
Receipts from customers and users	\$ 6,868,745	\$ 3,453,430	\$ 4,297,027	\$ 1,448,016	\$ 16,067,218
Payments to suppliers	(1,719,185)	(1,607,624)	(374,886)	(68,421)	(3,770,116)
Payments to employees	(1,477,218)	(1,110,212)	(325,663)	(1,627,177)	(4,540,270)
Payments for interfund services used	(284,636)	(86,644)	(4,211,661)	-	(4,582,941)
Net cash flows - operating activities	<u>3,387,706</u>	<u>648,950</u>	<u>(615,183)</u>	<u>(247,582)</u>	<u>3,173,891</u>
<b>Cash Flows - Noncapital Financing Activities</b>					
Payments for interfund loan	-	-	-	236,621	236,621
Grants and contributions	-	755	-	-	755
Transfer from other funds	1,244,157	65,029	-	-	1,309,186
Transfer to other funds	(5,221)	-	-	-	(5,221)
Net cash flows - noncapital financing activities	<u>1,238,936</u>	<u>65,784</u>	<u>-</u>	<u>236,621</u>	<u>1,541,341</u>
<b>Cash Flows - Capital and Related Financing Activities</b>					
Principal paid on debt	(5,228)	(35,727)	-	-	(40,955)
Interest paid on debt	-	-	-	(665)	(665)
Proceeds from disposal of capital assets	469,615	-	-	-	469,615
Acquisition of capital assets	(4,278,625)	(201,231)	-	-	(4,479,856)
Net cash flows - capital and related financing activities	<u>(3,814,238)</u>	<u>(236,958)</u>	<u>-</u>	<u>(665)</u>	<u>(4,051,861)</u>
<b>Cash Flows - Investing Activities</b>					
Investment income	79,314	161,652	24,447	11,626	277,039
Net change in cash and cash equivalents	891,718	639,428	(590,736)	-	940,410
Cash and cash equivalents, January 1	2,644,227	4,062,383	705,981	-	7,412,591
Cash and cash equivalents, December 31	<u>\$ 3,535,945</u>	<u>\$ 4,701,811</u>	<u>\$ 115,245</u>	<u>\$ -</u>	<u>\$ 8,353,001</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows - Operating Activities</b>					
Operating income (loss)	\$ 1,358,259	\$ (73,725)	\$ (284,803)	\$ (1,336,206)	\$ (336,475)
Adjustments to reconcile operating income (loss) to net cash flows - operating activities					
Depreciation expense	2,247,664	153,360	-	-	2,401,024
Accounts receivable	-	14,341	(800)	(7,872)	5,669
Due from other governments	(251)	61	-	210,858	210,668
Prepaid items	96	25,455	(213,907)	(7,258)	(195,614)
Inventory	(16,963)	-	-	-	(16,963)
Accounts payable	(129,853)	463,450	(87,532)	-	246,065
Due to other governmental units	-	-	(31,641)	(30,307)	(61,948)
Salaries payable	19,877	9,128	3,538	(122,626)	(90,083)
OPEB related activity	-	-	-	703,217	703,217
Pension related activity	(91,123)	56,880	(38)	-	(34,281)
Compensated absences payable	-	-	-	342,612	342,612
Total adjustments	<u>2,029,447</u>	<u>722,675</u>	<u>(330,380)</u>	<u>1,088,624</u>	<u>3,510,366</u>
Net cash flows - operating activities	<u>\$ 3,387,706</u>	<u>\$ 648,950</u>	<u>\$ (615,183)</u>	<u>\$ (247,582)</u>	<u>\$ 3,173,891</u>

**City of Brooklyn Park**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**December 31, 2024**

	Street and Signal Light Utility	Recreation	Park Dome	Totals
<b>Assets</b>				
<b>Current assets</b>				
Cash and investments (including cash equivalents)	\$ 7,643,896	\$ 2,328,650	\$ 462,930	\$ 10,435,476
Accrued interest receivable	36,778	11,887	2,268	50,933
Special assessment receivable	136,597	-	-	136,597
Accounts receivable	528,028	38,232	-	566,260
Due from other governments	-	-	31,518	31,518
Inventories	-	93,579	-	93,579
Prepaid expenses	-	1,275	-	1,275
Total current assets	<u>8,345,299</u>	<u>2,473,623</u>	<u>496,716</u>	<u>11,315,638</u>
<b>Noncurrent assets</b>				
<b>Capital assets</b>				
Property and equipment	11,055,201	18,221,473	-	29,276,674
Total capital assets	<u>11,055,201</u>	<u>18,221,473</u>	<u>-</u>	<u>29,276,674</u>
Less accumulated depreciation	(8,752,427)	(6,605,117)	-	(15,357,544)
Net capital assets	<u>2,302,774</u>	<u>11,616,356</u>	<u>-</u>	<u>13,919,130</u>
Total assets	<u>10,648,073</u>	<u>14,089,979</u>	<u>496,716</u>	<u>25,234,768</u>
<b>Deferred Outflows of Resources</b>				
Pensions	3,989	51,274	5,263	60,526
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable	8,706	66,706	17,842	93,254
Salaries and benefits payable	6,756	36,241	5,256	48,253
Due to other governments	-	1,909	-	1,909
Unearned revenue	-	117,158	-	117,158
Total current liabilities	<u>15,462</u>	<u>222,014</u>	<u>23,098</u>	<u>260,574</u>
<b>Noncurrent liabilities</b>				
Net pension liability, due in more than one year	20,702	266,069	27,308	314,079
Total liabilities	<u>36,164</u>	<u>488,083</u>	<u>50,406</u>	<u>574,653</u>
<b>Deferred Inflows of Resources</b>				
Pensions	13,923	178,942	18,366	211,231
<b>Net Position</b>				
Net investment in capital assets	2,302,774	11,616,356	-	13,919,130
Unrestricted	8,299,201	1,857,872	433,207	10,590,280
Total net position	<u>\$ 10,601,975</u>	<u>\$ 13,474,228</u>	<u>\$ 433,207</u>	<u>\$ 24,509,410</u>

**City of Brooklyn Park**  
**Combining Statement of Revenues, Expenditures, and Changes in Net Position**  
**Nonmajor Enterprise Funds**  
**Year Ended December 31, 2024**

	Street and Signal Light Utility	Recreation	Park Dome	Totals
<b>Operating Revenues</b>				
Utility charge	\$ 1,814,569	\$ -	\$ 411,018	\$ 2,225,587
Golf course	-	2,747,799	-	2,747,799
Other	8,593	493,408	1,275	503,276
Total operating revenues	<u>1,823,162</u>	<u>3,241,207</u>	<u>412,293</u>	<u>5,476,662</u>
<b>Operating Expenses</b>				
Personal services	77,861	1,196,284	110,825	1,384,970
Supplies	37,268	271,992	92,875	402,135
Contractual services	161,403	182,649	39,366	383,418
Internal service charges	96,373	107,991	-	204,364
Other charges	12,755	331,440	203	344,398
General fund changes	85,215	92,785	11,598	189,598
Depreciation	207,249	412,114	-	619,363
Total operating expenses	<u>678,124</u>	<u>2,595,255</u>	<u>254,867</u>	<u>3,528,246</u>
Operating income	1,145,038	645,952	157,426	1,948,416
<b>Nonoperating Revenues (Expenses)</b>				
Investment income	215,748	63,827	10,255	289,830
Net change in fair value of investments	53,322	17,235	3,288	73,845
Gain (loss) on sale of asset	83	(20)	-	63
Total nonoperating revenue (expenses)	<u>269,153</u>	<u>81,042</u>	<u>13,543</u>	<u>363,738</u>
Income before transfers	1,414,191	726,994	170,969	2,312,154
Transfers in	-	49,622	-	49,622
Transfers out	(110,000)	(116,500)	-	(226,500)
Change in net position	1,304,191	660,116	170,969	2,135,276
<b>Net Position</b>				
Beginning of year	<u>9,297,784</u>	<u>12,814,112</u>	<u>262,238</u>	<u>22,374,134</u>
End of year	<u>\$ 10,601,975</u>	<u>\$ 13,474,228</u>	<u>\$ 433,207</u>	<u>\$ 24,509,410</u>

**City of Brooklyn Park**  
**Statement of Cash Flows - Nonmajor Enterprise Funds**  
**Year Ended December 31, 2024**

	Street and Signal Light Utility	Recreation	Park Dome	Totals
<b>Cash Flows - Operating Activities</b>				
Receipts from customers and users	\$ 1,779,952	\$ 3,261,476	\$ 469,831	\$ 5,511,259
Payments to suppliers	(288,820)	(817,130)	(126,321)	(1,232,271)
Payments to employees	(62,532)	(1,217,956)	(107,932)	(1,388,420)
Payments for interfund services used	(96,373)	(107,991)	-	(204,364)
Net cash flows - operating activities	<u>1,332,227</u>	<u>1,118,399</u>	<u>235,578</u>	<u>2,686,204</u>
<b>Cash Flows - Noncapital Financing Activities</b>				
Transfers in	-	49,622	-	49,622
Transfers out	(110,000)	(116,500)	-	(226,500)
Net cash flows - noncapital financing activities	<u>(110,000)</u>	<u>(66,878)</u>	<u>-</u>	<u>(176,878)</u>
<b>Cash Flows - Capital and Related Financing Activities</b>				
Proceeds from disposal of capital assets	83	(20)	-	63
Acquisition of capital assets	(542,414)	(432,576)	-	(974,990)
Net cash flows - capital and related financing activities	<u>(542,331)</u>	<u>(432,596)</u>	<u>-</u>	<u>(974,927)</u>
<b>Cash Flows - Investing Activities</b>				
Investment income	266,900	77,849	12,370	357,119
Net change in cash and cash equivalents	946,796	696,774	247,948	1,891,518
Cash and cash equivalents, January 1	6,697,100	1,631,876	214,982	8,543,958
Cash and cash equivalents, December 31	<u>\$ 7,643,896</u>	<u>\$ 2,328,650</u>	<u>\$ 462,930</u>	<u>\$ 10,435,476</u>
<b>Reconciliation of Operating Income (Loss to Net Cash Flows - Operating Activities)</b>				
Operating income (loss)	\$ 1,145,038	\$ 645,952	\$ 157,426	\$ 1,948,416
Adjustments to reconcile operating income (loss) to net cash flows - operating activities				
Depreciation expense	207,249	412,114	-	619,363
Special assessments	(21,693)	-	-	(21,693)
Accounts receivable	(21,517)	9,799	14,880	3,162
Due from other governments	-	-	42,658	42,658
Prepaid items	-	1,925	-	1,925
Inventory	-	(3,312)	-	(3,312)
Accounts payable	7,821	61,913	17,721	87,455
Due to other governmental units	-	1,210	-	1,210
Salaries payable	1,762	9,915	372	12,049
Unearned revenue	-	10,470	-	10,470
Pension related activity	13,567	(31,587)	2,521	(15,499)
Total adjustments	<u>187,189</u>	<u>472,447</u>	<u>78,152</u>	<u>737,788</u>
Net cash flows - operating activities	<u>\$ 1,332,227</u>	<u>\$ 1,118,399</u>	<u>\$ 235,578</u>	<u>\$ 2,686,204</u>

**City of Brooklyn Park**  
**Combining Statement of Fiduciary Net Position**  
**December 31, 2024**

	Deputy Registrar	Unclaimed Property	Brooklyn Bridge Alliance	Total Fiduciary Funds
<b>Assets</b>				
Cash and investments (including cash equivalents)	\$ 335,084	\$ 90,199	\$ 317,368	\$ 742,651
Accrued interest	-	-	1,691	1,691
Accounts receivable	-	-	3	3
Due from other governments	-	3,969	85,963	89,932
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 335,084</u>	<u>\$ 94,168</u>	<u>\$ 405,025</u>	<u>\$ 834,277</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ 6,742	\$ 6,742
Customer and contractor deposits	-	94,168	10,000	104,168
Due to other governments	335,084	-	-	335,084
Salaries and benefits payable	-	-	30,157	30,157
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>\$ 335,084</u>	<u>\$ 94,168</u>	<u>\$ 46,899</u>	<u>\$ 476,151</u>
<b>Net Position</b>				
Restricted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 358,126</u>	<u>\$ 358,126</u>

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**City of Brooklyn Park**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Year Ended December 31, 2024**

	Deputy Registrar	Unclaimed Property	Brooklyn Bridge Alliance	Total Fiduciary Funds
<b>Additions</b>				
Licenses revenue	\$ 17,470,123	\$ -	\$ -	\$ 17,470,123
Unclaimed property	-	12,734	-	12,734
Intergovernmental	-	-	864,411	864,411
Interest	-	-	9,681	9,681
Net decrease in fair value of investments	-	-	2,451	2,451
Other	-	-	44,429	44,429
Total additions	<u>17,470,123</u>	<u>12,734</u>	<u>920,972</u>	<u>18,403,829</u>
<b>Deductions</b>				
Payments to State of Minnesota	17,470,123	12,734	-	17,482,857
Personal services	-	-	746,336	746,336
Supplies and equipment	-	-	37,190	37,190
Contractual services	-	-	66,990	66,990
Other	-	-	9,829	9,829
Total deductions	<u>17,470,123</u>	<u>12,734</u>	<u>860,345</u>	<u>18,343,202</u>
Change in net position	-	-	60,627	60,627
Net position - beginning	-	-	297,499	297,499
Net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 358,126</u>	<u>\$ 358,126</u>

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**OTHER SUPPLEMENTARY SCHEDULES**

**City of Brooklyn Park  
Combining Balance Sheet by Subfund -  
General Debt Service  
December 31, 2024**

	<u>2010 Recreation Revenue Bonds</u>	<u>2010 EDA Lease Revenue Bonds</u>	<u>2011 Public Safety Ref Bonds</u>	<u>2014 Capital Improvement Bonds</u>
<b>Assets</b>				
Cash and investments	\$ 206,805	\$ 165,818	\$ 653,646	\$ 768,158
Accrued interest	1,013	812	3,202	3,763
Special assessments - deferred	-	-	-	-
<b>Total assets</b>	<u><u>\$ 207,818</u></u>	<u><u>\$ 166,630</u></u>	<u><u>\$ 656,848</u></u>	<u><u>\$ 771,921</u></u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - special assessments	-	-	-	-
<b>Fund Balances</b>				
Restricted	<u>207,818</u>	<u>166,630</u>	<u>656,848</u>	<u>771,921</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u><u>\$ 207,818</u></u>	<u><u>\$ 166,630</u></u>	<u><u>\$ 656,848</u></u>	<u><u>\$ 771,921</u></u>

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2016 Improvement Bonds	2017A Capital Improvement Bond	2019A General Obligation Bond	2021A General Obligation Bond	Total
\$ 1,318,398	\$ 256,789	\$ 278,130	\$ 792,678	\$ 4,440,422
6,459	1,258	1,363	3,884	21,754
13,627	-	-	-	13,627
<u>\$ 1,338,484</u>	<u>\$ 258,047</u>	<u>\$ 279,493</u>	<u>\$ 796,562</u>	<u>\$ 4,475,803</u>
13,627	-	-	-	13,627
<u>1,324,857</u>	<u>258,047</u>	<u>279,493</u>	<u>796,562</u>	<u>4,462,176</u>
<u>\$ 1,338,484</u>	<u>\$ 258,047</u>	<u>\$ 279,493</u>	<u>\$ 796,562</u>	<u>\$ 4,475,803</u>

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**City of Brooklyn Park**  
**Combining Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balances by Subfund - General Debt Service**  
**Year Ended December 31, 2024**

	<u>2010 Recreation Revenue Bonds</u>	<u>2010 EDA Lease Revenue Bonds</u>	<u>2011 Public Safety Ref Bonds</u>	<u>2014 Capital Improvement Bonds</u>
<b>Revenues</b>				
General property taxes	\$ -	\$ -	\$ -	\$ 673,633
Investment income	(39)	(31)	(123)	(11)
Net increase in fair value of investments	1,469	1,178	4,643	5,456
Total revenues	<u>1,430</u>	<u>1,147</u>	<u>4,520</u>	<u>679,078</u>
<b>Expenditures</b>				
Debt service				
Principal	-	-	-	445,000
Interest and other charges	91	75	291	202,802
Total expenditures	<u>91</u>	<u>75</u>	<u>291</u>	<u>647,802</u>
Excess of revenues over (under) expenditures	1,339	1,072	4,229	31,276
<b>Other Financing Sources</b>				
Transfers in	-	-	-	-
Net change in fund balances	1,339	1,072	4,229	31,276
<b>Fund Balances</b>				
Beginning of year	<u>206,479</u>	<u>165,558</u>	<u>652,619</u>	<u>740,645</u>
End of year	<u>\$ 207,818</u>	<u>\$ 166,630</u>	<u>\$ 656,848</u>	<u>\$ 771,921</u>

2016 Improvement Bonds	2017A Capital Improvement Bond	2019A General Obligation Bond	2021A General Obligation Bond	Total
\$ -	\$ 300,126	\$ 319,409	\$ 919,036	\$ 2,212,204
(110)	15	28	178	(93)
9,365	1,824	1,976	5,631	31,542
9,255	301,965	321,413	924,845	2,243,653
410,000	610,000	175,000	950,000	2,590,000
18,392	116,743	128,723	180,452	647,569
428,392	726,743	303,723	1,130,452	3,237,569
(419,137)	(424,778)	17,690	(205,607)	(993,916)
454,867	438,969	-	275,000	1,168,836
35,730	14,191	17,690	69,393	174,920
1,289,127	243,856	261,803	727,169	4,287,256
\$ 1,324,857	\$ 258,047	\$ 279,493	\$ 796,562	\$ 4,462,176

**City of Brooklyn Park**  
**Schedule of Long-Term Debt Issues Payable**  
**December 31, 2024**

General Obligation Bonds				
Year	Interest Rate	Principal	Interest	Total
<u>General Obligation Capital Improvement Plan Bonds, Series 2014A</u>				
2025	2.750%	\$ 455,000	\$ 187,094	\$ 642,094
2026	2.750%	465,000	174,444	639,444
2027	3.000%	480,000	160,850	640,850
2028	3.000%	490,000	146,300	636,300
2029	3.250%	505,000	130,744	635,744
2030	3.250%	520,000	114,088	634,088
2031	3.500%	540,000	96,188	636,188
2032	3.500%	555,000	77,025	632,025
2033	3.750%	575,000	56,531	631,531
2034	3.750%	600,000	34,500	634,500
2035	3.750%	620,000	11,625	631,625
Sub-total		5,805,000	1,189,388	6,994,388
<u>General Obligation, Series 2016A</u>				
2025	1.500%	420,000	10,057	430,057
2026	1.625%	425,000	3,454	428,454
Sub-total		845,000	13,511	858,511
<u>General Obligation, Series 2017A</u>				
2025	3.000%	625,000	97,606	722,606
2026	3.000%	640,000	78,631	718,631
2027	2.125%	665,000	61,966	726,966
2028	2.250%	680,000	47,250	727,250
2029	3.000%	250,000	35,850	285,850
2030	3.000%	255,000	28,275	283,275
2031	3.000%	265,000	20,475	285,475
2032	3.000%	270,000	12,450	282,450
2033	3.000%	280,000	4,200	284,200
Sub-total		3,930,000	386,703	4,316,703

**City of Brooklyn Park**  
**Schedule of Long-Term Debt Issues Payable**  
**December 31, 2024**

General Obligation Bonds				
Year	Interest Rate	Principal	Interest	Total
<u>General Obligation, Series 2019A</u>				
2025	3.000%	\$ 185,000	\$ 118,350	\$ 303,350
2026	3.000%	190,000	110,850	300,850
2027	2.125%	195,000	103,150	298,150
2028	2.250%	205,000	95,150	300,150
2029	3.000%	215,000	87,825	302,825
2030	3.000%	220,000	81,300	301,300
2031	3.000%	225,000	74,625	299,625
2032	3.000%	235,000	67,725	302,725
2033	3.000%	240,000	60,600	300,600
2034	3.000%	250,000	53,250	303,250
2035	3.000%	255,000	45,675	300,675
2036	3.000%	265,000	37,875	302,875
2037	3.000%	270,000	29,850	299,850
2038	3.000%	280,000	21,600	301,600
2039	3.000%	285,000	13,125	298,125
2040	3.000%	295,000	4,425	299,425
Sub-total		3,810,000	1,005,375	4,815,375
<u>2021A General Obligation Bond- Park Portion</u>				
2025	3.00%	705,000	129,275	834,275
2026	3.00%	730,000	107,750	837,750
2027	3.00%	750,000	85,550	835,550
2028	3.00%	770,000	62,750	832,750
2029	3.00%	795,000	39,275	834,275
2030	1.00%	820,000	23,250	843,250
2031	1.10%	830,000	14,585	844,585
2032	1.20%	835,000	5,010	840,010
Sub-total		6,235,000	467,445	6,702,445
Total General Obligation Bonds		\$ 20,625,000	\$ 3,062,422	\$ 23,687,422

**City of Brooklyn Park**  
**Schedule of Long-Term Debt Issues Payable**  
**December 31, 2024**

General Obligation Refunding Bonds				
Year	Interest Rate	Principal	Interest	Total
<u>2021A General Obligation Bond- 2010A Refunding</u>				
2025	3.00%	\$ 120,000	\$ 9,150	\$ 129,150
2026	3.00%	120,000	5,550	125,550
2027	3.00%	125,000	1,875	126,875
Sub-total		<u>365,000</u>	<u>16,575</u>	<u>381,575</u>
<u>2021A General Obligation Bond- 2010A EDA Refunding</u>				
2025	3.00%	155,000	12,225	167,225
2026	3.00%	160,000	7,500	167,500
2027	3.00%	170,000	2,550	172,550
Sub-total		<u>485,000</u>	<u>22,275</u>	<u>507,275</u>
<u>General Obligation Refunding Bonds, Series 2018A</u>				
2025	3.000%	955,000	218,525	1,173,525
2026	3.000%	1,005,000	169,525	1,174,525
2027	2.125%	1,060,000	123,200	1,183,200
2028	2.250%	1,100,000	85,500	1,185,500
2029	3.000%	1,135,000	51,975	1,186,975
2030	3.000%	1,165,000	17,475	1,182,475
Sub-total		<u>6,420,000</u>	<u>666,200</u>	<u>7,086,200</u>
Total General Obligation Refunding Bonds		<u>\$ 7,270,000</u>	<u>\$ 705,050</u>	<u>\$ 7,975,050</u>

City of Brooklyn Park  
Schedule of Long-Term Debt Issues Payable  
December 31, 2024

Other Debt				
Year	Interest Rate	Principal	Interest	Total
<u>Notes Payable - Sac Loan Met Council</u>				
2025	2.25%	\$ 7,018	\$ 235	\$ 7,253
2026	2.25%	2,183	125	2,308
2027	2.25%	1,590	88	1,678
2028	2.25%	1,624	54	1,678
2029	2.25%	1,658	19	1,677
Sub-total		<u>14,073</u>	<u>521</u>	<u>14,594</u>
Total other debt		<u>\$ 14,073</u>	<u>\$ 521</u>	<u>\$ 14,594</u>
Total long term debt issues payable		<u>\$ 27,909,073</u>	<u>\$ 3,767,993</u>	<u>\$ 31,677,066</u>

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**City of Brooklyn Park**  
**Combining Balance Sheet by Subfund -**  
**Economic Development Authority**  
**December 31, 2024**

	EDA General Activities	EDA Rehab Loan Program	MN Housing Pilot Grant Fund	EDA Foreclosure Loan Program
<b>Assets</b>				
Cash and investments	\$ 4,174,546	\$ 2,951,912	\$ 28,787	\$ -
Cash with a fiscal agent	-	-	-	-
Accrued interest	24,915	14,462	141	-
Accounts receivable	67,854	40,623	-	-
Taxes receivable	11,217	-	-	-
Lease receivable	-	-	-	-
Special assessments - delinquent	-	-	-	-
Special assessments - deferred	-	-	-	-
Due from other funds	910,936	-	-	-
Prepaid expenses	1,569	-	-	-
Land held for resale	3,120,868	-	-	-
Notes receivable	32,539	3,880,229	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 8,344,444</u>	<u>\$ 6,887,226</u>	<u>\$ 28,928</u>	<u>\$ -</u>
<b>Liabilities</b>				
Accounts payable	\$ 474,339	\$ 84,573	\$ -	\$ -
Contracts payable	6,000	-	-	-
Advances from other funds	(6,822,629)	-	-	-
Customer and contractor deposits	(19,765)	-	-	-
Salaries and benefits payable	34,668	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities	<u>(6,327,387)</u>	<u>84,573</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Deferred inflow related to lease receivable	-	-	-	-
Unavailable revenue - property taxes	11,217	-	-	-
Unavailable revenue - special assessments	-	-	-	-
Unavailable revenue - notes receivable	32,539	3,880,229	-	-
Unavailable revenue - other	-	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total deferred inflows of resources	<u>43,756</u>	<u>3,880,229</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>				
Nonspendable	1,569	-	-	-
Restricted	6,705,262	-	-	-
Committed	7,921,244	2,922,424	28,928	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total fund balances	<u>14,628,075</u>	<u>2,922,424</u>	<u>28,928</u>	<u>-</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,344,444</u>	<u>\$ 6,887,226</u>	<u>\$ 28,928</u>	<u>\$ -</u>

(Continued)

<u>EDA Townhome Loan Program</u>	<u>EDA - HIA Program</u>	<u>EDA Housing Set Aside Fund</u>	<u>EDA Transitional Housing</u>	<u>EDA Northwind Plaza</u>	<u>EDA Target Abatement</u>
\$ -	\$ 972,280	\$ 5,122,005	\$ 63,768	\$ 273,679	\$ 1,002,827
-	-	-	248	260,622	-
-	4,763	291,461	313	11,065	4,913
-	-	-	13,107	56,687	-
-	-	-	-	-	-
-	-	-	-	6,599,277	-
-	2,098	-	-	-	-
-	1,336,474	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	6,828,189	-	-	-
<u>\$ -</u>	<u>\$ 2,315,615</u>	<u>\$ 12,241,655</u>	<u>\$ 77,436</u>	<u>\$ 7,201,330</u>	<u>\$ 1,007,740</u>
\$ -	\$ -	\$ -	\$ 12,463	\$ 10,163	\$ 56,433
-	-	-	-	-	-
-	-	-	-	6,822,629	-
-	-	-	2,121	28,970	-
-	-	-	-	-	-
-	-	-	14,584	6,861,762	56,433
-	-	-	-	6,355,063	-
-	-	-	-	-	-
-	1,338,571	-	-	-	-
-	-	6,828,189	-	-	-
-	-	-	581	-	-
-	1,338,571	6,828,189	581	6,355,063	-
-	-	-	-	-	-
-	977,044	-	-	(6,015,495)	951,307
-	-	5,413,466	62,271	-	-
-	977,044	5,413,466	62,271	(6,015,495)	951,307
<u>\$ -</u>	<u>\$ 2,315,615</u>	<u>\$ 12,241,655</u>	<u>\$ 77,436</u>	<u>\$ 7,201,330</u>	<u>\$ 1,007,740</u>

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**City of Brooklyn Park  
Combining Balance Sheet by Subfund -  
Economic Development Authority  
December 31, 2024**

(Continued)

	EDA-Doran Abatement	EDA Grants	Total
<b>Assets</b>			
Cash and investments	\$ 427,920	\$ 58,361	\$ 15,076,085
Cash with a fiscal agent	-	-	260,870
Accrued interest	2,097	-	354,130
Accounts receivable	-	-	178,271
Taxes receivable	-	-	11,217
Lease receivable	-	-	6,599,277
Special assessments - delinquent	-	-	2,098
Special assessments - deferred	-	-	1,336,474
Due from other funds	-	-	910,936
Prepaid expenses	-	-	1,569
Land held for resale	-	-	3,120,868
Notes receivable	-	-	10,740,957
	<u>\$ 430,017</u>	<u>\$ 58,361</u>	<u>\$ 38,592,752</u>
<b>Liabilities</b>			
Accounts payable	\$ 326,861	\$ -	\$ 964,832
Contracts payable	-	14,640	20,640
Advances from other funds	-	-	-
Customer and contractor deposits	-	-	11,326
Salaries and benefits payable	-	-	34,668
Total liabilities	<u>326,861</u>	<u>14,640</u>	<u>1,031,466</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflow related to lease receivable	-	-	6,355,063
Unavailable revenue - property taxes	-	-	11,217
Unavailable revenue - special assessments	-	-	1,338,571
Unavailable revenue - notes receivable	-	-	10,740,957
Unavailable revenue - other	-	-	581
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>18,446,389</u>
<b>Fund Balances</b>			
Nonspendable	-	-	1,569
Restricted	103,156	43,721	2,764,995
Committed	-	-	16,348,333
Total fund balances	<u>103,156</u>	<u>43,721</u>	<u>19,114,897</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 430,017</u>	<u>\$ 58,361</u>	<u>\$ 38,592,752</u>

**City of Brooklyn Park**  
**Combining Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balances by Subfund - Economic Development Authority**  
**Year Ended December 31, 2024**

	<u>EDA General Activities</u>	<u>EDA Rehab Loan Program</u>	<u>MN Housing Pilot Grant Fund</u>	<u>EDA Foreclosure Loan Program</u>
<b>Revenues</b>				
General property taxes	\$ 2,522,837	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Intergovernmental	-	-	-	-
Refunds and reimbursements	13,000	-	-	-
Charges for services	300	-	-	-
Investment income	118,338	118,197	(5)	(20,668)
Net change in fair value of investments	36,123	20,968	204	-
Lease income	7,500	-	-	-
Other revenue	36,172	294,485	-	-
Total revenues	<u>2,734,270</u>	<u>433,650</u>	<u>199</u>	<u>(20,668)</u>
<b>Expenditures</b>				
Current				
Community development	2,118,749	1,543,149	13	-
Debt service				
Interest and other charges	-	-	-	-
Total expenditures	<u>2,118,749</u>	<u>1,543,149</u>	<u>13</u>	<u>-</u>
Excess of revenues over (under) expenditures	615,521	(1,109,499)	186	(20,668)
<b>Other Financing Sources (Uses)</b>				
Transfers in	82,833	3,962,473	-	-
Transfers out	(511,144)	-	-	(4,035,006)
Total other financing sources (uses)	<u>(428,311)</u>	<u>3,962,473</u>	<u>-</u>	<u>(4,035,006)</u>
Net change in fund balances	187,210	2,852,974	186	(4,055,674)
<b>Fund Balances</b>				
Beginning of year	14,440,865	69,450	28,742	4,055,674
Prior period adjustments (see Note 14)	-	-	-	-
Beginning of year, restated	<u>14,440,865</u>	<u>69,450</u>	<u>28,742</u>	<u>4,055,674</u>
End of year	<u>\$ 14,628,075</u>	<u>\$ 2,922,424</u>	<u>\$ 28,928</u>	<u>\$ -</u>

(Continued)

EDA Townhome Loan Program	EDA - HIA Program	EDA Housing Set Aside Fund	EDA Transitional Housing	EDA Northwind Plaza	EDA Target Abatement
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,000
-	221,665	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(9,954)	28,978	177,323	1,882	7,943	28,306
-	6,906	36,383	453	1,944	7,123
-	-	-	24,932	936,286	-
-	25	206,633	300	-	-
<u>(9,954)</u>	<u>257,574</u>	<u>420,339</u>	<u>27,567</u>	<u>946,173</u>	<u>150,429</u>
-	2,307	2,215,701	34,055	472,553	3,343
-	-	-	22	-	112,866
<u>-</u>	<u>2,307</u>	<u>2,215,701</u>	<u>34,077</u>	<u>472,553</u>	<u>116,209</u>
(9,954)	255,267	(1,795,362)	(6,510)	473,620	34,220
-	1,943,502	-	-	-	-
<u>(1,943,502)</u>	<u>-</u>	<u>(25,110)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(1,943,502)</u>	<u>1,943,502</u>	<u>(25,110)</u>	<u>-</u>	<u>-</u>	<u>-</u>
(1,953,456)	2,198,769	(1,820,472)	(6,510)	473,620	34,220
1,953,456	(1,221,725)	7,233,938	68,781	(6,489,115)	917,087
-	-	-	-	-	-
<u>1,953,456</u>	<u>(1,221,725)</u>	<u>7,233,938</u>	<u>68,781</u>	<u>(6,489,115)</u>	<u>917,087</u>
<u>\$ -</u>	<u>\$ 977,044</u>	<u>\$ 5,413,466</u>	<u>\$ 62,271</u>	<u>\$ (6,015,495)</u>	<u>\$ 951,307</u>

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**City of Brooklyn Park**  
**Combining Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balances by Subfund - Economic Development Authority**  
**Year Ended December 31, 2024**

(Continued)

	EDA-Doran Abatement	EDA Grants	Total
<b>Revenues</b>			
General property taxes	\$ 600,000	\$ -	\$ 3,237,837
Special assessments	-	-	221,665
Intergovernmental	-	550,127	550,127
Refunds and reimbursements	-	-	13,000
Charges for services	-	-	300
Investment income	5,210	-	455,550
Net increase in fair value of investments	3,040	-	113,144
Lease income	-	-	968,718
Other revenue	-	-	537,615
Total revenues	<u>608,250</u>	<u>550,127</u>	<u>6,097,956</u>
<b>Expenditures</b>			
Current			
Community development	536,030	97,587	7,023,487
Debt service			
Interest and other charges	117,881	-	230,769
Total expenditures	<u>653,911</u>	<u>97,587</u>	<u>7,254,256</u>
Excess of revenues over (under) expenditures	(45,661)	452,540	(1,156,300)
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	-	5,988,808
Transfers out	-	-	(6,514,762)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(525,954)</u>
Net change in fund balances	(45,661)	452,540	(1,682,254)
<b>Fund Balances</b>			
Beginning of year	148,817	91,181	21,297,151
Prior period adjustments (see Note 14)	-	(500,000)	(500,000)
Beginning of year	<u>148,817</u>	<u>(408,819)</u>	<u>20,797,151</u>
End of year	<u>\$ 103,156</u>	<u>\$ 43,721</u>	<u>\$ 19,114,897</u>

**City of Brooklyn Park**  
**Combining Balance Sheet by Subfund -**  
**Tax Increment Financing**  
**December 31, 2024**

	Tax Increment District #3	Tax Increment District #17	Tax Increment District #18	Tax Increment District #20
<b>Assets</b>				
Cash and investments	\$ 9,816,032	\$ 356,349	\$ 1,682,808	\$ 138,279
Accrued interest	70,620	-	8,245	677
Taxes receivable - delinquent	-	-	-	21,626
Accounts receivable	4,907	-	1,988	-
Land held for resale	7,480,349	-	-	1,598,982
Notes receivable	-	763,749	660,164	477,500
Allowance for uncollectible accounts	-	(763,749)	(660,164)	(477,500)
<b>Total assets</b>	<b>\$ 17,371,908</b>	<b>\$ 356,349</b>	<b>\$ 1,693,041</b>	<b>\$ 1,759,564</b>
<b>Liabilities</b>				
Accounts payable	-	-	8,998	-
Advances from other funds	(345,420)	-	-	345,420
<b>Total liabilities</b>	<b>(345,420)</b>	<b>-</b>	<b>8,998</b>	<b>345,420</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - property taxes	-	-	-	21,626
<b>Fund Balances</b>				
Restricted	17,717,328	356,349	1,684,043	1,392,518
<b>Total liabilities, deferred inflow of resources, and fund balances</b>	<b>\$ 17,371,908</b>	<b>\$ 356,349</b>	<b>\$ 1,693,041</b>	<b>\$ 1,759,564</b>

<u>Tax Increment District #24</u>	<u>Tax Increment District #26</u>	<u>Total</u>
\$ 15,406	\$ 84,728	\$ 12,093,602
75	415	80,032
-	-	21,626
-	711	7,606
-	-	9,079,331
-	-	1,901,413
-	-	(1,901,413)
<u>\$ 15,481</u>	<u>\$ 85,854</u>	<u>\$ 21,282,197</u>
-	67,860	76,858
-	-	-
-	<u>67,860</u>	<u>76,858</u>
-	-	<u>21,626</u>
<u>15,481</u>	<u>17,994</u>	<u>21,183,713</u>
<u>\$ 15,481</u>	<u>\$ 85,854</u>	<u>\$ 21,282,197</u>

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**City of Brooklyn Park**  
**Combining Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balances by Subfund - Tax Increment Financing**  
**Year Ended December 31, 2024**

	Tax Increment District #3	Tax Increment District #17	Tax Increment District #18	Tax Increment District #20
<b>Revenues</b>				
Tax increments	\$ -	\$ -	\$ -	\$ 1,215,735
Investment income	508,445	-	50,222	5,875
Net change in fair value of investments	102,387	-	11,953	982
Other revenue	75,015	(390)	(421)	-
Total revenues	<u>685,847</u>	<u>(390)</u>	<u>61,754</u>	<u>1,222,592</u>
<b>Expenditures</b>				
Current				
Community development	29,059	117	67,330	61
Debt service				
Interest and other charges	-	-	-	75,015
Capital outlay				
Community development	11,350	-	-	-
Total expenditures	<u>40,409</u>	<u>117</u>	<u>67,330</u>	<u>75,076</u>
Excess of revenues over (under) expenditures	645,438	(507)	(5,576)	1,147,516
<b>Fund Balances</b>				
Beginning of year, as previously stated	16,571,890	356,856	1,689,619	245,002
Prior period adjustments (see Note 14)	500,000	-	-	-
Beginning of year, as restated	<u>17,071,890</u>	<u>356,856</u>	<u>1,689,619</u>	<u>245,002</u>
End of year	<u>\$ 17,717,328</u>	<u>\$ 356,349</u>	<u>\$ 1,684,043</u>	<u>\$ 1,392,518</u>

Tax Increment District #24	Tax Increment District #26	Total
\$ -	\$ 142,864	\$ 1,358,599
(1,498)	604	563,648
109	602	116,033
-	-	74,204
<u>(1,389)</u>	<u>144,070</u>	<u>2,112,484</u>
291,675	124,028	512,270
-	11,729	86,744
-	-	11,350
<u>291,675</u>	<u>135,757</u>	<u>610,364</u>
(293,064)	8,313	1,502,120
308,545	9,681	19,181,593
-	-	500,000
<u>308,545</u>	<u>9,681</u>	<u>19,681,593</u>
<u>\$ 15,481</u>	<u>\$ 17,994</u>	<u>\$ 21,183,713</u>

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STATISTICAL SECTION

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**City of Brooklyn Park  
Statistical Summary**

This part of the City of Brooklyn 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 government's overall financial health.

<b>Contents</b>	<b>Pages</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	175-183
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	184-1890
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	191-194
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	195-203

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

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**City of Brooklyn Park  
Net Position by Component  
Last Ten Fiscal Years**

**Table 1**

	Fiscal Years				
	2015	2016	2017	2018	2019
<b>Governmental activities</b>					
Net investment in capital assets	\$ 139,442,647	\$ 140,831,106	\$ 137,434,431	\$ 138,539,221	\$ 141,862,073
Restricted	36,171,978	37,351,263	30,566,088	32,238,199	32,878,555
Unrestricted	49,540,522	46,999,331	65,208,598	62,766,233	59,894,380
<b>Total governmental activities net position</b>	<b>\$ 225,155,147</b>	<b>\$ 225,181,700</b>	<b>\$ 233,209,117</b>	<b>\$ 233,543,653</b>	<b>\$ 234,635,008</b>
<b>Business - type activities</b>					
Net investment in capital assets	\$ 117,769,644	\$ 117,450,394	\$ 115,610,153	\$ 114,563,747	\$ 114,637,111
Restricted	-	-	-	-	-
Unrestricted	42,235,376	42,669,978	43,571,003	46,231,395	50,990,125
<b>Total business - type activities net position</b>	<b>\$ 160,005,020</b>	<b>\$ 160,120,372</b>	<b>\$ 159,181,156</b>	<b>\$ 160,795,142</b>	<b>\$ 165,627,236</b>
<b>Primary government</b>					
Net investment in capital assets	\$ 257,212,291	\$ 258,281,500	\$ 253,044,584	\$ 253,102,968	\$ 256,499,184
Restricted	36,171,978	37,351,263	30,566,088	32,238,199	32,878,555
Unrestricted	91,775,898	89,669,309	108,779,601	108,997,628	110,884,505
<b>Total primary government net position</b>	<b>\$ 385,160,167</b>	<b>\$ 385,302,072</b>	<b>\$ 392,390,273</b>	<b>\$ 394,338,795</b>	<b>\$ 400,262,244</b>
	Fiscal Years				
	2020	2021	2022	2023	2024
<b>Governmental activities</b>					
Net Investment in capital assets	\$ 167,001,723	\$ 172,268,275	\$ 180,072,815	\$ 188,681,980	\$ 202,322,231
Restricted	34,233,794	37,917,320	28,383,172	30,891,876	34,522,060
Unrestricted	70,298,358	70,977,115	69,425,324	83,632,992	93,499,210
<b>Total governmental activities net position</b>	<b>\$ 271,533,875</b>	<b>\$ 281,162,710</b>	<b>\$ 277,881,311</b>	<b>\$ 303,206,848</b>	<b>\$ 330,343,501</b>
<b>Business - type activities</b>					
Net Investment in capital assets	\$ 112,859,370	\$ 113,902,622	\$ 114,451,276	\$ 115,345,192	\$ 113,850,476
Restricted	-	-	-	-	-
Unrestricted	55,982,819	62,144,537	58,616,584	54,653,624	58,501,624
<b>Total business - type activities net position</b>	<b>\$ 168,842,189</b>	<b>\$ 176,047,159</b>	<b>\$ 173,067,860</b>	<b>\$ 169,998,816</b>	<b>\$ 172,352,100</b>
<b>Primary government</b>					
Net Investment in capital assets	\$ 279,861,093	\$ 286,170,897	\$ 294,524,091	\$ 304,027,172	\$ 316,172,707
Restricted	34,233,794	37,917,320	28,383,172	30,891,876	34,522,060
Unrestricted	126,281,177	133,121,652	128,041,908	138,286,616	152,000,834
<b>Total primary government net position</b>	<b>\$ 440,376,064</b>	<b>\$ 457,209,869</b>	<b>\$ 450,949,171</b>	<b>\$ 473,205,664</b>	<b>\$ 502,695,601</b>

**City of Brooklyn Park  
Change in Net Position  
Last Ten Fiscal Years**

	Fiscal Years			
	2015	2016	2017	2018
<b>Expenses</b>				
<b>Governmental activities</b>				
General government	\$ 6,107,751	\$ 7,980,460	\$ 8,658,872	\$ 6,201,773
Public safety	27,712,675	34,551,236	32,734,865	30,218,989
Public works	13,907,790	11,463,579	10,542,667	14,341,136
Recreation and parks	9,433,277	9,793,694	10,764,266	10,729,393
Community development	10,263,247	6,247,335	9,746,885	4,521,550
Debt service	831,960	1,254,189	1,178,592	1,444,969
Total governmental activities expenses	<u>68,256,700</u>	<u>71,290,493</u>	<u>73,626,147</u>	<u>67,457,810</u>
<b>Business-type activities</b>				
Public Utilities	15,650,525	15,716,700	16,865,615	14,762,231
Storm sewer	2,115,189	1,741,462	2,181,443	1,523,603
Street/signal light	1,430,561	1,100,226	1,261,121	2,012,587
Recreation	2,126,413	2,161,213	2,119,943	2,393,094
Park Dome	-	-	-	-
Total business-type activities	<u>21,322,688</u>	<u>20,719,601</u>	<u>22,428,122</u>	<u>20,691,515</u>
Total primary government expenses	<u>\$ 89,579,388</u>	<u>\$ 92,010,094</u>	<u>\$ 96,054,269</u>	<u>\$ 88,149,325</u>
<b>Program Revenues</b>				
<b>Governmental activities</b>				
<b>Charges for services</b>				
General government	\$ 1,508,406	\$ 814,208	\$ 694,235	\$ 570,939
Public safety	3,833,526	1,048,481	4,782,486	3,809,349
Public works	1,930,695	729,520	86,689	220,347
Recreation and parks	2,246,276	2,482,240	2,531,445	2,104,694
Community development	2,835,423	3,069,595	274,948	252,781
Debt service	225,773	-	-	-
Operating grants and contributions	6,054,834	3,201,839	6,114,529	3,565,032
Capital grants and contributions	3,632,120	5,019,121	3,139,549	2,827,626
Total governmental activities program revenues	<u>22,267,053</u>	<u>16,365,004</u>	<u>17,623,881</u>	<u>13,350,768</u>
<b>Business-type activities</b>				
<b>Charges for services</b>				
Public utilities	14,902,097	14,819,781	15,708,538	16,398,413
Storm sewer	1,361,143	1,386,053	1,507,208	1,780,407
Street/signal light	1,287,095	1,306,896	1,364,988	1,432,517
Recreation	1,980,999	1,661,395	1,626,045	1,862,044
Park Dome	-	-	-	-
Operating grants and contributions	443,920	223,814	196,928	178,720
Capital grants and contributions	13,085	13,085	13,085	278,409
Total business-type activities program revenues	<u>19,988,339</u>	<u>19,411,024</u>	<u>20,416,792</u>	<u>21,930,510</u>
Total primary government program revenues	<u>\$ 42,255,392</u>	<u>\$ 35,776,028</u>	<u>\$ 38,040,673</u>	<u>\$ 35,281,278</u>
<b>Net revenue/(expense)</b>				
Governmental activities	\$ (45,989,647)	\$ (54,925,489)	\$ (56,002,266)	\$ (54,107,042)
Business-type activities	<u>(1,334,349)</u>	<u>(1,308,577)</u>	<u>(2,011,330)</u>	<u>1,238,995</u>
Total primary government net revenue/(expense)	<u>\$ (47,323,996)</u>	<u>\$ (56,234,066)</u>	<u>\$ (58,013,596)</u>	<u>\$ (52,868,047)</u>

Table 2

Fiscal Years					
2019	2020	2021	2022	2023	2024
\$ 7,441,115	\$ 4,852,960	\$ 5,751,344	\$ 7,414,097	\$ 7,795,881	\$ 9,150,996
33,203,569	32,443,864	29,838,874	40,201,629	44,474,642	43,813,838
16,419,427	8,058,835	12,257,408	11,101,115	11,580,003	10,590,995
12,250,707	12,393,771	11,755,184	12,574,475	12,082,036	14,290,924
19,669,932	13,785,669	7,247,401	10,649,373	13,936,596	11,610,793
717,047	1,672,332	1,060,155	1,251,900	1,094,692	720,692
89,701,797	73,207,431	67,910,366	83,192,589	90,963,850	90,178,238
14,708,153	17,901,938	17,305,752	18,525,478	20,318,704	20,918,583
1,702,797	2,075,220	1,859,683	1,975,225	1,887,957	2,193,347
1,120,630	962,637	1,128,771	1,149,623	1,094,251	690,501
3,215,627	2,363,693	2,303,588	2,447,727	2,661,499	2,630,419
2,310	152,745	176,633	231,057	205,777	254,867
20,749,517	23,456,233	22,774,427	24,329,110	26,168,188	26,687,717
\$ 110,451,314	\$ 96,663,664	\$ 90,684,793	\$ 107,521,699	\$ 117,132,038	\$ 116,865,955
\$ 808,507	\$ 460,727	\$ 649,619	\$ 511,003	\$ 788,211	\$ 1,053,484
4,320,580	3,309,640	4,913,074	3,752,655	4,450,706	3,984,850
159,381	285,093	176,370	263,981	173,349	520,234
2,710,948	1,227,412	2,657,299	2,805,470	2,414,684	2,419,496
281,787	251,083	270,882	329,417	290,170	519,547
-	-	-	-	-	-
3,929,872	13,247,568	3,611,376	5,044,806	11,436,697	7,177,198
15,067,040	17,121,882	7,738,715	3,417,570	5,412,227	4,933,649
27,278,115	35,903,405	20,017,335	16,124,902	24,966,044	20,608,458
16,815,855	17,767,216	21,063,789	19,985,749	22,386,431	21,761,915
2,013,905	2,187,068	2,421,904	2,665,047	2,717,586	2,977,069
1,462,390	1,517,262	1,605,542	1,686,981	1,764,435	1,814,569
1,985,883	2,126,311	2,380,942	2,259,983	2,542,279	2,747,799
-	123,310	239,999	358,927	300,309	411,018
201,462	125,004	121,346	19,585	159,075	399,397
-	-	-	-	-	-
22,479,495	23,846,171	27,833,522	26,976,272	29,870,115	30,111,767
\$ 49,757,610	\$ 59,749,576	\$ 47,850,857	\$ 43,101,174	\$ 54,836,159	\$ 50,720,225
\$ (62,423,682)	\$ (37,304,026)	\$ (47,893,031)	\$ (67,067,687)	\$ (65,997,806)	\$ (69,569,780)
1,729,978	389,938	5,059,095	2,647,162	3,701,927	3,424,050
\$ (60,693,704)	\$ (36,914,088)	\$ (42,833,936)	\$ (64,420,525)	\$ (62,295,879)	\$ (66,145,730)

**City of Brooklyn Park  
Change in Net Position  
Last Ten Fiscal Years**

	Fiscal Years			
	2015	2016	2017	2018
<b>General Revenues and Other Changes in Net Position</b>				
<b>Governmental activities</b>				
Property taxes	\$ 40,310,221	\$ 44,461,966	\$ 49,301,026	\$ 46,781,669
Franchise Fees	-	4,468,041	5,732,536	5,879,239
Grants and contributions not restricted to specific programs	1,063,353	1,194,826	1,213,077	1,375,913
Interest and investment earnings	1,660,926	1,678,385	1,659,708	2,346,558
Gain on disposal of assets	66,709	423,636	47,553	47,426
Other revenue	54,997	2,916,443	5,986,783	2,400,260
Extraordinary item: storm damage recovery	-	-	-	-
Transfers	(3,551,470)	(191,256)	89,000	48,450
Total governmental activities	<u>39,604,736</u>	<u>54,952,041</u>	<u>64,029,683</u>	<u>58,879,515</u>
<b>Business-type activities</b>				
Property taxes	-	-	-	3,000
Interest and investment earnings	498,995	432,082	423,731	301,722
Gain on disposal of assets	8,539	9,749	-	2,000
Other revenue	15,848	790,842	737,383	420,168
Extraordinary item: storm damage recovery	-	-	-	-
Transfers	3,551,470	191,256	(89,000)	(48,450)
Total business-type activities	<u>4,074,852</u>	<u>1,423,929</u>	<u>1,072,114</u>	<u>678,440</u>
Total primary government	<u>\$ 43,679,588</u>	<u>\$ 56,375,970</u>	<u>\$ 65,101,797</u>	<u>\$ 59,557,955</u>
<b>Change in Net Position</b>				
Governmental activities	\$ (6,384,911)	\$ 26,552	\$ 8,027,417	\$ 26,553
Business-type activities	<u>2,740,503</u>	<u>115,352</u>	<u>(939,216)</u>	<u>115,352</u>
Total primary government	<u>\$ (3,644,408)</u>	<u>\$ 141,904</u>	<u>\$ 7,088,201</u>	<u>\$ 141,905</u>

Table 2 (Continued)

Fiscal Years					
2019	2020	2021	2022	2023	2024
\$ 48,805,072	\$ 52,131,965	\$ 50,785,690	\$ 54,871,473	\$ 58,579,036	\$ 66,180,797
5,999,001	6,133,456	6,208,226	4,678,563	7,142,879	5,402,678
1,382,144	7,618,444	1,848,236	4,552,316	4,194,147	4,886,750
5,312,959	5,319,896	(869,617)	(8,155,852)	5,885,001	5,527,626
76,575	3,127	350,806	236,965	281,179	482,509
2,590,693	3,414,377	1,449,404	4,574,412	5,011,561	6,250,740
-	-	-	-	-	-
(982,512)	(6,863)	(2,250,879)	2,083,457	10,229,540	3,700,380
<u>63,183,932</u>	<u>74,614,402</u>	<u>57,521,866</u>	<u>62,841,334</u>	<u>91,323,343</u>	<u>92,431,480</u>
-	-	-	-	-	-
1,827,336	2,087,439	(708,990)	(4,169,268)	2,761,829	1,697,603
-	-	31,827	17,707	57,742	21,985
269,628	730,713	572,159	608,557	638,998	910,026
-	-	-	-	-	-
982,512	6,863	2,250,879	(2,083,457)	(10,229,540)	(3,700,380)
<u>3,079,476</u>	<u>2,825,015</u>	<u>2,145,875</u>	<u>(5,626,461)</u>	<u>(6,770,971)</u>	<u>(1,070,766)</u>
<u>\$ 66,263,408</u>	<u>\$ 77,439,417</u>	<u>\$ 59,667,741</u>	<u>\$ 57,214,873</u>	<u>\$ 84,552,372</u>	<u>\$ 91,360,714</u>
\$ 760,250	\$ 37,310,376	\$ 9,628,835	\$ (4,226,353)	\$ 25,325,537	\$ 22,861,700
4,809,454	3,214,953	7,204,970	(2,979,299)	(3,069,044)	2,353,284
<u>\$ 5,569,704</u>	<u>\$ 40,525,329</u>	<u>\$ 16,833,805</u>	<u>\$ (7,205,652)</u>	<u>\$ 22,256,493</u>	<u>\$ 25,214,984</u>

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**City of Brooklyn Park**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**

**Table 3**

	Fiscal Years				
	2015	2016	2017	2018	2019
General fund					
Nonspendable	\$ 143,458	\$ 23,892	\$ 56,985	\$ 19,996	\$ 42,374
Unassigned	17,037,648	17,040,497	19,808,615	19,084,566	21,878,246
Total general fund	<u>\$ 17,181,106</u>	<u>\$ 17,064,389</u>	<u>\$ 19,865,600</u>	<u>\$ 19,104,562</u>	<u>\$ 21,920,620</u>
All other governmental funds					
Nonspendable	\$ 11,661	\$ 7,907	\$ 6,835	\$ 5,847	\$ 5,847
Restricted	39,300,557	39,730,987	29,134,590	29,958,501	29,958,501
Committed	30,562,802	34,975,677	51,118,841	54,831,323	54,831,323
Assigned	16,572,305	17,025,951	18,158,368	17,860,540	17,860,540
Unassigned	(105,440)	(452,531)	(1,387)	(21,274)	(21,274)
Total all other governmental funds	<u>\$ 86,341,885</u>	<u>\$ 91,287,991</u>	<u>\$ 98,417,247</u>	<u>\$ 102,634,937</u>	<u>\$ 102,634,937</u>
	Fiscal Years				
	2020	2021	2022	2023	2024
General fund					
Nonspendable	\$ 87,313	\$ 100,907	\$ 57,917	\$ 50,929	\$ 73,704
Unassigned	25,956,166	27,688,224	26,733,137	29,821,897	35,163,621
Total general fund	<u>\$ 26,043,479</u>	<u>\$ 27,789,131</u>	<u>\$ 26,791,054</u>	<u>\$ 29,872,826</u>	<u>\$ 35,237,325</u>
All other governmental funds					
Nonspendable	\$ (8,262)	\$ 60,616	\$ 103,413	\$ 16,109	\$ 6,729
Restricted	31,933,079	37,762,482	28,299,521	31,052,953	34,543,999
Committed	51,784,047	53,210,030	58,651,671	70,445,826	70,109,545
Assigned	16,212,152	2,851,142	3,357,507	3,611,412	3,946,552
Unassigned	(2,011,119)	798,447	(71,655)	(659,118)	(1,318,646)
Total all other governmental funds	<u>\$ 97,909,897</u>	<u>\$ 94,682,717</u>	<u>\$ 90,340,457</u>	<u>\$ 104,467,182</u>	<u>\$ 107,288,179</u>

**City of Brooklyn Park**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**

	Fiscal Years			
	2015	2016	2017	2018
<b>Revenues</b>				
General property taxes (including tax increments)	\$ 41,093,575	\$ 42,989,700	\$ 45,499,266	\$ 46,465,526
Franchise fees	-	4,468,041	5,732,536	5,879,239
Special assessments	1,894,665	1,037,919	954,594	1,030,126
Interest on special assessments	149,917	75,607	92,817	14,065
Licenses and permits	2,885,834	3,393,690	4,199,790	3,160,661
Fines and forfeitures	507,472	388,255	501,779	337,928
Intergovernmental revenue	7,993,264	7,537,795	9,902,918	7,678,051
Donations	144,054	1,870,815	102,818	282,458
Refunds and reimbursements	422,329	691,627	329,067	307,967
Charges for services	3,827,002	3,310,082	4,139,802	3,896,573
Investment income	1,576,038	1,863,784	1,328,262	2,094,184
Developers repayment	402,450	368,060	212,231	30,000
Lease income	382,190	360,390	401,463	434,575
Other revenue	4,646,726	3,769,499	2,280,930	1,587,347
Total revenues	<u>65,925,516</u>	<u>72,125,264</u>	<u>75,678,273</u>	<u>73,198,700</u>
<b>Expenditures</b>				
Current				
General government	4,996,310	5,684,180	5,664,373	5,841,272
Community development	9,620,462	5,930,634	9,453,496	4,710,679
Public safety	26,972,399	27,748,533	28,942,676	29,886,138
Public works	8,839,720	7,338,741	6,363,771	6,702,223
Recreation and parks	8,423,590	8,288,869	9,117,984	9,453,563
Debt service				
Principal	2,832,266	4,130,708	3,705,000	3,865,000
Interest and fiscal charges	885,823	1,747,471	1,519,560	1,451,856
Capital outlay	11,352,455	9,361,605	8,273,163	8,258,462
Total expenditures	<u>73,923,025</u>	<u>70,230,741</u>	<u>73,040,023</u>	<u>70,169,193</u>
Excess (deficiency) of revenues over (under) expenditures	(7,997,509)	1,894,523	2,638,250	3,029,507
<b>Other financing sources (uses)</b>				
Lease issuance	-	-	-	-
Transfers from other funds	3,516,207	7,049,898	18,995,257	10,278,631
Transfers to other funds	(4,184,852)	(8,642,898)	(19,398,704)	(10,936,486)
Issuance of debt	-	7,860,000	7,320,000	-
Premium from the issuance of debt	-	197,162	375,664	-
Payment to refunding agent	-	(3,935,000)	-	-
Proceeds from sale of capital assets	-	-	-	1,085,000
Proceeds from the disposal of capital assets	725	405,704	-	-
Total other financing sources (uses)	<u>(667,920)</u>	<u>2,934,866</u>	<u>7,292,217</u>	<u>427,145</u>
Prior Period Adjustment	1,122,239	-	-	-
Net change in fund balances	<u>\$ (8,665,429)</u>	<u>\$ 4,829,389</u>	<u>\$ 9,930,467</u>	<u>\$ 3,456,652</u>
Debt service as a percentage of noncapital expenditures	5.94%	9.66%	8.07%	8.16%

Table 4

Fiscal Years					
2019	2020	2021	2022	2023	2024
\$ 48,520,789	\$ 50,782,887	\$ 50,757,354	\$ 54,831,840	\$ 58,224,342	\$ 65,970,087
5,999,001	6,133,456	6,208,226	4,678,563	7,142,879	5,402,678
1,022,167	1,220,737	1,583,407	1,751,914	1,484,117	1,042,758
14,505	25,946	10,773	30,679	14,596	23,288
3,667,960	2,765,364	4,839,542	3,691,052	3,588,428	3,486,009
564,059	300,104	301,899	262,123	229,854	302,677
19,315,761	39,940,830	6,570,819	12,922,044	16,760,202	14,768,447
428,483	87,879	76,882	113,653	83,662	65,663
248,425	4,200	1,128	147,169	8,690	44,338
4,215,392	2,285,017	3,506,885	3,428,686	4,007,686	4,403,749
4,495,628	4,883,932	(834,556)	(7,733,497)	5,213,364	5,098,041
-	-	-	-	-	-
338,110	417,273	652,398	1,268,442	1,716,973	1,576,864
1,487,839	1,789,236	2,087,309	1,843,460	1,554,541	1,951,832
90,318,119	110,636,861	75,762,066	77,236,128	100,029,334	104,136,431
6,068,754	6,011,239	5,905,954	6,772,791	7,252,288	8,361,937
18,755,251	13,790,083	7,572,355	10,287,794	12,847,608	11,897,999
31,288,531	32,339,082	32,909,354	35,655,456	38,892,096	42,779,234
9,466,066	4,950,497	7,959,630	5,304,496	5,480,756	5,952,299
10,838,210	9,752,864	14,915,349	10,953,233	12,204,093	11,532,558
3,770,000	2,625,000	2,710,000	2,772,146	3,545,021	2,890,320
1,453,210	1,746,702	1,235,767	1,454,930	1,156,945	989,319
14,944,286	32,589,763	12,410,788	13,183,736	8,985,285	13,956,578
96,584,308	103,805,230	85,619,197	86,384,582	90,364,092	98,360,244
(6,266,189)	6,831,631	(9,857,131)	(9,148,454)	9,665,242	5,776,187
-	-	-	1,583,263	-	-
11,362,756	9,642,432	11,304,808	12,058,340	28,299,093	12,707,782
(12,382,033)	(9,595,940)	(13,684,553)	(10,153,084)	(20,769,958)	(10,311,367)
4,470,000	-	9,200,000	-	-	-
304,154	-	666,619	-	-	-
-	-	(1,855,000)	-	-	-
1,100	3,127	-	-	14,120	12,894
-	-	-	-	-	-
3,755,977	49,619	5,631,874	3,488,519	7,543,255	2,409,309
-	-	-	1,317,675	-	-
\$ (2,510,212)	\$ 6,881,250	\$ (4,225,257)	\$ (4,342,260)	\$ 17,208,497	\$ 8,185,496
6.13%	6.10%	5.67%	5.77%	5.85%	4.58%

**City of Brooklyn Park**  
**Taxable and Estimated Market Values of Taxable Property**  
**Last Ten Fiscal Yars**

**Table 5**

Fiscal Year Ended December 31,	Real Property			Personal Property	Total Taxable Assessed and Actual Value	Total Direct Tax Rate
	Residential Property	Commercial Property	Farm Property			
2015	\$ 4,642,681,800	\$ 1,123,596,500	\$ 45,685,000	\$ 48,607,800	\$ 5,860,571,100	56.136%
2016	4,945,652,900	1,211,501,500	53,036,100	50,988,300	6,261,178,800	55.251%
2017	5,484,640,900	1,332,732,200	41,883,300	53,123,900	6,912,380,300	54.365%
2018*	5,865,043,000	1,360,547,600	33,055,200	58,777,300	7,317,423,100	51.159%
2019	5,508,489,562	1,360,547,600	33,033,188	58,777,300	6,960,847,650	51.869%
2020	6,072,964,216	1,443,835,550	17,764,500	56,090,200	7,590,654,466	48.862%
2021	6,469,278,248	1,552,416,100	32,293,700	59,966,300	8,113,954,348	46.396%
2022	6,843,248,175	1,629,176,800	42,162,600	27,854,500	8,542,442,075	47.523%
2023	8,161,050,285	2,003,551,800	67,313,400	32,787,900	10,264,703,385	42.380%
2024	8,687,878,600	2,313,280,200	55,921,000	30,214,000	11,087,293,800	46.520%

Note: Property in the City of Brooklyn Park is reassessed annually. Property is assessed at actual value; therefore, the assessed values are equal to actual value. Values exclude tax-exempt property.

Table uses prior year to reflect values in the Fiscal Year the tax is payable.

\*2018 uses values for 2019 payable.

Source: Assessing Division, City of Brooklyn Park

**City of Brooklyn Park  
Property Tax Rates - Direct and Overlapping Governments  
Last Ten Fiscal Years**

**Table 6**

Fiscal Year Ended December 31,	City Direct Rates			Overlapping Rates (1)			
	Basic Rate	General Obligation Debt Service	Total Direct	School District No. 11	School District No. 279	School District No. 281	Hennepin County and Other Special Districts
2015	54.501%	1.635%	56.136%	22.482%	27.156%	33.226%	57.797%
2016	53.717%	1.534%	55.251%	20.885%	26.267%	32.662%	56.572%
2017	53.101%	1.264%	54.365%	18.590%	26.730%	31.595%	53.298%
2018	49.826%	1.333%	51.159%	18.392%	24.921%	31.620%	51.781%
2019	50.605%	1.264%	51.869%	16.330%	24.615%	29.909%	48.204%
2020	47.817%	1.045%	48.862%	16.893%	22.008%	26.447%	46.990%
2021	45.446%	0.950%	46.396%	16.087%	22.123%	25.529%	47.129%
2022	46.555%	0.968%	47.523%	16.341%	21.933%	26.507%	47.605%
2023	41.592%	0.788%	42.380%	13.671%	19.640%	24.092%	42.304%
2024	45.756%	0.764%	46.520%	13.592%	23.002%	24.209%	42.670%

Note: Rates

(1) Overlapping rates are those of local and county governments that apply to the property owners within the City of Brooklyn Park. Not all overlapping rates apply to all Brooklyn Park property owners; for example, although Hennepin County property tax rates apply to all city property owners, the School District rates apply only to the city property owners whose property is located within that district's geographic boundaries.

Source: Hennepin County, Final Tax Rate Card

**City of Brooklyn Park  
Principal Property Tax Payers**

**Table 7**

Name	Type of Business	2024			2015		
		2023/2024 Tax Capacity	Rank	Percent of Total Tax Capacity	2014/2015 Tax Capacity	Rank	Percent of Total Tax Capacity
TREA Northpark LLC	I- Industrial	\$ 2,263,042	1	1.70%			
Target Corporation	C- Commercial	2,211,282	2	1.66%	\$ 2,025,880	1	3.36%
Doran 610 Apartments LLC	A- Apartment	1,924,981	3	1.45%			
B9 Polar 610 Commerce LLC	I- Industrial	1,553,137	4	1.17%			
Duke Secured Financing 2009-1ALZ	I- Industrial	1,450,758	5	1.09%			
BPP LLC	I- Industrial	1,276,442	6	0.96%	514,945	3	0.86%
NR 610 Junction LLC	I- Industrial	1,271,281	7	0.95%			
Brooklyn Park Paper LLC	I- Industrial	1,094,523	8	0.82%	370,386	5	0.62%
BCORE Capstone Owner LLC	I- Industrial	1,084,150	9	0.81%			
Minnesota Senior Living LLC	A- Apartment	1,063,141	10	0.80%			
Cretex Med Comp/Dev Tech LLC	I- Industrial	1,009,285	11	0.76%			
Duke Secured Financing LLC	I- Industrial	985,800	12	0.74%			
Sealy Xylon Ave S LLC	I- Industrial	908,180	13	0.68%			
Scannell Properties #259 LLC	I- Industrial	907,288	14	0.68%			
LYK Xylon LLC	I- Industrial	893,857	15	0.67%			
First Industrial LP	I- Industrial	872,463	16	0.66%			
TMIF II Urbana Court LLC	A- Apartment	859,252	17	0.65%			
Aeon BP LLC	HL-Housing Low Incom	834,593	18	0.63%			
NWI Prairiecare Medical LP	C- Commercial	803,334	19	0.60%			
9600 Louisiana LLC	I- Industrial	795,055	20	0.60%			
<b>Total</b>		<b>24,061,844</b>		<b>18.07%</b>	<b>2,911,211</b>		<b>4.84%</b>
<b>Total Tax Capacity</b>		<b>\$ 133,194,385</b>		<b>100.00%</b>	<b>\$ 60,289,821</b>		<b>100.00%</b>

Note: Excludes personal property and fiscal disparities.

Source: Assessing Division, City of Brooklyn Park

**City of Brooklyn Park  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

**Table 8**

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	County Adjustments to Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 39,638,443	\$ (26,218)	\$ 39,600,429	99.90%	\$ 3,787	\$ 39,604,216	99.91%
2016	41,542,687	23,061	41,288,788	99.39%	253,899	41,542,687	100.00% *
2017	43,630,422	(151,308)	43,391,577	99.45%	238,845	43,630,422	100.00% *
2018	45,189,205	(529,408)	44,489,453	99.62%	92,795	44,582,248	99.83%
2019	46,951,382	(79,371)	46,719,721	99.68%	34,479	46,754,200	99.58%
2020	49,783,684	(97,917)	49,474,210	99.38%	239,366	49,713,576	99.86%
2021	49,938,247	(180,352)	49,554,910	99.23%	109,719	49,664,629	99.45%
2022	53,644,808	83,602	53,494,912	99.72%	75,850	53,570,762	99.86%
2023	57,909,155	(365,399)	56,956,940	98.36%	(367,358)	56,589,582	98.34%
2024	64,707,818	(327,675)	64,027,784	98.95%	-	64,027,784	99.45%

\* Updated to reflect County Reports

Source: Finance Department, City of Brooklyn Park

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**City of Brooklyn Park  
Legal Debt Margin Information  
Last Ten Fiscal Years**

**Table 9**

	Fiscal Years				
	2015	2016	2017	2018	2019
Debt limit	\$ 175,817,133	\$ 175,924,308	\$ 184,714,650	\$ 207,492,948	\$ 238,163,816
Total debt applicable to limit	<u>14,500,643</u>	<u>18,320,187</u>	<u>37,290,232</u>	<u>31,730,059</u>	<u>23,327,544</u>
Legal debt margin	<u>\$ 161,316,490</u>	<u>\$ 157,604,121</u>	<u>\$ 147,424,418</u>	<u>\$ 175,762,889</u>	<u>\$ 214,836,272</u>
Total debt applicable to the limit as a percentage of debt limit	8.25%	10.41%	20.19%	15.29%	9.79%

	Fiscal Years				
	2020	2021	2022	2023	2024
Debt limit	\$ 253,245,903	\$ 252,884,292	\$ 265,154,859	\$ 314,713,623	\$ 332,618,814
Total debt applicable to limit	<u>18,266,899</u>	<u>25,922,403</u>	<u>25,636,597</u>	<u>23,726,802</u>	<u>20,658,971</u>
Legal debt margin	<u>\$ 234,979,004</u>	<u>\$ 226,961,889</u>	<u>\$ 239,518,262</u>	<u>\$ 290,986,821</u>	<u>\$ 311,959,843</u>
Total debt applicable to the limit as a percentage of debt limit	7.21%	10.25%	9.67%	7.54%	6.21%

**Legal Debt Margin Calculation for 2024**

Market value	\$11,087,293,800
Debt limit (3% of market value)	<u>332,618,814</u>
Total long - term debt	74,335,940
Less:	
Amount available for retirement of general obligation bonds	\$ (3,262,598)
Premium/Discount not applicable to legal debt margin	(925,283)
Compensated absences & other post employment benefits	(17,168,265)
Net Pension Liability	(27,083,930)
Subtotal	<u>(48,440,076)</u>
Total debt applicable to debt limit	<u>25,895,864</u>
Legal debt margin	<u>\$ 306,722,950</u>

Note: Pursuant to Minnesota State Statutes, the City of Brooklyn Park's outstanding general obligation debt shall not exceed three percent of total taxable market value. Also pursuant to statute, the general obligation debt subject to the limitation may be reduced by amounts set aside for repaying those bonds and debt with a specific source of revenue pledged for the repayment.

**City of Brooklyn Park**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities						
	General Obligation Bonds	Revenue Bonds	Refunding Revenue Bonds	General Obligation State-aid Street Bonds	General Obligation Improvement Bonds	Notes Payable	Leases
2015	\$ 11,515,000	\$ 3,255,000	\$ 1,030,000	\$ 1,080,000	\$ 10,630,000	\$ 30,708	\$ 113,262
2016	7,860,000	3,040,000	7,710,509	-	9,110,000	-	56,631
2017	13,470,000	2,815,000	5,945,000	-	8,720,000	-	-
2018	11,775,000	2,585,000	4,400,000	-	8,325,000	-	-
2019	14,700,000	2,350,000	2,810,000	-	7,925,000	-	-
2020	13,410,000	2,105,000	2,125,000	-	7,520,000	-	-
2021	19,650,000	-	3,040,000	-	7,105,000	-	-
2022	18,525,000	-	2,085,000	-	6,680,000	-	1,515,623
2023	16,700,000	-	1,115,000	-	6,250,000	-	1,096,632
2024	14,820,000	-	850,000	-	5,805,000	-	755,357

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

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

Table 10

Governmental Activities	Business-Type Activities						
Net Unamortized Premiums/ (Discounts)	Revenue Bonds	Leases	Notes Payable	Net Unamortized Premiums/ (Discounts)	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
\$ 224,106	\$ 14,490,000	\$ -	\$ 15,653	\$ -	\$ 42,383,729	1.70%	\$ 526
385,509	13,720,000	-	27,176	-	41,909,825	1.81%	516
713,996	12,930,000	-	26,957	-	44,620,953	1.88%	543
654,766	11,540,000	-	19,809	900,661	40,200,236	1.61%	484
897,431	10,525,000	-	3,832	819,398	40,030,661	1.53%	482
829,250	9,785,000	-	14,816	738,135	36,527,201	1.39%	438
1,401,235	9,005,000	-	35,352	656,873	40,893,460	1.52%	491
1,269,567	8,185,000	-	31,165	575,610	38,866,965	1.22%	425
1,137,899	7,325,000	-	11,597	494,348	34,130,476	1.08%	381
1,006,230	6,420,000	-	14,073	413,085	30,083,745	1.20%	340

**City of Brooklyn Park**  
**Ratios of General Bopded Debt Outstanding**  
**Last Ten Fiscal Years**

Table 11

Fiscal Year	General Obligation Bonds	Less: Amounts Available for Debt Service	Total	Percentage of Taxable Assessed Value of Property (1)	Per Capita (2)
2015	\$ 27,085,000	\$ 4,225,799	\$ 22,859,201	0.42%	\$ 285
2016	30,690,000	4,168,991	26,521,009	0.45%	330
2017	35,120,000	4,944,242	30,175,758	0.44%	373
2018	20,100,000	4,371,439	15,728,561	0.21%	189
2019	22,625,000	4,402,528	18,222,472	0.26%	219
2020	20,930,000	4,714,650	16,215,350	0.21%	194
2021	26,755,000	4,453,024	22,301,976	0.27%	268
2022	25,205,000	4,792,385	20,412,615	0.24%	232
2023	22,950,000	4,287,254	18,662,746	0.18%	215
2024	20,625,000	4,462,177	16,162,823	0.15%	187

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

(1) See the Schedule of Assessed Value and Actual Value of Taxable Property for property value data.

(2) See the Schedule of Demographic and Economic Statistics for population data.

**City of Brooklyn Park**  
**Direct and Overlapping Governmental Activities Debt**  
**As of December 31, 2024**

Table 12

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Anoka Hennepin Independent School District 11	\$ 231,070,000	3.66 %	\$ 8,459,473
Osseo Independent School District 279	383,490,000	32.03	122,831,847
Robbinsdale Independent School District 281	210,670,000	3.51	7,394,517
Hennepin County	1,530,570,000	4.36	66,732,852
Hennepin County Suburban Park District	60,050,000	5.89	3,536,945
Hennepin Regional RR Authority	76,945,000	4.36	3,354,802
Metropolitan Council	<u>1,558,153,207</u>	1.98	<u>30,851,433</u>
Subtotal, overlapping debt	<u>\$ 4,050,948,207</u>		\$ 243,161,869
City of Brooklyn Park direct debt			23,236,587
Total direct and overlapping debt			<u>\$ 266,398,456</u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City of Brooklyn 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 Brooklyn Park. This process recognizes that, when considering the City of Brooklyn Park's ability to issue and repay long-term debt, the entire debt 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) The percentage of overlapping debt is estimated using tax capacity. Applicable percentages were estimated by determining the portion of Hennepin County's tax capacity that is within the City of Brooklyn Park's boundaries and dividing it by Hennepin County's total tax capacity.

Sources: Assessed value data used to estimate applicable percentages provided by the City of Brooklyn Park. Debt outstanding provided by Hennepin County and Anoka County (for Anoka Hennepin Independent School District 11 only).

**City of Brooklyn Park  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

**Table 13**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate (6)
2015	80,215 (8)	\$ 2,497,468,617 (9)	\$ 31,423 (9)	5.3 %
2016	80,450 (9)	2,319,775,750 (9)	28,835 (9)	5.0
2017	80,866 (9)	2,371,638,048 (9)	29,328 (9)	5.4
2018	83,066 (9)	2,494,887,310 (9)	30,035 (9)	4.5
2019	83,066 (9)	2,619,237,366 (9)	31,500 (9)	4.1
2020	83,440 (9)	2,637,013,680 (9)	31,608 (9)	14.1
2021	83,298 (9)	2,694,743,168 (9)	32,355 (9)	5.4
2022	87,928 (9)	3,180,612,276 (9)	36,175 (9)	3.7
2023	86,636 (9)	3,147,981,250 (9)	36,433 (9)	3.8
2024	86,266 (9)	2,504,264,915 (9)	38,610 (9)	3.7

**Sources:**

(6) Department of Employment and Economic Development, State of Minnesota

(8) Metropolitan Council Data

(9) Esri Demographics

**City of Brooklyn Park  
Employment by Industry  
Current Year and Five Years Ago**

**Table 14**

Employment	2024*			5-Year History	
	Employees (1)	Rank	Percentage of Total City Employment (2)	Employee Change	Annual Percentage Change
Manufacturing	8,238	1	24.83%	867	2.3%
Health Care and Social Assistance	4,810	2	14.50%	501	2.2%
Retail Trade	3,513	3	10.59%	98	0.6%
Educational Services	2,820	4	8.50%	-336	-2.2%
Admin and Support and Waste	1,924	5	5.80%	200	2.2%
Accomodation and Food Services	1,661	6	5.01%	153	2.0%
Wholesale Trade	1,564	7	4.71%	35	0.5%
Transportation and Warehousing	1,538	8	4.64%	-40	-0.5%
Professional, Scientific, and Tech	1,427	9	4.30%	203	3.1%
Construction	1,404	10	4.23%	38	0.5%
Other Services (except Public Admin)	1,133	11	3.42%	65	1.2%
Finance and Insurance	866	12	2.61%	298	8.8%
Public Administration	762	13	2.30%	-175	-4.0%
Real Estate and Rental and Leasing	702	14	2.12%	189	6.5%
Management of Companies and Enterprises	493	15	1.49%	-1,082	-20.7%
Arts, Entertainment, and Rec	196	16	0.59%	-21	-2.1%
Information	93	17	0.28%	-21	-4.0%
Agriculture, Forestry, Fishing and Hunting	29	18	0.00%	-13	-7.1%
Utilities	2	19	0.01%	0	4.1%
Mining, Quarrying, and Oil and Gas	1	20	0.00%	-2	-28.9%
<b>Total Industries Listed</b>	<b>33,176</b>		<b>100.01%</b>	<b>957</b>	
<b>Total City Employment (2)</b>	<b>33,174</b>				

**Sources:**

(1) Economic Development Authority, City of Brooklyn Park

(2) JobsEQ

\*Data as of 2023Q3; Figures may not sum due to rounding

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**City of Brooklyn Park**  
**Full-Time City Government Employees by Function**  
**Last Ten Fiscal Years**

Table 15

Function	Fiscal Years									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government	53.66	57.26	57.53	63.94	57.10	62.94	57.79	61.43	58.51	67.35
Community development	30.73	30.48	31.00	31.02	29.54	30.78	30.12	33.47	35.06	34.91
Police	146.56	148.62	144.64	144.60	146.54	147.60	134.76	141.34	142.31	144.37
Fire	43.13	27.69	38.57	38.88	38.31	43.50	50.06	57.95	64.00	0.00
Building inspections	10.99	10.63	10.56	10.79	9.90	7.94	9.14	10.10	9.99	9.00
Engineering	8.26	8.63	10.23	10.31	10.53	10.31	10.29	8.32	9.01	9.09
Operations and maintenance	42.47	33.86	36.75	36.60	36.94	31.86	34.95	33.63	34.56	34.34
Recreation and parks	57.09	53.11	54.33	56.01	55.83	34.16	42.82	43.81	46.08	51.51
Park maintenance	22.72	22.94	23.65	25.12	24.39	23.20	22.90	22.28	22.36	24.30
Ice arena	6.10	9.55	9.46	9.28	9.76	8.41	8.10	7.51	7.72	7.67
Golf courses	18.11	22.25	21.88	20.70	20.25	19.29	20.81	19.72	21.27	20.92
Water	11.29	16.07	16.30	17.34	18.48	18.15	17.71	18.59	18.81	18.73
Sanitary Sewer	3.98	3.99	3.34	2.93	2.05	2.08	2.04	2.00	3.21	2.30
Storm sewer	3.10	2.97	2.00	2.01	2.01	1.42	0.97	1.00	1.00	1.00
<b>Total</b>	<b>458.2</b>	<b>448.1</b>	<b>460.2</b>	<b>469.5</b>	<b>461.6</b>	<b>441.6</b>	<b>442.5</b>	<b>461.2</b>	<b>473.9</b>	<b>425.5</b>

Note: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave).  
Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

Source: Finance Department, City of Brooklyn Park

**City of Brooklyn Park  
Operating Indicators by Function  
Last Ten Fiscal Years**

Function	Fiscal Years			
	2015	2016	2017	2018
<b>Public Safety</b>				
Police				
Calls for service	59,810	59,294	58,903	63,119
Physical arrests	1,548	1,426	961	909
Other arrests	1,605	1,153	1,352	1,477
Parking violations	2,155	3,193	2,347	5,870
Traffic violations	2,201	1,753	1,908	2,326
Fire				
Number of calls answered	8,583	8,957	8,967	9,399
Inspections	923	1349	1653	792
<b>Public Works</b>				
Street maintenance				
Street resurfacing (miles)				
Sealcoating (oil/rocks)	-	22	17	14
Overlay (asphalt)	14.0	14	19.1	13.1
Curb replacement (lineal feet)	8,350	8,195	12,731	4,726
Sidewalk replacement (lineal feet)	1,460	909	505	826
Pothole/sealcoating patching material (tons)	1,748	1,842	1,374	1,053
<b>Recreation and Parks</b>				
Recreation and parks				
Number of room rentals	314	286	310	438
Number of facility/park permits issued	4,822	3,908	91	1,720
Number of swimming pool registrants	1,863	1,797	1,595	1,543
Number of dance registrants	495	839	633	637
Park maintenance				
<b>Water</b>				
Water main breaks	12	19	17	15
Average daily consumption (gallons)	8,200,000	8,348,000	8,190,000	8,320,000
Peak daily consumption (gallons)	17,000,000	17,000,000	17,800,000	18,000,000
Number of accounts	22,950	22,803	22,917	23,053
<b>Sewer</b>				
Average daily sewage treatment (gallons)	5,500,000	5,433,000	5,920,000	5,830,000
<b>Recycling</b>				
Recyclables collected (tons per collection day)	35	34	34	39
<b>Ice Arena</b>				
Number of ice hours sold	3,927	4,041	4,202	4,145
<b>Golf Courses</b>				
Number of rounds sold	46,034	48,195	46,130	45,442
Number of golf lesson registrants	1,066	1,105	1,389	1,761
<b>Storm Sewer</b>				
Catch basin repairs	82	144	102	51
<b>Street / Signal Light</b>				
Signs replaced/repared	405	355	341	448

Note: Indicators are not available for the general government and community development functions.

Source: Various City of Brooklyn Park departments. Note number of golf rounds sold does not reflect all rounds at the course.

Table 16

Fiscal Years					
2019	2020	2021	2022	2023	2024
60,707	53,186	46,404	50,220	43,537	42,436
928	435	492	698	631	652
1,649	1,870	937	953	774	790
3,936	3,447	2,005	2,926	3,074	3,991
2,450	1,197	505	499	741	840
9,908	8,264	8,240	8,998	9,010	8,792
981	692	1030	744	411	706
0	0	0	0	0	0
17.4	16.4	17	14	15.6	15.1
4,048	1,481	2,726	3,430	1,642	3,315
679	509	982	843	1145	771
1,279	912	754	1,035	1,008	983
979	116	414	589	681	602
4,437	1,786	1,807	2,102	2,211	3,007
1,524	380	703	925	1,206	1,395
778	223	551	399	449	523
18	14	25	35	17	31
7,850,000	8,750,000	9,753,000	8,823,000	9,160,000	8,110,000
14,740,000	19,100,000	21,779,000	20,899,000	19,296,000	13,673,000
23,154	23,245	23,307	23,353	23,245	23,423
5,670,000	6,200,000	6,310,000	6,304,000	6,220,000	5,044,517
40	42	34	35	27	36
4,193	2,725	4,457	4,152	4,376	4,351
46,644	60,071	60,624	58,393	64,970	64,726
2,996	5,267	4,485	4,231	4,244	4,788
72	17	34	57	55	45
751	873	524	624	499	235

**City of Brooklyn Park  
Capital Asset Statistics by Function  
Last Ten Fiscal Years**

Function	Fiscal Year						
	2015	2016	2017	2018	2019	2020	2021
<b>Public Safety</b>							
Police							
Number of stations	2	2	2	2	2	2	2
Number of vehicles	78	78	80	80	80	83	87
Fire hydrants							
Number of stations	4	4	4	4	4	4	4
Number of vehicles	21	21	21	21	21	21	21
<b>Public Works</b>							
Street maintenance							
Streets (miles)	263	266	265	266	266	266	266
Sidewalks (miles)	115	117	116	117	117	117	117
Curbs and gutters (miles)	544	544	544	544	544	544	544
<b>Recreation and Parks</b>							
Recreation and parks							
Athletic complexes	3	3	3	3	3	3	3
Tennis courts	21	21	21	21	21	19	19
Senior center	1	1	1	1	1	1	1
Community activity buildings	8	8	8	8	8	8	9
Park maintenance							
Park acreage							
Owned	1,306	1,402	1,576	1,576	1576	1576	1576
Developed	1,331	1,402	1,576	1,576	1576	1576	1576
Number of parks	60	60	60	60	60	60	60
<b>Water</b>							
Water mains (miles)	310	312	320	322	327	328	329
Connections	23,000	22,760	22,800	23,053	23,154	23,200	23,719
Fire hydrants	2,915	2,930	2,950	2,950	2,970	3,000	2,974
Wells	18	18	17	17	17	17	17
Reservoirs	6	6	6	6	6	6	6
Maximum daily capacity (gallons)	30 million	30 million	30 million	30 million	30 million	30 million	30 million
<b>Sewer</b>							
Sanitary sewers (miles)	259	260	261	261	264	264	266
Connections	21,200	22,626	22,646	23,027	23,350	23,206	23,264
Lift stations	7	7	7	6	6	6	6
<b>Ice Arenas</b>	2	2	2	2	2	2	2
<b>Golf Courses</b>	2	2	2	2	2	2	2
<b>Storm Sewers (Miles)</b>	205	208	209	210	210	213	215
<b>Street / Signal Light</b>							
Streetlights	4,293	4,289	4,289	4,320	4,433	4,448	4,457
Traffic signals	84	84	84	84	84	89	88

Note: No capital asset indicators are available for the general government and community development functions.

Source: Various City departments.

Table 17

Fiscal Year		
2022	2023	2024
2	2	2
87	89	95
4	4	4
18	18	18
266	266	266
117	117	117
563	563	563
3	3	3
19	19	19
1	1	1
9	9	9
1576	1576	1,576
1576	1576	1,576
60	60	60
329	330	330
23,393	23,245	23,403
2,982	2,983	2,985
17	17	17
6	6	6
30 million	30 million	26 million
267	267	267
23,337	23,351	23,363
6	6	6
2	2	2
2	2	2
216	217	217
4,457	4,457	4,552
88	88	88

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**FORM OF LEGAL OPINION**

(See following pages)

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**§[par]**  
**City of Brooklyn Park, Minnesota**  
**General Obligation Bonds**  
**Series 2026A**

We have acted as bond counsel to the City of Brooklyn Park, Minnesota (the “Issuer”) in connection with the issuance by the Issuer of its General Obligation Bonds, Series 2026A (the “Bonds”), originally dated the date hereof, and issued in the original aggregate principal amount of §[par]. 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 [(including any original issue discount properly allocable to the owner of a Bond)] is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Further, and to the extent of the aforementioned federal income tax exclusion, interest on the Bonds is excludable from taxable net income of individuals, trusts, and estates for Minnesota income tax purposes, and is not a preference item for purposes of the computation of the Minnesota alternative minimum tax imposed on individuals, trusts, and estates. The opinions set forth in the preceding sentences are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986 that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes and from taxable net income for Minnesota income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes and in taxable net income for Minnesota income tax purposes, retroactively to the date of issuance of the Bonds. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations and such interest is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. We express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

4. The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors’ rights

generally and by equitable principles, whether considered at law or in equity.

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

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

Dated [\_\_\_\_\_], 2026 at Minneapolis, Minnesota.

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**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](http://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)

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§[par]  
City of Brooklyn Park, Minnesota  
General Obligation Bonds  
Series 2026A

**CONTINUING DISCLOSURE CERTIFICATE**

[\_\_\_\_\_], 2026

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

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

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

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

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

“Bonds” means the General Obligation Bonds, Series 2026A, issued by the Issuer in the original aggregate principal amount of §[par].

“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 [\_\_\_\_\_], 2026, as 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 Brooklyn 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 [\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_] [as syndicate manager].

“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, 2025, 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 BROOKLYN PARK, MINNESOTA**

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Mayor

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City Manager

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**TERMS OF PROPOSAL**

**\$47,880,000\* GENERAL OBLIGATION BONDS, SERIES 2026A  
CITY OF BROOKLYN PARK, MINNESOTA**

Proposals for the purchase of \$47,880,000\* General Obligation Bonds, Series 2026A (the "Bonds") of the City of Brooklyn Park, Minnesota (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3001 Broadway Street, Suite 320, Minneapolis, Minnesota 55413, municipal advisors to the City, until 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:00 A.M., Central Time, on May 11, 2026, at which time they will be opened, read and tabulated. The proposals will be presented to the City Council for consideration for award by resolution at a meeting to be held at 6:00 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 Minnesota Statutes, Sections 471.15 through 471.1911, as amended, and Minnesota Statutes, Chapter 475, as amended, including Section 475.521, and pursuant to an affirmative vote of the City electors on November 6, 2018, by the City, to finance the construction of a new fire station and the renovation of an existing community recreation facility as identified in the City's Bond Reinvestment Plan. The Bonds will be general obligations of the City, for which its full faith, credit and taxing powers are pledged. 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 on the Bonds are at any time insufficient, the City is required to levy additional ad valorem taxes upon all taxable properties within its boundaries, which taxes are not subject to any limitation as to rate or amount.

**DATES AND MATURITIES**

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

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2029	\$1,540,000	2036	\$2,165,000	2043	\$2,980,000
2030	1,620,000	2037	2,275,000	2044	2,710,000
2031	1,700,000	2038	2,390,000	2045	2,835,000
2032	1,785,000	2039	2,495,000	2046	2,960,000
2033	1,870,000	2040	2,605,000	2047	3,100,000
2034	1,965,000	2041	2,725,000	2048	3,245,000
2035	2,065,000	2042	2,850,000		

**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 February 1, 2027, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. **The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2029 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

## BOOK-ENTRY-ONLY FORMAT

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

## PAYING AGENT

The City has selected U.S. Bank Trust Company, National Association, St. Paul, Minnesota, to act as paying agent (the "Paying Agent"). 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 May 28, 2026, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Bonds must be received by the City at its designated depository on the date of closing in immediately available funds.

## LEGAL OPINION

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

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

## SUBMISSION OF PROPOSALS

Proposals must not be for less than \$47,496,960 plus accrued interest on the principal sum of \$47,880,000 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](mailto: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 \$957,600 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the proposal opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of proposals.** The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best proposal provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the proposal is accepted and the Purchaser fails to comply therewith.

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

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

### **AWARD**

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

### **BOND INSURANCE**

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

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

### **CUSIP NUMBERS**

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

### **NOT QUALIFIED TAX-EXEMPT OBLIGATIONS**

The Bonds shall not be "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

### **CONTINUING DISCLOSURE**

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

## NEW ISSUE PRICING

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

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

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

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

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

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

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

- (1) the close of the fifth (5<sup>th</sup>) 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 (5<sup>th</sup>) 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](http://www.ehlers-inc.com) by connecting to the Bond Sales link. The Underwriter (Syndicate Manager) will be provided with an electronic copy of the Final Official Statement within seven business days of the proposal acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of \$10.00 per copy.

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

By Order of the City Council

City of Brooklyn Park, Minnesota

DRAFT

# PROPOSAL FORM

The City Council  
City of Brooklyn Park, Minnesota (the "City")

May 11, 2026

RE: \$47,880,000\* General Obligation Bonds, Series 2026A (the "Bonds")  
DATED: May 28, 2026

For all or none of the above Bonds, in accordance with the Terms of Proposal and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$\_\_\_\_\_ (not less than \$47,496,960) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____ % due	2029	_____ % due	2036	_____ % due	2043
_____ % due	2030	_____ % due	2037	_____ % due	2044
_____ % due	2031	_____ % due	2038	_____ % due	2045
_____ % due	2032	_____ % due	2039	_____ % due	2046
_____ % due	2033	_____ % due	2040	_____ % due	2047
_____ % due	2034	_____ % due	2041	_____ % due	2048
_____ % due	2035	_____ % due	2042		

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

**The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2029 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

**A good faith deposit ("Deposit") in the amount of \$957,600 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the proposal opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of proposals.** The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best proposal provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the proposal is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Terms of Proposal. This proposal is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Terms of Proposal. Delivery is anticipated to be on or about May 28, 2026.

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

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

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

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

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

Account Manager: \_\_\_\_\_ By: \_\_\_\_\_  
Account Members: \_\_\_\_\_

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

The foregoing offer is hereby accepted by and on behalf of the City Council of the City of Brooklyn Park, Minnesota, on May 11, 2026.

By: \_\_\_\_\_ By: \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_